

City of Rock Falls

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

Mayor
William B. Wescott
815-380-5333

City Administrator
Robbin D. Blackert
815-564-1366



City Clerk
Eric Arduini
815-622-1104

City Treasurer
Kay Abner
815-622-1100

City Council Agenda Rock Falls Council Chambers March 21st, 2017 6:30 p.m.

Call to Order @ 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. Approve the Minutes of the March 7th, 2017 Regular Council Meeting
2. Approval of bills as presented
3. Approval to refer the Petition for annexation and plat to the Planning / Zoning Committee for consideration - 222 Martin Road.

Ordinance First Reading:

1. Approval of **Ordinance 2017-2301** authorizing and providing for the issue of not to exceed \$5,050,000 General Obligation Bonds (Alternate Revenue Source), of the City for the purpose of paying the costs of designing, constructing and operating a broadband internet system for the City and related expenses, the pledge of certain revenues to the payment of principal and interest on the bonds, the levy of a direct annual tax to pay such principal and interest if the pledged revenues are insufficient to make such payment, and authorizing the sale of said bonds to the purchaser thereof.

2. Approval of **Ordinance 2017-2302** authorizing the Mayor and City Clerk to execute the Intergovernmental Agreement with the City of Sterling and County of Whiteside for operation of the consolidated Public Safety Answering Point (PSAP), and the elimination of all tele-communicator and community service officer positions.

City Administrator Robbin D. Blackert:

1. Approval of the recommendation from the Public Property Committee for the sale 5 acres of land in the West Industrial Park for \$25,000 per acre.
2. Approval of the Professional Services Agreement with Stanley Consultants for Screw Pump litigation Assistance at a cost not to exceed \$13,000.
3. Review of the letter of intent for the sale of 5.6 Acres of land in the RB&W District.
4. Approval of the letter of engagement with Standard and Poors for a public S&P Global Ratings credit rating for US\$1,905,000 City of Rock Falls, Whiteside County, Illinois, General Obligation Bonds (Alternate Revenue Source), Series 2017A, dated: Date of delivery, due: October 01, 2037 US\$2,670,000 City of Rock Falls, Whiteside County, Illinois, Taxable General Obligation Bonds (Alternate Revenue Source), Series 2017B, dated: Date of delivery, due: October 01, 2031. at a cost of \$10,800.00

Information/Correspondence:

Eric Arduini, City Clerk

1. The City received a thank you letter from the family of Joe Padilla.

James Reese, City Attorney

Brian Frickenstein, City Engineer

Department Heads:

Water Reclamation- Ed Cox

Electric- Dick Simon

Police Chief- Chief Tammy Nelson

Fire Chief- Chief Gary Cook

Building Inspector- Mark Searing

Water – Ted Padilla

Street - Larry Spinka

Utility Office - Diane Hatfield

Tourism – Janell Loos

Ward Reports:

Ward 1

Ald. Reitzel

Ald. Logan

Ward 2

Ald. Kuhlemier

Ald. Snow

Ward 3

Ald. Schuneman

Ald. Kleckler

Ward 4

Ald. Folsom

Mayor's Report:

Executive Session:

Any action taken from Executive Session:

Adjournment:

Next City Council Meeting 04-04-2017

Posted 3-17-2017

Eric Arduini / City Clerk

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

March 7th, 2017

The regular meeting of the Mayor and City Council of Rock Falls, Illinois was called to order by Mayor William B. Wescott at 6:30 p.m. March 7th, 2017 in the Council Chambers of Rock Falls.

City Clerk Eric Arduini called the roll following the pledge of allegiance. A quorum was present including Aldermen Logan, Snow, Kuhlemier, Schuneman, Kleckler, and Folsom. Alderman Reitzel was absent. In addition Attorney Tom Sanders and City Administrator Robbin Blackert were present.

Public Hearing

A Public hearing concerning the intent of the City Council of the City of Rock Falls, Whiteside County, Illinois, to sell not to exceed \$13,000,000 General Obligation Bonds (Alternate Revenue Source) was held. The minutes of the Public Hearing are attached separately as "*Exhibit A*"

Proclamation:

A proclamation was read aloud by Clerk Arduini. A motion was made by Alderman Snow, and second by Alderman Folsom to proclaim March 7th, 2017 as "Niles Ager Day" in the City of Rock Falls for his achievements in IHSA wrestling.

Consent Agenda:

The Consent agenda was read aloud by Clerk Arduini. A motion to approve the consent agenda by omnibus designation was made by Alderman Snow, and second by Alderman Schuneman.

1. Approve the Minutes of the February 21st, 2017 Regular Council Meeting
2. Approval of bills as presented
3. Approval of the agreement for Hearing Services with Tim Slavin ADR Services 620 Lincolnway Court, Morrison IL.

Vote 6 aye, motion carried

Information/Correspondence:

City Clerk Eric Arduini informed the Council that the Hennepin Canal / Trails Committee originally scheduled for March 9th has been moved to March 16th, 2017 at Noon.

Department Heads:

Electric - Dick Simon

A motion was made by Alderman Kuhlemier, and second by Alderman Logan to approve the directional boring quotes from Kirby Cable Service Inc. PO Box 37 Pecatonica, IL in the amount of \$23,410.00.

Vote 6 aye, motion carried

Mr. Simon informed the Council that the IMEA Energy Efficiency Program is available to businesses who wish to upgrade items such as lighting, heat pumps, compressors, and motors. This program will offer up to \$2000 per business. Typically \$8000.00 goes to help businesses, and \$8000.00 is used by the city to upgrade to LED lighting.

Alderman Kleckler asked if the program to recycle refrigerators is still available for residents, and Mr. Simon confirmed that it is.

Fire - Gary Cook

Mayor Wescott wished Fire Chief Gary Cook a Happy Birthday. Mr. Cook had no report for the Council.

Ward Reports:

Ward 2:

Alderman Kuhlemier wished congratulations to Geneva Dussler. She recently celebrated her 101st Birthday.

Mayor's Report:

Mayor Wescott mentioned that the Public Works / Public Property Committee had approved street dances along west 2nd Street on May 27th and June 17th. These dances will involve blocking off west 2nd street. The Mayor has met with Police Chief Nelson, and Commander Koett. The road will be blocked off from 2nd Avenue to 4th Avenue. A motion to approve the street dances was made by Alderman Snow, and second by Alderman Logan.

Viva Voce Vote, motion carried

Mayor Wescott spoke about a recent trip to Washington DC for the APPA legislative rally. They were able to visit the offices of Tammy Duckworth, Cheri Bustos, and Dick Durbin. The group urged legislators to not pull the tax free municipal bonds. 77% of municipal projects utilize this funding source. Rock Falls over the years has used municipal tax-free bonds for \$26 million in projects, and \$3.1 million has been saved by using these types of bonds. The alternatives to these bonds are direct pay and tax credits, and there are no programs to pick up the slack that would be left if these bonds are taken away. Other issues that were discussed with our legislators were pole attachments, and the higher costs of electricity for northern Illinois from the energy markets that began after Illinois energy deregulation.

Mayor Wescott has reviewed the minutes of the Public Works / Public Property Committee meeting as he was not able to attend the meeting. He would like to encourage all of the Aldermen review the minutes concerning the direction that the committee has taken for the coming road work. Would the Council like to do away with the oil and slag program? The residents trusted the City with the increase in taxes to go for road and alley projects, and no alleys were discussed at the meeting.

Executive Session:

A motion to enter executive session for Collective Bargaining Section 2(c)(2) was made by Alderman Kuhlemier, and second by Alderman Logan.

Vote 6 aye, motion carried

City Council entered executive session at 7:02pm

City Council exited executive session at 7:14pm

A motion was made by Alderman Kuhlemier and second by Alderman Schuneman for the adoption of **Ordinance 2017-2300** authorizing execution of collective bargaining agreement with firefighters.

Vote 6 aye, motion carried

With nothing else for the good of the Council a motion was made by Alderman Folsom and second by Alderman Snow to adjourn the meeting at 7:16pm.

Viva Voce Vote, motion carried

Meeting is adjourned at 7:16pm

A handwritten signature in black ink, appearing to be 'EA', written over a horizontal line.

Eric Arduini, City Clerk

Exhibit A

Minutes of a Public hearing concerning the intent of the City Council of the City of Rock Falls, Whiteside County, Illinois, to sell not to exceed \$13,000,000 General Obligation Bonds (Alternate Revenue Source)

Rock Falls City Council
3-7-2017 Begin 6:30pm End 6:37pm

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

A Public hearing concerning the intent of the City Council of the City of Rock Falls, Whiteside County, Illinois, to sell not to exceed \$13,000,000 General Obligation Bonds (Alternate Revenue Source) was held. Mayor Wescott made a short statement about the implementation of a reliable, cost effective, customer service focused internet option that will deliver 1GB internet speeds to the businesses and residents of Rock Fall who want the service. The Mayor stated that the money will be spent in 4 distributions. If the customers choose not to support the project, the money will not be spent. After the fiber backbone is finished along Route 30 and Route 40, then the fiberhoods will be built out after 45% buy-in in the fiberhood. This will enhance the Rock Falls economic opportunities.

Mayor Wescott asked the City Clerk if there had been any written correspondence received concerning the hearing to be put into the record. Clerk Arduini stated that none was received.

Mayor Wescott asked if anyone in the audience would like to speak for or against the issuance of the bonds.

Mike Corrigan, owner of William and Mary Computer, approached the microphone and spoke in favor of the bond issuance. Available and affordable gigabit internet service is not available currently for his business or businesses that he supports. Bringing this fast internet at a very reasonable price will be a big benefit as more information is moved to the cloud. It will be a big benefit to market the city to businesses. There is not a reasonable way to obtain gigabit internet currently. There are providers that offer it, but it is nowhere near the price points that have been discussed as what the City will be offering. He looks forward to this, and thinks it will be a big benefit to the community.

Mayor Wescott offered the floor to anyone else who wished to speak to the matter. With no other speakers present the meeting was adjourned at 6:37pm.

Signed  City Clerk

CITY OF ROCK FALLS

Rock Falls, Illinois March 21, 2017

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:

Sesquicentennial Fund		\$2.67
Tourism		\$2,231.67
General Fund		\$46,855.52
Tax Increment Financing		\$9,980.10
Industrial Development		\$0.00
Electric	Electric O & M	\$390,173.05
Broadband Fund		\$839.51
GIS/IT Fund		\$0.00
Sewer	Sewer Revenue/O & M	\$43,653.20
Water	Water Revenue/O & M	\$86,622.92
Garbage		\$33,315.04
Customer Service Center		\$4,886.46
D.U.I. Fund		\$0.00
Drug Fund		\$0.00
Tobacco Grant		\$0.00
Safe Passage/Non Evidentiary		\$5,000.00
Motor Fuel Tax		\$9,026.95
Customer Utility Deposits		\$490.66
		<u>\$633,077.75</u>

Alderman Kuhlemier
Alderman Logan
Alderman Kleckler

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CITY OF ROCK FALLS
 DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 03/17/2017

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

TOURISM			
05	TOURISM		
5015	CARD SERVICE CENTER	67,040.56	322.57
	TOURISM		322.57
GENERAL FUND			
01	ADMINISTRATION		
4331	CIRCUIT CLERK OF LEE COUNTY	3,360.00	350.00
4861	CIRCUIT CLERK OF WHITESIDE CO	2,975.00	1,200.00
	ADMINISTRATION		1,550.00
04	BUILDING		
4945	IACE	165.00	35.00
5015	CARD SERVICE CENTER	67,040.56	507.00
837	SHELL	60,297.05	58.54
	BUILDING		600.54
05	CITY CLERK'S OFFICE		
5015	CARD SERVICE CENTER	67,040.56	31.86
795	SBM BUSINESS EQUIPMENT CENTER	6,566.86	80.00
	CITY CLERK'S OFFICE		111.86
06	POLICE		
1293	CHARLES B. HOLM	300.00	300.00
194	GRUMMERT'S HARDWARE - R.F.	7,871.47	25.17
364	GRUMMERTS HARDWARE - STERLING	1,322.23	97.93
5015	CARD SERVICE CENTER	67,040.56	1,212.75
55	ARAMARK UNIFORM SERVICES, INC.	22,483.89	58.66
655	NW IL CRIMINAL JUSTICE COMM		1,688.26
795	SBM BUSINESS EQUIPMENT CENTER	6,566.86	359.88
825	ILLINOIS SECRETARY OF STATE	324.00	101.00
837	SHELL	60,297.05	2,508.42
	POLICE		6,352.07

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INVOICES DUE ON/BEFORE 03/17/2017

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

GENERAL FUND			
10	STREET		
1224	AIRGAS USA LLC	5,412.05	23.26
1466	ALARM DETECTION SYSTEMS, INC.	4,018.51	464.22
194	GRUMMERT'S HARDWARE - R.F.	7,871.47	5.96
4207	O'REILLY AUTOMOTIVE INC	7,381.64	6.78
4775	BIRKEY'S FARM STORE INC	251.36	113.65
4862	HAMPTON EQUIPMENT CO INC	648.89	191.78
651	NICOR	43,519.66	784.55
837	SHELL	60,297.05	280.33
852	S.J. SMITH WELDING SUPPLY	1,119.11	101.45
	STREET		1,971.98
12	PUBLIC PROPERTY		
1165	COMPLETE ELECTRICAL CONTR. INC	38,417.15	162.55
5015	CARD SERVICE CENTER	67,040.56	9.14
651	NICOR	43,519.66	169.53
	PUBLIC PROPERTY		341.22
13	FIRE		
194	GRUMMERT'S HARDWARE - R.F.	7,871.47	12.84
2301	STERLING NAPA	1,518.72	49.04
5015	CARD SERVICE CENTER	67,040.56	51.24
837	SHELL	60,297.05	617.36
T0003419	FIRE TEXT RESPONSE, LLC		600.00
	FIRE		1,330.48
TIF - DOWNTOWN REDEVELOPMENT			
19	DOWNTOWN REDEVELOPMENT		
5070	SKOOG LANDSCAPE AND DESIGN		9,980.10
	DOWNTOWN REDEVELOPMENT		9,980.10
ELECTRIC FUND			
20	OPERATION & MAINTENANCE		

INVOICES DUE ON/BEFORE 03/17/2017

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

ELECTRIC FUND			
20	OPERATION & MAINTENANCE		
194	GRUMMERT'S HARDWARE - R.F.	7,871.47	13.48
2631	HOUSE'S TRUCK & AUTO REPAIR	39,105.03	1,224.03
34	ALTORFER INC.	228,657.07	195.00
4207	O'REILLY AUTOMOTIVE INC	7,381.64	20.97
437	ILLINOIS MUNICIPAL ELECTRIC	4,279,810.83	353,258.69
4832	MCFARLAND CASCADE		9,274.00
4964	EMEDCO INC	532.08	632.80
5015	CARD SERVICE CENTER	67,040.56	4,810.70
5020	GRAYBAR	30,314.07	278.00
5062	HALL'S SAFETY EQUIPMENT CORP.	1,709.05	276.00
5141	CINTAS CORPORATION	3,110.64	40.35
55	ARAMARK UNIFORM SERVICES, INC.	22,483.89	500.66
651	NICOR	43,519.66	1,071.40
66	STERLING CHEVROLET CO.	1,391.96	58.94
795	SBM BUSINESS EQUIPMENT CENTER	6,566.86	107.00
837	SHELL	60,297.05	1,449.92
	OPERATION & MAINTENANCE		373,211.94
BROADBAND FUND			
21	BROADBAND FUND		
5018	USIC LOCATING SERVICES LLC	10,618.71	257.11
	BROADBAND FUND		257.11
SEWER FUND			
38	OPERATION & MAINTENANCE		
2301	STERLING NAPA	1,518.72	99.96
2888	CERTIFIED BALANCE & SCALE CORP		913.43
5015	CARD SERVICE CENTER	67,040.56	248.30
5131	METROPOLITAN INDUSTRIES, INC.	8,775.17	350.00
651	NICOR	43,519.66	5,569.47
837	SHELL	60,297.05	275.61
	OPERATION & MAINTENANCE		7,456.77
WATER FUND			
40	WATER		

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VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE


WATER FUND			
40	WATER		
1165	COMPLETE ELECTRICAL CONTR. INC	38,417.15	3,660.00
4207	O'REILLY AUTOMOTIVE INC	7,381.64	49.99
4624	FRARY LUMBER & SUPPLY	73.47	23.18
530	LAYNE CHRISTENSEN COMPANY	128,046.75	13,984.50
	WATER		17,717.67
48	OPERATION & MAINTENANCE		
1165	COMPLETE ELECTRICAL CONTR. INC	38,417.15	1,787.50
194	GRUMMERT'S HARDWARE - R.F.	7,871.47	175.45
2212	ALLIANCE MATERIALS, INC.	8,644.05	377.19
2451	MENARDS	5,459.99	141.12
5015	CARD SERVICE CENTER	67,040.56	484.00
5141	CINTAS CORPORATION	3,110.64	159.67
651	NICOR	43,519.66	485.70
67	B & D SUPPLY CO.	6,276.14	499.64
837	SHELL	60,297.05	527.47
	OPERATION & MAINTENANCE		4,637.74
CUSTOMER SERVICE CENTER			
51	CUSTOMER SERVICE CENTER		
5015	CARD SERVICE CENTER	67,040.56	1,289.40
	CUSTOMER SERVICE CENTER		1,289.40
MOTOR FUEL TAX FUND			
65	MOTOR FUEL TAX		
5183	COMPASS MINERALS AMERICA	1,297.35	7,729.60
	MOTOR FUEL TAX		7,729.60
CUSTOMER UTILITY DEPOSITS			
75	CUSTOMER UTILITY DEPOSITS		
4620	TRI-COUNTY OPP COUNCIL	4,352.89	13.31
T0004246	[REDACTED]		12.02

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CITY OF ROCK FALLS
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VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

CUSTOMER UTILITY DEPOSITS			
75	CUSTOMER UTILITY DEPOSITS		
T0004247			25.43
	CUSTOMER UTILITY DEPOSITS		50.76
	TOTAL ALL DEPARTMENTS		434,911.81

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VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

R F SESQUICENTENNIAL FUND			
04	R F SESQUICENTENNIAL FUND		
172	CITY OF ROCK FALLS	4,565.38	2.67
	R F SESQUICENTENNIAL FUND		2.67
TOURISM			
05	TOURISM		
172	CITY OF ROCK FALLS	4,565.38	0.46
2528	OUTFRONT MEDIA	13,250.00	1,325.00
2796	U.S. CELLULAR	3,251.53	82.94
4815	TDG COMMUNICATIONS INC	13,072.50	420.00
795	SBM BUSINESS EQUIPMENT CENTER	6,405.46	80.70
	TOURISM		1,909.10
GENERAL FUND			
01	ADMINISTRATION		
1052	SAUK VALLEY MEDIA	14,559.37	35.00
172	CITY OF ROCK FALLS	4,565.38	2.11
4340	CIRCUIT CLERK CARROLL COUNTY	200.00	450.00
5043	DAYS INN	2,428.52	200.00
	ADMINISTRATION		687.11
02	CITY ADMINISTRATOR		
172	CITY OF ROCK FALLS	4,565.38	0.46
	CITY ADMINISTRATOR		0.46
04	BUILDING		
172	CITY OF ROCK FALLS	4,565.38	23.04
1853	MOORE TIRES INC.	2,730.20	344.00
795	SBM BUSINESS EQUIPMENT CENTER	6,405.46	80.70
	BUILDING		447.74

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GENERAL FUND			
05	CITY CLERK'S OFFICE		
172	CITY OF ROCK FALLS	4,565.38	202.14
	CITY CLERK'S OFFICE		202.14
06	POLICE		
172	CITY OF ROCK FALLS	4,565.38	34.97
4201	JESSE'S TOWING & SERVICE	437.00	15.00
423	AT&T	19,738.22	459.70
4508	LEXISNEXIS RISK SOLUTIONS	300.00	30.00
533	ELECTRONICS, INC.	8,676.06	402.00
967	UNIVERSITY OF IL PYMT CENTER	2,494.00	1,146.00
	POLICE		2,087.67
07	CODE HEARING DEPARTMENT		
172	CITY OF ROCK FALLS	4,565.38	62.98
4931	MUNICIPAL SYSTEMS INC	8,396.73	917.77
	CODE HEARING DEPARTMENT		980.75
10	STREET		
194	GRUMMERT'S HARDWARE - R.F.	7,733.88	17.96
2606	MIKE'S REPAIR SERVICE	3,171.49	16.38
323	HOLLAND AND SONS, INC	15,984.58	256.06
4207	O'REILLY AUTOMOTIVE INC	7,204.59	177.05
4827	KELLEY WILLIAMSON COMPANY	5,064.49	356.65
5047	SANTANDER LEASING LLC	85,486.60	27,768.09
5117	NETWORKFLEET, INC	7,201.00	151.60
529	LAWSON PRODUCTS, INC.	3,403.21	173.46
55	ARAMARK UNIFORM SERVICES, INC.	22,363.04	120.85
67	B & D SUPPLY CO.	6,129.54	146.60
	STREET		29,184.70
12	PUBLIC PROPERTY		
194	GRUMMERT'S HARDWARE - R.F.	7,733.88	107.56

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GENERAL FUND			
12	PUBLIC PROPERTY		
533	ELECTRONICS, INC.	8,676.06	39.00
	PUBLIC PROPERTY		146.56
13	FIRE		
172	CITY OF ROCK FALLS	4,565.38	7.32
219	CRESCENT ELECTRIC	1,017.25	30.74
2301	STERLING NAPA	995.51	24.52
2718	TOM ROWZEE	10,012.00	217.50
423	AT&T	19,738.22	358.93
4796	VERIZON WIRELESS	14,488.48	125.33
956	UNIFORM DEN INC	2,040.14	95.90
	FIRE		860.24
ELECTRIC FUND			
20	OPERATION & MAINTENANCE		
1289	CITY OF ROCK FALLS UTILITIES	304,232.06	11,234.09
1449	QUALITY READY MIX	34,432.17	81.69
1581	RICHARD SIMON	300.00	139.70
172	CITY OF ROCK FALLS	4,565.38	3.70
194	GRUMMERT'S HARDWARE - R.F.	7,733.88	1.29
2631	HOUSE'S TRUCK & AUTO REPAIR	37,259.68	1,845.35
34	ALTORFER INC.	226,762.07	1,895.00
364	GRUMMERTS HARDWARE - STERLING	1,314.23	8.00
4392	WILLIAM B WESCOTT	1,345.96	61.15
440	ILLINOIS MUNICIPAL UTILITIES	8,678.50	500.00
4626	ENGEL ELECTRIC CO.	23,706.29	493.50
4845	JAMES SCHUNEMAN		53.00
5020	GRAYBAR	30,244.57	69.50
5117	NETWORKFLEET, INC	7,201.00	322.15
529	LAWSON PRODUCTS, INC.	3,403.21	113.99
533	ELECTRONICS, INC.	8,676.06	139.00
	OPERATION & MAINTENANCE		16,961.11
BROADBAND FUND			
21	BROADBAND FUND		

INVOICES DUE ON/BEFORE 03/10/2017

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

BROADBAND FUND			
21	BROADBAND FUND		
1052	SAUK VALLEY MEDIA	14,559.37	582.40
	BROADBAND FUND		582.40
SEWER FUND			
30	SEWER		
5105	STANLEY CONSULTANTS, INC.	213,136.43	11,395.51
	SEWER		11,395.51
38	OPERATION & MAINTENANCE		
1289	CITY OF ROCK FALLS UTILITIES	304,232.06	17,327.91
172	CITY OF ROCK FALLS	4,565.38	9.46
194	GRUMMERT'S HARDWARE - R.F.	7,733.88	10.78
2301	STERLING NAPA	995.51	498.69
2517	PRAIRIE HILL RDF	6,428.18	1,350.80
4446	MORING DISPOSAL, INC.	335,117.97	2,250.00
4655	WHEELHOUSE, INC.	11,833.07	20.00
4686	BRENNTAG MID-SOUTH, INC.	20,346.28	1,650.20
4796	VERIZON WIRELESS	14,488.48	134.88
4827	KELLEY WILLIAMSON COMPANY	5,064.49	328.29
5111	ALLMAX SOFTWARE		900.00
5117	NETWORKFLEET, INC	7,201.00	113.70
533	ELECTRONICS, INC.	8,676.06	69.00
651	NICOR	43,468.47	51.19
T0001959	SAUK VALLEY PLUMBING INC	1,324.02	86.02
	OPERATION & MAINTENANCE		24,800.92
WATER FUND			
40	WATER		
4040	ILLINOIS ENVIRONMENTAL	663,587.34	53,749.34
	WATER		53,749.34
48	OPERATION & MAINTENANCE		

DATE: 03/09/2017
TIME: 15:13:57
ID: AP443000.WOW

CITY OF ROCK FALLS
DEPARTMENT SUMMARY REPORT

PAGE: 5

INVOICES DUE ON/BEFORE 03/10/2017

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

WATER FUND			
48	OPERATION & MAINTENANCE		
1052	SAUK VALLEY MEDIA	14,559.37	72.00
1289	CITY OF ROCK FALLS UTILITIES	304,232.06	8,002.82
172	CITY OF ROCK FALLS	4,565.38	0.92
2796	U.S. CELLULAR	3,251.53	258.18
2847	PDC LABORATORIES, INC.	2,957.40	170.00
4361	FERGUSON WATERWORKS #2516	104,692.50	715.44
4796	VERIZON WIRELESS	14,488.48	240.33
4946	MARTIN & COMPANY EXCAVATING	630,256.07	925.83
5117	NETWORKFLEET, INC	7,201.00	132.65
	OPERATION & MAINTENANCE		10,518.17
GARBAGE FUND			
50	GARBAGE		
4446	MORING DISPOSAL, INC.	335,117.97	33,315.04
	GARBAGE		33,315.04
CUSTOMER SERVICE CENTER			
51	CUSTOMER SERVICE CENTER		
172	CITY OF ROCK FALLS	4,565.38	97.06
760	ROCK FALLS POSTMASTER	31,930.00	3,500.00
	CUSTOMER SERVICE CENTER		3,597.06
SAFE PASSAGE/NON EVIDENTIARY			
57	SAFE PASSAGE/NON EVIDENTIARY		
T0000826	FIREHOUSE MINISTRIES	10,048.94	5,000.00
	SAFE PASSAGE/NON EVIDENTIARY		5,000.00
MOTOR FUEL TAX FUND			
65	MOTOR FUEL TAX		
5183	COMPASS MINERALS AMERICA		1,297.35
	MOTOR FUEL TAX		1,297.35

DATE: 03/09/2017
TIME: 15:13:57
ID: AP443000.WOW

CITY OF ROCK FALLS
DEPARTMENT SUMMARY REPORT

PAGE: 6

INVOICES DUE ON/BEFORE 03/10/2017

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

CUSTOMER UTILITY DEPOSITS			
75	CUSTOMER UTILITY DEPOSITS		
T0001880	[REDACTED]	51.70	39.29
T0004240	[REDACTED]		40.72
T0004241	M & M MORTGAGE SERVICES		108.79
T0004242	[REDACTED]		47.44
T0004243	[REDACTED]		80.03
T0004244	[REDACTED]		34.17
T0004245	[REDACTED]		89.46
	CUSTOMER UTILITY DEPOSITS		439.90
	TOTAL ALL DEPARTMENTS		198,165.94

Petition for Annexation

March 14, 2017

Address: 222 Martin Road, Rock Falls IL 61071

Owners: Gregg Fritsch and Randy Fritsch

The property located at 222 Martin Road, Rock Falls IL 61071 is currently under contract for sale. On January 18 2017 Gene Johnston Director of the Whiteside County Health Department conducted a Septic inspection at 222 Martin Road, Rock Falls. The current septic system doesn't meet Whiteside County Health Department standards. A request to install a new septic system has been denied by the Health Department due to the proximity of City sewer. Current Owners Gregg Fritsch and Randy Fritsch Are submitting a request to change zoning to R-2 and to be able to hook up to City of Rock Falls sewer system as soon as possible. City water isn't available at this time.

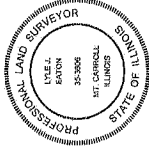
PLAT OF PARCEL ANNEXATION 222 MARTIN ROAD, ROCK FALLS, ILLINOIS

Description:
Part of Lot M-37A in Martin Estates Subdivision located in the Northeast Quarter of the Northeast Quarter of Section 27, Township 21 North, Range 7 East of the Fourth Principal Meridian, Whiteside County, Illinois, more particularly described as follows: Beginning at an iron rod at the Northeast corner of said Lot M-37A; Thence South 88 degrees 13 minutes 23 seconds West (assumed bearings), along the North line thereof, a distance of 120.02 feet (120 feet deeded) to an iron rod; Thence South 00 degrees 52 minutes 08 seconds East, a distance of 176.90 feet; Thence North 88 degrees 13 minutes 45 seconds East, a distance of 120.02 feet (120 feet deeded) to an iron rod on the East line of said Lot M-37A; Thence North 00 degrees 51 minutes 51 seconds West, along said East line, a distance of 174.82 feet (174.82 feet deeded) to the point of beginning. Containing 0.484 Acres. Subject, however, to an ingress and egress easement for access purposes over, across and through the Southerly 12.50 feet.

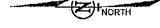
SURVEYORS CERTIFICATE

I hereby certify that this survey was done by me, or under my direct supervision, at the request of Tim McCaslin of ReMax Sauk Valley in Sterling, Illinois. This survey as done on the ground, and this plat represents the facts found at the time of the survey, and conforms to the current Illinois Minimum Standards for a boundary survey. All monuments exist as shown hereon. Bearings are in Degrees, Minutes, and Seconds and are referenced to an assumed datum. Distances are in feet and decimals thereof. This survey includes no investigation or independent search for easements of record, encumbrances, deed restrictions, restrictive covenants, ownership, title evidence, or any other facts, which an accurate and current title search may disclose.

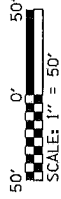
Dated this day of , 2017



Kyle J. Eaton
Illinois Professional Land Surveyor
No. 35-3666
License Expires November 30, 2018

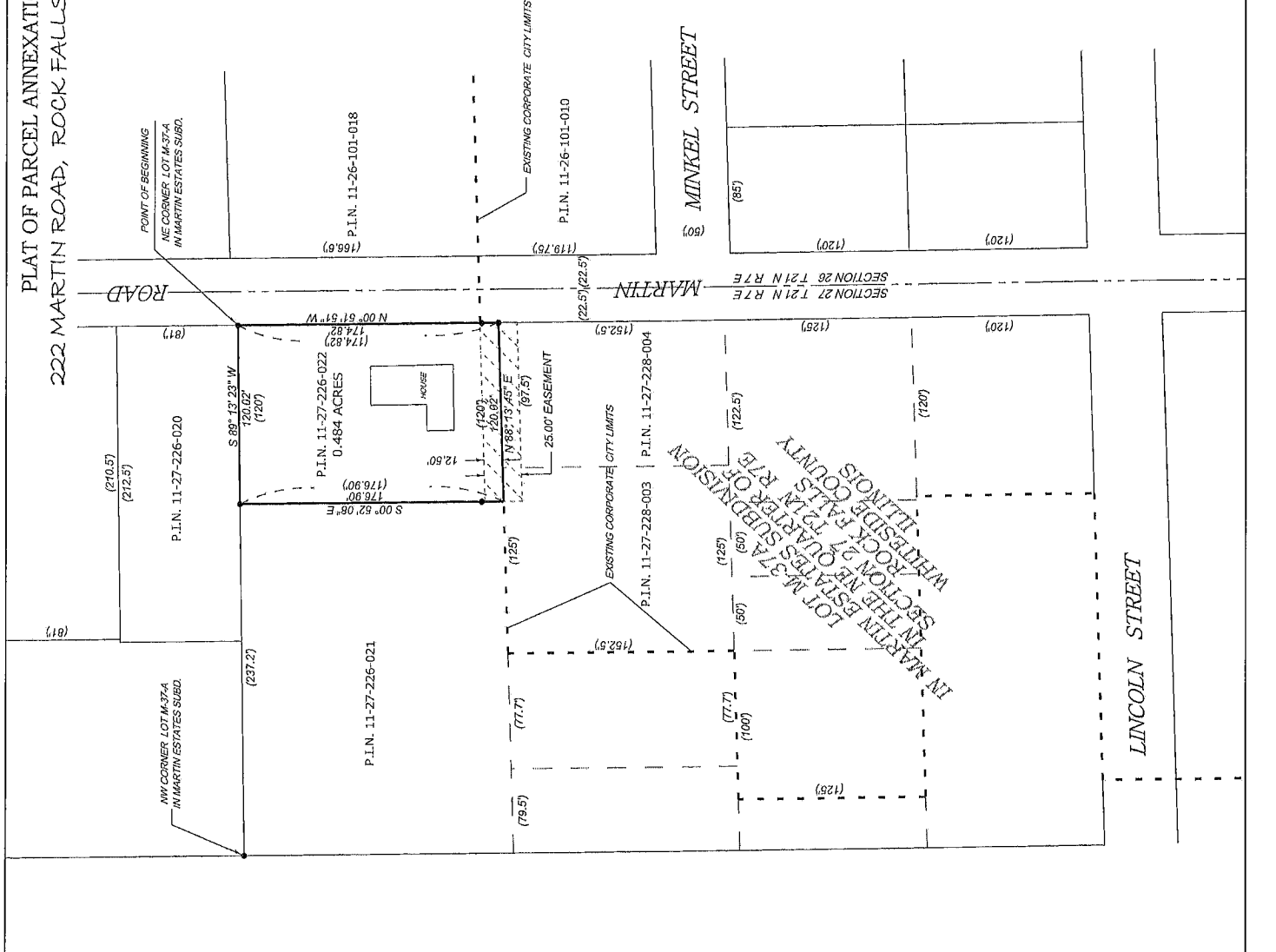


(assumed bearings)



LEGEND

- ADJACENT OF SURVEY
- PLANNED ROAD EASEMENT
- POINT OF BEGINNING
- POINTED IRON ROD
- POINTED GALVANIZED IRON ROD
- SET 2 1/2" IRON ROD
- SET 1 1/2" IRON ROD
- SET 1" IRON ROD
- SET 3/4" IRON ROD
- SET 1/2" IRON ROD
- SET 1/4" IRON ROD
- SET 1/8" IRON ROD
- BRICKED LINE
- R.O.W. LINE
- CENTERLINE OF ROAD
- UNRECORDED EASEMENT
- UNRECORDED EASEMENT DATA



L.J. EATON LAND SURVEYING, LTD. (815) 244-1095 12581 FULRATH MILL ROAD, MT. CARROLL, IL. 61053	
SCALE: 1" = 50'	APPROVED BY: [DRAWN BY: LJE]
DATE: 3/14/2017	REVISED:
TYPE OF SURVEY ANNEXATION PLAT OF SURVEY	
REQUESTED BY: TIM MCCASLIN	DRAWING NUMBER: 2017042

ORDINANCE NO. 2017-2301

AN ORDINANCE authorizing and providing for the issue of not to exceed \$5,050,000 General Obligation Bonds (Alternate Revenue Source), of the City of Rock Falls, Whiteside County, Illinois, for the purpose of paying the costs of designing, constructing and operating a broadband internet system for the City and related expenses, the pledge of certain revenues to the payment of principal and interest on the bonds, the levy of a direct annual tax to pay such principal and interest if the pledged revenues are insufficient to make such payment, and authorizing the sale of said bonds to the purchaser thereof.

* * *

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 of the State of Illinois, as amended (the “*Debt Reform Act*”); and

WHEREAS, pursuant to the High Speed Internet Services and Information Technology Act of the State of Illinois, as amended, any municipality “may undertake local broadband projects and the provision of services in connection therewith...”; and

WHEREAS, the City Council of the City (the “*Council*”) does hereby determine that it is advisable, necessary and in the best interests of the City and its residents to pay the costs of designing, constructing and operating a broadband internet system for the City (the “*Broadband System*”) and related expenses (the “*Project*”), all in accordance with the preliminary plans and estimates of costs heretofore approved by the Council and on file with the City Clerk of the City (the “*City Clerk*”), and for which there are no funds of the City on hand and lawfully available for such purpose; and

WHEREAS, the Project constitutes a lawful corporate purpose within the meaning of the Debt Reform Act; and

WHEREAS, on the 21st day of February, 2017, the Council adopted Ordinance Number 2017-2299 (the "*Authorizing Ordinance*") authorizing the issuance of alternate bonds, being general obligation bonds payable from (a)(i) revenues received by the City from the operation of the Broadband System and (ii) collections distributed to the City from those taxes imposed by the State of Illinois pursuant to the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, the Non-Home Rule Municipal Retailers' Occupation Tax Act and the Non-Home Rule Municipal Service Occupation Tax Act and by the City pursuant to the Non-home Rule Municipal Retailers' Occupation Tax Act and the Non-home Rule Municipal Service Occupation Tax Act, each as supplemented and amended from time to time, or substitute taxes therefor as provided by the State of Illinois in the future (collectively, the "*Pledged Revenues*") and (b) ad valorem taxes levied against all of the taxable property in the City without limitation as to rate or amount (the "*Pledged Taxes*"), pursuant to and in accordance with the provisions of the Debt Reform Act, in an amount not to exceed \$13,000,000; and

WHEREAS, on the 27th day of February, 2017, the Authorizing Ordinance, together with a notice in the statutory form (the "*Notice*"), was published in *Daily Gazette*, the same being a newspaper of general circulation in the City, and an affidavit evidencing the publication of the Authorizing Ordinance and the Notice have heretofore been presented to the Council and made a part of the permanent records of the Council; and

WHEREAS, more than thirty (30) days have expired since the date of publication of the Authorizing Ordinance and the Notice, and no petition with the requisite number of valid

WHEREAS, the Project constitutes a lawful corporate purpose within the meaning of the Debt Reform Act; and

WHEREAS, on the 21st day of February, 2017, the Council adopted Ordinance Number 2017-2299 (the "*Authorizing Ordinance*") authorizing the issuance of alternate bonds, being general obligation bonds payable from (a)(i) revenues received by the City from the operation of the Broadband System and (ii) collections distributed to the City from those taxes imposed by the State of Illinois pursuant to the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, the Non-Home Rule Municipal Retailers' Occupation Tax Act and the Non-Home Rule Municipal Service Occupation Tax Act and by the City pursuant to the Non-home Rule Municipal Retailers' Occupation Tax Act and the Non-home Rule Municipal Service Occupation Tax Act, each as supplemented and amended from time to time, or substitute taxes therefor as provided by the State of Illinois in the future (collectively, the "*Pledged Revenues*") and (b) ad valorem taxes levied against all of the taxable property in the City without limitation as to rate or amount (the "*Pledged Taxes*"), pursuant to and in accordance with the provisions of the Debt Reform Act, in an amount not to exceed \$13,000,000; and

WHEREAS, on the 27th day of February, 2017, the Authorizing Ordinance, together with a notice in the statutory form (the "*Notice*"), was published in *Daily Gazette*, the same being a newspaper of general circulation in the City, and an affidavit evidencing the publication of the Authorizing Ordinance and the Notice have heretofore been presented to the Council and made a part of the permanent records of the Council; and

WHEREAS, more than thirty (30) days have expired since the date of publication of the Authorizing Ordinance and the Notice, and no petition with the requisite number of valid

signatures thereon has been filed with the City Clerk requesting that the question of the issuance of the Bonds be submitted to referendum; and

WHEREAS, the Council is now authorized to issue alternate bonds of the City to the amount of \$13,000,000 pursuant to and in accordance with the provisions of the Debt Reform Act, and the Council hereby determines that it is advisable, necessary and in the best interests of the City and its residents that there be issued not to exceed \$5,050,000 of the alternate bonds so authorized (the "*Bonds*"); and

WHEREAS, the Pledged Revenues have not been pledged or hypothecated in whole or in part in any manner or for any purpose, other than for the payment of principal of and interest on the Bonds pursuant to and in accordance with the provisions of the Authorizing Ordinance and this Ordinance; and

WHEREAS, the Council hereby further determines that the Pledged Revenues will provide in each year an amount not less than 1.25 times debt service of the Bonds; and

WHEREAS, such determination is supported by the most recent audit of the City (the "*Audit*"), which Audit is for a fiscal year ending not earlier than 18 months previous to the time of issuance of the Bonds has been presented to the Council and is now on file with the City Clerk; and

WHEREAS, pursuant to and in accordance with the provisions of the Bond Issue Notification Act of the State of Illinois, as amended, the Mayor of the City (the "*Mayor*") on the 21st day of February, 2017, executed an Order calling a public hearing (the "*Hearing*") for the 27th day of February, 2017, concerning the intent of the Council to sell the Bonds; and

WHEREAS, notice of the Hearing was given by (i) publication at least once not less than seven (7) nor more than thirty (30) days before the date of the Hearing in *Daily Gazette*, and (ii) posting at least 96 hours before the Hearing a copy of said notice at the principal office of the

Council, which notice was continuously available for public review during the entire 96-hour period preceding the Hearing; and

WHEREAS, the Hearing was held on the 7th day of March, 2017, and at the Hearing the Council explained the reasons for the proposed issuance of the Bonds and permitted persons desiring to be heard an opportunity to present written or oral testimony within reasonable time limits; and

WHEREAS, the Hearing was finally adjourned on the 7th day of March, 2017, and not less than seven (7) days have passed since the final adjournment of the Hearing:

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

Section 1. Definitions. Words and terms used in this Ordinance shall have the following meanings unless the context or use clearly indicates another or different meaning is intended.

A. The following words and terms are as defined in the preambles hereto:

- Audit
- Authorizing Ordinance
- Broadband System
- Bonds
- City
- City Clerk
- Council
- Debt Reform Act
- Hearing
- Mayor
- Municipal Code
- Notice
- Pledged Revenues
- Pledged Taxes
- Project

B. The following words and terms are defined as set forth:

“Additional Bonds” means any Alternate Bonds issued in the future in accordance with the provisions of the Debt Reform Act on a parity with and sharing ratably and equally in the Pledged Revenues with the Bonds.

“Alternate Bonds” means any Outstanding bonds issued as alternate bonds under and pursuant to the provisions of the Debt Reform Act, and includes, expressly, the Bonds.

“Code” means the Internal Revenue Code of 1986, as amended.

“County Clerk” means the County Clerk of The County of Whiteside, Illinois.

“Designated Representatives” means the Mayor, the City Clerk, the Treasurer, and the City Administrator.

“Fiscal Year” means that twelve-calendar month period beginning on May 1 of the calendar year and ending on the next succeeding April 30.

“Outstanding” or *“outstanding”* when used with reference to the Bonds and Additional Bonds means such of those bonds which are outstanding and unpaid; *provided, however*, such term shall not include the Bonds or Additional Bonds (i) which have matured and for which moneys are on deposit with proper paying agents or are otherwise sufficiently available to pay all principal thereof and interest thereon or (ii) the provision for payment of which has been made by the City by the deposit in an irrevocable trust or escrow of funds or direct, full faith and credit obligations of the United States of America, the principal of and interest on which will be sufficient to pay at maturity or as called for redemption all the principal of and interest on such Bonds or Additional Bonds.

“Treasurer” means the Treasurer of the City.

Section 2. Incorporation of Preambles; Acceptance of Audit. The Council hereby find 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. The Audit has been and is hereby accepted by the Council.

Section 3. Authorization. It is hereby found and determined that the City has been authorized by law to borrow an amount not to exceed \$13,000,000 upon the credit of the City and as evidence of such indebtedness to issue alternate bonds to said amount, the proceeds of such alternate bonds to be used for the purpose of paying the cost of the Project, and it is necessary and for the best interests of the City that there be issued at this time not to exceed \$5,050,000 of the Bonds so authorized.

Section 4. Bond Details. For the purpose of providing for the Project, the Bonds may be issued and sold in an aggregate principal amount of not to exceed \$5,050,000; and that the Bonds, if issued, shall be designated “[Taxable] General Obligation Bonds (Alternate Revenue Source), Series 2017[]” with such additional series designations and descriptions as may be necessary to describe the Bonds or any series thereof, as set forth in the Bond Notification (as hereinafter defined) for such series of the Bonds. The Bonds may be issued in one or more series, shall be dated the date of the issuance thereof and shall also bear the date of authentication, shall be in fully registered form, shall be in denominations of \$5,000 each and authorized integral multiples thereof (but no single Bond shall represent installments of principal maturing on more than one date) or such other denominations as set forth in the Bond Notification for a series of the Bonds, and shall be numbered 1 and upward. Any series of the Bonds may be issued on a basis such that the interest on such series of the Bonds is excluded from gross income of the owners thereof for federal income tax purposes under the Code (“*Tax-Exempt Bonds*”) or on a basis such that the interest on such series of the Bonds is included in gross income of the owners thereof for federal income tax purposes (“*Taxable Bonds*”), and such determination as to whether a series of the Bonds constitute Tax-Exempt Bonds or Taxable Bonds shall be set forth in the Bond Notification for such series of the Bonds.

The Bonds shall become due and payable serially or be subject to mandatory redemption (subject to prior redemption as hereinafter described) on October 1 of each of the years (not later than 2037), bearing interest at the rates per annum (not exceeding 7.00% per annum) and in the amounts (not exceeding \$470,000 per year) all as set forth in the Bond Notification for a series of the Bonds.

The Bonds shall bear interest from their date or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of the Bonds is paid, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable semi-annually commencing with the first interest payment date as set forth in the Bond Notification for a series of the Bonds, and on April 1 and October 1 of each year thereafter to maturity.

Interest on each Bond shall be paid by check or draft of Sauk Valley Bank & Trust Company, Sterling, Illinois, or such other bank or trust company as set forth in the Bond Notification for a series of the Bonds, as bond registrar and paying agent (the "*Bond Registrar*"), payable upon presentation in lawful money of the United States of America, to the person in whose name such Bond is registered at the close of business on the 15th day of the month next preceding the interest payment date. The principal of the Bonds shall be payable in lawful money of the United States of America at the principal office of the Bond Registrar.

The Bonds shall be signed by the manual or facsimile signature of the Mayor, and shall be attested by the manual or facsimile signature of the City Clerk, and in case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

All Bonds shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the Bond Registrar, as authenticating agent of the City for

the Bonds and showing the date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until such certificate of authentication shall have been duly executed by the Bond Registrar by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance. The certificate of authentication on any Bond shall be deemed to have been executed by the Bond Registrar if signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

Section 5. Registration of Bonds; Persons Treated as Owners. (a) General. The City shall cause books (the "*Bond Register*") for the registration and for the transfer of the Bonds as provided in this Ordinance to be kept at the principal office of the Bond Registrar, which is hereby constituted and appointed the registrar of the City. The City is authorized to prepare, and the Bond Registrar or such other authorized person as the officers of the City may designate shall keep custody of, multiple Bond blanks executed by the City for use in the transfer and exchange of Bonds.

Upon surrender for transfer of any Bond at the principal office of the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by, the registered owner or his or her attorney duly authorized in writing, the City shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same maturity of authorized denominations, for a like aggregate principal amount. Any fully registered Bond or Bonds may be exchanged at said office of the Bond Registrar for a like aggregate principal amount of Bond or Bonds of the same maturity of other authorized denominations. The execution by the City of any fully registered Bond shall

constitute full and due authorization of such Bond and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond; *provided, however*, the principal amount of outstanding Bonds of each maturity authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds for such maturity less previous retirements.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period from the close of business on the 15th day of the month next preceding an interest payment date on the Bonds to the opening of business on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bond shall be made only to or upon the order of the registered owner thereof or his or her legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Bonds, but the City or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds, except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption.

(b) *Global Book-Entry System.* The Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities of the Bonds determined as described in Section 4 hereof. Upon initial issuance, the ownership of each such Bond shall be registered in the Bond Register in the name of Cede & Co., or any successor thereto ("*Cede*"), as

nominee of The Depository Trust Company, New York, New York, and its successors and assigns (“DTC”). All of the outstanding Bonds shall be registered in the Bond Register in the name of Cede, as nominee of DTC, except as hereinafter provided. Any officer of the City who is a signatory on the Bonds is authorized to execute and deliver, on behalf of the City, such letters to or agreements with DTC as shall be necessary to effectuate such book-entry system (any such letter or agreement being referred to herein as the “*Representation Letter*”), which Representation Letter may provide for the payment of principal of or interest on the Bonds by wire transfer.

With respect to Bonds registered in the Bond Register in the name of Cede, as nominee of DTC, the City and the Bond Registrar shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which DTC holds Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a “*DTC Participant*”) or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Bond Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any amount with respect to the principal of or interest on the Bonds. The City and the Bond Registrar may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of giving notices of redemption and other

matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Bond Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the respective registered owners of the Bonds, as shown in the Bond Register, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of the principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of a Bond as shown in the Bond Register, shall receive a Bond evidencing the obligation of the City to make payments of principal and interest with respect to any Bond. Upon delivery by DTC to the Bond Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the provisions in Section 4 hereof with respect to the payment of interest to the registered owners of Bonds at the close of business on the 15th day of the month next preceding the applicable interest payment date, the name "Cede" in this Ordinance shall refer to such new nominee of DTC.

In the event that (i) the City determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (ii) the agreement among the City, the Bond Registrar and DTC evidenced by the Representation Letter shall be terminated for any reason or (iii) the City determines that it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the City shall notify DTC and DTC Participants of the availability through DTC of certificated Bonds and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede, as nominee of DTC. At that time, the City may determine that the Bonds shall be registered in the name of and deposited with such other depository operating a universal book-entry system, as may be acceptable to the City, or such depository's agent or designee, and if the City does not select

such alternate universal book-entry system, then the Bonds may be registered in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions of Section 4(a) hereof.

Notwithstanding any other provisions of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the name provided in the Representation Letter.

Section 6. Redemption. (a) *Optional Redemption.* All or a portion of the Bonds of any series, if any, due on and after the date, if any, specified in the Bond Notification for such series of the Bonds, shall be subject to redemption prior to maturity at the option of the City from any available funds, as a whole or in part, and if in part in integral multiples of \$5,000 in any order of their maturity as determined by the City (less than all of the Bonds of a single maturity and series to be selected by the Bond Registrar), on the date specified in the Bond Notification for such series of the Bonds, if any, and on any date thereafter, at the redemption price of par plus accrued interest to the date fixed for redemption.

(b) *Mandatory Redemption.* The Bonds of any series maturing on the date or dates, if any, indicated in the Bond Notification for such series shall be subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Bond Registrar, at a redemption price of par plus accrued interest to the redemption date, on October 1 of the years, if any, and in the principal amounts, if any, as indicated in such Bond Notification.

The principal amounts of Bonds to be mandatorily redeemed in each year may be reduced through the earlier optional redemption thereof, with any partial optional redemptions of such Bonds credited against future mandatory redemption requirements in such order of the mandatory redemption dates as the City may determine. In addition, on or prior to the 60th day

preceding any mandatory redemption date, the Bond Registrar may, and if directed by the Board shall, purchase Bonds required to be retired on such mandatory redemption date. Any such Bonds so purchased shall be cancelled and the principal amount thereof shall be credited against the mandatory redemption required on such next mandatory redemption date.

(c) *General.* The Bonds shall be redeemed only in the principal amount of \$5,000 and integral multiples thereof. The City shall, at least forty-five (45) days prior to any optional redemption date (unless a shorter time period shall be satisfactory to the Bond Registrar) notify the Bond Registrar of such redemption date and of the principal amount, maturity or maturities and series of Bonds to be redeemed. For purposes of any redemption of less than all of the outstanding Bonds of a single maturity of any series, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Bond Registrar from the Bonds of such maturity by such method of lottery as the Bond Registrar shall deem fair and appropriate; *provided* that such lottery shall provide for the selection for redemption of Bonds or portions thereof so that any \$5,000 Bond or \$5,000 portion of a Bond shall be as likely to be called for redemption as any other such \$5,000 Bond or \$5,000 portion. The Bond Registrar shall make such selection upon the earlier of the irrevocable deposit of funds with an escrow agent sufficient to pay the redemption price of the Bonds to be redeemed or the time of the giving of official notice of redemption.

The Bond Registrar shall promptly notify the City in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

Section 7. Redemption Procedure. Unless waived by any holder of Bonds to be redeemed, notice of the call for any such redemption shall be given by the Bond Registrar on behalf of the City by mailing the redemption notice by first class mail at least thirty (30) days

and not more than sixty (60) days prior to the date fixed for redemption to the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

All notices of redemption shall state:

- (1) the redemption date,
- (2) the redemption price,
- (3) if less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,
- (4) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,
- (5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Bond Registrar, and
- (6) such other information then required by custom, practice or industry standard.

Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed shall have been received by the Bond Registrar prior to the giving of such notice of redemption, such notice may, at the option of the City, state that said redemption shall be conditional upon the receipt of such moneys by the Bond Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Bonds, and the Bond Registrar shall give notice, in the same manner in which the notice of redemption shall have been given, that such moneys were not so received and that such Bonds will not be redeemed. Otherwise, prior to any redemption date, the City shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Subject to the provisions for a conditional redemption described above, notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered holder a new Bond or Bonds of the same maturity and series in the amount of the unpaid principal.

If any Bond or portion of Bond called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid, bear interest from the redemption date at the rate borne by the Bond or portion of Bond so called for redemption. All Bonds which have been redeemed shall be cancelled and destroyed by the Bond Registrar and shall not be reissued.

Section 8. Form of Bond. The Bonds shall be in substantially the following form; *provided, however,* that if the text of the Bond is to be printed in its entirety on the front side of the Bond, then paragraph [2] and the legend, "See Reverse Side for Additional Provisions", shall be omitted and paragraphs [6] through [12] shall be inserted immediately after paragraph [1]:

[Form of Bond - Front Side]

REGISTERED
NO. _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA

STATE OF ILLINOIS

COUNTY OF WHITESIDE

CITY OF ROCK FALLS

[TAXABLE] GENERAL OBLIGATION BOND (ALTERNATE REVENUE SOURCE),
SERIES 2017[]

See Reverse Side for
Additional Provisions

Interest Maturity Dated
Rate: ____% Date: October 1, 20__ Date: _____, 2017 CUSIP: 772096 ____

Registered Owner: CEDE & Co.

Principal Amount:

[1] KNOW ALL PERSONS BY THESE PRESENTS, that the City of Rock Falls, Whiteside County, Illinois (the “City”), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the date of this Bond or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum set forth above on April 1 and October 1 of each year, commencing _____, 20__, until said Principal Amount is paid. Principal of this Bond is payable in lawful money of the United States of America at the principal office of _____, as bond registrar and paying agent (the “Bond Registrar”). Payment of the installments of interest shall be made to the Registered Owner hereof as shown on the

registration books of the City maintained by the Bond Registrar at the close of business on the 15th day of the month next preceding each interest payment date and shall be paid by check or draft of the Bond Registrar, payable upon presentation in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Bond Registrar. For the prompt payment of this Bond, both principal and interest at maturity, the full faith, credit and resources of the City are hereby irrevocably pledged.

[2] Reference is hereby made to the further provisions of this Bond set forth on the reverse hereof and such further provisions shall for all purposes have the same effect as if set forth at this place.

[3] It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the issuance of this Bond have been done and have happened and have been performed in regular and due form of law; that the indebtedness of the City, including the issue of Bonds of which this is one, does not exceed any limitation imposed by law; that provision has been made for the collection of the Pledged Revenues, the levy and collection of the Pledged Taxes and the segregation of the Pledged Revenues and the Pledged Taxes to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity; and that the City hereby covenants and agrees that it will properly account for the Pledged Revenues and the Pledged Taxes and will comply with all the covenants of, and maintain the funds and accounts as provided by, the ordinance adopted by the City Council of the City on the 4th day of April, 2017 (the "*Bond Ordinance*").

[4] This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

[5] IN WITNESS WHEREOF, said City of Rock Falls, Whiteside County, Illinois, by its City Council, has caused this Bond to be signed by the manual or duly authorized facsimile signature of the Mayor of the City, and to be attested by the manual or duly authorized facsimile signature of the City Clerk of the City, all as of the Dated Date identified above.

Mayor

Attest:

City Clerk

Date of Authentication: _____, 20__

CERTIFICATE
OF
AUTHENTICATION

Bond Registrar and Paying Agent:

This Bond is one of the Bonds described in the within mentioned ordinance and is one of the [Taxable] General Obligation Bonds (Alternate Revenue Source), Series 2017[___], of the City of Rock Falls, Whiteside County, Illinois.

_____,
as Bond Registrar

By _____
Authorized Officer

[Form of Bond - Reverse Side]

CITY OF ROCK FALLS

WHITESIDE COUNTY, ILLINOIS

**[TAXABLE] GENERAL OBLIGATION BOND (ALTERNATE REVENUE SOURCE),
SERIES 2017[]**

[6] This Bond is one of a series of bonds issued by the City pursuant to the Local Government Debt Reform Act of the State of Illinois, as amended (the "*Debt Reform Act*"), and the Illinois Municipal Code, as amended (the "*Municipal Code*"), for the purpose of paying the costs of designing, constructing and operating a broadband internet system for the City (the "*Broadband System*") and related expenses, and is authorized by the Bond Ordinance, duly and properly adopted for that purpose, in all respects as provided by law.

[7] The Bonds are payable from (a)(i) revenues received by the City from the operation of the Broadband System and (ii) collections distributed to the City from those taxes imposed by the State of Illinois pursuant to the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, the Non-Home Rule Municipal Retailers' Occupation Tax Act and the Non-Home Rule Municipal Service Occupation Tax Act and by the City pursuant to the Non-home Rule Municipal Retailers' Occupation Tax Act and the Non-home Rule Municipal Service Occupation Tax Act, each as supplemented and amended from time to time, or substitute taxes therefor as provided by the State of Illinois in the future (together, the "*Pledged Revenues*"), and (b) ad valorem taxes levied against all of the taxable property in the City without limitation as to rate or amount (the "*Pledged Taxes*"), all in accordance with the provisions of the Debt Reform Act. The City reserves the right to issue additional bonds without limit from time to time payable from the Pledged Revenues, and any such additional bonds shall share ratably and equally in the Pledged Revenues with the Bonds;

provided, however, that no additional bonds shall be issued except in accordance with the Debt Reform Act.

[8] [Optional and Mandatory Redemption Provisions to be inserted as necessary].

[9] Notice of any such redemption shall be sent by first class mail not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books of the City maintained by the Bond Registrar or at such other address as is furnished in writing by such registered owner to the Bond Registrar. When so called for redemption, this Bond will cease to bear interest on the specified redemption date, provided funds for redemption are on deposit at the place of payment at that time, and shall not be deemed to be outstanding.

[10] This Bond is transferable by the Registered Owner hereof in person or by his or her attorney duly authorized in writing at the principal office of the Bond Registrar in [Sterling], Illinois, but only in the manner, subject to the limitations and upon payment of the charges provided in the Bond Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denominations of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

[11] The Bonds are issued in fully registered form in the denomination of \$5,000 each or authorized integral multiples thereof. This Bond may be exchanged at the principal office of the Bond Registrar for a like aggregate principal amount of Bonds of the same maturity of other authorized denominations, upon the terms set forth in the Bond Ordinance. The Bond Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the 15th day of the month next preceding any interest payment date on such Bond and ending on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

[12] The City and the Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes and neither the City nor the Bond Registrar shall be affected by any notice to the contrary.

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____

attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature guaranteed: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Section 9. Sale of Bonds. Any two of the Designate Representatives, one of whom shall be an elected official, are hereby authorized to proceed not later than the reorganizational meeting of the Council following the April 4, 2017 consolidated election (if changes in Council membership occur) or October 4, 2017 (if no changes in Council membership occur), without any further authorization or direction from the Council, to sell the Bonds upon the terms as prescribed in this Ordinance. The Bonds hereby authorized shall be executed as in this Ordinance provided as soon after the delivery of the Bond Notification for a series of the Bonds as may be, and thereupon be deposited with the Treasurer. After authentication of the Bonds by the Bond Registrar, the Treasurer shall deliver the Bonds to the purchaser thereof, the same being Robert W. Baird & Co., Incorporated, Naperville, Illinois (the "Purchaser"), upon receipt

of the purchase price therefor, the same being not less than 98.0% of the principal amount of the Bonds (exclusive of original issue discount), on a series-by-series basis, plus accrued interest, if any, to date of delivery, it being hereby found and determined that the sale of the Bonds to the Purchaser is in the best interests of the City. The Designated Representatives shall find and determine in each Bond Notification that no person holding any office of the City, either by election or appointment, is in any manner financially interested directly in his or her own name or indirectly in the name of any other person, association, trust or corporation, in the sale of the respective series of the Bonds to the Purchaser.

Prior to the sale of any series of the Bonds, any of the Designated Representatives is hereby authorized to approve and execute a commitment for the purchase of a Municipal Bond Insurance Policy (as hereinafter defined), to further secure the Bonds, as long as the present value of the fee to be paid for the Municipal Bond Insurance Policy (using as a discount rate the expected yield on the Bonds treating the fee paid as interest on the Bonds) is less than the present value of the interest reasonably expected to be saved on the Bonds over the term of the Bonds as a result of the Municipal Bond Insurance Policy.

Upon the sale of any series of the Bonds, the Designated Representatives shall prepare a Notification of Sale of such series of the Bonds, which shall include the pertinent details of sale as provided herein (each a "*Bond Notification*"). In the Bond Notification for a series of the Bonds, the Designated Representatives shall find and determine that the Bonds have been sold at such price and bear interest at such rates that either the true interest cost (yield) or the net interest rate received upon the sale of such series of the Bonds does not exceed the maximum rate otherwise authorized by applicable law. Each Bond Notification shall be entered into the records of the City and made available to the Council at the next regular meeting thereof; but such action

shall be for information purposes only, and the Council shall have no right or authority at such time to approve or reject such sale as evidenced in the Bond Notification.

Upon the sale of a series of the Bonds, as evidenced by the execution and delivery of the Bond Notification by the Designated Representatives and any other officers of the City, as shall be appropriate, shall be and are hereby authorized and directed to approve or execute, or both, such documents of sale of the Bonds as may be necessary, including, without limitation, any contracts for the sale of the Bonds between the City and the Purchaser (the "*Purchase Contract*").

The use by the Purchaser of any Preliminary Official Statement and any final Official Statement relating to any series of the Bonds (the "*Official Statement*") is hereby ratified, approved and authorized; the execution and delivery of the Official Statement is hereby authorized; and the officers of the Council are hereby authorized to take any action as may be required on the part of the City to consummate the transactions contemplated by the Purchase Contract, this Ordinance, said Preliminary Official Statement, the Official Statement and the Bonds.

Section 10. Treatment of Bonds as Debt. The Bonds shall be payable from the Pledged Revenues and the Pledged Taxes and do not and shall not constitute an indebtedness of the City within the meaning of any constitutional or statutory limitation, unless the Pledged Taxes shall be extended pursuant to the general obligation, full faith and credit promise supporting the Bonds, as set forth in Section 12 hereof, in which case the amount of the Bonds then Outstanding shall be included in the computation of indebtedness of the City for purposes of all statutory provisions or limitations until such time as an audit of the City shall show that the Bonds have been paid from the Pledged Revenues for a complete Fiscal Year in accordance with the Debt Reform Act.

Section 11. Bond Fund. There is hereby established a special fund of the City known as the "Alternate Bond and Interest Fund of 2017" (the "*Bond Fund*"). The Bond Fund is a trust fund established for the purpose of carrying out the covenants, terms and conditions imposed upon the City by this Ordinance. The Bonds are secured by a pledge of all of the moneys on deposit in the Bond Fund, and such pledge is irrevocable until the Bonds have been paid in full or until the obligations of the City under this Ordinance are discharged.

Section 12. Alternate Revenue Source; Appropriation; Tax Levy; Pledged Taxes. For the purpose of providing funds to pay the principal of and interest on the Bonds, the City covenants and agrees with the purchasers and the owners of the Bonds that so long as any Bonds are outstanding and unpaid, either as to principal or interest, the City will deposit the Pledged Revenues into the Bond Fund. All payments with respect to the Bonds shall be made directly from the Bond Fund. There are hereby created two accounts in the Bond Fund, designated as the "Pledged Revenues Account" and as the "Pledged Taxes Account." All Pledged Revenues and any funds of the City on hand and lawfully available for such purpose which are being used for the payment of the principal of and interest on the Bonds shall be deposited to the credit of the Pledged Revenues Account. All Pledged Taxes shall be deposited to the credit of the Pledged Taxes Account. Pledged Taxes on deposit to the credit of the Pledged Taxes Account shall be fully spent to pay the principal of and interest on the respective Bonds for which such taxes were levied and collected prior to use of any moneys on deposit in the Pledged Revenues Account.

The Pledged Revenues are hereby pledged to the payment of the Bonds and the City covenants and agrees to provide for, appropriate, collect and apply the Pledged Revenues to the payment of the Bonds and the provision of not less than an additional .25 times debt service.

For the purpose of providing additional funds to pay the principal of and interest on the Bonds, there is hereby levied upon all of the taxable property within the City, in the years for

which any of the Bonds are outstanding, a direct annual tax for each of the years while the Bonds or any of them are outstanding, in amounts sufficient for that purpose, and there be and there hereby is levied upon all of the taxable property in the City the following direct annual taxes (the “Pledged Taxes” as heretofore defined):

FOR THE YEAR	A TAX SUFFICIENT TO PRODUCE THE SUM OF:	
2017	\$485,000.00	for principal and interest up to and including April 1, 2019
2018	\$485,000.00	for principal and interest
2019	\$485,000.00	for principal and interest
2020	\$485,000.00	for principal and interest
2021	\$485,000.00	for principal and interest
2022	\$485,000.00	for principal and interest
2023	\$485,000.00	for principal and interest
2024	\$485,000.00	for principal and interest
2025	\$485,000.00	for principal and interest
2026	\$485,000.00	for principal and interest
2027	\$485,000.00	for principal and interest
2028	\$485,000.00	for principal and interest
2029	\$485,000.00	for principal and interest
2030	\$485,000.00	for principal and interest
2031	\$485,000.00	for principal and interest
2032	\$485,000.00	for principal and interest
2033	\$485,000.00	for principal and interest
2034	\$485,000.00	for principal and interest
2035	\$485,000.00	for principal and interest
2036	\$485,000.00	for principal and interest

Interest or principal coming due at any time when there are insufficient funds on hand from the Pledged Taxes to pay the same shall be paid promptly when due from current funds on hand in advance of the collection of the Pledged Taxes herein levied; and when the Pledged Taxes shall have been collected, reimbursement shall be made to said funds in the amount so advanced.

Subject to the provisions of this section of this Ordinance, the City covenants and agrees with the purchasers and the owners of the Bonds that so long as any of the Bonds remain outstanding, the City will take no action or fail to take any action which in any way would

adversely affect the ability of the City to collect the Pledged Revenues or to levy and collect the Pledged Taxes, except as described herein. The City and its officers will comply with all present and future applicable laws in order to assure that the Pledged Revenues will be available and that the Pledged Taxes will be levied, extended and collected as provided herein and deposited in the Bond Fund.

To the extent that the taxes levied above exceed the amount necessary to pay debt service on the Bonds as set forth in the Bond Notification, the Mayor, City Clerk and Treasurer are hereby authorized to direct the abatement of such taxes to the extent of the excess of such levy in each year over the amount necessary to pay debt service on the Bonds in the following bond year. Proper notice of such abatement shall be filed with the County Clerk in a timely manner to effect such abatement.

Section 13. Filing of Ordinance. After this Ordinance becomes effective, a copy hereof, certified by the City Clerk, shall be filed with the County Clerk. The County Clerk shall in and for each of the years required ascertain the rate percent required to produce the aggregate Pledged Taxes hereinbefore provided to be levied in each of said years; and the County Clerk shall extend the same for collection on the tax books in connection with other taxes levied in said years in and by the City for general corporate purposes of the City; and the County Clerk, or other appropriate officer or designee, shall remit the Pledged Taxes for deposit to the Bond Fund, and in said years the Pledged Taxes shall be levied and collected by and for and on behalf of the City in like manner as taxes for general corporate purposes of the City for said years are levied and collected, and in addition to and in excess of all other taxes. The Pledged Taxes are hereby irrevocably pledged to and shall be used only for the purpose of paying principal of and interest on the Bonds.

Section 14. Abatement of Pledged Taxes. Whenever Pledged Revenues or other lawfully available funds are available and on deposit in the Bond Fund to pay any principal of or interest on the Bonds when due so as to enable the abatement of the Pledged Taxes levied for the same, the Council shall direct the abatement of such Pledged Taxes by the amount available and on deposit in the Bond Fund, and proper notification of such abatement shall be filed with the County Clerk in a timely manner to effect such abatement.

Section 15. General Covenants. So long as any Bonds remain Outstanding, the City covenants and agrees with the holders of the Bonds that:

A. The City will punctually pay or cause to be paid from the Bond Fund the principal of and interest on the Bonds in strict conformity with the terms of the Bonds and this Ordinance, and it will faithfully observe and perform all of the conditions, covenants and requirements thereof and hereof.

B. The City will pay and discharge, or cause to be paid and discharged, from the Bond Fund any and all lawful claims which, if unpaid, might become a lien or charge upon the Pledged Revenues or Pledged Taxes, or any part thereof, or upon any funds in the hands of the Bond Registrar, or which might impair the security of the Bonds. Nothing herein contained shall require the City to make any such payment so long as the City in good faith shall contest the validity of said claims.

C. The City will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the City in which complete and correct entries shall be made of all transactions relating to the Pledged Revenues or Pledged Taxes and the Bond Fund.

D. The City will preserve and protect the security of the Bonds and the rights of the registered owners of the Bonds, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any of the Bonds by the City, the Bonds shall be incontestable by the City.

E. The City will adopt, make, execute and deliver any and all such further ordinances, resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention of, or to facilitate the performance of, this Ordinance, and for the better assuring and confirming unto the registered owners of the Bonds of the rights and benefits provided in this Ordinance.

F. The City will continue to deposit the Pledged Revenues and, if applicable, the Pledged Taxes to the Bond Fund.

G. The City will take no action or fail to take any action which in any way would adversely affect the ability of the City (i) to allocate or collect the Pledged Revenues, (ii) to levy the Pledged Taxes or (iii) to collect and to segregate the Pledged Revenues and Pledged Taxes. The City and its officers will comply with all present and future applicable laws in order to assure that the Pledged Revenues can be allocated and collected, that the Pledged Taxes can be levied and extended and that the Pledged Revenues and the Pledged Taxes may be collected and deposited into the Bond Fund, respectively, as provided herein.

H. The Outstanding Bonds shall be and forever remain until paid the general obligation of the City, for the payment of which its full faith and credit are pledged, and shall be payable, both from the Pledged Revenues, as herein provided, and from the levy of the Pledged Taxes, all as provided in the Debt Reform Act.

Section 16. Additional Bonds. The City reserves the right to issue Additional Bonds from time to time payable from the Pledged Revenues, and any such Additional Bonds shall share ratably and equally in the Pledged Revenues with the Bonds; *provided, however,* that no Additional Bonds shall be issued except upon compliance with the provisions of the Debt Reform Act.

Section 17. Use of Proceeds. Accrued interest received on delivery of the Bonds and proceeds from the issuance of the Bonds in an amount not to exceed \$700,000 (as set forth in the Bond Notification for a series of Bonds) ("*Capitalized Interest*") shall be credited to the Bond Fund and applied to pay first interest due on the Bonds. Proceeds received from the sale of the Bonds shall be set aside in a separate fund hereby created and designated as the "Capital Improvement Account (Series 2017)" (the "*Project Fund*") to be held by the Treasurer in a separate and segregated account. Moneys in the Project Fund shall be withdrawn from time to time as needed for the payment of the costs of issuance of the Bonds, the Project and payment of the fees and expenses incidental thereto, and said moneys shall be disbursed by the Treasurer in accordance with normal and customary City disbursement procedures. At the time of the issuance of the Bonds, the costs of issuance of the Bonds may be paid by the Purchaser on behalf of the City from the proceeds of the Bonds.

Section 18. Reimbursement. None of the proceeds of the Bonds will be used to pay, directly or indirectly, in whole or in part, for an expenditure that has been paid by the City prior to the date hereof except architectural or engineering costs incurred prior to commencement of the Project or expenditures for which an intent to reimburse it as properly declared under Treasury Regulations Section 1.103-18. This Ordinance is in itself a declaration of official intent under Treasury Regulations Section 1.103-18 as to all costs of the Project paid within 60 days prior to the date hereof or on any date after the date hereof and prior to issuance of the Bonds.

Section 19. General Tax Covenants. This Section applies only to those series of the Bonds issued as Tax-Exempt Bonds, and all references to “*Bond*” or “*Bonds*” in this Section shall be a reference to the Tax-Exempt Bonds only. The City hereby covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting, or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code, would otherwise cause the interest on the Bonds to be includable in the gross income of the recipients thereof for federal income tax purposes. The City acknowledges that, in the event of an examination by the Internal Revenue Service of the exemption from Federal income taxation for interest paid on the Bonds under present rules, the City may be treated as a “taxpayer” in such examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the Internal Revenue Service in connection with such an examination. In furtherance of the foregoing provisions, but without limiting their generality, the City agrees: (a) through its officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to comply with all representations, covenants, and assurances contained in certificates or agreements as may be prepared by Bond Counsel;

(c) to consult with such Bond Counsel and to comply with such advice as may be given; (d) to file such forms, statements, and supporting documents as may be required and in a timely manner; and (e) if deemed necessary or advisable by its officers, to employ and pay fiscal agents, financial advisors, attorneys, and other persons to assist the City in such compliance.

Section 20. Registered Form. The City recognizes that Section 149 of the Code requires the Tax-Exempt Bonds to be issued and to remain in fully registered form in order to be and remain exempt from federal income taxation. In this connection, the City agrees that it will not take any action to permit the Tax-Exempt Bonds to be issued in, or converted into, bearer or coupon form.

Section 21. Certain Specific Tax Covenants. This Section applies only to those series of the Bonds issued as Tax-Exempt Bonds, and all references to “Bond” or “Bonds” in this Section shall be a reference to the Tax-Exempt Bonds only.

A. None of the Bonds shall be a “private activity bond” as defined in Section 141(a) of the Code; and the City certifies, represents, and covenants as follows:

(1) Not more than 5% of the net proceeds and investment earnings of the Bonds is to be used, directly or indirectly, in any activity carried on by any person other than a state or local governmental unit.

(2) Not more than 5% of the amounts necessary to pay the principal of and interest on the Bonds will be derived, directly or indirectly, from payments with respect to any private business use by any person other than a state or local governmental unit.

(3) None of the proceeds of the Bonds is to be used, directly or indirectly, to make or finance loans to persons other than a state or local governmental unit.

(4) No user of the infrastructure of the City to be improved as part of the Project other than the City or another governmental unit, will use the same on any basis other

than the same basis as the general public; and no person, other than the City or another governmental unit, will be a user of such infrastructure as a result of (i) ownership or (ii) actual or beneficial use pursuant to a lease, a management or incentive payment contract other than as expressly permitted by the Code, or (iii) any other arrangement.

B. The Bonds shall not be "arbitrage bonds" under Section 148 of the Code; and the City certifies, represents, and covenants as follows:

(1) With respect to the Project, the City has heretofore incurred or within six months after delivery of the Bonds expects to incur substantial binding obligations to be paid for with money received from the sale of the Bonds, said binding obligations comprising binding contracts for the Project in not less than the amount of 5% of the proceeds of the Bonds allocable to the Project.

(2) More than 85% of the proceeds of the Bonds allocable to the Project will be expended on or before three years for the purpose of paying the costs of the Project.

(3) All of the principal proceeds of the Bonds allocable to the Project and investment earnings thereon will be used, needed, and expended for the purpose of paying the costs of the Project including expenses incidental thereto.

(4) Work on the Project is expected to proceed with due diligence to completion.

(5) Except for the Bond Fund, the City has not created or established and will not create or establish any sinking fund, reserve fund or any other similar fund to provide for the payment of the Bonds. The Bond Fund has been established and will be funded in a manner primarily to achieve a proper matching of revenues and debt service and will be depleted at least annually to an amount not in excess of 1/12th the particular annual debt service on the Bonds. Other than any Capitalized Interest, money deposited into the

Bond Fund will be spent within a 13-month period beginning on the date of deposit, and investment earnings in the Bond Fund will be spent or withdrawn from the Bond Fund within a one-year period beginning on the date of receipt.

(6) Amounts of money related to the Bonds required to be invested at a yield not materially higher than the yield on the Bonds, as determined pursuant to such tax certifications or agreements as the City officers may make in connection with the issuance of the Bonds, shall be so invested; and appropriate City officers are hereby authorized to make such investments.

(7) Unless an applicable exception to Section 148(f) of the Code, relating to the rebate of "excess arbitrage profits" to the United States Treasury (the "*Rebate Requirement*") is available to the City, the City will meet the Rebate Requirement.

(8) Relating to such applicable exceptions, any City officer charged with issuing the Bonds is hereby authorized to make such elections under the Code as such officer shall deem reasonable and in the best interests of the City. If such election may result in a "penalty in lieu of rebate" as provided in the Code, and such penalty is incurred (the "*Penalty*"), then the City shall pay such Penalty.

C. The City reserves the right to use or invest moneys in connection with the Bonds in any manner or to make changes in the Project lists or to use the City infrastructure acquired, constructed, or improved as part of the Project in any manner, notwithstanding the representations and covenants in this Ordinance, *provided* it shall first have received an opinion from an attorney or a firm of attorneys of nationally recognized standing in matters pertaining to tax-exempt bonds to the effect that use or investment of such moneys or the changes in or use of such infrastructure as contemplated will not result in loss or impairment of tax-exempt status for the Bonds.

D. If so provided in any Bond Notification, each Bond may be designated as a “qualified tax-exempt obligation” for the purposes and within the meaning of Section 265(b)(3) of the Code. In connection therewith the City, in the Bond Notification, shall affirm that: (i) none of such Bonds will be at any time a “private activity bond” (as defined in Section 141 of the Code); (ii) in calendar year 2017, the City has not issued any Tax-exempt obligations of any kind nor have any other Tax-exempt obligations of any kind been issued on behalf of the City, except as set forth therein; (iii) during calendar year 2017, the City will not issue or cause to have issued on behalf of the City more than \$10,000,000 of Tax-exempt obligations, including the Bonds; (iv) not more than \$10,000,000 of obligations of any kind (including the Bonds) issued by or on behalf of the City during calendar year 2017 will be designated for purposes of Section 265(b)(3) of the Code; and (v) the City is not subject to control by any entity, and there are no entities subject to control by the City.

Section 22. List of Bondholders. The Bond Registrar shall maintain a list of the names and addresses of the holders of all Bonds and upon any transfer shall add the name and address of the new Bondholder and eliminate the name and address of the transferor Bondholder.

Section 23. Duties of Bond Registrar. If requested by the Bond Registrar, the Mayor and City Clerk are authorized to execute the Bond Registrar’s standard form of agreement between the City and the Bond Registrar with respect to the obligations and duties of the Bond Registrar hereunder which may include the following:

(a) to act as bond registrar, authenticating agent, paying agent and transfer agent as provided herein;

(b) to maintain a list of Bondholders as set forth herein and to furnish such list to the City upon request, but otherwise to keep such list confidential;

(c) to give notice of redemption of Bonds as provided herein;

(d) to cancel and/or destroy Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer;

(e) to furnish the City at least annually a certificate with respect to Bonds cancelled and/or destroyed; and

(f) to furnish the City at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds.

Section 24. Provisions a Contract. The provisions of this Ordinance shall constitute a contract between the City and the owners of the outstanding Bonds. All covenants relating to the Bonds and the conditions and obligations imposed by Section 15 of the Debt Reform Act are enforceable by any holder of the Bonds affected, any taxpayer of the City and the People of the State of Illinois acting through the Attorney General or any designee.

Section 25. Continuing Disclosure Undertaking. The Mayor or the Treasurer is hereby authorized, empowered and directed to execute and deliver a Continuing Disclosure Undertaking (the "*Continuing Disclosure Undertaking*") in connection with the issuance of the Bonds, with such provisions therein as he or she shall approve, his or her execution thereof to constitute conclusive evidence of his or her approval of such provisions. When the Continuing Disclosure Undertaking is executed and delivered on behalf of the City as herein provided, the Continuing Disclosure Undertaking will be binding on the City and the officers, employees and agents of the City, and the officers, employees and agents of the City are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Continuing Disclosure Undertaking as executed. Notwithstanding any other provision of this Ordinance, the sole remedies for failure to comply with the Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any Bond to seek mandamus or specific performance by court order, to cause the City to comply with its obligations under the Continuing Disclosure Undertaking.

Section 26. Municipal Bond Insurance. In the event the payment of principal and interest on any series of the Bonds is insured pursuant to a municipal bond insurance policy (the "*Municipal Bond Insurance Policy*") issued by a bond insurer (the "*Bond Insurer*"), and as long

as such Municipal Bond Insurance Policy shall be in full force and effect, the City and the Bond Registrar agree to comply with such usual and reasonable provisions regarding presentment and payment of the Bonds, subrogation of the rights of the Bondholders to the Bond Insurer upon payment of the Bonds by the Bond Insurer, amendment hereof, or other terms, as approved by the Mayor of the City on advice of counsel, his or her approval to constitute full and complete acceptance by the City of such terms and provisions under authority of this Section.

Section 27. Record-Keeping Policy and Post-Issuance Compliance Matters. On August 16, 2016, the Council adopted a record-keeping policy (the “*Policy*”) in order to maintain sufficient records to demonstrate compliance with its covenants and expectations to ensure the appropriate federal tax status for the debt obligations of the City, the interest of which is excludable from “gross income” for federal income tax purposes or which enable the City or the holder to receive federal tax benefits, including, but not limited to, qualified tax credit bonds and other specified tax credit bonds. The Council and the City hereby reaffirm the Policy.

Section 28. Severability. 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.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Section 29. Repeal. All ordinances, resolutions or parts thereof in conflict herewith be and the same are hereby repealed and this Ordinance shall be in full force and effect forthwith upon its adoption.

Adopted April 4, 2017.

AYES: _____

NAYS: _____

ABSENT: _____

Approved April 4, 2017.

Mayor

Recorded in the City Records on April 4, 2017.

Attest:

City Clerk

Alderman _____ moved and Alderman _____
seconded the motion that said 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 said ordinance.

Upon roll call, the following Aldermen voted AYE: _____

and NAY: _____

Whereupon the Mayor declared the motion carried and said ordinance adopted, approved
and signed the same in open meeting and directed that the same be recorded in full in the records
of the Council of the City of Rock Falls, Whiteside County, Illinois, which was done.

Other business not pertinent to the adoption of said ordinance was duly transacted at said
meeting.

Upon motion duly made, seconded and carried, the meeting was adjourned.

City Clerk

STATE OF ILLINOIS)
) SS
COUNTY OF WHITESIDE)

CERTIFICATION OF 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 am one of the keepers of the records and files of the City Council of the City (the “Council”).

I further certify that the foregoing is a full, true and complete transcript of that portion of the minutes of the meeting of the Council held on the 4th day of April, 2017, insofar as the same relates to the adoption of Ordinance No. _____ entitled:

AN ORDINANCE authorizing and providing for the issue of not to exceed \$5,050,000 General Obligation Bonds (Alternate Revenue Source), of the City of Rock Falls, Whiteside County, Illinois, for the purpose of paying the costs of designing, constructing and operating a broadband internet system for the City and related expenses, the pledge of certain revenues to the payment of principal and interest on the bonds, the levy of a direct annual tax to pay such principal and interest if the pledged revenues are insufficient to make such payment, and authorizing the sale of said bonds to the purchaser thereof.

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 called and 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 a true, correct and complete copy of said agenda as so posted is attached hereto as *Exhibit A*, that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and with the provisions of the Illinois Municipal Code, as amended, and that the Council has complied with all of the provisions of said Act and said Code and with all of the procedural rules of the Council.

IN WITNESS WHEREOF, I hereunto affix my official signature and seal of said City, this 4th day of April, 2017.

City Clerk

[SEAL]

STATE OF ILLINOIS)
) SS
COUNTY OF WHITESIDE)

FILING CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of Whiteside County, Illinois, and as such official I do further certify that on the ____ day of _____, 2017, there was filed in my office a duly certified copy of Ordinance No. _____ entitled:

AN ORDINANCE authorizing and providing for the issue of not to exceed \$5,050,000 General Obligation Bonds (Alternate Revenue Source), of the City of Rock Falls, Whiteside County, Illinois, for the purpose of paying the costs of designing, constructing and operating a broadband internet system for the City and related expenses, the pledge of certain revenues to the payment of principal and interest on the bonds, the levy of a direct annual tax to pay such principal and interest if the pledged revenues are insufficient to make such payment, and authorizing the sale of said bonds to the purchaser thereof.

duly adopted by the Council of the City of Rock Falls, Whiteside County, Illinois, on the 4th day of April, 2017, and that the same has been deposited in the official files and records of my office.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of said County, this ____ day of _____, 2017.

County Clerk of Whiteside County, Illinois

[SEAL]

ORDINANCE NO. 2017-2302
AN ORDINANCE AUTHORIZING ENTRY INTO AN
INTERGOVERNMENTAL AGREEMENT FOR OPERATION
OF A CONSOLIDATED PUBLIC SAFETY ANSWERING POINT

WHEREAS, the City of Rock Falls is a municipality located in Whiteside County, Illinois; and

WHEREAS, the Constitution of the State of Illinois, 1970, Article VII, Section 10, authorizes units of local government to contract or otherwise associate among themselves in any manner not prohibited by law or ordinance; and

WHEREAS, 5 ILCS 220/1 entitled the "Intergovernmental Cooperation Act," (the "Act") provides that any power or powers, privileges or authority exercised or which may be exercised by a unit of local government may be exercised and enjoyed jointly with any other unit of local government; and

WHEREAS, the City of Sterling, the City of Rock Falls ("Rock Falls) and County of Whiteside seek to enter into an Intergovernmental Agreement (the "Agreement") as contemplated by the Act whereby the parties agree to consolidate operation of the Public Safety Answering Points (PSAPS) presently located at the City of Rock Falls, City of Sterling, and CGH Medical Center and as provided by the terms of the agreement, to operate a single consolidated dispatch, to be known as the Twin-City Consolidated Dispatch; and

WHEREAS, upon execution of the Agreement by all parties as proposed therein, the positions of tele-communicator and public service officer as heretofore established will no longer be necessary or available; and

WHEREAS, persons currently holding the positions of tele-communicator and public service officer in Rock Falls are represented by the Fraternal Order of Police as the exclusive bargaining representative for them, and a collective bargaining agreement is currently in force covering the terms and conditions of employment of said persons; and

WHEREAS, the corporate authorities have discussed and considered the Agreement, a copy of which is attached as Exhibit A; and

WHEREAS, the corporate authorities have determined that it is in the public interest to execute the Agreement.

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

Section 1: The statements contained in the preamble paragraphs of this Ordinance are declared to be true and accurate and are incorporated herein.

Section 2: The form of Intergovernmental Agreement, in substantially the same form attached hereto as Exhibit A and as heretofore presented to the City Council, is approved.

Section 3: The Mayor and City Clerk are authorized to execute the Intergovernmental Agreement with the City of Sterling and County of Whiteside, said agreement to be in substantially the form as attached hereto as Exhibit A, and to cause said agreement as executed to be delivered to the County Administrator of County of Whiteside and City Clerk of the City of Sterling, Illinois in exchange for a copy thereof duly executed and approved by the respective corporate authorities of the City of Sterling and County of Whiteside.

Section 4: Based on entry into an Agreement for operation of the consolidated PSAP, the elimination of all tele-communicator and community service officer positions is approved effective June 30, 2017. The Mayor and City Administrator are further authorized to give notice to the Fraternal Order of Police as authorized bargaining representative of all affected employees, and to employees, as necessary, and execute all paperwork necessary for the elimination of the positions and elimination or alteration of the bargaining unit.

Section 5: This Ordinance shall be effective upon its adoption and approval by the City Council, and the City Clerk is authorized to provide certified copies hereof to the corporate authorities of the City of Sterling and County of Whiteside.

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

Section 7: The City Clerk is hereby directed to publish this Ordinance in pamphlet form.

PASSED this ____ day of _____, 2017.

Mayor

Attest: _____
City Clerk

Alderman Voting Aye

Alderman Voting Nay



**PROFESSIONAL SERVICES AGREEMENT
WATER RECLAMATION FACILITIES
SCREW PUMPS LITIGATION ASSISTANCE**

THIS IS AN AGREEMENT made as of March ____, 2017, between CITY OF ROCK FALLS, ILLINOIS (Client) and STANLEY CONSULTANTS, INC. (Consultant) for the purpose of providing assistance with ongoing litigation regarding the existing pumping equipment (hereinafter called "Project").

Client and Consultant agree:

1. **Scope of Services.** Consultant shall perform professional services as stated in Exhibit 1.
2. **Compensation.** Client shall compensate Consultant for Consultant's services as stated in Exhibit 2.
3. **Terms and Conditions.** Consultant shall provide professional services in accordance with the terms and conditions stated in Exhibit 3 and Paragraph 4, below. If Client issues a purchase order or other document to initiate the commencement of services hereunder, it is agreed that any terms and conditions appearing thereon shall have no application and only the provisions of this Agreement shall automatically apply.
4. **Special Provisions.** The following changes are made to the Standard Terms and Conditions stated in Exhibit 3.
 - A. Replace Subparagraph 4.2.1 with the following: "All tangible items prepared by Consultant are instruments of service, and Consultant retains all copyrights. Client may retain copies for reference and for use on this Project by others, but reuse on another project without Consultant's written consent is prohibited. Client will indemnify Consultant, its employees, agents, and consultants against claims resulting from any prohibited reuse."
 - B. Delete Subparagraph 4.2.2.
 - C. Modify Subparagraph 4.3.2 to replace the phrase "thirty (30)" with the phrase "sixty (60)" and to replace the number "18%" with the number "4%".
 - D. Modify Subparagraph 4.9.1 to replace the phrase "INTENDS TO" with the word "SHALL".
 - E. Delete Paragraph 4.10.
 - F. Modify Paragraph 4.11 to delete the last sentence of the first paragraph.
 - G. Replace Paragraph 4.12 with the following: "Consultant is not responsible for the condition of the buildings or equipment as constructed or the adequacy of the previous design that is outside the scope of the Consultant's Project; nor is the Consultant responsible for latent defects in the design or construction by others that could not be reasonably ascertained."
5. Client has provided or shall provide for payment from one or more lawful sources of all sums to be paid to Consultant.
6. Following exhibits are attached to and made part of this Agreement:
 - Exhibit 1 - Scope of Services
 - Exhibit 2 - Compensation
 - Exhibit 3 - Standard Terms and Conditions



**PROFESSIONAL SERVICES AGREEMENT
WATER RECLAMATION FACILITIES
SCREW PUMPS LITIGATION ASSISTANCE**

IN WITNESS WHEREOF, the parties below have executed this Agreement as of the day and year first above written.

STANLEY CONSULTANTS, INC.

CITY OF ROCK FALLS, ILLINOIS


By:



Lawrence E. Thomas
Water Dept. Manager

By: _____

Attest:


Anthony Smurlo

Attest: _____

Address for giving notices:

8501 West Higgins Road
Suite 730
Chicago, IL 60631-2801

Address for giving notices:

603 W. 10th Street
Rock Falls, IL 61071

Please provide resolution or other document authorizing execution of Agreement.

CITY OF ROCK FALLS, ILLINOIS
WATER RECLAMATION FACILITIES SCREW PUMP LITIGATION ASSISTANCE
EXHIBIT 1 – SCOPE OF SERVICES

PART 1 – BASIC SERVICES

Upon authorization from CLIENT to proceed, the CONSULTANT shall perform Basic Services consisting of those described below.

A. General

A.1 Consult with CLIENT to define and clarify CLIENT'S requirements for the Project and review available data. Schedule a project initiation meeting with CLIENT to discuss invoicing procedures, overall project schedule, critical project needs, and to determine a schedule for future meetings.

A.2 Conditions of Service: Services described in this Exhibit are based on following conditions:

A.2.1 Following information and data will be provided by CLIENT on which CONSULTANT will rely:

A.1.1.1 Full information as to CLIENT'S requirements for Project including design objectives and constraints; space, capacity and performance requirements; flexibility, expandability and any budgetary limitations.

A.1.1.2 Available information pertinent to Project including reports and data relative to previous designs or investigations at or adjacent to Site.

A.2.2 All recommendations and/or advice presented in reports and design documents are CONSULTANTS' opinions of probable project conditions. Project conditions are based on the information and data sources that are readily available to us, input by the CLIENT, and other reliable sources, all of which are believed to be accurate. Our recommendations and/or advice are made on the basis of our experience and represent our judgment and opinions. We have no control over new and/or non-public information, changed conditions, cost of land, cost of labor, materials, equipment, and /or other construction costs, or over competitive bidding or market conditions. Therefore, we do not guarantee that actual conditions or actual costs will not vary from those presented in any report, study, plan, etc.

A.2.3 All cost estimates presented to CLIENT are CONSULTANTS' opinions of probable project, construction, and/or operation and maintenance costs. Cost estimates are made on the basis of our experience and represent our best judgment. CONSULTANT has no control over cost of labor, materials, equipment, contractor's methods, or over competitive bidding or market conditions. Therefore, CONSULTANT does not guarantee that proposals, bids, or actual construction costs will not vary from estimates of project costs, construction, and/or operation and maintenance costs presented.

B. LITIGATION ASSISTANCE

- B.1 Review available information and prepare document outlining CLIENT'S experience with the screw pumps, current status of the screw pumps, potential means to repair or replace the screw pumps, and the costs associated making the repairs or replacing of the screw pumps.
- B.2 Prepare for and provide deposition testimony.
- B.3 Other services as directed by the CLIENT.
- B.4 Litigation assistance responsibility: CONSULTANT warrants that the consulting professional supplied hereunder shall have the qualifications set forth on his resume and shall provide services in accordance with reasonable professional skill and care. CONSULTANT's total liability under this Agreement shall be to provide replacement personnel (if CONSULTANT has such personnel available) to CLIENT upon CLIENT's request. Except as set forth in this section, CONSULTANT shall have no liability (including, but not limited to, liability for direct, special, indirect, or consequential damages) to CLIENT for any acts, errors, and omissions of supplied personnel in the performance of services hereunder. Further, CLIENT shall indemnify, defend, and hold harmless CONSULTANT and CONSULTANT's personnel from and against any and all claims, demands, suits, actions, proceedings, judgments, losses, damages, injuries, penalties, costs, expenses (including, but not limited to, attorneys' fees), and liabilities of, by, from, or with respect to CLIENT and/or any and all third parties whatsoever, arising out of, resulting from, or connected with performance under the Agreement.

CITY OF ROCK FALLS, ILLINOIS

WATER RECLAMATION FACILITIES SCREW PUMP LITIGATION ASSISTANCE

EXHIBIT 2 - COMPENSATION

The CONSULTANT'S fees will be based on the total hours worked on the Project, including travel, plus expenses. The CONSULTANT'S current schedule of Hourly Fees and Charges is attached to this Exhibit. The actual hourly rates charged for individual employees are based on hourly compensation rates and an overhead multiplier of 2.95.

1. The CONSULTANT'S fee for services associated with providing litigation assistance associated with an ongoing lawsuit regarding the existing pumping equipment as listed in Exhibit 1 shall be based on actual hours and expenses associated with these services. The initial work is estimated to require 50 hours at an estimated cost of \$11,500. The CONSULTANT will account for these costs with a separate project number and will keep CLIENT informed of costs for this portion of the work as the work proceeds.



Stanley Consultants

HOURLY FEES AND CHARGES

Fiscal Year 2016-2017

I. Office and Field Personnel, Professional Engineers/Land Surveyors Rates (per hour)

Regular Time:

Project Manager/Principal Officer	\$175.00 - \$300.00
Principal Engineer	\$155.00 - \$250.00
Senior Engineer	\$120.00 - \$210.00
Engineer	\$ 90.00 - \$160.00
3D Modeling/Visualization	\$ 95.00 - \$130.00
Professional Land Surveyor	\$ 80.00 - \$180.00
Engineering/Survey Technician	\$ 55.00 - \$160.00
Graphics Technician	\$ 50.00 - \$170.00
Construction Observation	\$ 65.00 - \$250.00
Clerical/Word Processing	\$ 40.00 - \$ 100.00

Overtime:

Client authorized services on Saturdays, Sundays, Holidays, and weekdays over normal working hours 1.3 x Regular Time

II. Reimbursable Costs:

Travel, Lodging, and Subsistence	Cost + 10%
Filing Fees, Permits, Title Company Charges, Government Review Fees	Cost + 10%
Reproductions	
Photocopying	\$0.13 each
Outside Services	Cost + 10%
Delivery Charges	Cost + 10%
Outside Consultants	Cost + 10%
Computer Charges (excluding operator time), phone & fax (long distance)	Cost + 10%

III. Compensation for purchases, items of expense, and other charges not scheduled above, incurred in connection with the performance of the work, shall be at cost plus 10%.

IV. Interest at the rate of 1½% per month will be charged on invoices not paid within 30 days.

V. Charges are subject to revision on or after April 1, 2017.



Standard Terms and Conditions

1. CLIENT'S RESPONSIBILITIES

- 1.1 Name CLIENT's representative with authority to receive information and transmit instructions for CLIENT.
- 1.2 Provide CLIENT's requirements for project, including objectives and constraints, design and construction standards, bonding and insurance requirements, and contract forms.
- 1.3 Provide available information pertinent to project upon which CONSULTANT may rely.
- 1.4 Arrange for access by CONSULTANT upon public and private property, as required.
- 1.5 Examine documents presented by CONSULTANT, obtain legal and other advice as CLIENT deems appropriate, and render written decisions within reasonable time.
- 1.6 Obtain consents, approvals, licenses, and permits necessary for project.
- 1.7 Advertise for and open bids when scheduled.
- 1.8 Provide services necessary for project but not within scope of CONSULTANT's services.
- 1.9 Indemnify CONSULTANT, its employees, agents, and consultants against claims arising out of CONSULTANT's design, if there has been a deviation from the design beyond the CONSULTANT's control or failure to follow CONSULTANT's recommendation and such deviation or failure caused the claims.
- 1.10 Promptly notify CONSULTANT when CLIENT learns of contractor error or any development that affects scope or timing of CONSULTANT's services.

2. PERIOD OF SERVICE

- 2.1 CONSULTANT is not responsible for delays due to factors beyond its control.
- 2.2 If CLIENT requests changes in project, compensation for and time of performance of CONSULTANT's services shall be adjusted appropriately.

3. CONSTRUCTION COST AND COST ESTIMATES

- 3.1 **Construction Cost.** Construction cost means total cost of entire project to CLIENT, except for CONSULTANT's compensation and expenses, cost of land, rights-of-way, legal and accounting services, insurance, financing charges, and other costs which are CLIENT's responsibility as provided in this Agreement.
- 3.2 **Cost Estimates.** Since CONSULTANT has no control over cost of labor, materials, equipment or services furnished by others, over contractors' methods of determining prices, or over competitive bidding or market

conditions, its estimates of project construction cost will be made on the basis of its employees' experience and qualifications and will represent their best judgment as experienced and qualified professionals, familiar with the construction industry. CONSULTANT does not guarantee that proposals, bids, or actual construction cost will not vary from its estimates of project cost.

4. GENERAL

4.1 Termination.

4.1.1 Either party may terminate their obligation to provide further services upon twenty (20) days' written notice, after substantial default by other party through no fault of terminating party.

4.1.2 CLIENT may terminate CONSULTANT's obligation to provide further services upon twenty (20) days' written notice if project is abandoned. In such event, progress payments due CONSULTANT for services rendered, plus unpaid reimbursable expenses and termination charge, shall constitute total compensation due.

4.2 Reuse of Documents.

4.2.1 All tangible items prepared by CONSULTANT are instruments of service, and CONSULTANT retains all copyrights. CLIENT may retain copies for reference, but reuse on another project without CONSULTANT's written consent is prohibited. CLIENT will indemnify CONSULTANT, its employees, agents, and consultants against claims resulting from such prohibited reuse. Said items are not intended to be suitable for completion of this project by others.

4.2.2 Submittal or distribution of items in connection with project is not publication in derogation of CONSULTANT's rights.

4.3 Payment.

4.3.1 CONSULTANT shall submit a monthly statement for services rendered and reimbursable expenses incurred. CLIENT shall make prompt monthly payments.

4.3.2 If CLIENT fails to make payment within thirty (30) days after receipt of statement, interest at maximum legal rate or at a rate of 18%, whichever is less, shall accrue; and, in addition, CONSULTANT may, after giving seven (7) days' written notice, suspend services until it has been paid in full all amounts due it.

4.3.3 CLIENT has provided or shall provide for payment from one or more lawful sources of all sums to be paid to CONSULTANT.

4.3.4 CONSULTANT's compensation shall not be reduced on account of any amounts withheld from payments to contractors.

4.3.5 If services performed by CONSULTANT are subject to state or local sales taxes, said taxes will be reflected in the Invoices and remitted according to state law. If CLIENT claims a status that would make the transaction exempt, then CLIENT shall provide appropriate proof of exempt status to CONSULTANT.

4.4 **Controlling Law.** Agreement shall be governed by Illinois law.

4.5 **Successors and Assigns.**

4.5.1 The parties bind themselves, their successors, and legal representatives to the other party and to successors and legal representatives of such other party, in respect to all covenants and obligations of this Agreement.

4.5.2 Neither party shall assign, sublet, or transfer any interest in this Agreement without written consent of the other, provided CONSULTANT may employ such independent consultants, associates, and subcontractors as it may deem appropriate.

4.5.3 Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the parties.

4.6 **CONSULTANT's Accounting Records.** Records of CONSULTANT's personnel time, reimbursable expenses, and accounts between parties shall be kept on a generally-recognized accounting basis.

4.7 **Separate Provisions.** If any provisions of this Agreement shall be held to be invalid or unenforceable, remaining provisions shall be valid and binding.

4.8 **Waiver.** No waiver shall constitute a waiver of any subsequent breach.

4.9 **Warranty.**

4.9.1 CONSULTANT shall use reasonable care to reflect requirements of all applicable laws, rules, or regulations of which CONSULTANT has knowledge or about which CLIENT specifically advises in writing, which are in effect on date of Agreement. CONSULTANT INTENDS TO RENDER SERVICES IN ACCORDANCE WITH GENERALLY ACCEPTED PROFESSIONAL STANDARDS, BUT NO OTHER WARRANTY IS EXTENDED, EITHER EXPRESS OR IMPLIED, IN CONNECTION WITH SUCH SERVICES. CLIENT's rights and remedies in this Agreement are exclusive.

4.9.2 CONSULTANT shall not be responsible for contractors' construction means, methods, techniques, sequences, or procedures, or for contractors' safety precautions and programs, or for contractors' failure to perform according to contract documents.

4.9.3 The CONSULTANT believes that any computer software provided under this Agreement is suitable for the intended purpose, however, it does not warrant the suitability, merchantability, or fitness for a particular purpose of this software.

4.10 **Period of Repose.** Any applicable statute of limitations shall commence to run and any alleged cause

of action shall be deemed to have accrued not later than completion of services to be performed by CONSULTANT.

4.11 **Indemnification.** To the fullest extent permitted by law, CONSULTANT shall indemnify and hold harmless CLIENT, CLIENT's officers, directors, partners, employees, and agents from and against any and all claims for bodily injury and for damage to tangible property caused solely by the negligent acts or omissions of CONSULTANT or CONSULTANT's officers, directors, partners, employees, agents, and CONSULTANT's consultants in the performance and furnishing of CONSULTANT's services under this Agreement. Any indemnification shall be limited to the terms and amounts of coverage of the CONSULTANT's insurance policies and Section 4.12, Limitation of Liability.

To the fullest extent permitted by law, CLIENT shall indemnify and hold harmless CONSULTANT, CONSULTANT's officers, directors, partners, employees, and agents and CONSULTANT's consultants from and against any and all claims for bodily injury and for damage to tangible property caused solely by the negligent acts or omissions of CLIENT or CLIENT's officers, directors, partners, employees, agents, and CLIENT's consultants with respect to this Agreement on the Project. In addition to the indemnity provided under this section, and to the fullest extent permitted by law, CLIENT shall indemnify and hold harmless CONSULTANT and its officers, directors, partners, employees, and agents and CONSULTANT's consultants from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) caused by, arising out of, or relating to the presence, discharge, release, or escape of asbestos, PCBs, petroleum, hazardous waste, or radioactive material at, on, under, or from the Project site.

4.12 **Limitation of Liability.** TO THE FULLEST EXTENT PERMITTED BY LAW, AND NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, THE TOTAL LIABILITY, IN THE AGGREGATE, OF THE CONSULTANT (INCLUDING ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS AND SUBCONSULTANTS), TO CLIENT AND ANYONE CLAIMING BY, THROUGH OR UNDER CLIENT, FOR ANY AND ALL CLAIMS, LOSSES, COSTS, OR DAMAGES WHATSOEVER ARISING OUT OF, RESULTING FROM, OR IN ANY WAY RELATED TO THE PERFORMANCE OF SERVICES UNDER THIS AGREEMENT FROM ANY CAUSES, INCLUDING BUT NOT LIMITED TO NEGLIGENCE, PROFESSIONAL ERRORS OR OMISSIONS, OR WARRANTIES EXPRESSED OR IMPLIED, OF CONSULTANT OR CONSULTANT'S CONSULTANTS, SHALL NOT EXCEED \$100,000 OR THE TOTAL COMPENSATION RECEIVED BY CONSULTANT, WHICHEVER IS GREATER. THIS LIMITATION INCLUDES LIABILITY UNDER SECTION 4.11.

4.13 **Extent of Agreement.** This Agreement represents the entire agreement between the parties and may be amended only by written instrument signed by both parties.

4.14 **Subrogation Waiver.** The parties waive all rights against each other, and against contractors, consultants, agents, and employees of the other for damages covered by any property insurance during construction, and each shall require similar waivers from their contractors, consultants, and agents.



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LETTER OF INTENT

Rock Falls, IL

The following is a letter of intent, based on the terms and conditions described below, under which 1768 Investments, LLC or its assigns ("Purchaser") and the owner of the Property identified below ("Seller") will enter into a contract for sale and purchase of the Property. The effective date ("Effective Date") of this letter of intent shall be the date of execution of same by the last of the parties hereto. For and in consideration of One Hundred and 00/100 Dollars (\$100.00), and the promises and covenants set forth herein, the adequacy and receipt of which are hereby acknowledged, the parties hereby agree as follows:

Property: Two Parcels of property totaling 5.6± acre parcel of land located at the SE Corner of E 2nd Street and Avenue A, with the Parcel ID Numbers 11-28-279-019 and 11-27-151-019, Rock Falls, Whiteside County, Illinois. The boundaries of the Property shall be determined by the parties during the "Due Diligence Period" described below.

Seller: City of Rock Falls
c/o Robbin Blackert
City Administrator
603 West 10th Street
Rock Falls, IL 61277
(Telephone) (815) 564-1366
(Email) rblackert@rockfalls61071.com

Purchaser: 1768 Investments, LLC and /or assigns
c/o Southeast Commercial
714 29th Street South
treddock@southeastcommercial.net

Purchase Price: Seven Hundred Eighty-nine Thousand and 00/100 Dollars (\$789,000.00) for the Property.

Earnest Money: To be held by H.B. Wilkinson Title Company, Inc. 500 North Cherry Street, Morrison, IL 61270 (the "Escrow Agent") upon execution of the Contract, a deposit of Five Thousand Dollars (\$5,000) ("Earnest Money"), paid by Purchaser, plus the amount of any and all escrow fees, either: (i) in the form of Cash; or, in the form of an Irrevocable Letter of Credit made payable to Seller, paid by Purchaser and delivered to the Escrow Agent within ten (10) business days of all parties executing said Contract. All earnest money deposits (except escrow fees) will be refundable if the Contract is terminated on or before the expiration of the Permitting Period, or

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if any conditions precedent or contingencies which may exist are not satisfied prior to Closing.

Commission: Seller and Purchaser represent and warrant to each other that no brokerage fees or real estate commissions are or shall be due or owing in connection with this transaction or in any way with respect to the Property. Seller agrees to defend, indemnify, and hold Purchaser harmless from any claims, costs, judgments, or liabilities of any kind advanced by persons claiming real estate brokerage fees through Seller. Purchaser agrees to defend, indemnify, and hold Seller harmless from any claims, costs, judgments, or liabilities of any kind advanced by persons claiming real estate brokerage fees through Purchaser.

Due Diligence Period: Upon execution of this Letter of Intent, the parties shall use good faith efforts to seek to negotiate a contract for purchase and sale ("Contract") of the Property incorporating the terms described in this letter of intent and such other provisions as are customarily included in Purchaser's real estate contracts for developments of a size, type and value similar to the Property. As a material inducement to Purchaser to obtain information, data and materials necessary to evaluate the Property, for the period commencing on the Effective Date of the Contract and terminating one hundred eighty (180) days thereafter Purchaser will have the right to enter the Property for the purpose of performing tests and studies and such other investigations and reviews as Purchaser may elect in its sole discretion, so as to determine the suitability of the Property for development. Upon execution of the Contract, Seller will promptly provide Purchaser with copies of any and all surveys, inspection reports, studies, tests and other information in Seller's possession or reasonable control upon execution of the Contract. If, on or before the expiration of the Due Diligence Period, Purchaser determines (in Purchaser's sole discretion) not to proceed with the transaction, upon written notice to Seller given prior to the expiration of the Due Diligence Period then; the Contract will be terminated, the earnest money deposit and interest thereon (if placed in escrow) shall be disbursed to the Purchaser and, all parties will be relieved of any further obligations under the Contract. During the period the paragraphs of this letter of intent titled "Due Diligence Period" is in effect, as provided below in this letter of intent, Seller shall not market, offer, entertain or solicit offers or negotiate to or with any individual or entity other than Purchaser for a sale, lease or other use of any or all of the Property or any interest therein. City shall retain all rights of entry and use of the Property until the expiration of the due Diligence Period under the Contract.

Should Purchaser determine during the Due Diligence Period that the Property is unacceptable to Purchaser, for any reason, then Purchaser shall notify Seller and Escrow Agent in writing and Escrow Agent shall promptly refund in full to Purchaser the Earnest Money and all accrued interest and this Agreement shall thereupon be null and void and of no further force and effect. Should Purchaser

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fail to provide notification during the Due Diligence Period to Seller that the Property is unacceptable, the Contract shall remain in full force and effect.

Closing: Closing of the transaction shall occur on that date which shall be (or, at Purchaser's option, before) thirty (30) days after Purchaser has obtained all of the required Permits, Zoning, and applicable approvals for the development of the project from any governing body or document. Purchaser shall have the option to extend the Closing for one (1) thirty (30) day period by Purchaser giving written notice to Seller and paying to the Escrow Agent, Five Thousand and No/100 Dollars (\$5,000.00) as Additional Earnest Money.

Expenses of Closing: Seller shall be responsible for all property taxes, rollback taxes and applicable fees through the date of closing, deed stamps, and Seller's Attorney's fees. Purchaser is responsible for the cost of recording the transfer, Purchaser's Attorney's fees and for cost of Purchaser's title examination and insurance.

Default: Seller shall, as its sole remedy, be entitled to retain the earnest money upon Purchaser's default not cured within any applicable notice and cure period described in the Contract. Upon Seller's default not cured within any applicable notice and cure period described in the Contract, Purchaser's remedies shall include customary legal and equitable remedies, including (without limitation) specific performance. In the event of litigation concerning this letter of intent or the Contract, the prevailing party shall be entitled to be reimbursed its reasonable attorneys' fees at trial and appellate levels and its costs.

Contingencies: Clean environmental audit, clear title with exceptions which are only acceptable to Purchaser, issuance of Permits and final, unappealable site plan approval and Seller's representations and warranties shall be true and correct.

Plan Approval: Notwithstanding anything to the contrary herein, City shall have final approval of the site and use plan or plans for any development on the Property, with such approval to assure that any proposed development complies with the City's overall comprehensive plan for development of the Downtown Tax Increment Redevelopment Area, and City shall not be required to approve any plans or issue any permits for any development that does not meet the use, density, or design elements of that Plan.

This letter of intent constitutes our mutual agreement as to its terms. However, and notwithstanding anything to the contrary contained herein, in the event that Purchaser should not, for any reason whatsoever: (i) execute a Contract with Seller acceptable to Purchaser in its sole discretion; or (ii) obtain the Permits as described in the Contract, Purchaser may, at its option, terminate this letter of intent. This is a letter of intent only. It is not intended to be, and shall not

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constitute in any way a binding or legal agreement, or impose any legal obligation or duty on either Purchaser or Seller. If the foregoing reflects our mutual statement of intention, please sign and return the enclosed copy of this letter.

Seller:

Rock Falls City

By: Robbin Blackett

Date: 3/17/17

Its: City Administrator

Date: 3/17/17

Agent for Purchaser:

By: Tim Reddock

Date: March 14, 2017

Tim Reddock, Managing Broker

Exhibit A

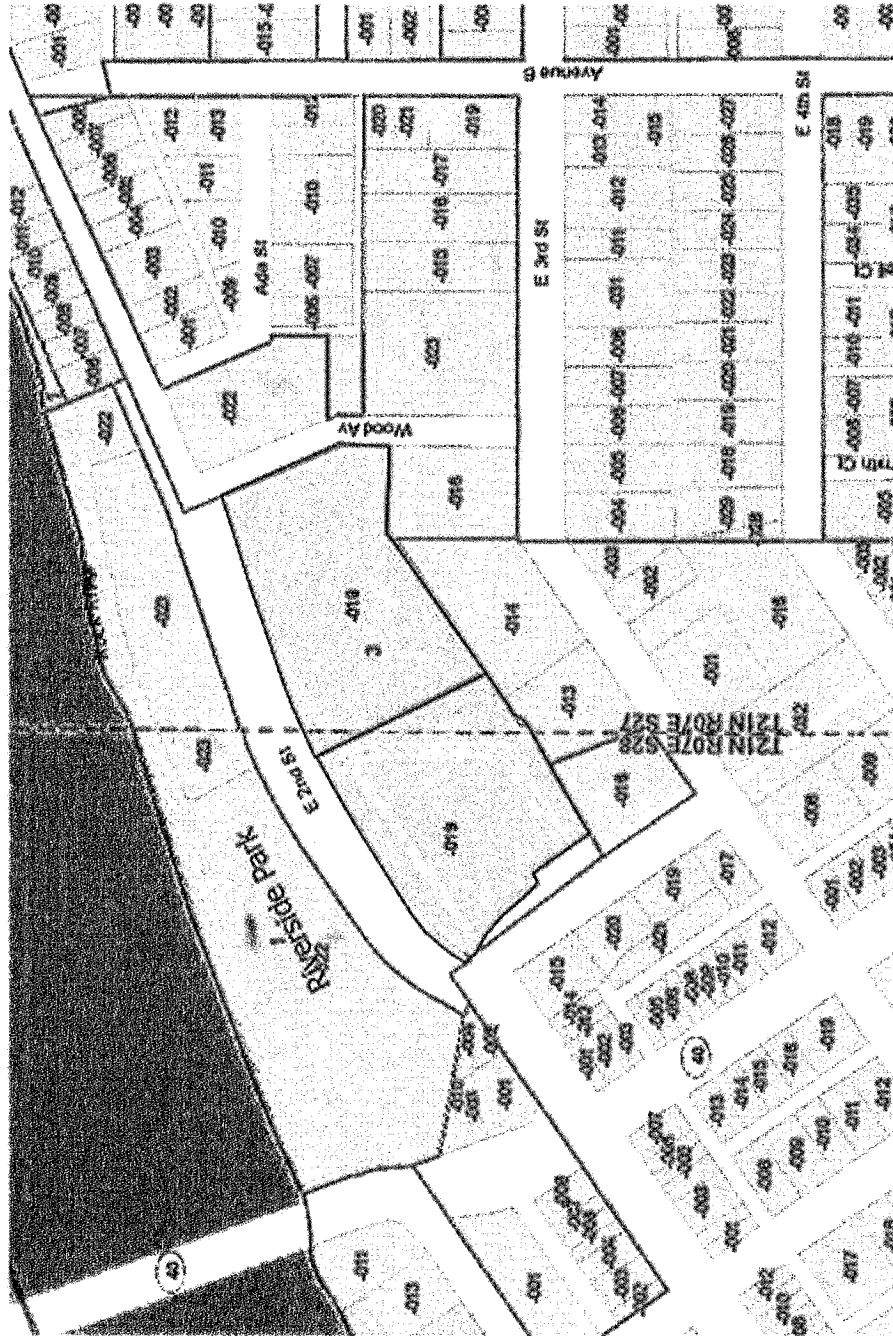
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S&P Global Ratings

Morna Lebron
Manager Fee Administration
55 Water Street, 38th Floor
New York, NY 10041-0003
tel 212 438-6808
morna.lebron@spglobal.com
Issue No.: 1476848
Obligor ID : 8846

March 17, 2017

City of Rock Falls
603 West 10th Street
Rock Falls, IL 61071
Attention: Mr. Robbin Blackert, City Administrator

Re: *US\$1,905,000 City of Rock Falls, Whiteside County, Illinois, General Obligation Bonds (Alternate Revenue Source), Series 2017A, dated: Date of delivery, due: October 01, 2037*
US\$2,670,000 City of Rock Falls, Whiteside County, Illinois, Taxable General Obligation Bonds (Alternate Revenue Source), Series 2017B, dated: Date of delivery, due: October 01, 2031

Dear Mr. Blackert:

Thank you for your request for a public S&P Global Ratings credit rating for the above-referenced obligations. We agree to provide credit ratings for the obligations in accordance with this letter and the rating letter, and you agree to perform your obligations set out in sections 1, 2 and 3 of this letter. Unless otherwise indicated, the term "issuer" in this letter means both the issuer and the obligor if the obligor is not the issuer.

We will make every effort to provide you with the high level of analytical performance and knowledgeable service for which we have become known worldwide. You will be contacted directly by your assigned analytic team.

1. Fees and Termination.

In consideration of our analytic review and issuance of the credit rating, you agree to pay us the following fees:

Rating Fee. You agree to pay us a credit rating fee of \$10,800 plus all applicable value-added, sale, use and similar taxes. S&P Global Ratings reserves the right to adjust the credit rating fee if the proposed par amount changes. Payment of the credit rating fee is not conditioned on S&P Global Ratings issuance of any particular credit rating.

Derivatives Products Analysis Fee. S&P Global Ratings charges a separate fee for our review of derivative products. This separate fee is applicable for derivative products secured by any of the issuer's revenues. Derivative products include, but are not limited to, interest rate swaps, caps,

collars, floors, and swaptions. Derivative products analysis fees will be determined on a case-by-case basis based on the number and complexity of the derivative products.

Other Fees and Expenses. You will reimburse S&P Global Ratings for reasonable travel and legal expenses if such expenses are not included in the above fees. Should the credit rating not be issued, you agree to compensate us based on our time, effort, and charges incurred through the date upon which it is determined that the credit rating will not be issued.

Termination of Engagement. This engagement may be terminated by either party at any time upon written notice to the other party.

2. Private and Confidential Credit Ratings.

If you request a confidential credit rating under this Agreement, you agree that the credit rating will be exclusively for your internal use, and not to disclose it to any third party other than your professional advisors who are bound by appropriate confidentiality obligations or as otherwise required by law or regulation or for regulatory purposes.

If you request a private credit rating under this Agreement, S&P Global Ratings will make such credit rating and related report available by email or through a password-protected website or third-party private document exchange to a limited number of third parties you identify, and you agree not to disclose such credit rating to any third party other than (A) to your professional advisors who are bound by appropriate confidentiality obligations, (B) as required by law or regulation or for regulatory purposes, or (C) for the purpose of preparing required periodic reports relating to the assets owned by a special purpose vehicle that has purchased the rated obligation, provided that the preparer(s) of the reports must agree to keep the information confidential and the private credit rating shall not be referred to or listed in the reports under the heading "credit rating," "rating" or "S&P rating", and shall be identified only as an "S&P Global Ratings implied rating" or similar term. If a third-party private document exchange is used, you agree to pay a one time administrative fee of \$10,000 in addition to the fees outlined in this Agreement. You also agree to maintain the list of third-parties authorized to access the private credit rating current and to notify S&P Global Ratings in writing of any changes to that list. S&P Global Ratings may make access to the private credit rating subject to certain terms and conditions, and disclose on its public website the fact that the rated entity or obligations (as applicable) has been assigned a private credit rating.

3. Information to be Provided by You.

To assign and maintain the credit rating pursuant to this letter, S&P Global Ratings must receive all relevant financial and other information, including notice of material changes to financial and other information provided to us and in relevant documents, as soon as such information is available. Relevant financial and other information includes, but is not limited to, information about direct bank loans and debt and debt-like instruments issued to, or entered into with, financial institutions, insurance companies and/or other entities, whether or not disclosure of such information would be required under S.E.C. Rule 15c2-12. You understand that S&P Global Ratings relies on you and your agents and advisors for the accuracy, timeliness and completeness of the information submitted in connection with the credit rating and the continued flow of

material information as part of the surveillance process. You also understand that credit ratings, and the maintenance of credit ratings, may be affected by S&P Global Ratings opinion of the information received from issuers and their agents and advisors.

4. Other.

S&P Global Ratings has not consented to and will not consent to being named an “expert” or any similar designation under any applicable securities laws or other regulatory guidance, rules or recommendations, including without limitation, Section 7 of the U.S. Securities Act of 1933. S&P Global Ratings has not performed and will not perform the role or tasks associated with an “underwriter” or “seller” under the United States federal securities laws or other regulatory guidance, rules or recommendations in connection with a credit rating engagement.

S&P Global Ratings has established policies and procedures to maintain the confidentiality of certain non-public information received from issuers, their agents or advisors. For these purposes, “Confidential Information” shall mean verbal or written information that the issuer, its agents or advisors have provided to S&P Global Ratings and, in a specific and particularized manner, have marked or otherwise indicated in writing (either prior to or promptly following such disclosure) that such information is “Confidential.”

S&P Global Ratings does not and cannot guarantee the accuracy, completeness, or timeliness of the information relied on in connection with a credit rating or the results obtained from the use of such information. S&P GLOBAL RATINGS GIVES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. S&P Global Ratings, its affiliates or third party providers, or any of their officers, directors, shareholders, employees or agents shall not be liable to any person for any inaccuracies, errors, or omissions, in each case regardless of cause, actions, damages (consequential, special, indirect, incidental, punitive, compensatory, exemplary or otherwise), claims, liabilities, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in any way arising out of or relating to a credit rating or the related analytic services even if advised of the possibility of such damages or other amounts.

With respect to each rating that you have asked S&P Global Ratings (a “nationally recognized statistical rating organization”) to rate under this Agreement, you understand that S&P Global Ratings is required under Rule 17g-7(a)(1)(ii)(J)(1) through (2) under the Securities Exchange Act of 1934 (hereafter “J1/J2”), to determine, ahead of publication of the rating, the entity paying for credit rating services, the role that entity undertakes, and whether the entity paying for credit rating services has also paid S&P Global Ratings for ancillary services during the most recently ended fiscal year. You acknowledge that the undersigned contracted party is the entity responsible for payment of credit rating services, and will, by default, be the legal entity S&P Global Ratings uses for its J1/J2 disclosures, unless otherwise indicated by you. To the extent that you do not expect to pay the fees due under this Agreement directly, you undertake to notify S&P Global Ratings, in writing and in advance of any credit rating publication, of a) the full legal name, address and role of the entity that will be the recipient (“bill-to”) of S&P Global Ratings invoices due under this Agreement and b) where different to the bill-to entity, the full legal name, address and role of the entity that will be the payer of invoices; you understand that we cannot use a paying agent or

similar intermediary for the purpose of the disclosure. You understand, as contracting party, your role in enabling S&P Global Ratings to accurately present the disclosure of its credit ratings.

Please feel free to call me if you have any questions or suggestions about our fee policies. In addition, please visit our web site at www.standardandpoors.com for our ratings definitions and criteria, research highlights, and related information. We appreciate your business and look forward to working with you.

Sincerely yours,

A handwritten signature in cursive script that reads "Morna Lebron".

Manager, Fee Services
S&P Global Ratings
a division of Standard & Poor's Financial Services LLC

By: Morna Lebron
Manager Fee Administration

ZW

cc: Ms. Dalena Welkomer
Mr. Lawrence E. White
Mr. Stephan C. Roberts