

City of Rock Falls

603 W. 10th Street
Rock Falls, IL 61071-2854

Mayor
William B. Wescott
815-380-5333

City Administrator
Robbin Blackert
815-564-1366



City Clerk
815-622-1100
Ext. 4

City Treasurer
Kay Abner
815-622-1100

Rock Falls City Council Agenda
Council Chambers
603 W 10th Street, Rock Falls IL 61071

September 1, 2020
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 18, 2020 Regular Council Meeting
2. Approval of bills as presented

Ordinances 1st Reading:

1. Ordinance 2020-2492 - Amending Chapter 2, Article VII of the Rock Falls Municipal Code Abolishing the Position of City Collector
2. Ordinance 2020-2493 - Ordinance providing for the payment of the outstanding General Obligation Bonds (Alternate Revenue Source), Series 2017A, of the City of Rock Falls, Whiteside County, Illinois, and the Execution and Delivery of an Escrow Agreement in Connection Therewith
3. Ordinance 2020-2494 - Ordinance Authorizing Sale of Surplus Property and Further Authorizing the Mayor to Execute an Agreement with Surf Air Wireless, LLC for the Same

Ordinances 2nd Reading and Adoption:

City Administrator Robbin Blackert

1. Request to close Mary Avenue from E 10th Street to E 11th Street on September 12, 2020 from 12:00 p.m. until 10:00 p.m. for a Block Party

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 – Finance/Insurance/Investment Committee Chairman

1. Approval of Agreement between the City of Rock Falls and the Local Union No. 196 of the International Brotherhood of Electrical Workers, AFL-CIO (Clerical)
2. Ordinance 2020-2491 – Approving and Adopting a new Collective Bargaining Agreement for the time period of September 1, 2020 through August 31, 2024 between the City of Rock Falls and the Local Union no. 196 of the International Brotherhood of Electrical Workers, AFL-CIO (Clerical)
3. Resolution 2020-580 – Authorizing Transfer of Funds to Escrow Account Relating to Bond Defeasance Made in Connection with Fibernet Asset Sale

Ward 2

Alderman Brian Snow – Building Code Committee Chairman

Alderman Casey Babel

Ward 3

Alderman Jim Schuneman – Utility Committee Chairman/Tourism Committee Chairman

Alderman Rod Kleckler – Public Works/Public Property Committee Chairman

Ward 4

Alderman Lee Folsom – Police/Fire Committee Chairman

Alderman Violet Sobottka – Ordinance/License/Personnel/Safety Committee Chairman

Mayor's Report

1. Appoint Emily Roth to the Tourism Committee as a citizen at large replacing Mike Sterba, term to start immediately through November 2022
2. Appoint Alderman Casey Babel to the Tourism Committee

Executive Session

1. Personnel Section 2(c)(1) – Employee hiring, firing, compensation, discipline and performance

Action Taken from Executive Session

Adjournment

Next City Council meeting – September 15, 2020 at 6:30 p.m.

Posted: August 28, 2020

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 18, 2020

The regular meeting of the Mayor and City Council of Rock Falls, Illinois was called to order at 6:30 p.m. August 18, 2020 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 Wescott, Aldermen Palmer, Wangelin, Snow, Babel, Schuneman, Kleckler and Sobottka. In addition, Attorney Matt Keegan, Attorney James Reese and City Administrator Robbin Blackert were present.

Sam Smith from the Rock Falls Chamber of Commerce updated the City Council on events that they are planning. They have a program in the works, Business Boot Camp, to help create new plans for businesses and help with marketing plans to help them move forward. Garage Sale Days will be September 25 and 26, 2020. Burgers for Community fundraiser will be on September 25, 2020 from 11 a.m. until 2:00 p.m., this will be open to the public. They are working on Hometown Holidays and are unsure of exactly what it will look like this year.

Consent Agenda items 1 and 2 were read aloud by Deputy City Clerk Michelle Conklin.

1. Approval of the Minutes of the August 4, 2020 Regular Council Meeting
2. Approval of bills as presented

A motion was made by Alderman Snow and second by Alderman Sobottka to approve Consent Agenda items 1 and 2.

Vote 7 aye, motion carried.

A motion was made by Alderman Schuneman and second by Alderman Snow to approve an Agreement for Services with Terracon Consultants for Asbestos Survey, Micro Industries Building, 200 W 2nd St, Rock Falls IL 61071.

Vote 7 aye, motion carried.

A motion was made by Alderman Schuneman and second by Alderman Snow to approve the Mayor's appointment of Chris Heier to the Fire Pension Board, term to take effect immediately and go through April 2022.

Vote 7 aye, motion carried.

A motion was made by Alderman Sobottka and second by Alderman Palmer to enter into Executive Session for the purpose of:

1. Section 2(c)(1) - Personnel - Employee hiring, firing, compensation, discipline and performance

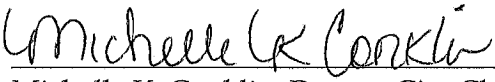
Vote 7 aye, motion carried. (6:42 p.m.)

A motion was made by Alderman Snow and second by Alderman Wangelin to return to regular session.

Vote 7 aye, motion carried. (6:44 p.m.)

A motion was made by Alderman Sobottka and second by Alderman Palmer to accept the resignation of Tourism Director Megan Horsman and instruct the Mayor to sign the Separation and Release of Claims Agreement by and between Megan Horsman and the City of Rock Falls.
Vote 7 aye, motion carried.

A motion was made by Alderman Sobottka and second by Alderman Snow to Adjourn.
Viva Voce Vote, motion carried. (6:46 p.m.)


Michelle K. Conklin, Deputy City Clerk

CITY OF ROCK FALLS

Rock Falls, Illinois 09/01/2020

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:

Tourism		6231.31
General Fund		71261.70
TIF-Downtown Redevelopment		544.45
Building Code Demolition Fund		86.00
Employee Group Insurance		60.60
Electric		159138.05
Fiber Optic Broadband	Taxable	953.17
Sewer		18628.98
Water		20961.08
Garbage Fund		306.50
Customer Service Center		893.64
DUI Fund		\$524.31
Drug Fund		\$250.40
Customer Utility Deposit		\$16.39
		\$279,856.58

Alderman Kleckler
Alderman Wangelin
Alderman Palmer

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CITY OF ROCK FALLS
 DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 08/21/2020

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

TOURISM			
05	TOURISM		
200	COM ED	498.56	21.04
4501	SAUK VALLEY AREA		100.00
5015	CARD SERVICE CENTER	8,187.00	742.08
5032	COMCAST	1,210.64	11.15
5178	COMCAST BUSINESS	2,025.91	19.93
T0005360	QUAD CITY PRESS		270.00
T0005361	RIVER BRIDGE LLC/PETE HARKNESS		5,000.00
	TOURISM		6,164.20
GENERAL FUND			
01	ADMINISTRATION		
4331	CIRCUIT CLERK OF LEE COUNTY	300.00	100.00
4392	WILLIAM B WESCOTT	160.00	265.65
5015	CARD SERVICE CENTER	8,187.00	40.19
5032	COMCAST	1,210.64	11.15
5178	COMCAST BUSINESS	2,025.91	19.93
	ADMINISTRATION		436.92
02	CITY ADMINISTRATOR		
5015	CARD SERVICE CENTER	8,187.00	336.00
5032	COMCAST	1,210.64	5.57
5178	COMCAST BUSINESS	2,025.91	19.93
	CITY ADMINISTRATOR		361.50
03	PLANNING/ZONING		
5015	CARD SERVICE CENTER	8,187.00	135.68
	PLANNING/ZONING		135.68
04	BUILDING		
5032	COMCAST	1,210.64	22.29
5178	COMCAST BUSINESS	2,025.91	39.89
	BUILDING		62.18

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INVOICES DUE ON/BEFORE 08/21/2020

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

GENERAL FUND			
05	CITY CLERK'S OFFICE		
5015	CARD SERVICE CENTER	8,187.00	60.64
5032	COMCAST	1,210.64	22.29
5178	COMCAST BUSINESS	2,025.91	39.87
	CITY CLERK'S OFFICE		122.80
06	POLICE		
1849	ROCK FALLS PIT STOP		383.00
2181	GLOCK PROFESSIONAL INC.		500.00
364	GRUMMERTS HARDWARE - STERLING	250.13	32.99
4796	VERIZON WIRELESS	3,914.27	309.92
5015	CARD SERVICE CENTER	8,187.00	320.13
5032	COMCAST	1,210.64	172.56
5178	COMCAST BUSINESS	2,025.91	79.70
683	P. F. PETTIBONE & CO.	52.00	47.00
752	ROCK FALLS AREA DOG CONTROL	1,507.26	480.42
956	UNIFORM DEN INC	421.99	548.01
	POLICE		2,873.73
07	CODE HEARING DEPARTMENT		
4929	TIMOTHY J SLAVIN	1,900.00	1,270.00
T0005359	ANN'S SIGN LANGUAGE, INC		165.53
	CODE HEARING DEPARTMENT		1,435.53
10	STREET		
194	GRUMMERT'S HARDWARE - R.F.	2,003.51	7.37
4207	O'REILLY AUTOMOTIVE INC	1,392.81	5.55
4796	VERIZON WIRELESS	3,914.27	128.84
5032	COMCAST	1,210.64	11.15
5178	COMCAST BUSINESS	2,025.91	19.93
5269	DIXON PAINT COMPANY		1,001.82
55	ARAMARK UNIFORM SERVICES, INC.	3,173.88	93.81
631	MURRAY & SONS EXCAVATING, INC	84,957.50	1,170.00
651	NICOR	7,700.92	132.62
	STREET		2,571.09

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INVOICES DUE ON/BEFORE 08/21/2020

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

GENERAL FUND			
12	PUBLIC PROPERTY		
1279	WILCO RENTAL	1,510.39	25.00
148	CAR-SKADEN BRAKE SERVICE		22.00
364	GRUMMERTS HARDWARE - STERLING	250.13	77.08
4579	CROWN EXTERMINATORS, INC	115.00	65.00
5015	CARD SERVICE CENTER	8,187.00	187.34
	PUBLIC PROPERTY		376.42
13	FIRE		
194	GRUMMERT'S HARDWARE - R.F.	2,003.51	4.92
4447	FRANK'S SMALL ENGINE REPAIR	14.35	60.89
4866	LOESCHER		372.50
5015	CARD SERVICE CENTER	8,187.00	65.61
5032	COMCAST	1,210.64	58.91
5178	COMCAST BUSINESS	2,025.91	59.78
	FIRE		622.61
BUILDING CODE DEMOLITION FUND			
12	BUILDING CODE DEMOLITION FUND		
4027	WHITESIDE COUNTY RECORDER	345.50	43.00
	BUILDING CODE DEMOLITION FUND		43.00
TIF - DOWNTOWN REDEVELOPMENT			
19	DOWNTOWN REDEVELOPMENT		
T0004268	ANOVA		544.45
	DOWNTOWN REDEVELOPMENT		544.45
ELECTRIC FUND			
20	OPERATION & MAINTENANCE		
1052	SAUK VALLEY MEDIA	1,327.95	892.35
1224	AIRGAS USA LLC	1,052.47	39.53
1255	VERMEER SALES & SERVICE OF		1,007.03
2557	ASPLUNDH TREE EXPERT CO.	75,486.38	5,920.50

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VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

ELECTRIC FUND			
20	OPERATION & MAINTENANCE		
2718	TOM ROWZEE		85.00
31	ALTEC INDUSTRIES, INC.	2,667.29	133.18
332	FYR-FYTER, INC.	34.50	93.00
34	ALTORFER INC.	729,981.04	82,274.67
4089	JEFF TUPPER		21.20
4136	ILLINOIS EPA	15,000.00	4,139.00
4207	O'REILLY AUTOMOTIVE INC	1,392.81	22.12
4215	POWER LINE SUPPLY	13,199.66	1,296.60
439	IMEA		1,400.00
4544	UPS	143.80	10.35
4548	ELEVATOR CONSTRUCTION	4,687.50	1,650.00
4730	FLETCHER-REINHARDT CO	5,249.09	153.00
4796	VERIZON WIRELESS	3,914.27	851.87
4973	HERITAGE CRYSTAL CLEAN LLC		534.00
5008	POWER SYSTEM ENGINEERING INC	28,728.25	420.00
5015	CARD SERVICE CENTER	8,187.00	284.95
5020	GRAYBAR	5,910.61	941.24
5032	COMCAST	1,210.64	55.70
5083	HIGH VOLTAGE EQUIP DIAG INC		6,715.50
5135	BUNTJER BROS INC	6,337.90	240.00
5178	COMCAST BUSINESS	2,025.91	39.90
5210	RITZ SAFETY LLC	1,610.75	782.28
5234	IMPERIAL CRANE SERVICES INC	25,837.50	12,650.00
5287	THE WILSON BOHANNAN COMPANY		145.27
5299	GREAT WESTERN SUPPLY CO	354.60	452.37
651	NICOR	7,700.92	370.18
918	THOMASSON COMPANY		11,567.00
964	UUSCO	1,812.00	2,730.00
T0005362	COMCAST CLAIMS CENTER		366.97
	OPERATION & MAINTENANCE		138,284.76

FIBER OPTIC BROADBAND/TAXABLE			
23	FIBER OPTIC BROADBAND/TAXABLE		
4796	VERIZON WIRELESS	3,914.27	291.40
5197	COS SYSTEMS INC	1,500.00	500.00
	FIBER OPTIC BROADBAND/TAXABLE		791.40

SEWER FUND			
38	OPERATION & MAINTENANCE		

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VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

SEWER FUND			
38	OPERATION & MAINTENANCE		
1279	WILCO RENTAL	1,510.39	781.96
200	COM ED	498.56	133.10
423	AT&T	3,034.82	383.89
4796	VERIZON WIRELESS	3,914.27	166.84
5015	CARD SERVICE CENTER	8,187.00	576.50
5032	COMCAST	1,210.64	39.01
5178	COMCAST BUSINESS	2,025.91	19.93
641	NEENAH FOUNDRY CO MUNICIPAL		3,614.00
	OPERATION & MAINTENANCE		5,715.23
WATER FUND			
48	OPERATION & MAINTENANCE		
1740	VIKING CHEMICAL CO	2,188.00	2,300.00
4796	VERIZON WIRELESS	3,914.27	76.02
5015	CARD SERVICE CENTER	8,187.00	183.84
5032	COMCAST	1,210.64	27.86
5178	COMCAST BUSINESS	2,025.91	19.93
55	ARAMARK UNIFORM SERVICES, INC.	3,173.88	97.83
631	MURRAY & SONS EXCAVATING, INC	84,957.50	2,713.00
	OPERATION & MAINTENANCE		5,418.48
GARBAGE FUND			
50	GARBAGE		
5216	CLOUD NINE COMMUNICATIONS	1,580.00	99.00
	GARBAGE		99.00
CUSTOMER SERVICE CENTER			
51	CUSTOMER SERVICE CENTER		
5032	COMCAST	1,210.64	39.01
5178	COMCAST BUSINESS	2,025.91	39.89
771	PINNEY PRINTING CO	8,320.76	433.50
	CUSTOMER SERVICE CENTER		512.40

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VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

DUI FUND			
55	DUI		
5015	CARD SERVICE CENTER	8,187.00	272.67
662	RAY O'HERRON CO., INC.		251.64
	DUI		524.31
DRUG FUND			
56	DRUG ABUSE		
4806	AXON ENTERPRISE INC	209.00	250.40
	DRUG ABUSE		250.40
	TOTAL ALL DEPARTMENTS		167,346.09

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VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

TOURISM			
05	TOURISM		
5032	COMCAST	1,687.29	5.82
5178	COMCAST BUSINESS	2,444.52	39.29
829	SELF HELP ENTERPRISE	81.40	22.00
	TOURISM		67.11
GENERAL FUND			
01	ADMINISTRATION		
4011	SAUK VALLEY BANK & TRUST CO.		45,870.30
4310	PITNEY BOWES	1,008.50	1,008.50
4664	STAPLES ADVANTAGE	288.33	33.49
5032	COMCAST	1,687.29	5.82
5178	COMCAST BUSINESS	2,444.52	39.29
	ADMINISTRATION		46,957.40
02	CITY ADMINISTRATOR		
4664	STAPLES ADVANTAGE	288.33	2.83
5032	COMCAST	1,687.29	2.91
5178	COMCAST BUSINESS	2,444.52	39.29
	CITY ADMINISTRATOR		45.03
04	BUILDING		
5032	COMCAST	1,687.29	11.63
5178	COMCAST BUSINESS	2,444.52	78.67
5253	WEX BANK	14,468.68	266.17
	BUILDING		356.47
05	CITY CLERK'S OFFICE		
2985	WALMART COMMUNITY/SYNCB	1,432.41	63.00
4664	STAPLES ADVANTAGE	288.33	23.40
5032	COMCAST	1,687.29	11.63
5178	COMCAST BUSINESS	2,444.52	78.63
	CITY CLERK'S OFFICE		176.66

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VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

GENERAL FUND			
06	POLICE		
350	GISI BROS. INC.	3,482.88	152.96
5032	COMCAST	1,687.29	96.39
5140	JULIA DEETS		317.02
5178	COMCAST BUSINESS	2,444.52	157.19
5253	WEX BANK	14,468.68	2,779.69
795	SBM BUSINESS EQUIPMENT CENTER	3,770.14	220.87
T0005364	SEGNERI CUSTOM INSTALLS INC		150.00
	POLICE		3,874.12
10	STREET		
1023	WILLETT, HOFMANN & ASSOCIATES	64,363.28	6,319.85
1773	ATCO INTERNATIONAL		310.80
194	GRUMMERT'S HARDWARE - R.F.	2,015.80	39.98
2606	MIKE'S REPAIR SERVICE	529.79	9.50
2771	WINDSTREAM	1,300.76	482.00
2985	WALMART COMMUNITY/SYNCB	1,432.41	95.95
4775	BIRKEY'S FARM STORE INC	78.62	186.80
5032	COMCAST	1,687.29	5.82
5178	COMCAST BUSINESS	2,444.52	39.29
5253	WEX BANK	14,468.68	1,120.70
55	ARAMARK UNIFORM SERVICES, INC.	3,365.52	104.14
	STREET		8,714.83
12	PUBLIC PROPERTY		
423	AT&T	3,418.71	711.88
	PUBLIC PROPERTY		711.88
13	FIRE		
350	GISI BROS. INC.	3,482.88	312.83
4651	MOST PLUMBING & MECHANICAL LLC	5,385.25	232.00
4796	VERIZON WIRELESS	5,739.16	167.96
5032	COMCAST	1,687.29	20.36
5178	COMCAST BUSINESS	2,444.52	117.88
5253	WEX BANK	14,468.68	504.57
T0005238	FIRE EQUIPMENT PREVENTATIVE		71.25
	FIRE		1,426.85

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VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

BUILDING CODE DEMOLITION FUND			
12	BUILDING CODE DEMOLITION FUND		
T0005363	LUDENS & POTTER		43.00
	BUILDING CODE DEMOLITION FUND		43.00
EMPLOYEE GROUP INSURANCE			
15	EMPLOYEE GROUP INS		
T0004780	MAST WATER TECHNOLOGY	161.70	60.60
	EMPLOYEE GROUP INS		60.60
ELECTRIC FUND			
20	OPERATION & MAINTENANCE		
1527	RESCO	68,322.02	8,745.00
194	GRUMMERT'S HARDWARE - R.F.	2,015.80	27.95
2187	BORDER STATES INDUSTRIES INC	7,107.33	154.00
2606	MIKE'S REPAIR SERVICE	529.79	47.40
2771	WINDSTREAM	1,300.76	-238.76
283	ANIXTER INC	130,461.55	1,132.50
2985	WALMART COMMUNITY/SYNCB	1,432.41	5.36
31	ALTEC INDUSTRIES, INC.	2,800.47	58.02
395	HILLS ELECTRIC MOTOR SERVICE	375.21	310.43
4626	ENGEL ELECTRIC CO.	8,207.81	695.00
4964	EMEDCO INC		399.90
5008	POWER SYSTEM ENGINEERING INC	29,148.25	1,015.00
5032	COMCAST	1,687.29	39.05
5129	STUART C IRBY CO	24,175.89	773.35
5134	ANDAX		1,149.98
5178	COMCAST BUSINESS	2,444.52	78.76
5253	WEX BANK	14,468.68	1,723.35
5297	UTILITY ASSET MANAGEMENT INC	41,643.00	4,452.00
631	MURRAY & SONS EXCAVATING, INC	88,840.50	285.00
	OPERATION & MAINTENANCE		20,853.29
FIBER OPTIC BROADBAND/TAXABLE			
23	FIBER OPTIC BROADBAND/TAXABLE		
5253	WEX BANK	14,468.68	161.77
	FIBER OPTIC BROADBAND/TAXABLE		161.77

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INVOICES DUE ON/BEFORE 08/28/2020

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

SEWER FUND			
30	SEWER		
1023	WILLETT, HOFMANN & ASSOCIATES	64,363.28	1,237.80
631	MURRAY & SONS EXCAVATING, INC	88,840.50	4,272.50
	SEWER		5,510.30
38	OPERATION & MAINTENANCE		
1165	CEC OF THE SAUK VALLEY INC	1,626.70	744.12
1279	WILCO RENTAL	2,317.35	78.35
194	GRUMMERT'S HARDWARE - R.F.	2,015.80	13.03
2517	WM CORPORATE SERVICES, INC	8,307.66	1,077.14
2985	WALMART COMMUNITY/SYNCB	1,432.41	6.40
34	ALTORFER INC.	812,255.71	255.84
4027	WHITESIDE COUNTY RECORDER	388.50	21.50
4119	USA BLUE BOOK	4,062.19	384.42
4345	MANLIUS OIL CO., INC		1,647.63
4796	VERIZON WIRELESS	5,739.16	76.02
482	JOHNSON OIL CO	1,348.80	203.58
4970	WELCH BROS BELVIDERE INC		899.00
5032	COMCAST	1,687.29	20.36
5131	METROPOLITAN INDUSTRIES, INC.	1,223.50	1,477.50
5178	COMCAST BUSINESS	2,444.52	39.29
5253	WEX BANK	14,468.68	459.27
	OPERATION & MAINTENANCE		7,403.45
WATER FUND			
40	WATER		
1023	WILLETT, HOFMANN & ASSOCIATES	64,363.28	8,386.53
4361	FERGUSON WATERWORKS #2516	33,730.00	2,572.48
	WATER		10,959.01
48	OPERATION & MAINTENANCE		
194	GRUMMERT'S HARDWARE - R.F.	2,015.80	41.55
219	CRESCENT ELECTRIC	1,309.90	86.73
2771	WINDSTREAM	1,300.76	314.00
2985	WALMART COMMUNITY/SYNCB	1,432.41	98.50
4027	WHITESIDE COUNTY RECORDER	388.50	21.50

DATE: 08/27/20
TIME: 10:36:20
ID: AP443000.WOW

CITY OF ROCK FALLS
DEPARTMENT SUMMARY REPORT

PAGE: 5

INVOICES DUE ON/BEFORE 08/28/2020

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

WATER FUND			
48	OPERATION & MAINTENANCE		
4141	JEFF BEHRENS EXCAVATING		1,320.00
4361	FERGUSON WATERWORKS #2516	33,730.00	1,788.62
4796	VERIZON WIRELESS	5,739.16	114.03
5032	COMCAST	1,687.29	14.54
5141	CINTAS CORPORATION	388.31	240.88
5178	COMCAST BUSINESS	2,444.52	39.29
5253	WEX BANK	14,468.68	406.12
55	ARAMARK UNIFORM SERVICES, INC.	3,365.52	97.83
	OPERATION & MAINTENANCE		4,583.59
GARBAGE FUND			
50	GARBAGE		
4446	MORING DISPOSAL, INC.	175,033.94	207.50
	GARBAGE		207.50
CUSTOMER SERVICE CENTER			
51	CUSTOMER SERVICE CENTER		
5032	COMCAST	1,687.29	20.36
5178	COMCAST BUSINESS	2,444.52	78.67
771	PINNEY PRINTING CO	8,754.26	282.21
	CUSTOMER SERVICE CENTER		381.24
CUSTOMER UTILITY DEPOSITS			
75	CUSTOMER UTILITY DEPOSITS		
4620	TRI-COUNTY OPP COUNCIL		16.39
	CUSTOMER UTILITY DEPOSITS		16.39
	TOTAL ALL DEPARTMENTS		112,510.49

CITY OF ROCK FALLS

ORDINANCE NO. _____

**ORDINANCE AMENDING CHAPTER 2, ARTICLE VII
OF THE ROCK FALLS CITY CODE
ABOLISHING THE POSITION OF CITY COLLECTOR**

ADOPTED BY THE

CITY COUNCIL

OF THE

CITY OF ROCK FALLS

THIS _____ DAY OF _____, 2020

Published in pamphlet form by authority of the City Council of the City of Rock Falls, Illinois,
this _____ day of _____, 2020.

ORDINANCE NO. _____

**ORDINANCE AMENDING CHAPTER 2, ARTICLE VII
OF THE ROCK FALLS CITY CODE
ABOLISHING THE POSITION OF CITY COLLECTOR**

WHEREAS, Section 3.1-35-120 of the Illinois Municipal Code (65 ILCS 5/1-1.1 et. seq.) authorizes the corporate authorities of any municipality to establish and appoint the position of city collector; and

WHEREAS, among the duties of the city collector is to keep books and accounts of the City, to collect money and other revenues of the City on the City's behalf, and to act as the City's designated Freedom of Information Act (FOIA) officer; and

WHEREAS, following a discussion of said duties, the Mayor and City Council (collectively, the "Corporate Authorities") have determined that, through the passage of time, the duties of the city collector have been delegated or assigned to other positions within the City's staff, and that the position of city collector is no longer needful or necessary to maintain; and

WHEREAS, the Corporate Authorities of the City have determined it in the best interests of the City and its residents to abolish the position of city collector and to designate the City's business office superintendent as the City's FOIA officer, all as more specifically set forth herein.

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 City hereby finds that all of the recitals contained in the preambles to this Ordinance are true and correct and does incorporate them into this Ordinance by this reference.

SECTION 2: The position of city collector within the City of Rock Falls is hereby abolished. Chapter 2, Article VII, Division 5.5 of the Rock Falls Municipal Code is repealed in its entirety.

SECTION 3: Chapter 2, Article VII of the Rock Falls Municipal Code, as amended, is further amended by the addition of a new Section 2-246 entitled "City's business office superintendent designated as Freedom of Information Act (FOIA) officer" to read as follows:

"Sec. 2-246. – City's business office superintendent designated as Freedom of Information Act (FOIA) officer.

- (a) The city's business office superintendent is hereby appointed by the city council to be the designated chief Freedom of Information Act officer for the city to be responsible for and to perform those duties required by the Illinois Freedom of Information Act, 5 ILCS 140/1 et seq., (the "Act"). In

such capacity the business office superintendent shall be responsible for maintaining the city's compliance with all statutory obligations of the Act and be empowered to consult with the city attorney for all issues relating to the Act. The deputy city clerk shall also serve as a designated Freedom of Information Act officer and shall assist the business office superintendent in performing such duties as necessary to maintain the city's compliance with the Act.

- (b) The business office superintendent shall make available for inspection and copying upon request or through the mail:
 - (1) The directory of Freedom of Information Act officers;
 - (2) The address where a request for public records should be directed; and
 - (3) The schedule of fees allowable under Section 6 of the Act, which the business officer superintendent shall also cause to be posted on the official website of the city.”

SECTION 4: In all other respects, Chapter 2, Article VII of the Rock Falls Municipal Code shall remain in full force and effect as previously adopted and/or amended.

SECTION 5: 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 6: The City Clerk is directed to publish this Ordinance in pamphlet form.

SECTION 7: 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 _____, 2020.

Mayor

ATTEST:

City Clerk

AYE

NAY

MINUTES of a regular public meeting of the Council of the City of Rock Falls, Whiteside County, Illinois, held in the Council Chambers of the Municipal Complex, 603 West 10th Street, Rock Falls, Illinois, at 6:30 o'clock P.M. on the 1st day of September, 2020.

The Mayor called the meeting to order and directed the City Clerk to call the roll.

Upon the roll being called, the following Aldermen were physically present at said location: _____

The following Aldermen attended the meeting by video or audio conference: _____

The following Aldermen were absent and did not participate in the meeting in any manner or to any extent whatsoever: _____

The following officials of the City were physically present at said location and ensured that members of the public present could hear all discussion and testimony and all votes of the members of the body, the availability of electronic meeting access by video and/or audio conference to any members of the public attending the meeting in person at said location and requesting such access: _____

Access to the meeting was provided to members of the public to contemporaneously hear all discussion, testimony, and roll call votes by the following means: _____

The Mayor announced that the next item on the agenda was the consideration of an ordinance providing for the payment of the City's outstanding General Obligation Bonds (Alternate Revenue Source), Series 2017A, dated April 27, 2017, and authorizing the execution and delivery of an escrow agreement in connection therewith.

Whereupon, the Mayor presented and the City Clerk made available to the Aldermen and interested members of the public, complete copies of an ordinance entitled:

ORDINANCE providing for the payment of the outstanding General Obligation Bonds (Alternate Revenue Source), Series 2017A, of the City of Rock Falls, Whiteside County, Illinois, and the execution and delivery of an escrow agreement in connection therewith.

(the "*Ordinance*").

Alderman _____ then moved and Alderman _____ seconded the motion that the Ordinance as presented be adopted.

After a full discussion thereof, the Mayor directed that the roll be called for a vote upon the motion to adopt the Ordinance.

Upon the roll being called, the following Aldermen voted AYE: _____

and the following Aldermen voted NAY: _____

Whereupon, the Mayor declared the motion carried and the Ordinance adopted, and henceforth did approve and sign the same in open meeting, and did direct the City Clerk to record the same in full in the records of the Council of the City of Rock Falls, Whiteside County, Illinois.

Other business was duly transacted at said meeting.

Upon motion duly made and carried, the meeting adjourned.

City Clerk

ORDINANCE providing for the payment of the outstanding General Obligation Bonds (Alternate Revenue Source), Series 2017A, of the City of Rock Falls, Whiteside County, Illinois, and the execution and delivery of an escrow agreement in connection therewith.

* * *

WHEREAS, the City of Rock Falls, Whiteside County, Illinois (the “*City*”), is a duly organized and existing municipality and unit of local government created under the provisions of the laws of the State of Illinois, is now operating under the provisions of the Illinois Municipal Code (the “*Municipal Code*”), and all laws amendatory thereof or supplementary thereto, including the Local Government Debt Reform Act, as amended; and

WHEREAS, the City has previously issued and there are currently outstanding General Obligation Bonds (Alternate Revenue Source), Series 2017A, dated April 27, 2017 (the “*Bonds*”) and were issued such that the interest on the Bonds is not included in gross income of the owners thereof for federal income tax purposes (“*Tax-Exempt Bonds*”); and

WHEREAS, the Bonds were issued to pay the costs of designing, constructing and operating a broadband internet system for the City (the “*Broadband System*”);

WHEREAS, the City has determined that it is in the best interests of the City to sell the Broadband System; and

WHEREAS, given the sale of the Broadband System, in order to maintain the status of the Bonds as Tax-Exempt Bonds, the City must provide for the payment of the Bonds on their earliest possible redemption date; and

WHEREAS, the Council of the City (the “*Council*”) has determined that the City has funds on hand and lawfully available in an amount not to exceed \$3,000,000 to so provide for the payment of the outstanding Bonds (the “*Available Funds*”); and

WHEREAS, the Available Funds are sufficient, together with investment earnings thereon, to provide for the payment of all of the principal of and interest on the outstanding Bonds through and including the optional redemption date thereof; and

WHEREAS, the Council hereby finds that it is in the best interests of the City to apply the Available Funds to the payment of the Bonds when due and upon redemption prior to maturity (the “*Defeasance*”); and

WHEREAS, in accordance with their terms, the Bonds may be called for redemption in advance of their respective maturities, and it is necessary and desirable to make such call for the redemption of the Bonds on their earliest possible call date, and provide for the giving of proper notice to the registered owners of the Bonds; and

WHEREAS, in order to properly provide for the payment of the Bonds, it will be necessary to irrevocably deposit the Available Funds in escrow with an escrow agent, the same being Sauk Valley Bank and Trust Company, Sterling, Illinois, or such other bank or trust company authorized to do business in the State of Illinois (the “*Escrow Agent*”) as set forth in the agreement between the City and the Escrow Agent establishing said escrow account (the “*Escrow Agreement*”), to pay the principal of and interest on the Bonds when due and upon redemption prior to maturity; and

WHEREAS, it is necessary that the Council authorize the form of Escrow Agreement with the Escrow Agent and direct the execution of the Escrow Agreement by officers of the City:

NOW, THEREFORE, Be It Ordained by the Council of the City of Rock Falls, Whiteside County, Illinois, as follows:

Section 1. Incorporation of Preambles. The Council hereby finds that all of the recitals contained in the preambles to this Ordinance are full, true and correct and does incorporate them into this Ordinance by this reference.

Section 2. Form and Authorization of Agreement. The Available Funds shall be deposited into an escrow account (the “*Escrow Account*”) held by the Escrow Agent pursuant to the Escrow Agreement. The Escrow Agreement shall be in substantially the form attached hereto as *Exhibit A* with such changes therein as shall be approved by the officers of the City executing the Escrow Agreement, such execution to constitute evidence of the approval of such changes, for the purpose of paying the Bonds. The Council approves the form, terms and provisions of the Escrow Agreement and authorizes the Mayor and the City Clerk to execute, attest and deliver the Escrow Agreement in the name and on behalf of the City. Amounts in the escrow will be held in cash or be used to purchase non-callable direct obligations of or non-callable obligations guaranteed by the full faith and credit of the United States of America as to principal and interest or U.S. Treasury Securities—State and Local Government Series (the “*Government Securities*”), in each case sufficient to provide for the Defeasance. The Escrow Agent and Robert W. Baird & Co. Incorporated are hereby authorized to act as agent for the City in the purchase of the Government Securities described in the previous sentence. The sufficiency of the Government Securities and the interest earned thereon to provide for the Defeasance shall be determined by a verification agent to be selected by the Mayor.

Section 3. Transfer and Deposit of Available Funds. The Available Funds are hereby appropriated for the Defeasance and are hereby ordered deposited into the Escrow Account pursuant to the Escrow Agreement to provide for the payment of all principal of and interest on the Bonds when due and upon redemption prior to maturity. The City Treasurer is hereby authorized and directed forthwith to transfer the Available Funds in the amount necessary to effectuate the Defeasance to the Escrow Agent to be deposited into the Escrow Account. The amount of such Available Funds which are necessary to be deposited into the Escrow Account shall be conclusively established under the terms of the Escrow Agreement.

Section 4. Call of the Bonds. In accordance with the redemption provisions of the ordinance authorizing the Bonds, the City by the Council does hereby make provision for the payment of and does hereby call the Bonds for redemption on April 1, 2027, the same being the earliest possible call date for the Bonds.

Section 5. Abatement of Tax. The Mayor, the City Clerk and the City Treasurer be and the same are hereby directed to prepare and file with the County Clerk a Certificate of Reduction of Taxes Heretofore Levied for the Payment of Bonds showing the Bonds being paid and directing the abatement of the taxes heretofore levied to pay the Bonds.

Section 6. Severability. If any section, paragraph, clause or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

Section 7. Superseder and Effective Date. All ordinances, resolutions, and orders, or parts thereof, in conflict herewith, are to the extent of such conflict hereby superseded, and this Ordinance shall be in full force and effect immediately upon its passage and approval.

ADOPTED: September 1, 2020

AYES: _____

NAYS: _____

ABSENT: _____

Approved: September 1, 2020

Mayor, City of Rock Falls,
Whiteside County, Illinois

ATTEST:

City Clerk, City of Rock Falls,
Whiteside County, Illinois

Recorded in the City Records on September 1, 2020.

EXHIBIT A

FORM OF ESCROW AGREEMENT

STATE OF ILLINOIS)
) SS
COUNTY OF WHITESIDE)

CERTIFICATION OF ORDINANCE AND MINUTES

I, the undersigned, do hereby certify that I am the duly qualified and acting City Clerk of the City of Rock Falls, Whiteside County, Illinois (the “City”), and as such official I am the keeper of the records and files of the Council of the City (the “Council”).

I do further certify that the foregoing constitutes a full, true and complete transcript of the minutes of the meeting of the Council held on the 1st day of September, 2020, insofar as same relates to the adoption of Ordinance No. _____ entitled:

ORDINANCE providing for the payment of the outstanding General Obligation Bonds (Alternate Revenue Source), Series 2017A, of the City of Rock Falls, Whiteside County, Illinois, and the execution and delivery of an escrow agreement in connection therewith.

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

I do further certify that the deliberations of the Council on the adoption of said ordinance were conducted openly, that the vote on the adoption of said ordinance was taken openly, that said meeting was held at a specified time and place convenient to the public, that notice of said meeting was duly given to all of the news media requesting such notice, that an agenda for said meeting was posted at the location where said meeting was held and at the principal office of the Council at least 96 hours in advance of the holding of said meeting, that at least one copy of said agenda was continuously available for public review during the entire 96-hour period preceding said meeting, that said agenda contained a separate specific item concerning the proposed adoption of said ordinance, a true, correct and complete copy of the agenda as so posted being attached hereto as *Exhibit A*, that said meeting was called and held in strict compliance with the provisions the Open Meetings Act of the State of Illinois, as amended, and with the provisions of the Illinois Municipal Code, as amended, and that the Council has complied with all of the applicable provisions of said Act and said Code and its procedural rules in the adoption of said ordinance.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the City, this 1st day of September, 2020.

City Clerk

[SEAL]

[Clerk to attach agenda]

ESCROW AGREEMENT

This Escrow Agreement (this “*Agreement*”), dated as of the date witnessed hereinbelow, by and between the City of Rock Falls, Whiteside County, Illinois (the “*City*”), and [Sauk Valley Bank & Trust Company], a banking corporation having trust powers, organized and operating under the laws of the United States of America, located in [Sterling, Illinois] (the “*Escrow Agent*”), in consideration of the mutual promises and agreements herein set forth:

WITNESSETH:

ARTICLE I

DEFINITIONS

The following words and terms used in this Agreement shall have the following meanings unless the context or use clearly indicates another or different meaning:

Section 1.01. “*Council*” means the City Council of the City.

Section 1.02. “*Code*” means Section 148 of the Internal Revenue Code of 1986, and all lawful regulations promulgated thereunder.

Section 1.03. “*Defeased Bonds*” means the outstanding General Obligation Bonds (Alternate Revenue Source), Series 2017A, dated of April 27, 2017, due on October 1 of the years and in the amounts and bearing interest as follows:

YEAR OF MATURITY	PRINCIPAL AMOUNT	RATE OF INTEREST
2032	\$520,000	3.250%
2033	300,000	4.000%
2034	305,000	4.000%
2035	315,000	4.000%
2036	325,000	3.500%
2037	340,000	3.625%

Section 1.04. “Escrow Account” means the trust account established under this Agreement by the deposit of the Government Securities and the hereinafter defined Beginning Cash.

Section 1.05. “Government Securities” means the non-callable direct obligations of or non-callable obligations guaranteed by the full faith and credit of the United States of America as to principal and interest deposited hereunder as more particularly described in *Exhibit A* to this Agreement and also including any direct obligations purchased pursuant to Section 3.02.

Section 1.06. “Paying Agent” means Sauk Valley Bank and Trust Company, Sterling, Illinois, as bond registrar and paying agent for the Defeased Bonds.

Section 1.07. “Ordinance” means the ordinance adopted on the 1st day of September, 2020, by the Council entitled:

ORDINANCE providing for the payment of the outstanding General Obligation Bonds (Alternate Revenue Source), Series 2017A, of the City of Rock Falls, Whiteside County, Illinois, and the execution and delivery of an escrow agreement in connection therewith.

Section 1.08. “Treasurer” means the City Treasurer.

ARTICLE II

CREATION OF ESCROW

Section 2.01. The City by the Ordinance has authorized the provision for payment of the Defeased Bonds by the deposit on demand and to purchase on behalf of the City the Government Securities. Such deposit and securities will provide all moneys necessary to pay the principal of and interest on the Defeased Bonds when due and upon redemption prior to maturity.

Section 2.02. The City deposits \$ _____ from funds on hand and legally available for the purchase of the Government Securities and the funding of a beginning cash escrow deposit on demand in the amount of \$ ____ (the “*Beginning Deposit*”). The Beginning Deposit and the Government Securities are held in an irrevocable trust fund account for the City to the benefit of the holders of the Defeased Bonds to pay the principal of and interest on the Defeased Bonds when due and upon redemption prior to maturity.

Section 2.03. The Escrow Agent and the City have each received the report of _____, attached hereto as *Exhibit B* (the “*Verification Report*”), that the principal of and income and profit to be received from the Government Securities, when paid at maturity, and the cash held in accordance with Section 2.02 hereof, will be sufficient, at all times pending the final payment of the Defeased Bonds, to pay all interest on and all principal of the Defeased Bonds when due and upon redemption prior to maturity as evidenced by the Verification Report.

ARTICLE III

COVENANTS OF ESCROW AGENT

The Escrow Agent covenants and agrees with the City as follows:

Section 3.01. The Escrow Agent will hold the Government Securities and all interest income or profit derived therefrom and all uninvested cash in an irrevocable segregated and

separate trust fund account for the sole and exclusive benefit of the holders of the Defeased Bonds until final payment thereof.

Section 3.02. The Beginning Deposit shall not be invested by the Escrow Agent. Otherwise, the Escrow Agent will reinvest all available uninvested balances (except for an amount under \$1,000 or as explicitly provided in this Section) in the Escrow Account on deposit from time to time, whenever said balances exceed \$1,000 unless said balance is needed to pay principal of or interest on the Defeased Bonds within 14 days, and acknowledges that the schedule of amounts available for reinvestment appears in the cash flow tables in the Verification Report and in *Exhibit B*. Investments so made shall be in direct obligations of the United States of America and shall be scheduled to mature on or prior to the interest payment date on the Defeased Bonds on which such proceeds will be needed to pay the principal of or interest on the Defeased Bonds. Such investments shall, to the extent possible, be in zero-yield obligations issued directly by the Bureau of Fiscal Service of the United States Treasury (currently designated “*U.S. Treasury Securities—State and Local Government Series Certificates of Indebtedness, Notes or Bonds*”) (“*SLGS*”). Such investments shall be made only to the extent permitted by, and shall be made in accordance with, the applicable statutes, rules and regulations governing such investments issued by the Bureau of Fiscal Service. The Escrow Agent and the City expressly recognize that under current regulations all SLGS must be subscribed for not less than 5 days (7 days for amounts of \$10,000,000 or more) nor more than 60 days prior to date of issuance.

Exhibit C contains a list of scheduled reinvestments. The Escrow Agent is instructed to subscribe for and take delivery of the Government Securities described in *Exhibit C*.

If the Department of the Treasury (or the Bureau of Fiscal Service) of the United States suspends the sale of SLGS causing the Escrow Agent to be unable to purchase SLGS, then the

Escrow Agent will take the following actions. On the date it would have purchased SLGS had it been able to do so, the Escrow Agent will purchase direct obligations of the United States (the “*Alternate Investment*”) maturing no more than 90 days after the date of purchase and no later than the scheduled maturity date of such SLGS as shown on *Exhibit C*. The purchase price of the Alternate Investment shall be as close as possible but not more than to the principal amount of the SLGS that would have been purchased on such date if they had been available for purchase and also not more than the total of all principal and interest to be received on such investment. The maturity date of the Alternate Investment shall be the latest possible date that (i) is not more than 90 days after the purchase date and (ii) is not after the scheduled maturity date for the SLGS that would have been purchased if available as shown on *Exhibit C*. The Escrow Agent will purchase each Alternate Investment in the customary manner for such investments (in the secondary market or in a Treasury auction) at a price no higher than the fair market value of the Alternate Investment and will maintain records demonstrating compliance with this requirement. If the Escrow Agent is unable to purchase any investment satisfying all of these requirements, then the Escrow Agent will leave the balance uninvested and shall notify the City that it has been unable to purchase such an Alternate Investment, providing the reason for such inability to the City. On the maturity of each Alternate Investment, the Escrow Agent shall pay the difference between the total of the receipts (principal and interest) on the Alternate Investment and the purchase price of the Alternate Investment to the City with a notice to the City that such amount may need to be paid to the Internal Revenue Service pursuant to Rev. Proc. 95-47 or successor provisions including any finalized version of Prop. Treas. Reg. Section 1.148-5(c). If the Alternate Investment matures more than 14 days prior to the next succeeding interest payment date on the Defeased Bonds on which such proceeds will be needed to pay principal of or interest on the Defeased Bonds, the Escrow Agent shall treat such amounts

as an uninvested balance available for reinvestment and shall take all reasonable steps to invest such amounts in SLGS (or additional Alternate Investments as provided in this Section).

The Escrow Agent shall hold balances not so invested in the Escrow Account on demand and in trust for the purposes hereof and shall secure same in accordance with applicable Illinois law for the securing of public funds.

Section 3.03. The Escrow Agent will take no action in the investment or securing of the proceeds of the Government Securities which would cause the Defeased Bonds to be classified as “arbitrage bonds” under the Code, *provided*, it shall be under no duty to affirmatively inquire whether the Government Securities as deposited are properly invested under the Code; and, *provided, further*, it may rely on all specific directions in this Agreement in the investment or reinvestment of balances held hereunder.

Section 3.04. The Escrow Agent will promptly collect the principal, interest or profit from the Government Securities and promptly apply the same as necessary to the payment of principal and interest on the Defeased Bonds when due and upon redemption prior to maturity as herein provided.

Section 3.05. The Escrow Agent will remit to the Paying Agent, in good funds on or before each principal or interest payment or redemption date on the Defeased Bonds, moneys sufficient to pay such principal, interest and redemption price as will meet the requirements for the retirement of the Defeased Bonds, and such remittances shall fully release and discharge the Escrow Agent from any further duty or obligation thereto under this Agreement.

Section 3.06. The Escrow Agent will make no payment of fees, charges or expenses due or to become due, of the Paying Agent or the bond registrar and paying agent on the Defeased Bonds, and the City either paid such fees, charges and expenses in advance as set forth in Section 3.07 hereof or covenants to pay the same as they become due.

Section 3.07. The charges, fees and expenses of the Escrow Agent (other than any charges, fees and expenses incurred pursuant to Section 3.08 hereof) have been paid in advance, and all charges, fees or expenses of the Escrow Agent in carrying out any of the duties, terms or provisions of this Agreement shall be paid solely therefrom.

Section 3.08. The City has called the Defeased Bonds for redemption and payment prior to maturity on April 1, 2027. As Paying Agent for the Defeased Bonds, the Escrow Agent will provide for and give timely notice of the call for redemption of the Defeased Bonds. The form and time of the giving of such notice regarding the Defeased Bonds shall be as specified in the ordinance authorizing the issuance of the Defeased Bonds. The City shall reimburse the Escrow Agent for any actual out of pocket expenses incurred in the giving of such notice, but the failure of the City to make such payment shall not in any respect whatsoever relieve the Escrow Agent from carrying out any of the duties, terms or provisions of this Agreement.

The Escrow Agent shall give notice of the call of the Defeased Bonds, on or before the date the notice of such redemption is given to the holders of the Defeased Bonds, to the Municipal Securities Rulemaking Board (the “MSRB”) through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. Information with respect to procedures for submitting notice can be found at <https://msrb.org>.

Section 3.09. The Escrow Agent may in good faith buy, sell or hold and deal in any of the Defeased Bonds.

Section 3.10. The Escrow Agent will submit to the Treasurer a statement within forty-five (45) days after April 1 and October 1 of each calendar year, commencing November 1, 2020, itemizing all moneys received by it and all payments made by it under the provisions of this

Agreement during the preceding six (6) month period (or, for the first period, from the date hereof to November 1, 2020), and also listing the Government Securities on deposit therewith on the date of said report, including all moneys held by it received as interest on or profit from the collection of the Government Securities.

Section 3.11. If at any time it shall appear to the Escrow Agent that the available proceeds of the Government Securities and deposits on demand in the Escrow Account will not be sufficient to make any payment due to the holders of any of the Defeased Bonds, the Escrow Agent shall notify the Mayor, the City Administrator and the City Treasurer, not less than five (5) days prior to such date, and the City agrees that it will from any funds legally available for such purpose make up the anticipated deficit so that no default in the making of any such payment will occur.

ARTICLE IV

COVENANTS OF CITY

The City covenants and agrees with the Escrow Agent as follows:

Section 4.01. The Escrow Agent shall have no responsibility or liability whatsoever for (a) any of the recitals of the City herein, (b) the performance of or compliance with any covenant, condition, term or provision of the Ordinance, and (c) any undertaking or statement of the City hereunder or under the Ordinance.

Section 4.02. All payments to be made by, and all acts and duties required to be done by, the Escrow Agent under the terms and provisions of this Agreement, shall be made and done by the Escrow Agent without any further direction or authority of the City or the Treasurer.

Section 4.03. The City will take any and all action necessary to ensure that adequate provision is made for the payment of the Defeased Bonds and that the Defeased Bonds are not classified as “arbitrage bonds” under the Code.

ARTICLE V

AMENDMENTS, REINVESTMENT OF FUNDS, IRREVOCABILITY OF AGREEMENT

Section 5.01. Except as provided in Section 5.04 hereof, all of the rights, powers, duties and obligations of the Escrow Agent hereunder shall be irrevocable and shall not be subject to amendment by the Escrow Agent and shall be binding on any successor to the Escrow Agent during the term of this Agreement.

Section 5.02. Except as provided in Section 5.04 hereof, all of the rights, powers, duties and obligations of the City hereunder shall be irrevocable and shall not be subject to amendment by the City and shall be binding on any successor to the officials now comprising the Council during the term of this Agreement.

Section 5.03. Except as provided in Section 5.04 hereof, all of the rights, powers, duties and obligations of the Treasurer hereunder shall be irrevocable and shall not be subject to amendment by the Treasurer and shall be binding on any successor to said official now in office during the term of this Agreement.

Section 5.04. This Section 5.04 shall not apply to the Exhibits hereto which may be amended or supplemented in accordance with the foregoing provisions of this Agreement. Otherwise, this Agreement may be amended or supplemented, and the Government Securities or any portion thereof may be sold, redeemed, invested or reinvested, in any manner provided (any such amendment, supplement, or direction to sell, redeem, invest or reinvest to be referred to as a "*Subsequent Action*"), upon submission to the Escrow Agent of each of the following:

- (1) Certified copy of proceedings of the Council authorizing the Subsequent Action and copy of the document effecting the Subsequent Action signed by duly designated officers of the City.

(2) An opinion of nationally recognized bond counsel or tax counsel nationally recognized as having an expertise in the area of tax-exempt municipal bonds that the Subsequent Action has been duly authorized by the Council and will not adversely affect the tax-exempt status of the interest on the Defeased Bonds nor violate the covenants of the City not to cause the Defeased Bonds to become “arbitrage bonds” under the Code, and that the Subsequent Action does not materially adversely affect the legal rights of the holders of the Defeased Bonds.

(3) An opinion of a firm of nationally recognized independent certified public accountants that the amounts (which will consist of cash or deposits on demand held in trust or receipts from non-callable direct obligations of or non-callable obligations guaranteed by the full faith and credit of the United States of America, all of which shall be held hereunder) available or to be available for payment of the Defeased Bonds will remain sufficient to pay when due all principal and interest on the Defeased Bonds after the taking of the Subsequent Action.

ARTICLE VI

MERGER, CONSOLIDATION OR RESIGNATION OF ESCROW AGENT

Any banking association or corporation into which the Escrow Agent may be merged, converted or with which the Escrow Agent may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Escrow Agent shall be a party, or any banking association or corporation to which all or substantially all of the corporate trust business of the Escrow Agent shall be transferred, shall succeed to all the Escrow Agent’s rights, obligations and immunities hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding. The Escrow Agent may at any time resign as Escrow Agent under this Agreement by giving 30 days’

written notice to the City, and such resignation shall take effect upon the appointment of a successor Escrow Agent by the City. The City may select as successor Escrow Agent any financial institution with capital, surplus and undivided profits of at least \$25,000,000 and having a corporate trust office within the State of Illinois, and which is authorized to maintain trust accounts for municipal corporations in Illinois under applicable law. Further, if no such successor Escrow Agent has been designated within 60 days after the City's receipt of the written notice of resignation, the resigning Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor Escrow Agent.

ARTICLE VII

NOTICES TO THE CITY, THE TREASURER AND THE ESCROW AGENT

Section 7.01. All notices and communications to the City shall be addressed in writing to: City Administrator, City of Rock Falls, 603 West 10th Street, Rock Falls, Illinois 61071.

Section 7.02. All notices and communications to the Escrow Agent shall be addressed in writing to: [Sauk Valley Bank & Trust Company, Corporate Trust Department, 201 West 3rd Street, Sterling, Illinois 61081.

ARTICLE VIII

TERMINATION OF AGREEMENT

That, upon final disbursement of funds sufficient to pay the principal and interest of the Defeased Bonds as hereinabove provided for, the Escrow Agent will transfer any balance remaining in the Escrow Account to the Treasurer with due notice thereof mailed to the Council, and thereupon this Agreement shall terminate.

ARTICLE IX

EXECUTION IN COUNTERPARTS

This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, The City of Rock Falls, Whiteside County, Illinois, has caused this Agreement to be signed in its name by its Mayor and to be attested by its City Clerk under its seal hereunto affixed; and [Sauk Valley Bank & Trust Company, Sterling, Illinois], not individually, but in the capacity as hereinabove described, has caused this Agreement to be signed in its corporate name by one of its officers and attested by one of its officers under its corporate seal hereunto affixed, all as of the ___ day of _____, 2020.

THE CITY OF ROCK FALLS, WHITESIDE COUNTY,
ILLINOIS

By _____
Mayor

Attest:

City Clerk

[SEAL]

[SAUK VALLEY BANK & TRUST COMPANY],
Sterling, Illinois

By _____
Its _____

Attest:

Its _____

[BANK SEAL]

This Escrow Agreement received and acknowledged by me this ___ day of _____, 2020.

City Treasurer

EXHIBIT A

GOVERNMENT SECURITIES

EXHIBIT B

VERIFICATION REPORT

EXHIBIT C

SCHEDULED REINVESTMENTS

SUBSCRIBE BY	PURCHASE DATE	MATURITY DATE	PAR AMOUNT	TYPE	RATE
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CITY OF ROCK FALLS

ORDINANCE NO. _____

**ORDINANCE AUTHORIZING SALE OF SURPLUS PROPERTY
AND FURTHER AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT
WITH SURF AIR WIRELESS, LLC FOR THE SAME**

ADOPTED BY THE

CITY COUNCIL

OF THE

CITY OF ROCK FALLS

THIS _____ DAY OF SEPTEMBER, 2020

Published in pamphlet form by authority of the City Council of the City of Rock Falls, this ____
day of September, 2020.

ORDINANCE NO. _____

**ORDINANCE AUTHORIZING SALE OF SURPLUS PROPERTY
AND FURTHER AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT
WITH SURF AIR WIRELESS, LLC FOR THE SAME**

WHEREAS, the City of Rock Falls (the “City”) is the owner of that certain fiber-optic network and related equipment, commonly known as “FiberNet”, which is operated for the purpose of providing high-speed internet services to the residents and businesses of the City (all of the foregoing, the “Fiber Asset”); and

WHEREAS, the Mayor and City Council of the City (collectively, the “Corporate Authorities”) have reviewed the needs of the City with reference to the Fiber Asset, have made a careful study of said needs and have determined and concluded that the Fiber Asset is no longer useful or necessary to the function of the City and is hereby declared to be surplus personal property of the City; and

WHEREAS, pursuant to Section 11-76-4 of the Illinois Municipal Code (the “Code”), the corporate authorities of a municipality may by ordinance authorize the sale of surplus personal property owned by the municipality in such manner as they may designate, with or without advertising the sale; and

WHEREAS, Surf Air Wireless, LLC, a Delaware limited liability company (“Surf Air”), has approached the City and has indicated its desire to purchase the Fiber Asset and to assume the City’s obligations with respect to the same; and

WHEREAS, in connection with said purchase, Surf Air and the City have negotiated and desire to enter into an Asset Purchase Agreement (the “Agreement”), said Agreement being attached hereto and incorporated herein as Exhibit A; and

WHEREAS, pursuant to the Agreement, Surf Air has, among other things, offered to pay to the City the sum of Two Million Two Hundred Twenty-Five Thousand and No/100ths Dollars (\$2,225,000.00) (the “Purchase Price”) for the Fiber Asset, including such further and additional consideration as is set forth in the Agreement; and

WHEREAS, the Corporate Authorities find it in the best interests of the City that the Fiber Asset be sold for the Purchase Price, all pursuant to the Agreement.

NOW, THEREFORE, BE IT RESOLVED, 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: The Corporate Authorities of the City of Rock Falls hereby declare and find that the Fiber Asset is no longer necessary or useful to, or for the best interests of the City, and further authorize its sale in accordance with this Ordinance.

SECTION 3: The Agreement and sale of the Fiber Assets to Surf Air pursuant to said Agreement is approved. The Mayor is hereby authorized and directed to sign, and the City Clerk to attest, the Agreement on behalf of the City.

SECTION 4: The Mayor and City Clerk are further authorized to execute any supplemental documents, exhibits or the like as may be necessary or needful to consummate the sale of the Fiber Asset pursuant to this Ordinance and the Agreement.

SECTION 5: If any section, paragraph, or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, or provision shall not affect any of the remaining provisions of this Ordinance.

SECTION 6: All ordinances, Ordinances, motions, or parts thereof in conflict herewith and the same are hereby repealed.

SECTION 7: This Ordinance shall be in full force and effect upon its adoption, approval, and publication as required by law.

Approved this _____ day of September, 2020.

MAYOR

ATTEST:

City Clerk

AYE

NAY

EXHIBIT A

(attach Asset Purchase Agreement)

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE (this "Agreement") is made and entered as of August _____, 2020 by and between Surf Air Wireless, LLC, a Delaware limited liability company ("Company"), and the City of Rock Falls, an Illinois municipal corporation, (the "Seller" or the "City"). Terms used in this Agreement and not otherwise defined herein have the meanings set forth on **Exhibit A**.

ARTICLE I: PURCHASE AND SALE OF ASSETS

In consideration of the premises and the covenants and agreements set forth in this Agreement and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and subject to the terms and conditions set forth in this Agreement, Seller agrees to convey, assign, transfer and deliver to Company, and Company agrees to acquire from Seller at the Closing, all of Seller's right, title and interest in and to the Purchased Assets (as defined below), free and clear of all liens other than Permitted Liens.

ARTICLE II: DESCRIPTION OF PURCHASED ASSETS, EXCLUDED ASSETS

2.01 Purchased Assets. At the Closing, Seller shall convey to Company all of Seller's right, title and interest in and to the following assets, properties and rights (whether tangible or intangible, personal, owned or leased) used or held for use in the Business (the "Purchased Assets"), free and clear of all liens other than Permitted Liens:

- (a) the personal property owned by Seller and listed on Schedule 2.01(a);
- (b) all of Seller's rights under each of the Contracts listed on Schedule 6.06 attached hereto, excepting those Contracts listed on Schedule 2.02, (all such Contracts shall be referred to collectively as the "Assumed Contracts");
- (c) the inventory, equipment and supplies used or held for use in the Business, as are listed on Schedule 2.01(c);
- (d) the books and records of the Business as are listed on Schedule 2.01(d);
- (e) the prepaid assets and security deposits (the "Deposits") as are listed on Schedule 2.01(e);
- (f) the Intellectual Property Rights as are listed on Schedule 2.01(f), including two thousand forty-eight (2048) IP addresses and the rights to the name "FiberNet";
- (g) to the extent assignable, the Governmental Authorizations, including any applications therefore, which are listed on Schedule 2.01(g);
- (h) the rights or choses in action which are listed on Schedule 2.01(h), including, to the extent assignable, all rights under express or implied warranties relating to the Purchased Assets;

(i) all rights and claims under insurance policies with respect to the Purchased Assets following the Closing, including any applicable proceeds thereof;

(j) all of the goodwill of the Business; and

(k) the telephone numbers, domain names and social media accounts, including passwords, which are listed on Schedule 2.01(j). [MC1][HN2]

2.02 Excluded Assets. Anything to the contrary notwithstanding, the Purchased Assets shall not include any of the following assets, properties and rights of Seller (the "Excluded Assets"): (a) any assets that are not related to the Business; (b) a fiber ring consisting of _____ and as depicted on **Exhibit B** that Seller will continue to own and operate (the "Seller Retained Fiber Ring"); (c) all claims for refunds and/or credits for taxes associated with the Business to the extent they relate to the periods prior to the Closing; (d) books and records belonging to the City that are not used as part of the Business; (e) Seller's rights under this Agreement and any agreements or documents entered into in connection with this Agreement; (f) the Contracts and assets used or held for use in the operation of the Business and listed on Schedule 2.02; (g) except as set forth herein, any employment agreements or contracts for employment between the City and its employees; (h) any real property interests of Seller; (i) cash, cash equivalents, and bank accounts of the Business; (j) accounts receivable that have been billed to the customer at the time of Closing but are for services rendered pre-Closing; and (hk) any other assets or properties listed on Schedule 2.02.

ARTICLE III: ASSUMPTION OF LIABILITIES

At and as of the Closing, Company shall assume and agree to perform and discharge as and when due only the following liabilities of Seller and no others: (a) all liabilities of Seller that accrue and are to be performed after the Closing under the Assumed Contracts, but only to the extent such liabilities are required to be performed after the Closing Date; (b) payables, accrued expenses and Indebtedness for which Company received a credit at Closing under Section 4.04 (the liabilities under this clause (b) are referred to as the "Credited Obligations"); and (c) all obligations arising in connection with the Deposits (such items (a) through (c) are collectively referred to herein as the "Assumed Liabilities"). The Assumed Liabilities shall specifically exclude all other liabilities of Seller or the Business, including without limitation (i) all liabilities relating to, resulting from, or arising out of, directly or indirectly, the ownership, operation or control of the Purchased Assets or Business prior to the Closing, except as set forth in subsection (b) and (c), above, (ii) any capital expenditure accounts payable outstanding immediately prior to the Closing, (iii) except as otherwise provided herein, all liabilities relating to any current employees of Seller, former employees, or any Seller benefit plans; (iv) except as otherwise provided herein, all legal, accounting, brokerage or finders fees, if any, taxes or other expenses of Seller in connection with this Agreement or the consummation of the transactions contemplated hereby; (v) any liabilities arising out of any default by Seller of any provision of any Assumed Contract prior to Closing; (vi) all liabilities in respect of indebtedness or capital leases relating to the Business or the Purchased Assets unless such liabilities are expressly included in the Assumed Liabilities; and (vii) all liabilities in respect of the Excluded Assets (collectively, the "Excluded Liabilities").

ARTICLE IV: CONSIDERATION

4.01 Purchase Price. The purchase price for the Purchased Assets ("Purchase Price") will be \$2,~~2500~~0,000.00 (two million, two hundred and fifty thousand dollars and no/100ths), as adjusted pursuant to Section 4.02 of this Agreement. The Purchase Price shall be paid in the following manner: (a) \$200,000.00 paid at Closing (the "Closing Payment"); and (b) the balance of the Purchase Price paid to Seller in accordance with the terms of a promissory note, naming Seller as holder of the note, in substantially the form attached hereto as **Exhibit C** (the "Promissory Note"), executed contemporaneously with this Agreement. The Promissory Note shall be secured by a loan and security agreement (the "Loan and Security Agreement"), in substantially the form attached hereto as **Exhibit D**^[MC3], granting Seller a continuing security interest in the Purchased Assets until all obligations of Company have been paid in full.

4.02 Prorations: Closing Date Purchase Price Adjustment. All expenses (prepaid or unpaid) relating to the Business shall be prorated between Company and Seller as of the Closing Date in accordance with the principle that, except as otherwise provided herein, Seller shall be responsible for all expenses, costs and liabilities allocable to the period prior to the Closing Date, and Company shall be responsible for all expenses, costs and liabilities allocable to the period on and after the Closing Date. Such prorations shall include, without limitation, all ad valorem, real estate and other property taxes (except transfer taxes as provided by Section 13.06(a)), utility expenses, rent and other amounts due and payable under Assumed Contracts and similar prepaid items attributable to the Business (collectively, the "Prorated Items"). Seller will deliver to Company on the Closing Date (a) a report (the "Closing Statement"²) showing in detail (i) the payables and accrued expenses which shall be Credited Obligations, calculated as of the Closing Date, and (ii) the Prorated Items and the credit, if any, due Seller with respect to the Prorated Items (the "Seller Closing Credits"), and (b) any documents substantiating the payables, accrued expenses and Prorated Items. If the Credited Obligations minus the Seller Closing Credits (the "Adjustment Amount") is a positive number, then the Purchase Price shall be decreased by the Adjustment Amount. If the Adjustment Amount is a negative number, then the Purchase Price shall be increased by the Adjustment Amount.

4.03 Fiber Operation Agreement. Company and City agree that they will enter into a fiber operation agreement contemporaneously with the Closing, in substantially the form attached hereto as **Exhibit E** (the "Fiber Operation Agreement")^{[MC5][HN6]}, in which City grants to Company the right to construct and operate a fiber optic system within the City's rights-of-way and, in exchange for the rights granted to it under the Fiber Operation Agreement, Company agrees to pay to City an amount equal to ___% of the annual gross revenue it receives from the operation of such system within the City.

ARTICLE V: CLOSING

5.01 Closing. The closing provided for in this Agreement (herein referred to as the "Closing") shall take place simultaneously with the execution of this Agreement (the "Closing Date") at such time and place as may be mutually agreed upon by Company and Seller, including closing via mail, e-mail or facsimile.

5.02 Company's Closing Deliveries. At the Closing, Company will execute and/or deliver, or cause to be executed and/or delivered, to Seller:

- (a) Closing Payment. The Closing Payment by wire transfer of immediately available funds;
- (b) Bill of Sale. A bill of sale between Company and Seller with respect to the Purchased Assets^[H7] (the "Bill of Sale"), in the form attached as **Exhibit F**, duly executed by Company;
- (c) Assignment and Assumption Agreement. An assignment and assumption agreement between Company and Seller with respect to the Assumed Contracts and the Assumed Liabilities (the "Assignment and Assumption Agreement"), in the form attached as **Exhibit G**, duly executed by Company;
- (d) Manager's Certificate. A certificate duly executed by a manager of Company certifying as to (i) the resolutions of Company's managers authorizing the consummation of the transactions contemplated by this Agreement and (ii) the incumbency of each of the persons executing this Agreement or any of the agreements, certificates or instruments contemplated hereby on behalf of Company;
- (e) Good Standing Certificate. A good standing certificate with respect to Company, issued by the state of Delaware, dated within ten days of the Closing;
- (f) Loan Documents. The Loan and Security Agreement and the Promissory Note, duly executed by Company;
- (g) Consulting Agreement. An executed consulting agreement, substantially in the form of **Exhibit H**^{[MC8][HN9]}, under which the City agrees to offer the services of its employee, A. Wayne Schafer, as a consultant for the Company with respect to the Business;
- (h) Indefeasible Right of Use Agreement. An executed Indefeasible Right of Use Agreement ("IRU") between Seller and Company, which provides for long-term access to a specified number of fiber strands on the Seller Retained Fiber Ring, attached hereto as **Exhibit I**^[MC10];
- (i) Collocation Agreement^[HN11]. An executed Collocation Agreement providing Company with access to "huts" operated and owned by the Seller, attached hereto as **Exhibit J**;
- (j) Closing Statement. The Closing Statement, in a form mutually acceptable to Company and Seller;
- (k) Fiber Operation Agreement. An executed copy of the Fiber Operation Agreement; and
- (l) Other. Such other agreements, certificates, instruments, and documents as may reasonably be required of Company under this Agreement.

5.03 Seller's Closing Deliveries. At the Closing, Seller will execute and/or deliver, or cause to be executed and/or delivered, to Company:

- (a) Bill of Sale. The Bill of Sale attached hereto as **Exhibit F**, duly executed by Seller; and
- (b) Assignment and Assumption Agreement. The Assignment and Assumption Agreement attached hereto as **Exhibit G**, duly executed by Seller;
- (c) Certified Ordinance. A certified copy of an ordinance adopted by the city council of the City approving and authorizing the sale of the Purchased Assets to Company upon the terms and conditions set forth herein;
- (d) Indefeasible Right of Use Agreement. The IRU attached hereto as **Exhibit I**, duly executed by Seller;
- (e) Right of Way/Access Agreements. Executed Right of Way and/or Access Agreements to provide Company with the right of access to Seller's real property, including, but not limited to: (i) towers and poles and [MC12][HN13](ii) previously recorded easements made in favor of Seller, in order to conduct the Business, in substantially the form attached hereto as **Exhibit K**;
- (f) Collocation Agreement. An executed Collocation Agreement providing Company with access to "huts" operated and owned by the Seller, attached hereto as **Exhibit J**;
- (g) Closing Statement. The Closing Statement, in a form mutually acceptable to Company and Seller;
- (h) Fiber Operation Agreement. An executed copy of the Fiber Operation Agreement; and
- (i) Other. Such other agreements, certificates, instruments, and documents as may reasonably be required of Seller under this Agreement.

ARTICLE VI: SELLER'S REPRESENTATIONS

Seller hereby makes the representations and warranties to Company that are set forth in this Article VI. All representations and warranties of Seller are made subject to and modified by the exceptions noted in the disclosure schedule delivered by Seller to Company concurrently herewith and identified as the "Disclosure Schedule", which shall be arranged with specific reference to the appropriate section (and, if applicable, subsection) of this Agreement. Any matter set forth in any section of the Disclosure Schedule shall be deemed to be referred to and incorporated in all other sections of the Disclosure Schedule to which such matter's application or relevance to a representation or warranty in any other section of this Agreement is reasonably apparent on its face. The inclusion of any item in the Disclosure Schedule is not evidence of the materiality of such item for purposes of this Agreement.

6.01 Organization; Qualification. Seller is an Illinois municipal corporation duly organized and validly existing under the Laws of the state of Illinois and has all necessary power and authority to own, operate and to carry on the Business as it is now being conducted and to carry out the transactions contemplated by this Agreement and the other Transaction Documents.

6.02 Authorization; Execution and Delivery of Agreement and Transaction Documents. The execution, delivery and performance of this Agreement and the other Transaction Documents by Seller and the assignment and/or transfer of the Purchased Assets to Company have been duly and validly authorized and approved by all necessary action. This Agreement is, and each of the other Transaction Documents when so executed and delivered will be, a valid and binding obligation of Seller, enforceable against it in accordance with its terms, except to the extent that enforcement may be affected by laws relating to bankruptcy, reorganization, insolvency, and similar laws affecting creditors' rights and by the availability of injunctive relief, specific performance, and other equitable remedies.

6.03 Title to and Condition of Assets. Seller has and at Closing will have good and marketable title to or a valid leasehold interest in, as applicable, all the Purchased Assets, free and clear of all Liens except for Permitted Liens and except for the Liens listed on Schedule 6.03 which will be discharged at or prior to the Closing. Except for the Excluded Assets, the Purchased Assets include all rights, assets and property that are either (i) currently used in the operation of the Business or (ii) necessary for the operation of the Business by Company after the Closing in the manner it is currently operated by Seller. Subject to any applicable lease, license and similar arrangements, no party other than Seller owns or has any interest in the Purchased Assets. All tangible property included in the Purchased Assets is in adequate working condition and repair, subject to normal wear and tear.

6.04 Financial Statements; Undisclosed Liabilities. Schedule 6.04 sets forth true and complete copies of the Seller financial statements (including, in each case, the notes thereto, if any) related to the Business. The Seller financial statements have been prepared in accordance with Seller's accounting methods applied on a consistent basis throughout the periods covered thereby. Each of the Seller financial statements presents fairly, in all material respects, the financial position and results of operation of the Business as at the close of business as of the respective dates and for the respective periods covered thereby; provided, however, that the Seller financial statements are subject to normal year-end adjustments and do not contain footnote disclosures. Seller has no material liabilities related to the Business of any nature that are not reflected in the Seller financial statements, except for liabilities incurred in the ordinary conduct of the Business in a manner consistent with past practices since the date of the most recent Seller financial statements.

6.05 Real Property. Schedule 6.05 [MC14] lists all real property and interests in real property owned or leased by Seller and used or held for use in the Business as of the date hereof (including without limitation all owned towers and leases of tower space), specifies the address and, to the extent the property is leased, specifies (i) the name of the lessor and (ii) the current rent being paid. To the Knowledge of Seller, all towers, guy anchors, ground systems, buildings and other equipment used in the Business are on the real property listed on Schedule 6.05. With respect to each parcel of real property listed on Schedule 6.05 and except as listed on Schedule 6.05:

(a) To Seller's Knowledge, there are no outstanding options or rights of first refusal or first offer to purchase the parcel of real property, or any portion thereof or interest therein;

(b) To Seller's Knowledge, Seller has valid and enforceable rights of physical and legal ingress and egress to and from such parcel for all usual street, road and utility purposes and to Seller's Knowledge, no conditions exist that would result in the termination of such ingress and egress;

(c) Seller has not received any notice of, and Seller has no Knowledge of, any non-compliance with applicable building codes, zoning regulations, occupational health and safety laws or any other laws applicable to such parcel or Seller's use or occupancy thereof; and

(d) To Seller's Knowledge, all utilities required by any applicable law or by the use and operation of the parcel in the operation of the Business are installed to the parcel, are connected pursuant to valid permits to municipal or public or other utility services or proper drainage facilities and are operating in all material respects.

6.06 Existing Contracts. Schedule 6.06 lists all Contracts in connection with the Business [MC15][H16][MC18][HN19] that Seller is a party to (including any amendments and other modifications thereto) as of the date hereof, other than (i) Contracts with subscribers, (ii) the Governmental Authorizations, and (iii) any Contracts that are Excluded Assets. Seller has delivered or made available to Company complete copies of all of its written Contracts (including all amendments thereto) and a summary of any oral Contracts requiring aggregate payments by any party more than \$1,000 or otherwise material to the Business. Except as set forth on Schedule 6.06, with respect to the Purchased Assets and the Business, Seller is not obligated to provide a "make good", "make whole", barter or similar concession to any of its customers or service providers. Except as set forth on Schedule 6.06: (a) all the Contracts constitute valid and binding obligations of Seller and, to Seller's Knowledge, are in full force and effect and legally enforceable in accordance with their terms upon the parties thereto; (b) Seller is not in material default of any Contract and to Seller's Knowledge, the other parties thereto are not in default of any contract; and (c) Seller has not received any notice of cancellation, modification or termination of any of the Contracts, and, to the Knowledge of Seller, no third party has threatened to cancel, modify or terminate any of the Contracts to which Seller is a party.

6.07 Compliance with Laws, Governmental Authorizations. Except as set forth on Schedule 6.07, to Seller's Knowledge, Seller has complied in all material respects with all laws applicable to it related to the Business, and Seller has not received any notice of and Seller has no Knowledge of any event or circumstance that is reasonably likely to result in a violation of or a liability under any law about Seller and/or the Business including without limitation the National Labor Relations Act, ERISA and all applicable Environmental Laws. The Governmental Authorizations listed on Schedule 2.01(g) are all material Governmental Authorizations necessary to operate the Business. Complete copies of such Governmental Authorizations (together with any material correspondence to or from a governmental authority relating to such Governmental Authorizations) have been delivered or made available to Company. Except as set forth on Schedule 6.07, each of the Governmental Authorizations required for or currently used, held for use, or useful in the operation of the Business as currently conducted is, to the Knowledge of Seller, valid and in full force and effect in accordance with its terms. No proceedings or investigations are pending or to Seller's Knowledge, threatened to revoke, suspend, modify, terminate or cancel any of such Governmental Authorizations. To Seller's Knowledge and except as set forth on Schedule 6.07, Seller and its operation of the Business are in material compliance with the terms and conditions of such Governmental Authorizations, and neither Seller nor, to Seller's Knowledge, any third party is in material default thereunder. To Seller's Knowledge, no event or

circumstance exists that with the passage of time or giving of notice would result in a material default under any such Governmental Authorization.

6.08 No Conflicts: Consents. Except for the consents, authorizations and approvals identified on Schedule 6.08(a) (collectively, the "Required Consents") and the registrations, filings and notices identified on Schedule 6.08(b) ("Required Notices"), neither the execution and delivery of this Agreement nor any of the other Transaction Documents by Seller nor the performance by Seller of the transactions contemplated hereby or thereby will result in a default under, or require the consent, authorization or approval of, or any registrations or filings with or notices to, any person under, (i) to Seller's Knowledge, any applicable law or (ii) to Seller's Knowledge, any Assumed Contract or any Governmental Authorization, except where such default or failure to obtain a consent, authorization or approval, to make a filing or registration or to give notice would be immaterial.

6.09 Claims and Legal Actions. Except as set forth on Schedule 6.09, there is no litigation pending or, to the Knowledge of Seller, threatened, nor any judgment (a) against or relating to Seller's ownership of the Purchased Assets or the operation of the Business or (b) that would materially hinder or prohibit the transactions contemplated by this Agreement and the Transaction Documents. To the Knowledge of Seller, there has not occurred any event, nor does any condition exist, that could reasonably be expected to give rise to any litigation against the Seller relating to the Business. Except as set forth on Schedule 6.09, no litigation has been settled by the Seller that relates to the Business in the last five (5) years.

6.10 Intentionally omitted.

6.11 Tax Matters. To the Knowledge of the Seller, Seller has paid any and all tax associated with the Business and the Purchased Assets. Seller will timely pay when due all taxes for which it is responsible for periods prior to the Closing, the non-payment of which would result in a lien on any Purchased Asset or would result in Company becoming liable or responsible therefore. Seller does not have any liability for the taxes of any person (other than Seller) under Treasury Regulation Section 1.1502-6 (or any corresponding provision of state, local or non-U.S. Tax law), as a transferee or successor, by contract, or otherwise. Seller has withheld and paid all taxes required to have been withheld and paid about amounts paid or owing to any employee, independent contractor, creditor, or other third party.

6.12 Insurance. To the Knowledge of Seller, Seller has maintained all forms of insurance necessary to insure the Purchased Assets against risks and liabilities to an extent and in a manner customary in the Seller's industry. All such insurance policies are in full force and effect. No insurance carrier has canceled or reduced any insurance coverage for Seller or has given any notice of its intention to cancel or reduce any such coverage. Seller has complied in all material respects with each of such insurance policies and has not failed to give any notice or presented any claim under any of such insurance policies.

6.13 Brokers. Except as set forth on Schedule 6.13, Seller has no obligation to pay any finders, brokers or agents about the transaction contemplated by this Agreement.

6.14 Environmental Compliance. (i) To the Knowledge of Seller, Seller has not generated, used, transmuted, treated, stored, released or disposed of, or knowingly permitted anyone else to generate, use, transport, treat, store, release or dispose of any Hazardous Substance at, on or in

connection with the ownership or use of the Purchased Assets; (ii) Seller has not been identified as a "potentially responsible party" or as a party liable for remedial action costs in connection with the ownership or use of the Purchased Assets; and (iii) there are no claims against Seller by any person, pending or, to Seller's Knowledge, threatened under environmental laws arising out of Seller's ownership or use of the Purchased Assets or the condition of the Purchased Assets.

6.15 Intellectual Property Matters. All material Intellectual Property Rights are described on Schedule 6.15. The Intellectual Property Rights that are not owned by Seller are held by Seller pursuant to fully paid licenses which are listed on Schedule 6.06. To Seller's Knowledge, no present or former employee, consultant or other person has any proprietary, commercial, ownership or other interest, direct or indirect, in any of the Intellectual Property Rights owned by Seller. To Seller's Knowledge, none of the Intellectual Property Rights infringes any intellectual property or right of any person, nor has Seller received any written notice alleging any such infringement. To the Knowledge of Seller, no third party is infringing any of the Intellectual Property Rights.

6.16 Subscriber Accounts. Schedule 6.16 hereto sets forth the following numerical breakdown, as of the date indicated thereon, regarding Seller's customer accounts: total number; types of accounts; and a summary of the material terms of each service plan under which customers are enrolled and an aggregate number of customers enrolled under such service plan. Seller and Company acknowledge and agree that the customer account information on Schedule 6.16 is (i) based on reports from Seller's billing system, and (ii) the reports generated from the Seller's billing system and attached on Schedule 6.16 are an accurate and a valid way to represent the customer account information and respective rate plans on Schedule 6.16.

6.17 No Other Representations or Warranties. Seller has not made, and will not be deemed to have made, any representation or warranty other than the specific representations and warranties included in this Article VI. Without limiting the generality of the foregoing, and notwithstanding any representations and warranties made by Seller in this Article VI, Seller makes no representations and warranties with respect to: (a) any projections, estimates or budgets regarding Seller's or the Company's future revenues, expenses or future results of operations, whether or not provided or made available to Company; (b) ongoing and future relations with the customers of Seller or the Company or (c) except as expressly covered by a representation and warranty contained in this Article VI, any other information or documents (financial or otherwise) made available to Company either as part of Company's due diligence investigation or otherwise.

6.18 Knowledge of Inaccuracy. Seller represents and warrants that it has no actual knowledge of any inaccuracy in any representation or warranty made by Company in this Agreement or in connection with the transaction contemplated by this Agreement.

ARTICLE VII: COMPANY'S REPRESENTATIONS

7.01 Organization Qualification. Company is a limited liability company duly formed and validly existing under the laws of the state of Delaware. Company has all necessary limited liability company power and authority to (a) own and operate its properties, (b) carry on its business as it is now being conducted, and (c) carry out the transactions contemplated by this Agreement.

7.02 Consents Authorization; Execution and Delivery of Agreement and Transaction Documents. All necessary consents and approvals have been obtained by Company for the execution and delivery of this Agreement. The execution, delivery and performance of this Agreement by Company have been duly and validly authorized and approved by all necessary action. This Agreement is, and each of the other Transaction Documents when so executed and delivered will be, a valid and binding obligation of Company, as applicable, enforceable against it in accordance with its terms, except to the extent that enforcement may be affected by laws relating to bankruptcy, reorganization, insolvency, and similar laws affecting creditors' rights and by the availability of injunctive relief, specific performance, and other equitable remedies.

7.03 Claims and Legal Actions. There is no litigation pending or, to the Knowledge of Company, threatened, nor any judgment that would hinder or prohibit the transactions contemplated by this Agreement and the Transaction Documents.

7.04 Brokers. Company has no obligation to pay any finders, brokers or agents about the transaction contemplated by this Agreement.

7.05 Financial Statements. Schedule 7.05 sets forth true and complete copies of the Company financial statements (including, in each case, the notes thereto, if any). The Company financial statements have been prepared in accordance with Company's accounting methods applied on a consistent basis throughout the periods covered thereby. Each of the Company financial statements presents fairly, in all material respects, the financial position and results of operation of the Company's business as at the close of business as of the respective dates and for the respective periods covered thereby; provided, however, that the Company financial statements are subject to normal year-end adjustments and do not contain footnote disclosures. Company has no material liabilities related to its business of any nature that are not reflected in the Company financial statements, except for liabilities incurred in the ordinary conduct of business in a manner consistent with past practices since the date of the most recent Company financial statements.

7.06 Solvency. Immediately after giving effect to the transactions contemplated by this Agreement, Company shall be solvent and shall: (a) have the ability to pay its debts as they become due; (b) own property that has a fair saleable value greater than the amounts required to pay its debts (including a reasonable estimate of the amount of all contingent liabilities); and (c) have adequate capital to carry on its business. No transfer of property is being made and no obligation is being incurred about the transactions contemplated by this Agreement with the intent to hinder, delay or defraud either present or future creditors of Company or Seller. About the transactions contemplated hereunder, Company has not incurred, nor plans to incur, debts beyond its ability to pay as they become absolute and matured.

7.07 Taxes. Company has timely filed all tax returns required to be filed (subject to permitted filing date extensions) by it, and all taxes shown on such tax returns have been paid or remitted. All such tax returns were complete and correct in all material respects. No portion of any tax return has been the subject of any audit or examination by any governmental authority, and no such audit or examination is pending or, to the Knowledge of Company, threatened. No claim has ever been made by a governmental authority in a jurisdiction where Company does not file tax returns that Company is or may be subject to taxation. Company has withheld and paid all taxes required to have been withheld and paid about amounts paid or owing to any employee, unit holder, independent contractor, creditor, or other third

party. There are no liens on any of the assets of Company that arose as a result of any failure (or alleged failure) to pay any tax.

7.08 No Material Adverse Change. Since ~~September 1, 2020~~ ~~June 2, 2020~~ [MC20][H21], there has not been any material adverse change in the business, operations, prospects, assets, results of operations or condition (financial or other) of Company, and no event has occurred or circumstance exists that would reasonably be expected to result in such a material adverse change.

7.09 Independent Investigation. Company has conducted its own independent investigation, review and analysis of the business of Seller, the Business and the Purchased Assets. Company acknowledges and agrees that: (a) in making its decision to enter into this Agreement and to consummate the transactions contemplated hereby, Company has relied solely upon its own investigation and the express representations and warranties of Seller set forth in Article VI of this Agreement; and (b) neither Seller nor any other person has made any representation or warranty as to Seller, the Business, the Purchased Assets or this Agreement, except as expressly set forth in Article VI of this Agreement.

7.10 Knowledge of Inaccuracy. Company represents and warrants that it has no actual knowledge of any inaccuracy in any representation or warranty made by Seller in this Agreement or in connection with the transactions contemplated by this Agreement.

ARTICLE VIII: SELLER'S AND COMPANY'S COVENANTS

8.01 Confidentiality. Each party covenants that it will treat in confidence (i) all documents, materials and other information which it shall have obtained regarding the other party during the course of the negotiations leading to the consummation of the contemplated transaction (whether obtained before or after the date of this Agreement), the investigation provided for herein and the preparation of this Agreement and other related documents, and (ii) the terms and conditions of this Agreement or any related agreement between the parties, other than as required in connection with obtaining any necessary consents required to consummate the transactions contemplated herein. Without limiting the right of either party to pursue all other legal and equitable rights available to it for violation of this Section 8.01 by the other party, it is agreed that other remedies cannot fully compensate the aggrieved party for such a violation of this Section 8.01 and that the aggrieved party shall be entitled to injunctive relief to prevent a violation or continuing violation hereof, without proof of damages or the posting of a bond. After the date, hereof, Company and Seller agree to keep confidential the terms and conditions of this Agreement. In addition, Company and Seller may disclose the terms and conditions of this Agreement to their advisors. Notwithstanding the foregoing, the parties acknowledge that Seller is a governmental entity and as such, is subject to public disclosure laws including but not limited to the Freedom of Information Act (FOIA) and the Open Meetings Act (OMA). It is understood that this Agreement and the approval and consummation of the transactions contemplated herein may be subject to disclosure or partial disclosure under FOIA or OMA, and that Seller shall not be bound by the confidentiality provisions contained herein to the extent such disclosure is required by law.

ARTICLE IX: INDEMNIFICATION

9.01 Indemnification by Seller. Subject to the terms of this ARTICLE IX, Seller agrees to indemnify, to hold harmless from and against and to pay and reimburse Company and its members,

officers, directors, and employees (the "Indemnified Company Parties") for any liability, action, suit, demand, judgment, cost of investigation and reasonable attorney fees (collectively, "Losses") suffered, sustained, incurred or paid by any Indemnified Company Party to the extent resulting from or arising out of: (a) any breach of a representation or warranty on the part of Seller under this Agreement; (b) any breach or non-fulfillment of any covenant on the part of Seller under this Agreement; (c) any Excluded Liability; (d) any Excluded Asset; or (e) any and all taxes that are obligations of Seller.

9.02 Indemnification by Company. Subject to the terms of this ARTICLE IX, Company agrees to indemnify, to hold harmless from and against and to pay and reimburse Seller, its representatives and agents (the "Indemnified Seller Parties") for any Losses suffered, sustained, incurred or paid by any Indemnified Seller Party to the extent resulting from or arising out of: (a) any breach of a representation or warranty on the part of Company under this Agreement; (b) any breach or non-fulfillment of any covenant on the part of Company under this Agreement; (c) the Assumed Liabilities; or (d) any liabilities first maturing and arising from the operation of the Business by Company after the Closing, provided that such Losses shall have not been caused by (i) any breach of a representation or warranty on the part of Seller under this Agreement, (ii) any breach or non-fulfillment covenant on the part of Seller under this Agreement, or (iii) any Excluded Assets or Excluded Liabilities.

9.03 Survival of Representations and Warranties. All representations and warranties made by the parties in this Agreement shall survive for period of twelve (12) months after the Closing (except as otherwise specified below, the "Expiration Date"), except for the following representations and warranties: (a) those representations and warranties contained in Section 6.03 (Title to and Condition of Assets), which representations and warranties will survive indefinitely; and (b) those representations and warranties contained in Sections 6.01 (Organization, Qualification), 6.02 (Authorization, Execution and Delivery of Agreement and Transaction Documents), 6.11 (Tax Matters) and 6.14 (Environmental Compliance), and Section 7.01 (Organization, Qualification) and 7.02 (Consents; Authorization, Execution and Delivery of Agreement and Transaction Documents) and 7.07 (Taxes), which representations and warranties will remain in full force and effect until ninety (90) days following the expiration of the applicable statute of limitations (after taking into account all extensions) with respect to the subject matter of such representation and warranty, which dates will be deemed to be the Expiration Date for such actions; provided, however, that delivery by one party to the other of notice of a breach of any representation or warranty, specifying the breach in reasonable detail to the extent then known, and making a claim with respect thereto, on or prior to the Expiration Date will be deemed to preserve such party's claim with respect to the specific representations and warranties that are the subject of such claim until the final resolution of such claim.

9.04 Conditions for Indemnification of Third-Party Claims. The respective obligations and liabilities of Seller, on the one hand, or Company, on the other hand (the "Indemnifying Party"), to the Indemnified Company Parties or the Indemnified Seller Parties as indemnified parties (the "Indemnified Party") under Sections 9.01 or 9.02 with respect to claims resulting from the assertion of liability by third parties shall be subject to the following terms and conditions:

(a) Within a reasonable period of time after receipt of notice of commencement of any action evidenced by service of process or other legal pleading, or with reasonable promptness after the assertion of any claim by a third party, the Indemnified Party shall give the Indemnifying Party written notice thereof together with a copy of such claim, process or other legal pleading, and the Indemnifying Party shall have the right to undertake the defense thereof by representatives of its own choosing and at its own expense. The Indemnified Party may elect to participate in the defense with counsel of its own

choice and at its own expense. In the event the Indemnified Party has a material conflict of interest from that of the Indemnifying Party, then the Indemnifying Party shall bear the expense of counsel for the Indemnified Party.

(b) If the Indemnifying Party, by the thirtieth (30th) day after receipt of notice of any such claim (or, if earlier, by the tenth (10th) day preceding the day on which an answer or other pleading must be served in order to prevent judgment by default in favor of the person asserting such claim), does not elect to defend against such claim, the Indemnified Party, upon further notice to the Indemnifying Party, will have the right to undertake the defense, compromise or settlement of such claim on behalf of or for the account and risk of the Indemnifying Party and at the Indemnifying Party's expense. Upon assumption by the Indemnifying Party of the defense of any claim, the Indemnified Party shall have no further right to settle, compromise or defend the claim.

(c) Anything in this Section 9.04 to the contrary notwithstanding, the Indemnifying Party shall not settle any claim without the consent of the Indemnified Party unless such settlement involves only the payment of money and the claimant provides to the Indemnified Party a release from all liability in respect of such claim. If the settlement of the claim involves more than the payment of money, the Indemnifying Party shall not settle the claim without the prior consent of the Indemnified Party, which consent shall not be unreasonably withheld, conditioned or delayed.

9.05 Payment. The Indemnifying Party shall make all payments pursuant to the indemnification provisions contained in this ARTICLE IX within ten (10) Business Days after delivery of the notice of claim therefore by the Indemnified Party or, if the Indemnifying Party delivers written notice to the Indemnified Party within such 10-day period that it is disputing the Indemnified Party's right to indemnification hereunder with respect to such payments, immediately upon the final determination of the amount of such indemnification obligation.

9.06 Tax Treatment of Indemnification Payments. Company and Seller agree to treat any indemnification payment made pursuant to this Agreement as an adjustment to the Purchase Price for all tax purposes, unless otherwise required by applicable law.

9.07 Limitations of Indemnification.

(a) Seller shall not be liable to the Indemnified Company Parties for indemnification under Section 9.01 until the aggregate amount of all Losses in respect of indemnification under Section 9.01 exceeds Twenty-Five Thousand Dollars (\$25,000.00) (the "Deductible"). Once Losses meet or exceed the Deductible, Seller shall be liable for the entire Loss(es) and Company shall be indemnified and reimbursed in full. The aggregate amount of all Losses for which Seller shall be liable pursuant to Section 9.01 shall not exceed seven and one-half percent (7.5%) of the Purchase Price.

(b) Payments by an Indemnifying Party pursuant to this ARTICLE IX in respect of any Losses shall be limited to the amount of any such Losses that remains after deducting therefrom any insurance proceeds and any indemnity, contribution or other similar payment received or reasonably expected to be received by the Indemnified Party in respect of any such claim, if any. The Indemnified Party shall use its commercially reasonable efforts to recover under insurance policies or indemnity, contribution or other similar agreements for any Losses prior to seeking indemnification under this Agreement.

(c) Payments by an Indemnifying Party pursuant to this ARTICLE IX in respect of any Losses shall be reduced by an amount equal to any tax benefit realized or reasonably expected to be realized as a result of such Losses by the Indemnified Party. The Expiration Date may be extended in order to calculate the tax benefit associated with a Loss or Losses.

(d) In no event shall any Indemnifying Party be liable to any Indemnified Party for any punitive, incidental, consequential, special or indirect damages, including loss of future revenue or income, loss of business reputation or opportunity relating to the breach or alleged breach of this Agreement, or diminution of value or any damages based on any type of multiple except when indemnification for such amounts paid to third parties in respect of any third party claim for which indemnification hereunder is otherwise required.

(e) Each Indemnified Party shall take, and cause its affiliates to take, all reasonable steps to mitigate any Losses upon becoming aware of any event or circumstance that would be reasonably expected to, or does, give rise thereto, including incurring costs only to the extent necessary to remedy the breach that gives rise to such Losses.

9.08 Exclusive Remedy. The sole recourse and exclusive remedy of the parties hereto against each other arising out of this Agreement or otherwise arising from or relating to this Agreement or the transactions contemplated hereby shall be to assert a claim for indemnification pursuant to this Article IX, except (i) in the case of willful or fraudulent breach, (ii) for the right to seek to specifically enforce a duty to consummate the transactions contemplated by this Agreement or any of the covenants or agreements under this Agreement, or (iii) as otherwise specifically provided in this Agreement.

ARTICLE X: MISCELLANEOUS

10.01 Further Assurances. From time to time after the Closing, each party shall, if requested by the other party, deliver such additional assignments, bills of sale, deeds and other instruments or documents, as may be reasonably necessary or proper to carry out the specific provisions of this Agreement, including transfer to Company of any right, title or interest that Seller may have in any Purchased Asset used or held for use in the Business, other than an Excluded Asset. For a period of three (3) years after the Closing, Seller agrees to provide to Company from time to time any information that Seller possesses with respect to the operation of the Purchased Assets prior to the Closing, which the Company reasonably requests about any regulatory filing. For a period of three (3) years after the Closing, Company agrees to provide Seller with access, during regular business hours and upon reasonable notice, to any records of the Business which were created prior to the Closing and included in the Purchased Assets for purposes of any subsequent audit of Seller's tax returns or for other reasonable business purposes of Seller.

10.02 Notices. All notices and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given if delivered in person, sent by telecopier, recognized overnight delivery service or registered or certified mail with return receipt requested, postage prepaid, to the following addresses:

If to Company:

If to Seller:

Surf Air Wireless, LLC
1705 State St.
P.O. Box 1401
La Porte, IN 46352
Attention: Gregory B. Armstrong

City of Rock Falls
603 W. 10th Street
Rock Falls, IL 61071
Attention: City Clerk

with a copy to (which shall not constitute
Notice to Company):

Chilton Yambert Porter, LLP
303 W. Madison Street
Suite 2300
Chicago, IL 60606
Attention: Randall G. Vickery
Facsimile No.: 312-460-8299

with a copy to (which shall not constitute
Notice to Seller):

Ward, Murray, Pace & Johnson, P.C.
226 W. River Street
P.O. Box 404
Dixon, IL 61021
Attention: Matthew D. Cole

Notices delivered personally shall be effective upon delivery against receipt. Notices transmitted by telecopy shall be effective when received, if the burden of proving notice when notice is transmitted by telecopy shall be the responsibility of the party providing such notice. Notices delivered by overnight mail shall be effective when received. Notices delivered by registered or certified mail shall be effective on the date set forth on the receipt of registered or certified mail, or 72 hours after mailing, whichever is earlier.

10.03 Governing Law: Choice of Forum. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois without regard to conflicts of law principals of such state. Any claim, demand, action, proceeding, litigation, hearing, motion or lawsuit arising here from or with respect hereto shall be commenced or prosecuted exclusively in the United States District Court – Northern District of Illinois (Western Division) or the Fourteenth Judicial Circuit of Whiteside County, Illinois, as applicable, and each party hereby irrevocably consents to the jurisdiction of such courts.

10.04 Benefit and Assignment. All agreements made and entered about this transaction shall be binding upon and inure to the benefit of the parties hereto, their successors and permitted assigns. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned (by operation of law or otherwise) by the parties hereto without the prior written consent of the other party, which consent will not be unreasonably withheld or delayed; provided, however, that without Seller's consent, Company may (i) assign to an affiliate of Company, in which Company owns a controlling interest, its rights under this Agreement, or (ii) assign to its lender(s) an interest in all or any portion of its rights under this Agreement; provided, further, however, that in either event, no such assignment shall relieve Company of any of its obligations under this Agreement.

10.05 Remedies. Seller and Company each recognize and acknowledge that, if the other party shall fail to perform its obligations to consummate the transaction contemplated hereby, money damages alone will not be adequate to compensate the non-breaching party for its injury; therefore, the non-breaching party shall be entitled to specific performance of this Agreement and of the breaching party's obligation to consummate the transaction contemplated hereby.

WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY VOLUNTARILY AND IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION OR OTHER PROCEEDING BROUGHT ABOUT THIS AGREEMENT, ANY OF THE RELATED AGREEMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

10.06 Other.

(a) Each party shall bear its own expenses and costs incurred about the preparation of this Agreement and the consummation of the transactions contemplated hereby. Transfer, documentary, sales, use or other taxes assessed upon or with respect to the transfer of the Purchased Assets to Company shall be paid by the party upon whom such obligation is imposed by law.

(b) This Agreement may not be amended except by an instrument in writing signed by each of the parties hereto.

(c) This Agreement merges all previous negotiations and agreements between the parties hereto, either verbal or written, and constitutes the entire agreement and understanding between the parties with respect to the subject matter of this Agreement.

(d) If any one or more of the provisions contained in this Agreement, or in any other instrument referred to herein, shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, then to the maximum extent permitted by law, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement or any other such instrument.

(e) This Agreement may be executed in one or more counterparts, each of which when so executed shall be an original, but all of which together shall constitute one agreement. Facsimile signatures (or other form of electronic communication, such as .pdf) shall be deemed original signatures.

(f) No delay of or omission in the exercise of any right, power or remedy accruing to any party as a result of any breach or default by any other party under this Agreement shall impair any such right, power or remedy, nor shall it be construed as a waiver of or acquiescence in any such breach or default, or of or in any similar breach or default occurring later. No waiver of any single breach or default shall be deemed a waiver of any other breach or default occurring before or after that waiver.

(g) Should any litigation or proceeding be commenced under this Agreement, the successful party in such litigation or proceeding shall be entitled to recover, in addition to such other relief as the court may award, its reasonable attorneys' fees, expert witness fees, litigation related expenses, and court or other costs incurred in such litigation or proceeding. For purposes of this clause, the term "successful party" means the net winner of the dispute, taking into account the claims pursued, the claims on which the pursuing party was successful, the amount of money sought, the amount of money awarded, and offsets or counterclaims pursued (successfully or unsuccessfully) by the other party. ~~If a written settlement offer is rejected and the judgment or award finally obtained is equal to or more favorable to the offeror than an offer made in writing to settle, the offeror is deemed to be the successful party from the date of the offer forward.~~

REMAINDER OF PAGE DELIBERATELY LEFT BLANK

IN WITNESS WHEREOF, each of the part hereto has caused this Asset Purchase Agreement to be executed by its duly authorized representative as of the day and year first above written.

SELLER:

By: _____

Name: _____

Title: _____

COMPANY:

SURF AIR WIRELESS, LLC

By: _____

Name: _____

Title: _____

EXHIBIT A

Terms

DRAFT

EXHIBIT B

Seller Retained Fiber Ring

DRAFT

EXHIBIT C

Promissory Note

DRAFT

EXHIBIT D

Loan and Security Agreement

DRAFT

EXHIBIT E

Fiber Operation Agreement

DRAFT

EXHIBIT F

Bill of Sale

DRAFT

EXHIBIT G

Assignment and Assumption Agreement

DRAFT

EXHIBIT H

Consulting Agreement

DRAFT

EXHIBIT I

Indefeasible Right of Use (IRU) Agreement

DRAFT

EXHIBIT J

Collocation Agreement

DRAFT

EXHIBIT K

Right of Way/Access Agreement

DRAFT

BROADBAND FRANCHISE AGREEMENT
BY AND BETWEEN
The
CITY OF ROCK FALLS
And
SURF AIR WIRELESS, LLC

This Broadband Franchise Agreement (hereinafter, the “Agreement”) is made between the City of Rock Falls, Illinois (including the lawful successor, transferee, designee, or assignee thereof, hereinafter, the “City”) and Surf Air Wireless, LLC (including its operational affiliates, hereinafter, “Grantee”) this 30th day of September, 2020 (the “Effective Date”).

The City, having determined that the financial, legal, and technical abilities of the Grantee are reasonably sufficient to provide the services, facilities, and equipment necessary to meet the future broadband access needs of the community, desires to enter into this Agreement with the Grantee to provide the Grantee with access to the City’s Public Ways for the construction, operation and maintenance of a Fiber Optic Network to be used to provide broadband internet access services to the community on the terms and conditions set forth herein.

SECTION 1: Definition of Terms

For the purpose of this Agreement, capitalized terms, phrases, words, and abbreviations shall have the meanings ascribed to them herein.

“BIAS” means broadband internet access service, which is a mass-market retail service by wire or radio that provides the capability to transmit data to and receive data from all or substantially all Internet endpoints, including any capabilities that are incidental to and enable the operation of the communications service, but excluding dial-up Internet access service, as well as any service that the FCC determines to be functionally equivalent.

“FCC” means the Federal Communications Commission or successor governmental entity thereto.

“Fiber Optic Network” means Grantee’s facilities and equipment that comprise the network, consisting of a set of signal generation, reception and control equipment and fiber routes that are collectively designed to provide BIAS to multiple Subscribers within the Franchise Area, but such term does not include (i) a facility that serves Subscribers without using any Public Ways, (ii) a facility of a common carrier which is subject, in whole or in part, to the provisions of Title II of the Communications Act, as amended, except that such a facility shall be considered a Fiber Optic Network to the extent such facility also is used in the transmission of BIAS directly to Subscribers; or (iii) any facilities of any electric utility used solely for operating its electric utility systems.

“Franchise” means the initial authorization, or renewal thereof, issued by the City, whether such authorization is designated as a franchise, agreement, permit, license, resolution, contract, certificate, ordinance or otherwise, which authorizes the construction or operation of the Fiber Optic Network. For the avoidance of doubt, this Agreement qualifies as a Franchise.

“Franchise Area” means the present legal boundaries of the City as of the Effective Date, and shall also include any additions thereto by annexation or other legal means.

“Gross Revenue” means the revenue received by the Grantee from the operation of the Fiber Optic Network in the Franchise Area to provide BIAS, calculated in accordance with generally accepted accounting principles. Gross Revenue includes installation fees and equipment rental fees. Gross revenues shall also include such other revenue sources from BIAS delivered over the Fiber Optic Network as may now exist or hereafter be developed by Grantee. Gross Revenue shall not include refundable deposits, bad debt, investment income, any launch support payments, third-party advertising sales commissions and agency fees, nor any taxes, fees or assessments imposed or assessed by any governmental authority.

“Initial Franchise Service Area” means that portion of the Franchise Area served by the Grantee’s Fiber Optic Network as of the Effective Date of this Agreement.

“Person” means any natural person or any association, firm, partnership, joint venture, corporation, or other legally recognized entity, whether for-profit or not-for profit, but shall not mean the City.

“Public Way” shall mean the surface of, and the space above and below, any street, alley, other land or waterway, dedicated or commonly used for pedestrian or vehicular traffic or other similar purposes, including, but not limited to, public utility easements and other easements dedicated for compatible uses, now or hereafter held by the City in the Franchise Area, to the extent that the City has the right and authority to authorize, regulate, or permit the location of facilities other than those of the City along such space.

“Subscriber” means a Person who lawfully receives with the Grantee’s express permission, and pays Grantee for, the provision of BIAS over the Fiber Optic Network.

SECTION 2: Grant of Authority

2.1. Grant. The City hereby grants to the Grantee a nonexclusive Franchise authorizing the Grantee to construct and operate a Fiber Optic Network in the Public Ways within the Franchise Area and, for that purpose, to erect, install, construct, micro-trench, repair, replace, reconstruct, maintain, or retain in any Public Way such poles, wires, cables, conductors, ducts, conduits, vaults, manholes, pedestals, amplifiers, appliances, attachments, and other related property or equipment as may be necessary or appurtenant to, or useful in the operation of, the Fiber Optic Network, and to provide such services over the Fiber Optic Network as may be lawfully allowed.

2.2. Term and Renewal of Franchise. The term of the Franchise granted hereunder shall be ten (10) years from the Effective Date, unless the Franchise is renewed or is lawfully terminated in accordance with the terms of this Agreement and/or applicable law. From and after the Effective Date of this Agreement, the Parties acknowledge that this Franchise Agreement is intended to be the sole and exclusive Agreement between the Parties pertaining to the Grantee’s Franchise for the provision of BIAS. This Agreement shall automatically renew for four (4) additional five (5) year periods thereafter, unless Grantee notifies the City of its intent not to renew at least ninety (90) days prior to the end of the then current term.

2.3. Police Powers. Nothing in this Agreement shall be construed as an abrogation by the City of any of its police powers to adopt and enforce generally applicable ordinances deemed necessary for the health, safety, and welfare of the public, and the Grantee shall comply with all generally applicable laws and ordinances enacted by the City pursuant to such police power.

2.5 Reservation of Authority. Nothing in this Agreement shall (1) abrogate the right of the City to perform any public works or public improvements of any description, (2) be construed as a waiver of any codes or ordinances of general applicability promulgated by the City, or (3) be construed as a waiver or release of the rights of the City in and to the Public Ways.

2.6 Competitive Equity. In the event an application for a new BIAS Franchise, cable television Franchise authorizing the provision of BIAS, or other similar authorization is filed with the City proposing to serve the Franchise Area, in whole or in part, the City shall to the extent permitted by law promptly notify the Grantee, or require the Grantee to be notified, and include a copy of such application.

2.7. Parking. Notwithstanding anything to the contrary herein, and provided that appropriate vehicle safety markings have been deployed, Grantee's vehicles shall be exempt from parking restrictions of the City while used in the course of installation, repair, and maintenance work on the Fiber Optic Network.

SECTION 3: Construction and Maintenance of the Fiber Optic Network

3.1. Public Way Regulation. Except as may be otherwise provided in this Agreement, Grantee shall comply with all provisions generally applicable to all occupants of the Public Way of Chapter 13, entitled "Streets and Sidewalks," of the Rock Falls Municipal Code, as may be amended from time to time.

3.2. Aerial and Underground Construction. At the time of Fiber Optic Network construction, if all of the transmission and distribution facilities of all of the respective public or municipal utilities in any area of the Franchise Area are underground, the Grantee shall place its Fiber Optic Networks' transmission and distribution facilities underground, provided that such underground locations are actually capable of accommodating the Grantee's fiber and other equipment without technical degradation of the Fiber Optic Network's signal quality. In any region(s) of the Franchise Area where the transmission or distribution facilities of the respective public or municipal utilities are both aerial and underground, the Grantee shall have the discretion to construct, operate, and maintain all of its transmission and distribution facilities or any part thereof, aerially or underground. Nothing in this Section shall be construed to require the Grantee to construct, operate, or maintain underground any ground-mounted appurtenances, such as Subscriber taps, line extenders, system passive devices, amplifiers, power supplies, pedestals, or other related equipment.

3.3. Undergrounding and Beautification Projects.

3.3.1. In the event the City requires users of the Public Way who operate aerial

facilities to relocate such aerial facilities underground, Grantee shall, and shall be provided an opportunity to, participate in the planning for relocation of its aerial facilities, if any, contemporaneously with such users. Grantee shall be reimbursed its relocation costs from public or private funds allocated for the project to the same extent as such funds are made available to other users of the Public Way, if any, provided that any utility's exercise of authority granted under its tariff to charge consumers for the said utility's cost of the project that are not reimbursed by the City shall not be considered to be public or private funds.

3.3.2. Under no circumstances shall Grantee be required to relocate its facilities unless it has been afforded at least sixty (60) days notice of the necessity to relocate its facilities. Upon adequate notice the Grantee shall provide a written estimate of the cost associated with the work necessary to relocate its facilities. In instances where a third party is seeking the relocation of the Grantee's facilities or where the Grantee is entitled to reimbursement pursuant to the preceding Section, the Grantee shall not be required to perform the relocation work until it has received payment for the relocation work.

3.4. Non-Interference. The City shall not physically interfere with or cause harmful interference to the Fiber Optics Network installed by Grantee. The parties shall coordinate with on any maintenance of the Public Way and the Fiber Optic Network so as not to obstruct or impede each other's performance of such maintenance. Grantee shall provide the City with a telephone number that the City can contact to request Grantee's coordination pursuant to this Section.

SECTION 4: Service Obligations

4.1. Initial Service Obligations. Grantee shall design the Fiber Optic Network to provide BIAS to residential Subscribers upon their request throughout the Initial Franchise Service Area. The Grantee shall continue to make BIAS available in the Initial Franchise Service Area throughout the term of this Agreement, and Grantee shall extend its Fiber Optic Network and provide service consistent with the provisions of this Agreement.

4.2. General Service Obligation. The Grantee shall make BIAS available beyond the Initial Franchise Service Area to every residential dwelling unit within the Franchise Area where the minimum density is at least thirty (30) dwelling units per linear mile of the Fiber Optic Network as measured from the Fiber Optic System's closest commercially reasonable and technically feasible connection point ("Access Point"). Subject to this density requirement, Grantee shall offer BIAS to all new homes or previously unserved homes located within one hundred twenty-five (125) feet of the nearest Access Point along the Fiber Optic Network (hereinafter, a "Standard Installation").

4.2.1. Long Drops. The Grantee may elect to provide BIAS to areas not meeting the above density and distance standards. The Grantee may impose an additional charge in excess of its regular installation charge for any service installation requiring a drop or line extension in excess of a Standard Installation. Any such additional charge shall be computed on a time plus materials basis plus a reasonable rate of return.

4.3. Technical Standards. The Grantee shall comply with all applicable industry technical standards mutually agreed by the parties from time to time. The Grantee shall

cooperate with the City in conducting inspections related to these standards upon reasonable prior written request from the City based on a significant number of Subscriber complaints.

4.4. Annexations and New/Planned Developments. In cases of annexation to the Franchise Area, the City shall provide the Grantee written notice of such annexation. In cases of new construction, planned developments or property development where undergrounding or extension of the Fiber Optic Network is required, the City shall provide or cause the developer or property owner to provide notice of the same. Such notices shall be provided at the time of notice to all utilities or other like occupants of the City's Public Way. If advance notice of such annexation, new construction, planned development or property development is not provided, the Grantee shall be allowed an adequate time to prepare, plan and provide a detailed report as to the timeframe for it to construct its facilities and provide the services required under this Agreement.

4.5. Subscriber Service Obligations. The City and Grantee acknowledge that Section 8.1(a) of the FCC's rules, 47 C.F.R. § 8.1(a), requires BIAS providers to publicly disclose accurate information to their Subscriber regarding the providers' network management practices. Grantee shall comply with this disclosure obligation and all other consumer disclosure and information protection requirements under applicable law.

SECTION 5: Oversight and Regulation by City

5.1. Franchise Fees. The Grantee shall pay to the City a franchise fee ("Franchise Fee") in an amount equal to five percent (5%) of annual Gross Revenues received from the operation of the Fiber Optic Network to provide BIAS to Subscribers in the Franchise Area; provided, however, that Grantee shall not be compelled to pay any higher percentage of fees than any other BIAS or cable television service provider, under state authorization or otherwise, providing service in the Franchise Area using the Public Ways ("Competing Provider"). The payment of Franchise Fees shall be made on a quarterly basis and shall be due forty-five (45) days after the close of each calendar quarter. If mailed, the Franchise Fee shall be considered paid on the date it is postmarked. Each Franchise Fee payment shall be accompanied by a report prepared by a representative of the Grantee showing the basis for the computation of the franchise fees paid during that period. Any undisputed Franchise Fee payment which remains unpaid in whole or in part, after the date specified herein shall be delinquent. For any delinquent Franchise Fee payments, Grantee shall make such payments including interest at the prime lending rate as quoted by JP Morgan Chase & Co., or its successor, computed from time due until paid. Any undisputed overpayments made by the Grantee to the City shall be credited upon discovery of such overpayment until such time when the full value of such credit has been applied to the Franchise Fee liability otherwise accruing under this Section.

5.1.1. The Parties acknowledge that, at present, they have agreed to a maximum permissible Franchise Fee of five percent (5%) of Gross Revenues. In the event the City proposes to increase the Franchise Fee above five percent (5%), the City shall hold a public hearing and determine if the City should collect the additional amount. Following the determination, the City shall notify the Grantee of its intent to collect the increased Franchise Fee and Grantee shall have a reasonable time (not to be less than ninety (90) days from receipt of notice from the City) to effectuate any changes necessary to begin the collection of such increased Franchise Fee or notify the Grantee of its intent to not collect the increased fee. In the event that the City increases said Franchise Fee, the Grantee shall notify its Subscribers of the

City's decision to increase said fee prior to the implementation of the collection of said fee from Subscribers.

5.1.2. In the event a change in State or Federal law requires the City to reduce the Franchise Fee percentage that may be collected, the parties shall amend this Agreement to reduce the percentage Franchise Fee hereunder to the lower of (i) the maximum permissible Franchise Fee percentage under applicable law or (ii) the lowest Franchise Fee percentage paid by any other Competing Provider; provided that (a) such amendment is in compliance with the change in State and Federal law; (b) the City approves the amendment by ordinance; and (c) the City notifies Grantee at least ninety (90) days prior to the effective date of such an amendment.

5.1.3. For the avoidance of doubt, the Grantee may pass all Franchise Fees through to its Subscribers as a separate line-item charge on the Subscribers bills.

5.2. Franchise Fees Subject to Audit. The City and Grantee acknowledge that the City may audit Grantee's payment of the Franchise Fees, and the City shall utilize the procedures and standards set forth in the Illinois Municipal Code at 65 ILCS 5/11-42-11.05 (Municipal Franchise Fee Review; Requests For Information). Any audit shall be conducted in accordance with generally applicable auditing standards.

5.3. Proprietary Information. Notwithstanding anything to the contrary set forth in this Agreement, the Grantee shall not be required to disclose information which it reasonably deems to be proprietary or confidential in nature, with the exception of the information directly related to an audit of Franchise Fees as set forth in Section 5.2. The City agrees to treat any information disclosed by the Grantee as confidential and only to disclose it to those employees, representatives, and agents of the City that have a need to know in order to enforce this Franchise Agreement and who agree to maintain the confidentiality of all such information. For purposes of this Section, the terms "proprietary or confidential" include, but are not limited to, information relating to the Fiber Optic Network design, Subscriber lists, marketing plans, financial information unrelated to the calculation of Franchise Fees, or other information that is reasonably determined by the Grantee to be competitively sensitive. Grantee may make proprietary or confidential information available for inspection but not copying or removal by the Franchise Authority's representative. In the event that the City has in its possession and receives a request under the Illinois Freedom of Information Act (5 ILCS 140/1 et seq.), or similar law for the disclosure of information the Grantee has designated as confidential, trade secret or proprietary, the City shall notify Grantee of such request and cooperate with Grantee in opposing such request. Grantee shall indemnify and defend the City from and against any claims arising from the City's opposition to disclosure of any information Grantee designates as proprietary or confidential. Compliance by the City with an opinion or directive from the Illinois Public Access Counselor or the Illinois Attorney General under the Illinois Freedom of Information Act, 5 ILCS 140/1 et seq., or with a decision or order of a court with jurisdiction over the City, shall not be a violation of this Section.

SECTION 6: Assignment of Agreement or Transfer of Control of Grantee

6.1. The Grantee may not assign this Agreement without the prior written consent of the City, which consent shall not be unreasonably withheld or delayed.

6.2. During any period in which the Grantee is accessing a Public Way pursuant to this Agreement, no transfer of control of the Grantee, defined as an acquisition of fifty-one percent (51%) or greater ownership interest in Grantee, shall take place without the prior written consent of the City, which consent shall not be unreasonably withheld or delayed.

6.3. No consent shall be required, however, for (1) a transfer in trust, by mortgage, hypothecation, or by assignment of any rights, title, or interest of the Grantee in this Agreement in order to secure indebtedness, or (2) a transfer to an affiliate of Grantee that controls Grantee, is directly or indirectly owned or controlled by Grantee, or is commonly controlled with Grantee.

6.4. The Grantee, and any proposed assignee or transferee under this Section 6, shall submit a written application to the City containing or accompanied by such information as is reasonably required by the City. Within thirty (30) days after receiving a request for consent, the City shall notify the Grantee in writing of any additional information, if any, it requires to determine the legal, financial and technical qualifications of the assignee or new controlling party. If the City has not taken final action on the Grantee's request for consent within one hundred (120) days after receiving such request, consent shall be deemed granted. As a condition to granting of any consent, the City may require the transferee to agree in writing to assume the obligations of the Grantee under this Agreement.

6.5. Any transfer of control resulting from or after the appointment of a receiver or receivers or trustee or trustees, however denominated, designated to take over and conduct the business of the Grantee, whether in a receivership, reorganization, bankruptcy or other action or proceeding, unless such receivership or trusteeship shall have been vacated prior to the expiration of a one hundred twenty (120) day period, shall be treated as a transfer of control and require the City's consent thereto in the manner described in Section 6 above.

SECTION 7: Insurance, Indemnity, and Limitation of Liability

7.1. Insurance. Throughout the term of this Agreement, the Grantee shall, at its own cost and expense, maintain Commercial General Liability Insurance and, at their request, provide the City certificates of insurance designating the City and its officers, boards, commissions, councils, elected officials, agents and employees as additional insureds and demonstrating that the Grantee has obtained the insurance required in this Section. Such policy or policies shall be in the minimum amount of five million dollars (\$5,000,000.00) for bodily injury or death to any one person, and five million dollars (\$5,000,000.00) for bodily injury or death of any two or more persons resulting from one occurrence, and five million dollars (\$5,000,000.00) for property damage resulting from any one accident. Such policy or policies shall be non-cancelable except upon thirty (30) days prior written notice to the City. The Grantee shall provide workers' compensation coverage in accordance with applicable law. The Grantee shall indemnify and hold harmless the City from any workers compensation claims to which the Grantee may become subject during the term of this Agreement.

7.2. Indemnification. The Grantee shall indemnify, defend and hold harmless the City, its officers, employees, and agents (the "Indemnitees") from and against any injuries, claims, demands, judgments, damages, losses and expenses, including reasonable attorney's fees and costs of suit or defense (the "Indemnification Events"), arising in the course of the Grantee

constructing and operating its Fiber Optic Broadband Network within the City. The Grantee's obligation with respect to the Indemnitees shall apply to Indemnification Events which may occur during the term of this Agreement, provided that the claim or action is initiated within the applicable statute of limitations, notwithstanding that the claim may be made or action filed subsequent to the termination or expiration of this Agreement. The City shall give the Grantee timely written notice of its obligation to indemnify and defend the City after the City's receipt of a claim or action pursuant to this Section. For purposes of this Section, the word "timely" shall mean within a time period that does not cause prejudice to the respective positions of the Grantee and/or the City. If the City elects in its own discretion to employ additional counsel, the costs for such additional counsel for the City shall be the responsibility of the City.

7.2.1. The Grantee shall not indemnify the City for any liabilities, damages, costs or expense resulting from any conduct for which the City, its officers, employees and agents may be liable under the laws of the State of Illinois.

7.2.2. Nothing herein shall be construed to limit the Grantee's duty to indemnify the City by reference to the limits of insurance coverage described in this Agreement.

7.3. Limitation of Liability. In connection with the subject matter of this Agreement, neither party shall be liable for consequential, indirect, or punitive damages (including lost revenues, loss of equipment, interruption or loss of service, or loss of data) for any cause of action, whether in contract, tort, or otherwise, even if the party was or should have been aware of the possibility of these damages, whether under theory of contract, tort (including negligence), strict liability, or otherwise. This limitation shall survive the expiration or termination of this Agreement.

SECTION 8: Enforcement of Franchise

8.1. Notice of Violation or Default. In the event the City believes that the Grantee has not complied with a material term of the Franchise, it shall notify the Grantee in writing with specific details regarding the exact nature of the alleged noncompliance or default.

8.2. Grantee's Right to Cure or Respond. The Grantee shall have thirty (30) days from the receipt of the City's written notice: (1) to respond to the City, contesting the assertion of noncompliance or default; or (2) to cure such default; or (3) in the event that, by nature of the default, such default cannot be cured within the thirty (30) day period, initiate reasonable steps to remedy such default and notify the City of the steps being taken and the projected date that the cure will be completed.

8.3. Enforcement. Subject to applicable State and Federal law, and following notice and an opportunity to cure and respond pursuant to the provisions of Section 8.2 above, in the event the City determines that the Grantee is in default of any material provision of the Franchise, the City may:

8.3.1. seek specific performance of any provision that reasonably lends itself to such remedy or seek other relief available at law, including declaratory or injunctive relief; or

8.3.2. in the case of a substantial or frequent default of a material provision of

the Franchise, declare the Agreement to be revoked in accordance with the following:

(i) The City shall give written notice to the Grantee of its intent to revoke the Franchise on the basis of a pattern of noncompliance by the Grantee. The notice shall set forth with specificity the exact nature of the noncompliance. The Grantee shall have ninety (90) days from the receipt of such notice to object in writing and to state its reasons for such objection. In the event the City has not received a response from the Grantee or upon receipt of the response does not agree with the Grantee's proposed remedy or in the event that the Grantee has not taken action to cure the default, it may then seek termination of the Franchise at a public hearing. The City shall cause to be served upon the Grantee, at least ten (10) days prior to such public hearing, a written notice specifying the time and place of such hearing and stating its intent to request termination of the Franchise.

(ii) At the designated hearing, the City shall give the Grantee an opportunity to state its position on the matter, present evidence and question witnesses, after which the City shall determine whether or not the Franchise shall be terminated. The public hearing shall be on the record. A copy of the transcript shall be made available to the Grantee at its sole expense. The decision of the City shall be in writing and shall be delivered to the Grantee in a manner authorized by Section 9.2. The Grantee may appeal such determination to any court with jurisdiction within thirty (30) days after receipt of the City's decision.

SECTION 9: Miscellaneous Provisions

9.1. Force Majeure. The Grantee shall not be held in default under, or in noncompliance with, the provisions of the Franchise, nor suffer any enforcement or penalty relating to noncompliance or default (including termination, cancellation or revocation of the Franchise), where such noncompliance or alleged defaults occurred or were caused by strike, riot, war, earthquake, flood, tidal wave, unusually severe rain or snow storm, hurricane, tornado or other catastrophic act of nature, labor disputes, failure of utility service necessary to operate the Fiber Optic Broadband Network, governmental, administrative or judicial order or regulation or other event that is reasonably beyond the Grantee's ability to anticipate or control. This provision also covers work delays caused by waiting for utility providers to service or monitor their own utility poles on which the Grantee's fiber or equipment is attached, as well as unavailability of materials or qualified labor to perform the work necessary. Non-compliance or default shall be corrected within a reasonable amount of time after force majeure has ceased.

9.2. Notice. Any notification that requires a response or action from a party to this franchise within a specific time-frame, or that would trigger a timeline that would affect one or both parties' rights under this franchise, shall be in writing and shall be sufficiently given and served upon the other party by hand delivery, first class mail, registered or certified, return receipt requested, postage prepaid, or by reputable overnight courier service and addressed as follows:

To the City:

City of Rock Falls
603 West 10th Street
Rock Falls, Illinois 61071

To the Grantee:

Surf Air Wireless, LLC
P.O. Box 1401
La Porte, IN 46352

ATTN: City Administrator

ATTN: Gregory B. Armstrong, CEO

With copy to:

Chilton, Yambert and Porter, LLP
303 W Madison, Suite 2300
Chicago, IL 60606
ATTN: Randy Vickery

Recognizing the widespread usage and acceptance of electronic forms of communication, emails and faxes will be acceptable as formal notification related to the conduct of general business amongst the parties to this contract, including but not limited to programming and price adjustment communications. Such communication should be addressed and directed to the person of record as specified above. Either party may change its address and addressee for notice by notice to the other party under this Section.

9.3. Entire Agreement. This Agreement embodies the entire understanding and agreement of the City and the Grantee with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and communications, whether written or oral. Except for ordinances adopted pursuant to Sections 2.4 and 2.5 of this Agreement, all ordinances or parts of ordinances related to the provision of Fiber Optic Broadband Service that are in conflict with or otherwise impose obligations different from the provisions of this Agreement are superseded by this Agreement.

9.3.1. The City may adopt after the Effective Date a BIAS provider regulatory ordinance that complies with applicable law, provided the provisions of any such ordinance adopted subsequent to the Effective Date of this Agreement shall not apply to the Grantee during the term of this Agreement.

9.4. Severability. If any section, subsection, sentence, clause, phrase, or other portion of this Agreement is, for any reason, declared invalid, in whole or in part, by any court, agency, commission, legislative body, or other authority of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent portion. Such declaration shall not affect the validity of the remaining portions hereof, which other portions shall continue in full force and effect. If any material provision of this Agreement is made or found to be unenforceable by such a binding and final decision, either party may notify the other in writing that the Franchise has been materially altered by the change and of the election to begin negotiations to amend the Franchise in a manner consistent with said proceeding or enactment; provided, however, that any such negotiated modification shall be competitively neutral, and the parties shall be given sufficient time to implement any changes necessitated by the agreed-upon modification.

9.5. Governing Law. This Agreement shall be deemed to be executed in the State of Illinois, and shall be governed in all respects, including validity, interpretation and effect, and construed in accordance with, the laws of the State of Illinois and/or Federal law, as applicable.

9.6. Venue. Except as to any matter within the jurisdiction of the Federal courts or the FCC, all judicial actions relating to any interpretation, enforcement, dispute resolution or any

other aspect of this Agreement shall be brought in the Circuit Court of the State of Illinois, Whiteside County, Illinois. Any matter brought pursuant to the jurisdiction of the Federal court shall be brought in the United States District Court of the Northern District of Illinois.

9.7. Modification. Except as provided in Sections 5.1.1 and 5.1.2, no provision of this Agreement shall be amended or otherwise modified, in whole or in part, except by an instrument, in writing, duly executed by the City and the Grantee, which amendment shall be authorized on behalf of the City through the adoption of an appropriate ordinance or resolution by the City, as required by applicable law.

9.8. No Third-Party Beneficiaries. Nothing in this Agreement is intended to confer third-party beneficiary status on any person, individual, corporation or member of the public to enforce the terms of this Agreement.

9.9. No Waiver of Rights. Nothing in this Agreement shall be construed as a waiver of any rights, substantive or procedural, Grantee may have under State or Federal law unless such waiver is expressly stated herein.

9.10. Validity of Agreement. The parties acknowledge and agree in good faith on the validity of the provisions, terms and conditions of this Agreement, in their entirety, and that the Parties have the power and authority to enter into the provisions, terms, and conditions of this Agreement.

9.11. Authority to Sign Agreement. Grantee warrants to the City that it is authorized to execute, deliver and perform this Agreement. The individual signing this Franchise Agreement on behalf of the Grantee warrants to the City that s/he is authorized to execute this Agreement in the name of the Grantee.

IN WITNESS WHEREOF, this Agreement has been executed by the duly authorized representatives of the parties as set forth below, as of the date set forth below:

For City:

For Grantee:

City of Rock Falls

Surf Air Wireless, LLC

By: _____

By: _____

Name:

Name:

Title:

Title:

Date:

Date:

AGREEMENT
BETWEEN
CITY OF ROCK FALLS, ILLINOIS
AND
LOCAL UNION NO. 196 OF THE
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, AFL-CIO

Effective
September 1, 202019 to August 31, 20240
(CLERICAL)

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AGREEMENT

This Agreement is entered into as of this 1st day of September, 2020~~19~~ by and between the CITY OF ROCK FALLS, ILLINOIS (hereinafter designated "the City" or "the Employer") and LOCAL UNION NO. 196 OF THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, AFL-CIO (hereinafter designated as "the Union" or "employees") for and on behalf of those employees of the City occupying positions within the unit described in Article 2 of this Agreement.

In as much as the Employer and the Union desire to establish a standard of conditions under which the employees shall work for the Employer during the term of this Agreement and to regulate the mutual relations between the parties with the view of securing harmonious cooperation and for settling of any disputes, it is agreed as follows:

ARTICLE 1

CONTRACT PERIOD

Section 1.01 This Agreement, when approved and signed by the appropriate authorities for and on behalf of the City and the Union, shall have force and effect from September 1, 2020~~19~~ and until August 31, 2024~~0~~, and thereafter shall continue in full force and effect for successive periods of one (1) year unless written notice of the desire to terminate or modify the agreement is served by either party upon the other party more than sixty (60) days prior to the date of termination. Where written notice to terminate or modify this Agreement is timely served, this Agreement shall terminate on the stated date of expiration, provided however that the parties may thereafter mutually agree to extend the period during which this Agreement shall remain in full force and effect upon such terms as may be acceptable to both parties.

It is understood that this Agreement is subject to the approval of the International President of the International Brotherhood of Electrical Workers.

Section 1.02 Any party serving written notice of the desire to terminate or modify this Agreement upon the other party shall, at least sixty (60) days prior to the expiration of the Agreement, submit its written proposals for amendments, or for a new agreement, to the other party, and shall thereafter continue to observe the terms of this Agreement until its expiration.

Section 1.03 It shall be understood that the provisions of this Agreement may be modified at any time upon mutual agreement of the parties, provided that all such modifications shall be in writing and signed by authorized representatives of the Union and the City.

ARTICLE 2

RECOGNITION

Section 2.01 In accordance with the certification issued by the Illinois Public Labor Relations Board pursuant to the authority of the Illinois Public Labor Relations Act (the "Act") in Case No. S-VR-98-1 and clarified in Case No. S-UC-(S)-00-019, LOCAL UNION NO. 196 of the INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS is recognized as the exclusive representative of employees within the following bargaining unit:

All regular full time clerks and secretaries in the City of Rock Falls Electric Office, Utility Collection Office and City Clerk's Office, excluding supervisory, managerial, confidential and short-term employees as defined in the Act, Elected Officials, the City Accountant, First Assistant City Clerk, Building and Zoning Official, Economic Development Director, Mayor's Secretary and all other employees of the City of Rock Falls

for the purposes of collective bargaining in respect to rates of pay, wages, hours of employment and other conditions of employment as defined in the Act.

Section 2.02 All functions of management of the operations of the City and the direction of its employees which are not limited by the express language of this Agreement, are exclusively vested in and retained by the Employer, including but not limited to the right to determine the means, methods and place of operations, and to decide what work or services shall be performed by employees; the right to hire, discipline or discharge employees for causes; to transfer, promote or relieve from duty because of lack of work or for other legitimate reasons; and to maintain discipline, order and efficiency; the right to make and enforce reasonable shop rules, to introduce new and improved methods, materials, equipment or facilities, or change or eliminate existing methods, materials, equipment or facilities; provided this will not be used for purposes of discrimination against any employee for membership in the union.

Section 2.03 Neither the City nor the Union shall discriminate against any employee because of race, creed, color, religion, age, national origin, ancestry, sex, marital status, handicap unrelated to the ability to perform, or unfavorable military discharge as defined by federal and state laws, nor because of any employee's participation or non-participation in lawful union activity.

Section 2.04 Feminine or neuter pronouns shall be substituted for those of masculine form or vice versa and the plural shall be substituted for the single number or vice versa in any place in this agreement in which the context may require such substitution. The use of the masculine gender in any language herein shall be construed to include the feminine gender.

ARTICLE 3

EMPLOYEES

Section 3.01 Whenever the term "Employee" appears in this Agreement, it shall be construed to mean those persons included within the bargaining unit defined in Section 2.01.

Section 3.02 All employees shall be required to serve a probationary period of employment with the City of six (6) continuous months following their date of hire. During this period, each probationary employee's suitability for employment beyond the probationary period will be evaluated by the City, and the City shall retain the right to dismiss any probationary employee at any time without prior notice or assignment of specific reasons for dismissal, and no probationary employee shall have any rights or recourse under this Agreement. Upon successful completion of the probationary period, employees shall thereafter be credited with seniority from their last date of hire and be credited with a one-time allocation of 2 additional personal days in recognition of their successful completion of the probationary period. These 2 personal days must be used within one year from the date of completion of the probationary period.

Where it feels the action is appropriate, the Union may request a meeting with the Department Head or the Personnel Committee to determine whether the probationary employee was treated fairly, and the Department Head or Personnel Committee shall meet with and consider any concerns of the Union, but the decision of the Department Head or Personnel Committee shall be final.

Section 3.03 The City shall have the right to employ short-term employees as defined by the Act to perform any work required, provided such employees are employed for less than two consecutive calendar quarters in any calendar year. Such short-term employees shall not be entitled to any rights or benefits provided to employees within the bargaining unit under this Agreement, provided however that no short-term employee shall be paid less than the probationary hourly wage rate provided by this Agreement and that the employment of any short-term employees shall not cause the layoff of any regular employee.

However, the City may hire a maximum of four (4) students during the period May 1 each year to August 31 of each year. Such "summer help" must be enrolled as a student (high school or college) at the time of employment. Children of bargaining unit employees will be given preference for hire, but nothing within the contract shall restrict the ability of the City to discipline any person hired as "summer help" under the City's managerial authority. No work performed by "summer help" will reduce, curtail or replace any overtime opportunity of any regular bargaining unit employee. The requirements for payment of an hourly wage not less than the probationary wage rate provided by this agreement shall not apply to any such "summer help" which may be hired by the City.

Section 3.04 The term regular part-time employee, when utilized within this Agreement, shall include any employee hired, and regularly scheduled to work less than thirty (30) hours in a regular workweek.

ARTICLE 4

UNION DUES - CHECK-OFF AND FAIR SHARE

Section 4.01 The City shall deduct from the pay of each bargaining unit member from whom it has received a written authorization to do so, the amount required for the payment of monthly Union dues and uniform fees, provided the Union certifies to the City by affidavit the amount required to be deducted.

Such fees, accompanied by a list of persons from whom they have been deducted and the amount deducted from each, and by a list of persons who had authorized deductions and from whom no deduction was made and the reason therefore, shall be forwarded to the Local Union 196 office no later than ten (10) working days after such deductions are made. Written authorization of the deductions shall be submitted to the Office of City Clerk upon forms approved by the City Clerk. The City's only obligations hereunder shall be to deduct said fees and submit them to the Union, and the City shall bear no obligation or liability to the Union or to any employee for any mistakes made in compliance with such obligations.

Section 4.02 Any bargaining unit member may terminate the dues check-off by submitting written notice of revocation of the authorization to the office of the City Clerk and the Local Union 196 office.

Section 4.03

Section 4.034 The Union shall indemnify, defend and hold harmless the City, its officers, officials, agents and employees from and against any and all claims, demands, actions, complaints, suits or other forms of liability that shall arise out of or by reason of any actions by the City for the purposes of complying with the provisions of this Article, or in reliance on any list, notice, certification, affidavit or assignment furnished under any of the provisions of this Article.

ARTICLE 5

UNION BUSINESS

Section 5.01 Duly authorized representatives of the Union will be permitted to enter upon the Employer's premises at reasonable times for purposes of handling grievances or observing conditions under which employees are working. Such Union representatives shall identify themselves, and provide advance notice to the head of the Department or other supervisory employee in charge on each occasion prior to entering any premises or facilities of the City not generally open to the public, and shall conduct their activities or business without interference to the operations of the City and the employees.

Section 5.02 It is understood and agreed that there will be no Union activity or business conducted during employee working hours provided however that in connection with the

processing of grievances, where a duly authorized Union officer or steward employed by the City requires to be relieved of his/her duties in order to engage in business which cannot be performed outside normal working hours, such employee shall advise the head of his/her department or immediate supervisor of such circumstances and request to be relieved of his/her duties for the period essential to handle such matter, and permission shall be granted unless the Department Head or immediate supervisor determines that the employee cannot be released from duty because of the immediate requirements of the Department's operations. The Union will notify the City Clerk in writing of the employees designated as officers or stewards, and will promptly provide notice when changes occur.

Section 5.03 Subject to the needs of the City and its operations, the City agrees to grant leaves of absence without pay for periods not to exceed two weeks to any Union official or member for purposes of Union business, provided the Department Head for the Department in which the employee works is notified at least two weeks in advance of the requested leave of absence and its duration and is able to make adequate scheduling arrangements to have the employee's job covered during such absence.

ARTICLE 6

UNION BULLETIN BOARDS

Section 6.01 The Employer agrees that the Union may install and maintain a bulletin board at a location designated by the Employer such that all employees covered by this Agreement may easily read notices posted thereon.

ARTICLE 7

STATE AND FEDERAL LAWS

Section 7.01 In the event that any of the provisions of this Agreement shall conflict with any state or federal law or presidential regulations, such provisions shall be deemed to be modified sufficiently in respect to either or both parties to the extent necessary to comply with such laws or regulations and the remaining portion of this Agreement shall remain in full force and effect.

ARTICLE 8

NO STRIKE - NO LOCKOUT

Section 8.01 During the term of this Agreement, there shall be no lockout, strike, work stoppage, picketing, slowdown or other form of interference with production regardless of the cause. All employees who hold a position of officer, steward, or committeeman of the Union occupy a position of special trust and responsibility in maintaining and bringing about compliance with this provision, including the responsibility to remain at work during any interruption which

may be initiated by other employees and to encourage employees violating this paragraph to return to work.

ARTICLE 9

DISPUTE RESOLUTION PROCEDURE

Section 9.01 - Step 1 Where any employee or group of employees have any disagreement, dispute, difference or complaint concerning employment conditions with the City, such employee(s), accompanied by a steward if the employee elects, may submit the matter to the immediate supervisor or the department head for the involved department and consult with the supervisor or department head in an attempt to arrange a satisfactory solution, provided however that the employee(s) and the supervisor or department head shall possess no authority to make or agree to any arrangement or resolution which conflicts in any way with the provisions of this Agreement. The steward or chief steward of the Union shall be given notice of any solution agreed upon.

Section 9.02 - Step 2 When no satisfactory solution is achieved through consultations with the immediate supervisor and/or department head, any employee, group of employees and/or the Union shall have the right to submit to the department head of the involved department a grievance in writing. For purposes of this Article, a grievance shall be defined as a claim or contention by employee(s) or the Union that the Employer has violated one or more of the terms of this Agreement. The written grievance shall state, at a minimum, the name of the grievant; the Article and Section of the Agreement alleged to have been violated; the date of the occurrence which gave rise to the grievance; a description of the occurrence; and, the remedy requested. The grievance shall be signed and dated by the grievant or their representative. To be timely and valid, any written grievance must be submitted to the involved department head within twenty-one (21) calendar days of the occurrence of the alleged contract violation or when the employee knew or should have known of such violation, and any purported grievance not filed within such period shall be deemed to be a nullity and without force and effect.

Section 9.03 Within - fourteen (14) days of the submission of a written grievance to the involved department head pursuant to Section 9.02, the involved department head or his/her delegate shall meet with the appropriate representative for the Union, and any employee filing the grievance, to explore the facts and circumstances involved, and to attempt to achieve a satisfactory solution. Within fourteen (14) days after this meeting, the department head shall prepare a written response to the grievance, summarizing the claims and contentions of the employee(s) and the union, the solution(s) proposed or agreed upon, and where no solution has been agreed upon, his/her response to the grievance, which shall be submitted to the chief steward. Where the department head concludes that additional time is required for investigation or consideration of the grievance, he shall, within the period provided for response, submit such conclusion in writing to the chief steward. The chief steward may disagree with this conclusion and appeal the grievance to the City Administrator pursuant to Section 9.04, in which event the department head's interim response shall be deemed a denial of the grievance.

Section 9.04 - Step 3 Within seven (7) days of submission of the written response of the department head pursuant to Section 9.03, the Union may appeal the decision of the involved department head to the City Administrator, and may request a meeting on the grievance. Where the request for a meeting is submitted, the City Administrator shall schedule such a meeting at the earliest available opportunity within fifteen (15) days, and shall notify the employee(s) involved, the chief steward of the union, and the department head and/or immediate supervisor of the scheduled date of such hearing and request their attendance.

At the hearing, the City Administrator shall consider the grievance, response of the department head and any additional evidence or argument submitted by the employee(s), the Union and the department head, and shall attempt to arrive at a solution satisfactory to all concerned. Where no solution is possible, the City Administrator shall render a decision on the grievance in writing and submit a copy of the decision to the chief steward on behalf of the Union within seven (7) days after the hearing.

Section 9.05 - Step 4 The decision of the City Administrator concerning any grievance shall be final and binding upon the employee(s), the Union, and the department head, unless within seven (7) days of the decision, the employee(s) or the Union submit a request to the full City Council for review of the City Administrator's decision by filing such request in writing with the office of the City Clerk. Where such request for review is filed, the grievance and the decision of the City Administrator shall be brought before the full City Council for consideration at its next regularly scheduled meeting occurring more than five (5) days after the filing of the request for review by the employee(s) or Union. The City Council shall have the authority to consider any additional evidence or argument, which may be offered, and to adopt, amend, alter, modify or reverse the decision of the City Administrator and shall make its decision at the meeting at which the grievance is presented. The City Council's decision on any grievance shall be final and binding upon all concerned unless appealed to arbitration by the Union in accordance with Section 9.06.

Section 9.06 - Arbitration Grievances that are properly processed, but are not adjusted between the Employer and the Union, as provided above, may be referred to arbitration upon written request of the Union made within twenty-one (21) days of the Employer's answer in Step 4. When arbitration is requested, the parties shall attempt to agree on the selection of an arbitrator. If an agreement cannot be reached within thirty (30) days from the date on which arbitration is requested, then the Federal Mediation and Conciliation Service shall be requested to submit a list of five (5) arbitrators. From such list of arbitrators, the grieving party shall strike two (2) names and the Employer then strike two (2) names and the person whose name remains shall be the arbitrator; provided, however, that either party shall have the right to reject one (1) list of arbitrators and ask for a new list from the Federal Mediation and Conciliation Service.

In settlement of any grievance resulting in retroactive adjustment, such adjustment shall be limited to a maximum of five (5) days prior to the date of filing of the grievance. The decision of the arbitrator shall be final and binding upon the parties. The arbitrator shall have no right to ignore, add to, take from, or modify any of the provisions of this Agreement. The expenses of the arbitrator shall be shared equally by the parties, and such expenses may be at the request of either party, including the cost of a written transcript of the hearing. Each party shall bear all other expenses incurred by it in connection with the proceeding.

This Agreement shall be interpreted only according to its written provisions without regard to the history of negotiations, past practices, and written matters which are not supplements to this Agreement signed by both parties.

Section 9.07 Time shall be of the essence under each provision of this Article. Where a party fails to comply with the time limitations established herein, and no agreement to extend those time limitations has been agreed upon, the grievance shall be deemed to have been decided on the basis of the last timely response. Time limits in this Article may be extended by mutual agreement between the Union and the Employer.

Section 9.08 For purposes of this Article, if at any time, the office of City Administrator is vacant or nonexistent, then the Personnel Committee of the City Council shall be substituted for an perform the functions of the City Administrator in the grievance process as delineated herein.

ARTICLE 10

SENIORITY

Section 10.01 Seniority shall be defined as each employee's length of continuous employment within the bargaining unit since his/her most recent date of hire.

Section 10.02 Each employee's seniority and employment with the City shall terminate upon the occurrence of any of the following:

- (a) resignation or voluntary termination;
- (b) retirement;
- (c) discharge;
- (d) absence from work for three (3) consecutive work days without proper notice to the head of the department of such absence and the reasons for absence unless circumstances beyond the employee's control precludes the employee from providing notice;
- (e) failure to report for work upon the expiration of scheduled vacation or any authorized leave of absence unless the employee can show just cause for the failure to report;
- (f) failure to report for work following written notice by the City to the last address furnished by the employee to the City Clerk of a recall from layoff, provided an employee shall have up to twenty-one (21) days after such recall notice is mailed to report;
- (g) absence from work due to layoff or other reason for a period equal to the lesser of the employee's seniority or two (2) calendar year(s), provided, however, that this provision shall not

apply to any employee absent from work because of any injury or illness arising from his employment with the City and covered by the Worker's Compensation Act.

Section 10.03 The City will furnish the Union a list showing the name, address, classification and last hiring date of each employee, and whether the employee is entitled to seniority or not. The City shall post this list, without employee addresses. Within thirty (30) calendar days from the date of posting, each employee must notify the City Clerk in writing of any error concerning his/her last hiring date as stated upon such list, or the date will be considered correct and binding upon the employee and the Union from that time forth and forever. The City will furnish the Union notice of any changes to the seniority list, and will furnish a revised list every twelve (12) months, which will also be posted in accordance with the procedures above.

Section 10.04 The City retains the right to select employees to fill positions within the City administration outside the bargaining unit established in Section 2.01 in its unfettered discretion.

Where an employee accepts a transfer or promotion to a position outside the bargaining unit, other than on a temporary basis, the employee shall cease to accumulate or accrue further seniority within the bargaining unit after the date of transfer or promotion, but shall retain seniority previously accumulated while employed within the bargaining unit for a period of six months only, after which any accumulated bargaining unit seniority shall terminate.

ARTICLE 11

LAYOFF AND RECALL

Section 11.01 Where the City determines it is necessary to reduce the number of employees employed within the Bargaining Unit, the City may, at its discretion, layoff employees, after giving notice in writing delivered thirty (30) days in advance by personal delivery or certified mail addressed to the last available address of Local 196 Union Hall, and the City shall follow the following procedures in the layoff and recall of employees:

(a) All probationary employees shall be laid off before any employee with established seniority;

(b) Thereafter, employees within the Bargaining Unit will be laid off in inverse order to their established seniority, provided, however, that any employee with greater seniority must be qualified and able to satisfactorily perform the duties of any new position to which the employee will be assigned because of the layoff of a less senior employee in order to avoid layoff in place of a qualified less senior employee;

(c) In recalling employees from layoff, the City will recall employees with established seniority in inverse order of their layoff from the Unit, provided that the employee being recalled is qualified and able to satisfactorily perform the duties of the position within the Unit to be filled by recall;

(d) Nothing in this article shall prevent or bar the Union and the City from mutually agreeing to a program designed to avoid or curtail layoffs by spreading available work or hours among employees within the unit.

ARTICLE 12

POSTING OF VACANCIES AND JOB BIDDING

Section 12.01 Where any vacancy or job opening within the bargaining unit occurs, such vacancy or opening will be filled by first posting the opening for bidding by employees within the bargaining unit. Notice of such opening or vacancy will be posted upon the bulletin board of the Unit for seven (7) calendar days before other means are utilized to fill the vacancy or opening. Interested employees may bid for the vacancy or opening by submitting a written statement of interest to the head of the department within which such vacancy or opening exists, and shall forward a copy of their bid to the steward or chief steward of the Union. Where no timely bids are submitted for any vacancy or opening, the City may thereafter proceed to fill the job or position in the manner it deems appropriate. The job description, or a statement of the job's duties, any special qualification required for the job, work hours and job wage scale shall be made available to any interested employee upon request to the Department Head where the vacancy exists.

Any temporary assignment or transfer of any bargaining unit employee to a new or different job assignment or newly created position, which is reasonably expected to last for thirty (30) days or more, shall be done according to Job Bidding Procedures, in accordance with this Article.

Section 12.02 In the awarding of bids such decision by the Employer shall be made within thirty (30) days of the closing of the bid posting period. When necessary, temporary assignment will be made within this thirty (30) day period. The above action taken shall be posted on the bulletin board in each department within seven (7) days of the date of the decision by the Employer.

Section 12.03 Where any vacancy or job opening occurs within the Public Works or Electrical Department, notice of such vacancy or job opening shall be posted upon the bulletin board assigned to this Unit at the same time as notice is posted upon the bulletin board of the Public Works and Electrical Department bulletin boards. Members of this Unit shall be permitted to submit a bid to fill the vacancy or job opening, and if the position is not filled by appointment of an employee from the bargaining unit comprising the employees within the Public Works or Electrical Departments in accordance with the provisions of the collective bargaining agreement governing them, then notice of such continuing vacancy or opening shall be posted (referred to herein as "secondary posting") upon the bulletin board assigned to this unit on the eighth (8th) day following initial posting of the vacancy or opening notice. Any interested member of this unit may then bid for the vacancy or opening by submitting a written statement of interest to the head of the department within which such vacancy or opening exists, and shall forward a copy of their bid to the steward or chief steward of the Union within two (2) days of the secondary posting. The job description, or a statement of the job's duties, any special qualification required for the job, work

hours and job wage scale shall be made available to any interested employee upon request the Department Head where the vacancy exists. Where no timely bids are submitted for any posted vacancy or opening, the City may thereafter proceed to fill the job or position in the manner it deems appropriate.

Section 12.04 In filling job vacancies, including promotions, the following factors shall be used except as provided otherwise:

- (a) Ability to do the work measured by physical fitness, experience, training, skill and demonstrated work habits; and
- (b) Seniority.

Where, as measured by factor (a), two or more applicants are substantially equal, factor (b) shall govern. Final determination of ability shall be made by the Employer, except that any dispute, which may arise in this connection, shall be handled in accordance with the provisions of this Agreement for the settlement of grievances.

Section 12.05 Any employee who successfully bids for any vacancy or job opening shall be given a qualifying period of six (6) continuous months following transfer or promotion to the vacancy or job opening, and will be given the opportunity during this period to demonstrate the ability to satisfactorily perform the duties of the job or position. Where the employee fails to demonstrate the ability to satisfactorily perform the duties of the job or position, the employee shall return to his/her previous position within the unit and the vacancy or opening will be re-posted for bidding.

Section 12.06 Where any employee successfully bids for any vacancy or job opening, and successfully demonstrates the ability to perform the duties of the job or position during the qualifying period, the employee shall be ineligible to bid for any further vacancies or job openings for a period of twelve (12) months following completion of the qualifying period in such job or position unless waived by the Employer.

Section 12.07 Any employee bidding for a vacancy or job opening may, prior to acceptance of a successful bid, withdraw his bid for such vacancy or job opening by submitting written notice of the withdrawal to the department head, provided, however, that the City shall not be required to re-post the vacancy or job opening by reason of any withdrawn bids. Employees withdrawing bids upon a vacancy or job opening shall be ineligible to bid for any further vacancy or job opening for a period of three (3) months thereafter unless waived by the Employer. Once a bargaining unit job vacancy is filled, the Employer will notify the Chief Steward in writing as to who was awarded the job.

Section 12.08 Any employee who has successfully bid to an apprenticeship job in the Electrical Department, and who has completed his/her six (6) month probationary period will be required to complete the lineman apprenticeship program. This will be furnished by the City, and the Employee will be required to complete each set of lessons in the designated time period of six (6) months. If the Employee does not meet the above requirements, he/she is liable for termination.

Any employee who successfully bids to a vacancy pursuant to this article will be paid at the wage rate fixed by the contract for the position to which the bid is awarded with the Employee's seniority.

ARTICLE 13

HOLIDAYS AND HOLIDAY PAY

Section 13.01 The following dates (or dates observed as such) shall be observed as holidays during the course of the calendar year:

January 1st (New Year's Day)	Labor Day
Presidents Day	Veteran's Day
Good Friday	Thanksgiving Day
Memorial Day	Day after Thanksgiving
July 4 th	Christmas Eve Day
	Christmas Day

Where a holiday falls on a Saturday, the holiday shall be observed on the preceding Friday, and where a holiday falls on a Sunday, the holiday shall be observed on the following Monday.

Section 13.02 Regular full-time employees shall be paid eight (8) hours pay at their current hourly wage rate for each holiday on which they are eligible to receive pay for a holiday. Regular part-time employees shall be paid at their current hourly wage rate for the average number of hours regularly scheduled per workday for each holiday on which they are eligible to receive pay for a holiday.

Section 13.03 Where any holiday occurs during an employee's scheduled vacation period, the employee may, with prior approval from the department head, elect to extend his scheduled vacation an additional day, or may elect an additional day of vacation to be scheduled pursuant to the provisions of Article 14.

Section 13.04 To be eligible to receive pay for a holiday, every employee shall be required to work the last regularly scheduled work day before, and the first regularly scheduled work day after, the holiday, provided however, that where verification of illness or excusable absence deemed reasonable by the department head is provided, the employee shall nevertheless be eligible for holiday pay.

Where an employee is scheduled to work on any holiday, the employee must report for work as scheduled, and any employee who fails to report for work shall not be eligible for pay for the holiday, provided however, that where verification of illness or excusable absence deemed reasonable by the department head is provided, the employee shall nevertheless be eligible for holiday pay.

Section 13.05 In addition to the regular holiday pay provided herein, any employee who works on a holiday shall receive double the current hourly wage rate for the job for all hours actually worked on a holiday. If the holiday falls on a weekend, the employee gets paid the double-time rate if the employee works on the day observed as the holiday (not the actual holiday).

Section 13.06 Employees shall be entitled to two (2) personal days off with pay during each year of this Agreement beginning January 1, 2001, which shall be used during the calendar year in which it is authorized, except that the employee may carry over one (1) personal day to the next calendar year, so long as no employee shall utilize more than five (5) personal days in any calendar year. In order to utilize personal day(s), the employee must request authorization to utilize the day twenty-four (24) hours in advance (if possible), and must receive approval of his/her supervisor or department head. Personal day(s) may be used in no less than one-hour increments with approval of the supervisor or department head.

An Employee shall be entitled to a third personal day per calendar year beginning with the next calendar year following completion of seven (7) years of service, and if the employee elects to not use the third day in any calendar year, he/she shall receive one-half day's pay at the then current wage rate in lieu thereof.

An Employee shall be entitled to an additional personal day beginning with the next calendar year following completion of fifteen (15) years of service.

ARTICLE 14

VACATIONS

Section 14.01 All regular full and part-time employees shall be eligible for vacation time during each calendar year of this Agreement on the basis of the following schedule:

- After one year of service -- one week
- After two years of service -- two weeks
- After five years of service -- two weeks and two days
- After seven years of service -- three weeks
- After ten years of service -- three weeks and one day
- After twelve years of service -- three weeks and three days
- After fifteen years of service -- four weeks
- After twenty years of service -- four weeks and two days
- After twenty-five years of service -- five weeks

Section 14.02 Vacation time may be scheduled at any time between January 1 and December 31 of the calendar year, subject to the needs of the City and the approval of the Department Head. However, if an anniversary date of hire reached by an Employee results in that Employee's eligibility for additional vacation, such additional vacation shall be immediately available for use by the Employee, subject to the scheduling requirements of the this article. Each

employee shall be credited with his vacation time for the completed years of service which he possesses on January 1 for that calendar year. Where the employee does not possess one (1) year of completed service on January 1 of any calendar year, the employee, upon completion of one full year of service with the City, shall be eligible for the vacation time specified in Section 14.01 during the remainder of that calendar year.

Prior to February 1 of each year, employees shall be entitled to schedule their vacation time in order of their department seniority, provided however, that no employee shall be entitled to schedule more than three weeks of vacation time consecutively. After February 1, vacation time may be scheduled at any available time, but more senior employees may not bump any less senior employee who previously scheduled his/her vacation time. The department head shall retain the right to determine the appropriate number of employees who may schedule vacation time during any particular period in order to insure adequate staffing, but provided that an employee may not be denied the right to take scheduled vacation of one (1) week or more if no other employee has previously scheduled vacation for the requested period. If the City for any valid reason refuses an IBEW employee vacation time, that employee's fiscal dates will be extended forty-five (45) additional days, or, with the consent of the City Administrator, the employee may elect to receive pay, computed at the employee's regular hourly rate, for up to one (1) week of vacation in lieu of taking the vacation as time off work.

Section 14.03 To be eligible to receive pay for vacation time, every employee must have worked at least twenty-six weeks during the preceding calendar year, provided however, that any week not worked during a year due to any work-related injury or illness covered by the Worker's Compensation Act shall be considered time worked for purposes of vacation pay.

Section 14.04 Regular full-time employees eligible to receive pay for vacation time shall be paid for forty hours at their current hourly wage rate for each week of vacation time. Regular part-time employees eligible to receive pay for vacation time shall be paid according to the average number of hours of work for which they are regularly scheduled each week at their current hourly wage rate for each week of vacation time.

Section 14.05 No employee shall be entitled to accumulate or accrue any vacation time or vacation pay from year to year, or to take vacation pay and work in lieu of vacation time, except as specified in Section 14.02 above. For each completed month of service during the calendar year in which the employee terminates, the employee shall receive one-twelfth (1/12 or .083) percent of his or her annual vacation pay. An employee who: (i) resigns his or her position after giving at least 2 weeks notice of resignation; (ii) is released from employment by the City due to reduction of employees or layoff; or, (iii) whose employment is terminated for any other reason except discipline or performance shall receive pay for any vacation credited under section 14.02 or accrued under this section, such pay to be included with the final paycheck of the employee. However, an employee whose employment is terminated by resignation without at least 14 days notice or for disciplinary or performance related issues shall not be paid for vacation accrued under this section for the year in which the termination occurs. All payments for vacation shall be made to the employee within 14 days of the termination of employment, or, if the basis for termination is disputed, within 14 days of resolution of the dispute.

Section 14.06 Vacation may be used in no less than one-half day increments. However, if an employee has exhausted personal leave and sick leave, the employee may utilize vacation in 2 hour increments for medical or sick leave purposes.

ARTICLE 15

SICK LEAVE

Section 15.01 Each regular full and part-time employee shall be granted one day of sick leave with pay for each month of service, or a maximum of ten (10) days per year, to be used whenever the employee, by reason of any injury or illness not arising out of his/her employment, is unable to work when scheduled. Each employee shall be entitled to accumulate a maximum of one hundred twenty (120) days of unused sick leave for subsequent use, But provided that no days in excess of ninety (90) shall be eligible for compensation under Section 15.04 hereof. Notwithstanding other restrictions upon use of sick leave, an Employee who is unable to work because of injury or illness arising from or out of his or her employment shall be entitled to be paid under sick leave benefits for the first three (3) days of absence due to such work related illness or injury, but further provided that if the Employee later is eligible for and receives temporary total disability benefits under the City's Workers' Compensation Program, then the wages paid to the Employee for such initial three (3) day period of absence shall be due and payable to the City by the Employee within thirty (30) days. If the Employee fails to voluntarily reimburse the City, the City may deduct such amounts from the Employee's next payroll following the thirty (30) day period. Once reimbursed, the Employee's sick days shall be added back to the Employee's total available sick leave.

Section 15.02 Where any employee has accumulated the maximum number of unused sick leave days authorized above, and does not utilize any sick leave days in a calendar year, the employee shall be entitled to one day's pay at the current hourly wage rate for his/her perfect attendance during the year. Where any Employee has accumulated the maximum number of unused sick leave days authorized above, and utilizes only one (1) sick leave day in a calendar year, the employee shall be entitled to one-half day's pay at the current wage rate for his/her attendance during the year.

Section 15.03 The sick leave benefits provided herein are to be utilized only when an employee has a legitimate injury or illness which precludes the employee from performing the duties of his/her job or when an employee needs to attend to a member of the employee's immediate family because of a serious injury or illness. Immediate family member shall be limited to the employee's legal spouse, child, parent, grandchild and grandparent. Employees may also utilize sick leave to care for any other form of relative or significant other, as long as that relative or significant other resides in the employee's household at the time of such serious illness or injury. The head of each department may require adequate verification of the employee's, family members, or significant other's asserted illness or injury, including the certification of an attending physician attesting to the illness or injury or disability after the third consecutive day on sick leave.

Where such verification is requested, sick leave days with pay shall be denied when the verification is not submitted, in addition to any disciplinary measures found to be appropriate by the City.

Proper notice of any illness or injury, or of the need to attend to an immediate family member, and the inability to work as scheduled as a result, shall be furnished in advance of any absence to the department head or immediate supervisor in order to qualify for sick leave pay benefits. Sick leave benefits shall be available for any absence for any elective surgery, and may be used for any form of preventive medicine or treatment requiring the employee to take time off during working hours to see a doctor, receive hospital or clinical services or similar medical attention. Such usage must be reported to the supervisor prior to leaving the work station.

Section 15.04 Upon termination of employment by the employee, the employee shall be entitled to be paid for any accumulated unused sick leave at the rate of two day's pay for each ten accumulated unused sick leave days, and the pay shall be computed at the rate applicable to the employee on the last day of his/her employment.

Section 15.05 Where an employee has accumulated the maximum unused sick leave of ninety (90) days specified in Article 15.01, the employee will be permitted to accumulate additional unused sick leave days solely for purposes of IMRF retirement credit upon retirement. Any unused sick leave days accumulated in excess of ninety (90) days shall not be available for use for sick leave with pay, nor compensation pursuant to Section 15.04, and may be utilized solely to obtain additional credit for retirement under the Illinois Municipal Retirement Fund. Employees shall be notified annually of their sick leave balance, which exceeds (90) days.

ARTICLE 16

BEREAVEMENT LEAVE

Section 16.01 Each regular employee shall be allowed seven (7) days off with pay in the event of the death of the employee's legal spouse, or natural or adoptive child. Three (3) days off with pay shall be allowed a regular employee to attend the funeral and to details of any funeral when a death occurs in the employee's immediate family, which shall include the employee's father, mother, stepfather, stepmother, father-in-law, mother-in-law, brother, sister, grandparent, grandchild, son-in-law or daughter-in-law or significant other residing in the employee's household. One (1) day off with pay shall be granted to an employee to attend the funeral of an aunt, uncle, grandparent-in-law, brother-in-law, or sister-in-law. In addition, up to two (2) sick leave days may be used to supplement any bereavement leave, with notice to the department head in advance of that use. In addition, days off without pay may be granted due to the death of any other close friend or relative with the approval of the department head. To qualify for bereavement leave the employee must attend the related service for the deceased.

ARTICLE 17

JURY DUTY

Section 17.01 Where an employee is required to serve upon a jury during his/her regularly scheduled work time, the employee shall receive his regular hourly wages for such period of time. In order to be eligible for payment for lost work time spent on jury duty, however, the employee shall be required to verify and turn over to the City all compensation received for service on jury duty.

ARTICLE 18

LEAVES OF ABSENCE

Section 18.01 Any regular full or part-time employee may request a leave of absence without pay for a period up to one year by submitting the request in writing to the head of the department where the employee works, with copies to the office of City Clerk and to the chief steward. Any requested leave of absence shall be subject to the approval of the department head and the mayor, who may approve or disapprove the request on the basis of the operating requirements of the department, the availability of substitute employees, the reasons for the requested leave of absence, and any other relevant factors. Employees granted leave of absences shall be prohibited from accepting any employment while on leave of absence without prior approval of the department head and the mayor, and shall be deemed to have voluntarily terminated their employment with the City where they fail to comply with such limitation. Employees granted a leave of absence shall not have any guarantee of reinstatement to the position held before taking a leave of absence upon their return, and shall neither accrue nor accumulate seniority during such leave of absence.

Where an employee on a leave of absence requires an extension, a request for an extended leave of absence shall be submitted and processed in accordance with the procedures for original requests for leave.

Section 18.02 - Childcare Leave Any regular employee who is to become a parent of a newborn or adoptive child shall have the right to an unpaid leave of absence of up to three months. The leave will begin and salary shall stop at the end of the last full day of employment. An employee who is placed on childcare leave will retain any accrued annual leave, but no benefits shall be earned during the childcare leave period. In the case of adoption, the beginning of the leave period shall be determined by the adoption agency in relation to the availability of the child.

Application for childcare leave should be filed with the department head at least thirty (30) days prior to the anticipated beginning date of the leave. In the case of early delivery or adoption, the thirty (30) day rule shall be omitted, but the employee must notify the department head at the earliest opportunity of the intent to take such childcare leave. Written application for childcare leave shall:

1. Be accompanied by the proper certification of impending childbirth or adoption by the employee's physician or adoptive agency;
2. The date that leave is requested to begin;
3. The anticipated date the employee expects to return to normal duties;
4. Employees on childcare leave, upon payment of the appropriate premiums, may continue their coverage under the City's life insurance, health insurance, and disability insurance programs.

When the employee indicates in writing the intention of returning to work, the department assumes an obligation to reinstate the employee to the same position or to one of equal status and pay, provided that such written notice must be presented at least seven (7) days in advance of the anticipated date of return. Such leaves shall not be subject to extension beyond the initial period requested.

Section 18.03 - Military Leave Any regular employee who leaves active employment for the purposes of being inducted, entering, determining physical fitness to enter, or performing training duty in the armed forces or Coast Guard, either by enlistment, draft or recall will be granted a leave of absence. Upon the expiration of such leave of absence, each employee will be restored to his/her former job classification or to a position of like seniority, status and pay, unless circumstances of the City have so changed as to make it impossible or unreasonable to do so, provided:

1. Application for re-employment is made within 90 days after discharge from active service or hospitalization continuing after discharge for a period of not more than one year;
2. The employee presents a certificate showing satisfactory completion of service;
3. The employee's voluntary period of enlistment or recall to active duty does not exceed four (4) years, plus one (1) year additional voluntary extension of active duty if the extension is at the request and for the convenience of the government.

Any employee who, as a member of the military reserve unit of the United States or State of Illinois, attends special training assignments, shall be given leave – not to exceed 15 calendar days a year. This special leave shall in no way affect vacation, sick leave, or other emergency leave benefits of the employee's job status. The employee will receive full pay during the absence which shall be computed at the amount equal to 100% of base pay less any taxable wages paid by the reserve unit of the United States or State of Illinois.

Section 18.04 - Child Birth Leave Each regular employee shall be allowed one day off with pay where the employee has a newborn child or adopts a child not previously a member of the employee's household, which leave may be taken on the date the child is born or adopted, or on the date the child is released from the hospital or adoption agency to go home following birth or adoption, or may be split between those two dates. The foregoing shall apply to a child adopted up to eighteen (18) years of age. Up to four (4) additional days of leave with pay shall be granted

and charged to sick leave if an employee elects to take such leave, and said leave shall be taken in conjunction with the aforementioned initial day of leave.

Section 18.05 - Americans With Disabilities And Family And Medical Leave Act Compliance The City and the Union agree to comply with the Americans With Disabilities Act, including the duty to make reasonable accommodation, in the implementation of this Agreement. The parties also agree to comply with the Family And Medical Leave Act of 1993, as enacted or hereafter amended. Requests for leave under the statute shall be submitted to the City Clerk's office.

Where an employee contends either the City or the Union, or both, have failed to comply with the Americans With Disabilities Act, or the Family And Medical Leave Act, the employee may pursue relief under the grievance and arbitration procedures of this Agreement, provided the employee electing to do so gives the City and the Union written notice of his claim or contention(s), and agrees to submit such claim or contention(s) to arbitration proceedings which shall be final and binding upon him.

ARTICLE 19

INSURANCE

Section 19.01 The City will continue to provide medical health insurance coverage to regular full-time employees and their dependents upon the same terms accorded to employees of the City not within the bargaining unit described herein. The City and City administration retains the right to change insurers or insurance policies whenever such actions are deemed appropriate. Coverage under the medical health insurance shall terminate whenever an employee's seniority and employment relationship terminates under this Agreement. Employees on layoff or any leave of absence or absences of more than 120 days duration shall be required to pay the costs of maintaining their insurance coverage should they elect to maintain their coverage.

Section 19.02 During the term of this contract, the cost of premiums required to maintain medical health insurance coverage for regular full-time employees and their dependents shall be paid by the City and Employees as follows:

The City shall pay eighty-four percent (84%) of the premium, and the Employee shall pay sixteen percent (16%) of the premium. Upon authorization, the City will deduct the employee's payment from his/her paycheck each month, but each employee shall have the sole responsibility for submission of any required premium payments to the City in advance to insure continuation of coverage, and the City shall assume no responsibility for the employee's failure to make such payment and any lapse of coverage resulting from it.

Commencing July 1, 2018 if an employee's spouse has health insurance coverage available to them through their own employment, the spouse will not be eligible for coverage under the City plan.

For any employee hired, or whose first date of employment is on or after January 1, 2011, then the percentages of participation in insurance plan and coverage costs as set forth above shall not apply, and in lieu thereof the following shall apply:

- (a) The City shall pay or contribute eighty percent (80%) of such cost;
- (b) The employee shall pay or contribute twenty percent (20%) of such cost.

Section 19.03 Any bargaining unit employee who has attained age sixty (60), and after twenty-five (25) years of continuous service as an employee of the City and who elects to retire, shall be entitled to continue participation in the group health care plan maintained for employees of the City, and the City shall pay a portion of the customary and usual monthly cost for that health care plan according to the following schedule:

<u>Period following retirement</u>	<u>Portion of cost to be paid by City</u>
1 st year	90%
2 nd year	80%
3 rd year	70%
4 th year	60%
5 th year	50%

The amounts to be paid by the City as contributions to the cost of participation of a retired employee in the group health care plan according to the above schedule shall continue until the employee is eligible for participation in the federal Medicare program, at which time the City's participation in accordance with this paragraph shall cease, and thereafter the City's participation in health care plan costs for the retired employee shall be in accordance with other policies of the City. For any Employee hired after August 31, 2008, in lieu of the table of cost division set forth in this section, for each of the five (5) years following retirement, the City shall pay 60% of the cost of the insurance, and the Employee shall pay 40%.

ARTICLE 20

CONTRACTED WORK

Section 20.01 The Employer may contract out work as long as such contracting out does not result in either layoff or part-timing of employees.

Section 20.02 The department heads and management with supervisory authority over clerical employees within the unit shall not be permitted to perform any work on any established bargaining unit job within their department except in the following situations: (1) in case of emergency; (2) for purposes of instruction or training of an employee; (3) in testing or

demonstrating new equipment, methods, operations or processes; and (4) whenever employees covered by this Agreement and qualified to perform the work are unavailable for the work. There shall be no restriction or limitation of any nature on the work, or the circumstances under which any supervisory employees or management or confidential personnel within the City of Rock Falls Clerical Unit beneath the level of Department Head shall perform any work for the City.

ARTICLE 21

WAGES

Section 21.01 During the term of this Agreement, the hourly wage rate for all bargaining unit employees shall be accordance to Appendix A Wage Progression Schedule.

Section 21.02 An employee assigned to a lead position in the utility collections department for a half shift or longer shall be paid, during the duration of such temporary assignment, an additional One Dollar (\$1.00) per hour above the employee's then base rate of pay. ~~The compensation rate for an employee assigned permanently to a lead position who is absent for any reason, e.g., vacation, sick leave, holidays, etc., shall include the additional One Dollar (\$1.00) per hour.~~

Section 21.03. Longevity increase. ~~Effective prospectively only from September 1, 2013,~~ Employees shall receive as an addition to the base pay provided for herein and in the attached schedules, longevity amounts calculated as follows:

Beginning on the 10th anniversary of the date of hire, and on each 5th anniversary thereafter, the amount of ~~eightythree five~~ cents (\$0.~~8035~~) per hour. Such longevity amounts shall be accumulative.

ARTICLE 22

HOURS AND OVERTIME

Section 22.01 The normal work week for regular, full-time employees shall consist of forty hours per week, and five consecutive work days, Monday through Friday. The normal work week for regular part-time employees will be established by the department head.

The normal work week set forth above shall not be applicable to any newly created jobs or operations not in existence when this Agreement was entered into by the parties. With respect to any newly created jobs or operations established after the date of this Agreement, the City administration shall retain the right to establish the initial work week and/or work hours for employees.

Section 22.02 The normal work day for regular, full-time employees shall consist of eight (8) hours per day, with one-half hour unpaid lunch period, which shall include travel time for purposes of obtaining lunch. The normal shifts shall be:

Administrative Secretary-Electrical	7:00 AM to 3:30 PM (1/2 hour lunch)
Clerk-Receptionist	8:00 AM to 5:00 PM (1 hour lunch)
Payroll-Data Processing Clerk	8:00 AM to 3:00 PM (1 hour lunch)
Utility Collections Clerk	7:00 AM to 4:00 PM or 8:00 AM to 5:00 PM (1 hour lunch)

(shift assignment to be determined by supervisor and to be rotated among clerks), ~~including the Utilities Collection Supervisor).~~

Provided, however, the department heads shall retain the right and discretion to vary the starting and quitting times on a shift by one (1) hour either way for particular job classifications, crews, divisions or departments whenever such action is necessary. The department head in each department shall establish the scheduled starting and quitting time for specific job classifications and/or divisions within each department according to the operational requirements of the City, provided that if the established starting and quitting time for any employee is altered once scheduled without twenty-four (24) hours advanced notice, the employee shall be paid at the regular overtime rates for the period worked with less than twenty-four (24) hours notice.

The City retains the right to schedule employees within different job classifications, divisions and/or departments on staggered starting and stopping times to maintain continuous operations whenever the City concludes such actions are necessary or appropriate. Any employee scheduled to work a shift in which two (2) hours or more of the employee's eight hour day will occur other than between the regular shift hours of 7:00 AM and 4:00 PM., or between the hours of 8:00 AM and 5:00 PM shall, in addition to regular wages, be paid a shift premium of twenty-five (25) cents per hour for all scheduled work hours.

Section 22.03 Employees will be permitted two (2) fifteen (15) minute rest periods during each regularly scheduled work day, one during the first four (4) hours of work and a second during the second four (4) hours of work. Rest periods shall be arranged by the department head or immediate supervisor in the manner most compatible with departmental operations.

Section 22.04 Employees will be paid overtime pay at the rate of one and one-half times the current wage rate for all hours worked in excess of eight hours per work day or forty (40) hours per work week, except as otherwise provided. Full time employees will be paid one and one-half times the current wage rate for any hours worked on a Saturday, except as otherwise provided.

After sixteen (16) consecutive hours of work, with intermission for meals included, Employees shall be paid at the rate of twice the then current wage rate for all hours worked until released, and, if the Employee is called back to work before having eight (8) consecutive hours off duty, shall continue to receive pay at double the then current wage rate.

For all hours of any rest period following sixteen (16) or more consecutive hours of work, which fall within the Employee's regular work shift, the Employee shall be paid at regular straight time rate, and all employees shall be available for work during the rest period. However, no pyramiding of overtime shall be allowed.

Section 22.05 Employees will be paid premium pay at the rate of double the current wage rate for all hours worked on Sunday. There shall be no pyramiding or duplication of any overtime or premium pay for Sunday and holiday work.

Section 22.06 Insofar as it is practical, the Employer will attempt to distribute scheduled overtime work equitably among employees within each job classification, division or department to the extent such employees are qualified to perform the duties required within the classification or division to be performed on overtime, and customarily perform such job classification or duties during their regularly scheduled work week.

Any errors in the distribution or assignment of scheduled overtime opportunities shall be remedied and corrected by assignment of scheduled overtime to the affected employees on the next occasion scheduled overtime is required. It shall be understood that each employee shall be required to work any overtime scheduled, unless the department head or immediate supervisor authorizes and approves the substitution of another employee who has agreed to work such overtime. Where an employee substitutes for another employee on scheduled overtime, the employee originally scheduled for the overtime shall be charged with such overtime opportunity. Employees shall not be called for pre-arranged overtime work when they are off for an approved leave.

Section 22.07 With respect to unscheduled or emergency overtime opportunities occasioned by unanticipated circumstances or adverse weather, the Employer will attempt, to the extent it is practical, to distribute available overtime opportunities equally among the employees within each job classification, division or department to the extent the employees are qualified to perform the duties required within the job classification or division to be performed on overtime, and customarily perform such duties or job classification during their regularly scheduled work week. Any errors in the distribution of assignment of unscheduled overtime or overtime opportunities shall be remedied and corrected by assignment or offer of unscheduled overtime opportunities to the affected employees on the next occasion unscheduled overtime is required.

It shall be understood that whenever more senior qualified employees refuse unscheduled overtime opportunities, the least senior employee available within the job classification or division who is qualified to perform the duties necessary shall be required to work the unscheduled overtime, but shall not be charged with any overtime opportunity in that event.

Each department or division shall maintain an annual list of the unscheduled overtime opportunities worked or refused by employees, which list shall be updated and posted monthly, and used to assign and distribute further unscheduled overtime opportunities. Where an employee refuses unscheduled overtime opportunities, the employee shall be charged with the actual hours of overtime opportunity refused. In addition, the department head's only obligation shall be to attempt to contact any employee to be offered overtime opportunities by telephone, and any employee who cannot be reached by telephone or who fails to answer shall be charged with an overtime opportunity refused in such circumstances.

ARTICLE 23

CALL OUTS AND STAND BY

Section 23.01 Whenever any employee is called to work outside his regularly scheduled work hours, and is not on stand-by assignment, the employee shall be entitled to a minimum of two (2) hours at the applicable overtime rate provided by this Agreement. To be entitled to the full two (2) hours pay, however, the employee must be available for work during the full two hour period. However, the minimum pay provisions of this Article shall not apply to scheduled overtime work.

ARTICLE 24

SAFETY

Section 24.01 The City and the Union have established a joint safety committee composed of three (3) representatives from the bargaining unit comprised of employees within the Public Works and Electrical Departments and three (3) representatives appointed by the City Council for the purpose of studying safety issues, and making recommendations to the City administration concerning rules governing safe work practices and a safety program. In addition to the representatives appointed under the collective bargaining agreement governing Public Works and Electrical employees, there shall be appointed by this Unit one (1) additional representative to that Safety Committee, and if a representative is so appointed, then the City council may appoint one (1) additional representative. The safety Committee shall function as described in the collective bargaining agreement governing Public Works and Electrical Department employees.

Section 24.02 It is recognized that the department head and the immediate supervisor in each department are responsible for insuring employee compliance with any safety rules and standards. Employees shall be obligated to comply with any existing safety rules and standards established for the job, and to cooperate with the department head and/or supervisor in order to insure the safe performance of every job.

ARTICLE 25

MISCELLANEOUS PROVISIONS

Section 25.01 The City shall form a city-wide Health Plan Committee which shall include at least one employee from each bargaining unit with which the City has collective bargaining agreements, and at least one department head or supervisor. The bargaining unit member shall be appointed by the unit of which the employee is a member. The committee shall be advisory in nature and will work with the City in developing cost containment strategies for the employee health care plan. The City shall provide Chief Steward and the Union with a copy of the health care plan financial status.

Signed on behalf of the City of Rock Falls, Illinois and Local Union No. 196 of the International Brotherhood of Electrical Workers, AFL-CIO this ____ day of _____, 2020.

CITY OF ROCK FALLS, ILLINOIS

LOCAL UNION 196
INTERNATIONAL BROTHERHOOD
OF ELECTRICAL WORKERS

Mayor of the City of Rock Falls

Business Manager, Local Union 196,IBEW

City Clerk

WAGE SCALE

	<u>9/1/2020</u>	<u>9/1/2021</u>	<u>9/1/2022</u>	<u>10/1/2023</u>
<u>First 6 Months</u>	<u>\$14.92</u>	<u>\$15.36</u>	<u>\$15.82</u>	<u>\$16.30</u>
<u>After 6 Months</u>	<u>\$15.31</u>	<u>\$15.77</u>	<u>\$16.24</u>	<u>\$16.73</u>
<u>After 12 Months</u>	<u>\$15.71</u>	<u>\$16.18</u>	<u>\$16.67</u>	<u>\$17.17</u>
<u>After 18 Months</u>	<u>\$16.15</u>	<u>\$16.63</u>	<u>\$17.13</u>	<u>\$17.64</u>
<u>After 24 Months</u>	<u>\$16.96</u>	<u>\$17.47</u>	<u>\$18.00</u>	<u>\$18.54</u>
<u>After 30 Months</u>	<u>\$17.39</u>	<u>\$17.91</u>	<u>\$18.45</u>	<u>\$19.00</u>
<u>After 3 Years</u>	<u>\$19.14</u>	<u>\$19.71</u>	<u>\$20.30</u>	<u>\$20.91</u>
<u>After 4 Years</u>	<u>\$19.68</u>	<u>\$20.27</u>	<u>\$20.87</u>	<u>\$21.50</u>
<u>After 5 Years</u>	<u>\$20.23</u>	<u>\$20.84</u>	<u>\$21.46</u>	<u>\$22.10</u>
<u>After 6 Years</u>	<u>\$20.79</u>	<u>\$21.42</u>	<u>\$22.06</u>	<u>\$22.72</u>
<u>After 7 Years</u>	<u>\$21.38</u>	<u>\$22.02</u>	<u>\$22.68</u>	<u>\$23.36</u>
<u>After 8 Years</u>	<u>\$21.98</u>	<u>\$22.64</u>	<u>\$23.31</u>	<u>\$24.01</u>
<u>After 9 Years</u>	<u>\$22.54</u>	<u>\$23.22</u>	<u>\$23.91</u>	<u>\$24.63</u>
<u>After 10 Years</u>	<u>\$23.17</u>	<u>\$23.87</u>	<u>\$24.58</u>	<u>\$25.32</u>

CITY OF ROCK FALLS

ORDINANCE NO. _____

ORDINANCE APPROVING AND ADOPTING A NEW COLLECTIVE BARGAINING AGREEMENT FOR THE TIME PERIOD OF SEPTEMBER 1, 2020 THROUGH AUGUST 31, 2024 BETWEEN THE CITY OF ROCK FALLS AND THE LOCAL UNION NO. 196 OF THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, AFL-CIO (CLERICAL)

ADOPTED BY THE

CITY COUNCIL

OF THE

CITY OF ROCK FALLS

THIS _____ DAY OF _____, 2020

Published in pamphlet form by authority of the City Council of the City of Rock Falls, Illinois, this _____ day of _____, 2020.

ORDINANCE NO. _____

WHEREAS, The City of Rock Falls and Illinois Brotherhood of Electrical Workers Local Union No. 196 (“IBEW”) has heretofore negotiated regarding a collective bargaining agreement covering and affecting the clerical employees of the city for the period from September 1, 2020 through August 31, 2024; and,

WHEREAS, said agreement has been present to the City Council and the City Council has examined the contract and determined that it should be approved; and,

WHEREAS, upon approval of the agreement, pay increases specified therein shall be effective September 1, 2020;

NOW, THEREFORE, BE IT ORDAINED, by the City Council of the City of Rock Falls that:

Section 1. The Collective Bargaining Agreement with IBEW for the term beginning September 1, 2020 through August 31, 2024 governing clerical employees of the city, in the form as heretofore presented to the City Council is hereby approved.

Section 2. The Mayor and City Clerk are authorized and directed to execute sufficient copies of said Collective Bargaining Agreement and exchange executed copies with representatives of the IBEW. Upon receipt of executed originals of said Collective Bargaining Agreement from the IBEW, the City Clerk is authorized to calculate and make payments to the members of the bargaining unit covered by said Collective Bargaining Agreement for wages and salary effective September 1, 2020.

Section 3: 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 4: 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.

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.

Passed by the Mayor and the City Council of the City of Rock Falls on the _____ day of _____, 2020.

Mayor

ATTEST:

City Clerk

AYE

NAY

CITY OF ROCK FALLS

RESOLUTION NO. _____

**RESOLUTION AUTHORIZING TRANSFER OF FUNDS
TO ESCROW ACCOUNT RELATING TO BOND DEFEASANCE
MADE IN CONNECTION WITH FIBERNET ASSET SALE**

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

THIS _____ DAY OF _____, 2020

Published in pamphlet form by authority of the City Council of the City of Rock Falls, this
_____ day of _____, 2020.

RESOLUTION NO. _____

**RESOLUTION AUTHORIZING TRANSFER OF FUNDS
TO ESCROW ACCOUNT RELATING TO BOND DEFEASANCE
MADE IN CONNECTION WITH FIBERNET ASSET SALE**

WHEREAS, in 2017, the City of Rock Falls (the “City”) authorized two (2) separate bond issues, said issues being the (i) \$2,120,000 General Obligation Bonds (Alternate Revenue Source), Series 2017A, referred to herein as “2017A Bonds”; and (ii) \$2,665,000 Taxable General Obligation Bonds (Alternate Revenue Source), Series 2017B, referred to herein as the “2017B Bonds”, the 2017A Bonds and 2017B Bonds being collectively referred to as the “Bonds”, to pay for the costs of designing, constructing and operating a broadband internet system for the City; and

WHEREAS, the City has been approached by Surf Air Wireless, LLC, a Delaware limited liability company (“SAW”), proposing the purchase of a portion of the City’s broadband internet system, commonly known as “FiberNet” (all of the foregoing, the “Asset Sale”); and

WHEREAS, the Bonds are still outstanding and have not been paid in full; and

WHEREAS, in connection with the Asset Sale, and upon advice of the City’s bond counsel, a defeasance of the 2017A Bonds must occur and the City’s obligations under the same must be secured with funds placed in an escrow account with the bond registrar and paying agent, Sauk Valley Bank & Trust Company; and

WHEREAS, the amount to be deposited with the registrar and paying agent prior to the Asset Sale to defease the Bonds is the amount of \$2,610,636.57; and

WHEREAS, the City does not have sufficient funds within its General or Fiber/Broadband Funds to satisfy the amount required to be placed in escrow for the bond defeasance; and

WHEREAS, the City’s Sewer Fund and Electric Utility Fund have sufficient reserve accounts not needed for the current operations of the same to fund the escrow deposit; and

WHEREAS, the Mayor and City Council have duly considered the needs of the City relative to the Asset Sale and deem it appropriate and necessary to transfer such surplus funds from the Sewer and Electric Utility Funds for the funding of the escrow deposit; and

WHEREAS, the City finds it in the best interests of the City and its residents to authorize acceptance of the transfer of the sum of \$1,305,318.29 from the Sewer Fund and \$1,305,318.28 from the Electric Utility Fund to the registrar and paying agent as holder of the escrow account, with such amounts to be repaid to the Electric Utility Fund and to the Sewer Fund in installments on an annual basis from proceeds received from the Asset Sale over a period not to exceed ten (10) years, all as more specifically set forth herein.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and the City Council of the City of Rock Falls, as follows:

SECTION 1: The recitals contained in the preambles to this Resolution are true and correct and are hereby incorporated into this Resolution as if more fully set forth herein.

SECTION 2: The City Treasurer is hereby authorized to transfer the total sum of \$2,610,636.57, consisting of \$1,305,318.29 from the Sewer Fund and \$1,305,318.28 from the Electric Utility Fund, to Sauk Valley Bank & Trust Company for placement into escrow to secure payment of the City's obligations under the 2017A Bonds following the bond defeasance.

SECTION 3: The foregoing amounts shall accrue interest at the rate of one percent (1.00%) per annum and shall be repaid to the Sewer and Electric Utility Funds, in equal amounts, from amounts received by the City as installment sale payments and franchise fees generated under the Asset Sale, but provided that the first \$270,000.00 received each year from the Asset Sale shall be dedicated to and used for payment of the annual amounts due on the 2017B Bonds, and any amounts received by the City each year as installment sale payments or franchise fees in excess of \$270,000.00 under the Asset Sale shall be exclusively utilized for repayment to the Sewer and Electric Utility Funds pursuant to this Resolution. Notwithstanding the foregoing, all amounts owed to the Sewer and Electric Utility Funds hereunder shall be repaid in full on or before **ten (10) years** from the date hereof.

SECTION 4: The sums transferred hereunder shall in no manner be deemed to conflict with or supersede the City's adopted policies, which require adequate and sufficient reserves to be held by each enterprise department for continued operations in the event of a revenue shortfall. To ensure the same, the City's Finance Committee is hereby charged with reviewing the financial impact to the Sewer and Electric Utility Funds, if any, resulting from the passage of this Resolution at least once every three (3) years until such amounts as are due and owing to said funds hereunder are repaid in full.

SECTION 5: The City Clerk is hereby authorized to provide a certified copy of this Resolution to any party so requesting.

SECTION 6: All resolutions and parts of resolutions in conflict herewith are, to the extent of such conflict, hereby repealed.

SECTION 7: This Resolution shall be in full force and effect from and after its passage and approval and publication as required by law.

(remainder of page intentionally left blank)

Approved this _____ day of _____, 2020.

Mayor

ATTEST:

City Clerk

AYE

NAY

