

MINUTES of a regular public meeting of the City Council of the City of Rochelle, Ogle and Lee Counties, Illinois, held at the City Hall, 420 North 6th Street, Rochelle, Illinois, in said City at 7:00 o'clock P.M., on the 13th day of November, 2017.

* * *

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

Upon the roll being called, Chet Olson, the Mayor, and the following Council Members were physically present at said location: _____

The following Council Members were allowed by a majority of the members of the City Council in accordance with and to the extent allowed by rules adopted by the City Council to attend the meeting by video or audio conference: _____

No Council Member was not permitted to attend the meeting by video or audio conference.

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

The Mayor announced that the next item for consideration was the issuance of not to exceed \$3,400,000 General Obligation Refunding Debt Certificates (Limited Tax), Series 2017A, to be issued by the City pursuant to the Local Government Debt Reform Act, and that the City Council would consider the adoption of an ordinance authorizing the issuance of, and providing for the sale of, said certificates evidencing the rights to payment under an Installment Purchase Agreement and which are being issued for the purpose of refunding the City's outstanding General Obligation Limited Tax Debt Certificate, Series 2008A, said Certificates evidencing the rights to payment under said Agreement and directing the execution

of an escrow agreement and providing for the sale of said Certificates. The Mayor then explained that the ordinance sets forth the parameters for the issuance of said Certificates and sale thereof by designated officials of the City and summarized the pertinent terms of said parameters, including the specific parameters governing the manner of sale, length of maturity, rates of interest and purchase price for said Certificates.

Whereupon Council Member _____ presented and the City Clerk read by title an ordinance as follows, a copy of which was provided to each Council Member prior to said meeting and to everyone in attendance at said meeting who requested a copy:

ORDINANCE NO. _____

AN ORDINANCE authorizing and providing for the issue of not to exceed \$3,400,000 General Obligation Refunding Debt Certificates (Limited Tax), Series 2017A, to refund certain outstanding obligations of the City, evidencing the rights to payment under an Installment Purchase Agreement, providing for the security for and means of payment under said Agreement for the Certificates, authorizing and directing the execution of an escrow agreement in connection with the issue of said Certificates and authorizing the sale of said Certificates to Robert W. Baird & Co. Incorporated.

* * *

WHEREAS, the City of Rochelle, Ogle and Lee Counties, Illinois (the “*City*”), is a municipality and unit of local government of the State of Illinois operating under and pursuant to the Illinois Municipal Code, as amended (the “*Municipal Code*”), the Local Government Debt Reform Act of the State of Illinois, as amended (the “*Debt Reform Act*”), and in particular, the provisions of Section 17(b) of the Debt Reform Act (collectively, the “*Installment Purchase Provisions*”); and

WHEREAS, pursuant to the Installment Purchase Provisions, the City Council of the City (the “*Council*”) previously entered into an Installment Purchase Agreement described as follows:

INSTALLMENT PURCHASE AGREEMENT for the purchase of real or personal property, or both, dated the 30th day of June, 2008, in and for the City of Rochelle, Ogle and Lee Counties, Illinois.

(the “*Agreement*”) and, pursuant thereto, the Council did provide for the issuance of a certificate evidencing the debt thereunder, described as General Obligation Limited Tax Debt Certificate, Series 2008A, dated June 30, 2008 (the “*Prior Certificate*”); and

WHEREAS, it is necessary and desirable to refund all or a portion of the outstanding Prior Certificate (said portion of the Prior Certificate being refunded being referred to herein as the

“*Refunded Certificate*”), in order to restructure the debt burden of the City (the “*Refunding*”);
and

WHEREAS, the Refunded Certificate shall be fully described in the Escrow Agreement referred to in Section 10 hereof and is presently outstanding and unpaid and is a binding and subsisting legal obligation of the City; and

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

WHEREAS, sufficient funds of the Council are not available for the Refunding, and it will, therefore, be necessary to borrow money in the amount of not to exceed \$3,400,000 for the purpose of paying the costs of the Refunding and certain expenses incidental thereto; and

WHEREAS, pursuant to the provisions of the Debt Reform Act, the Refunded Certificate may properly be refunded by a new series of certificates (the “*Certificates*”) as herein provided; and

WHEREAS, the Council finds that it is desirable and in the best interests of the City to avail of the provisions of the Debt Reform Act and to issue the Certificates in the amount of not to exceed \$3,400,000 to refund the Refunded Certificate:

NOW, THEREFORE, Be It Ordained by the City Council of the City of Rochelle, Ogle and Lee Counties, Illinois, as follows:

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

Section 2. Authorization. It is necessary and advisable for the residents of the City to accomplish the Refunding in order to restructure the debt burden of the City. The Refunded Certificate shall be refunded by means of providing adequate funds from proceeds of the Certificates along with certain general funds of the City.

Section 3. Agreement is a General Obligation; Annual Appropriation; Contract to Issue Bonds. The City hereby represents, warrants, and agrees that the obligation to make the payments due under the Agreement shall be a general obligation of the City payable from any funds of the City lawfully available for such purpose. The City represents and warrants that the total amount due under the Agreement, together with all other indebtedness of the City, is within all statutory and constitutional debt limitations. The City agrees to appropriate funds of the City annually and in a timely manner so as to provide for the making of all payments when due under the terms of the Agreement.

Section 4. Certificate Details. If issued for the purpose of providing for the Refunding, there shall be issued and sold certificates of the City in the principal amount of not to exceed \$3,400,000, which shall be designated “General Obligation Refunding Debt Certificates (Limited Tax), Series 2017A” or such other designation or series as set forth in the Certificate Notification (as hereinafter defined) (the “Certificates”). The Certificates shall be dated such date (not prior to November 13, 2017, and not later than May 13, 2018) as set forth in the Certificate Notification and shall also bear the date of authentication, shall be in fully registered form, shall be in denominations of \$5,000 each or authorized integral multiples thereof (but no single Certificate shall represent installments of principal maturing on more than one date), and shall be numbered 1 and upward. The Certificates shall become due and payable serially or be subject to mandatory redemption (subject to prior redemption as hereinafter described) on June 30 of each of the years (not later than 2028), in the amounts (not exceeding \$375,000 per

year) and bearing interest at the rates per annum (not exceeding 6.00% per annum) as set forth in the Certificate Notification. The Certificates 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 Certificates 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 Certificate Notification, and on June 30 and December 30 of each year thereafter to maturity.

Interest on each Certificate shall be paid by check or draft of UMB Bank, National Association, Kansas City, Missouri (the "*Certificate Registrar*"), payable upon presentation in lawful money of the United States of America, to the person in whose name such Certificate is registered at the close of business on the 15th day of the month of the interest payment date. The principal of the Certificates shall be payable in lawful money of the United States of America at the principal corporate trust office of the Certificate Registrar.

The Certificates shall be signed by the manual or facsimile signature of the Mayor of the City (the "*Mayor*"), and shall be attested by the manual or facsimile signature of the City Clerk of the City (the "*Clerk*"), and the seal of the City shall be affixed thereto or printed thereon, and in case any officer whose signature shall appear on any Certificate shall cease to be such officer before the delivery of such Certificate, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

All Certificates shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the Certificate Registrar as authenticating agent of the City and showing the date of authentication. No Certificate 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 Certificate Registrar by manual

signature, and such certificate of authentication upon any such Certificate shall be conclusive evidence that such Certificate has been authenticated and delivered under this Ordinance. The certificate of authentication on any Certificate shall be deemed to have been executed by the Certificate Registrar if signed by an authorized officer of the Certificate Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Certificates issued hereunder.

Section 5. Registration of Certificates; Persons Treated as Owners. (a) General. The City shall cause books (the “*Certificate Register*”) for the registration and for the transfer of the Certificates as provided in this Ordinance to be kept at the principal corporate trust office of the Certificate Registrar, which is hereby constituted and appointed the registrar of the City. The City is authorized to prepare, and the Certificate Registrar shall keep custody of, multiple Certificate blanks executed by the City for use in the transfer and exchange of Certificates.

Upon surrender for transfer of any Certificate at the principal corporate trust office of the Certificate Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Certificate Registrar and duly executed by, the registered owner or his or her attorney duly authorized in writing, the City shall execute and the Certificate Registrar shall authenticate, date and deliver in the name of the transferee or transferees a new fully registered Certificate or Certificates of the same maturity of authorized denominations, for a like aggregate principal amount. Any fully registered Certificate or Certificates may be exchanged at said office of the Certificate Registrar for a like aggregate principal amount of Certificate or Certificates of the same maturity of other authorized denominations. The execution by the City of any fully registered Certificate shall constitute full and due authorization of such Certificate and the Certificate Registrar shall thereby be authorized to authenticate, date and deliver such Certificate, *provided, however*, the principal amount of outstanding Certificates

of each maturity authenticated by the Certificate Registrar shall not exceed the authorized principal amount of Certificates for such maturity less previous retirements.

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

The person in whose name any Certificate 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 Certificate 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 Certificate to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Certificates, but the City or the Certificate 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 Certificates except in the case of the issuance of a Certificate or Certificates for the unredeemed portion of a Certificate surrendered for redemption.

(b) *Global Book-Entry System.* The Certificates shall be initially issued in the form of a separate single fully registered Certificate for each of the maturities of the Certificates determined as described in Section 6 hereof. Upon initial issuance, the ownership of each such Certificate shall be registered in the Certificate 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 Certificates shall be

registered in the Certificate Register in the name of Cede, as nominee of DTC, except as hereinafter provided. The Mayor, Clerk, Treasurer and the Certificate Registrar are each 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 Certificates by wire transfer.

With respect to Certificates registered in the Certificate Register in the name of Cede, as nominee of DTC, the City and the Certificate Registrar shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which DTC holds Certificates 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 Certificates. Without limiting the immediately preceding sentence, the City and the Certificate 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 Certificates, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of a Certificate as shown in the Certificate Register, of any notice with respect to the Certificates, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of a Certificate as shown in the Certificate Register, of any amount with respect to the principal of or interest on the Certificates. The City and the Certificate Registrar may treat and consider the person in whose name each Certificate is registered in the Certificate Register as the holder and absolute owner of such Certificate for the purpose of payment of principal and interest with respect to such Certificate, for the purpose of giving notices of redemption and other matters with respect to such Certificate, for the purpose of registering transfers with respect to such

Certificate, and for all other purposes whatsoever. The Certificate Registrar shall pay all principal of and interest on the Certificates only to or upon the order of the respective registered owners of the Certificates, as shown in the Certificate 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 Certificates to the extent of the sum or sums so paid. No person other than a registered owner of a Certificate as shown in the Certificate Register, shall receive a Certificate evidencing the obligation of the City to make payments of principal and interest with respect to any Certificate. Upon delivery by DTC to the Certificate 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 6 hereof with respect to the payment of interest to the registered owners of Certificates at the close of business on the 15th day of the month of 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 Certificate 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 Certificates that they be able to obtain certificated Certificates, the City shall notify DTC and DTC Participants of the availability through DTC of certificated Certificates and the Certificates shall no longer be restricted to being registered in the Certificate Register in the name of Cede, as nominee of DTC. At that time, the City may determine that the Certificates 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

Certificates may be registered in whatever name or names registered owners of Certificates transferring or exchanging Certificates shall designate, in accordance with the provisions of Section 7(a) hereof.

Notwithstanding any other provisions of this Ordinance to the contrary, so long as any Certificate is registered in the name of Cede, as nominee of DTC, all payments with respect to principal of and interest on such Certificate and all notices with respect to such Certificate 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 Certificates due on and after the date, if any, specified in the Certificate Notification, 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 Certificates of a single series and maturity to be selected by the Certificate Registrar), on the date specified in the Certificate Notification, and on any date thereafter, at the redemption price of par plus accrued interest to the date fixed for redemption, if applicable, as set forth in the Certificate Notification.

(b) Mandatory Redemption. The Certificates maturing on the date or dates, if any, indicated in the Certificate Notification are subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Certificate Registrar, at a redemption price of par plus accrued interest to the redemption date for the Certificates, on June 30 of the years, if any, and in the principal amounts, if any, as indicated in the Certificate Notification.

The principal amounts of Certificates to be mandatorily redeemed in each year may be reduced through the earlier optional redemption thereof, with any partial optional redemptions of such Certificates 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 Certificate Registrar may, and if directed by the Council shall, purchase Certificates required to be retired on such mandatory redemption date. Any such Certificates 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 Certificates 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 Certificate Registrar) notify the Certificate Registrar of such redemption date and of the principal amount and maturity or maturities of Certificates to be redeemed. For purposes of any redemption of less than all of the outstanding Certificates of a single maturity, the particular Certificates or portions of Certificates to be redeemed shall be selected by lot by the Certificate Registrar from the Certificates of such maturity by such method of lottery as the Certificate Registrar shall deem fair and appropriate; *provided* that such lottery shall provide for the selection for redemption of Certificates or portions thereof so that any \$5,000 Certificate or \$5,000 portion of a Certificate shall be as likely to be called for redemption as any other such \$5,000 Certificate or \$5,000 portion. The Certificate 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 Certificates to be redeemed or the time of the giving of official notice of redemption.

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

Section 7. Redemption Procedure. Unless waived by any holder of Certificates to be redeemed, notice of the call for any such redemption shall be given by the Certificate 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 Certificate or Certificates to be redeemed at the address shown on the Certificate Register or at such other address as is furnished in writing by such registered owner to the Certificate Registrar.

All notices of redemption shall state:

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

Unless moneys sufficient to pay the redemption price of the Certificates to be redeemed at the option of the City shall have been received by the Certificate 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 Certificate 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 Certificates, and the Certificate 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 Certificates will not be redeemed. Otherwise, prior to any redemption date, the City shall deposit with the Certificate Registrar an amount of

money sufficient to pay the redemption price of all the Certificates or portions of Certificates 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 Certificates or portions of Certificates 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 Certificates or portions of Certificates shall cease to bear interest. Upon surrender of such Certificates for redemption in accordance with said notice, such Certificates shall be paid by the Certificate 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 Certificate, there shall be prepared for the registered holder a new Certificate or Certificates of the same maturity in the amount of the unpaid principal.

If any Certificate or portion of Certificate 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 Certificate or portion of Certificate so called for redemption. All Certificates which have been redeemed shall be cancelled and destroyed by the Certificate Registrar and shall not be reissued.

Section 8. Form of Certificate. The Certificates shall be in substantially the following form; *provided, however,* that if the text of the Certificate is to be printed in its entirety on the front side of the Certificate, then paragraph [2] and the legend, “See Reverse Side for Additional Provisions”, shall be omitted and paragraphs [6] through [11] shall be inserted immediately after paragraph [1]:

[Form of Certificate – Front Side]

REGISTERED
NO. _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA

STATE OF ILLINOIS

COUNTIES OF OGLE AND LEE

CITY OF ROCHELLE

GENERAL OBLIGATION REFUNDING DEBT CERTIFICATES (LIMITED TAX), SERIES 2017A

See Reverse Side for
Additional Provisions

Interest Maturity Dated
Rate: _____% Date: June 30, 20__ Date: _____, 2017 CUSIP 771231 __

Registered Owner: CEDE & CO.

Principal Amount:

[1] KNOW ALL PERSONS BY THESE PRESENTS, that the City of Rochelle, Ogle and Lee Counties, Illinois (the “City”), hereby acknowledges itself to owe and for value received promises to pay from the source and as hereinafter provided 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 Certificate or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum set forth above on June 30 and December 30 of each year, commencing _____ 30, 201__, until said Principal Amount is paid. Principal of this Certificate is payable in lawful money of the United States of America upon presentation and surrender hereof at the principal corporate trust office of UMB Bank, National Association, Kansas City, Missouri, as certificate registrar and paying agent (the “Certificate 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 Certificate Registrar at the close of business on the 15th day of the month of each interest payment date and shall be paid by check or draft of the Certificate 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 Certificate Registrar.

[2] Reference is hereby made to the further provisions of this Certificate 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 conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Certificate did exist, have happened, been done and performed in regular and due form and time as required by law; that the indebtedness of the City, including the issue of certificates of which this is one, does not exceed any limitation imposed by law; that the obligation to make payments due hereon is a general obligation of the City payable from any funds of the City legally available for such purpose, that the City shall appropriate funds annually and in a timely manner so as to provide for the making of all payments hereon when due. THE OWNER OF THIS CERTIFICATE ACKNOWLEDGES THAT THERE IS NO STATUTORY AUTHORITY FOR THE LEVY OF A SEPARATE TAX IN ADDITION TO OTHER TAXES OF THE CITY OR THE LEVY OF A SPECIAL TAX UNLIMITED AS TO RATE OR AMOUNT TO PAY ANY OF THE AMOUNTS DUE HEREUNDER.

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

[5] IN WITNESS WHEREOF, said City of Rochelle, Ogle and Lee Counties, Illinois, by its City Council, has caused this Certificate to be signed by the manual or duly authorized facsimile

signature of the Mayor and to be attested by the manual or duly authorized facsimile signature of the City Clerk thereof, and has caused the seal of the City to be affixed hereto or printed hereon, all as of the Dated Date identified above.

(SEAL)

SPECIMEN

Mayor, City of Rochelle, Ogle and Lee
Counties, Illinois

Attest:

SPECIMEN

City Clerk, City of Rochelle, Ogle and Lee
Counties, Illinois

Date of Authentication: _____, 20__

CERTIFICATE
OF
AUTHENTICATION

Certificate Registrar and Paying Agent:
UMB Bank, National Association,
Kansas City, Missouri

This Certificate is one of the Certificates described in the within mentioned ordinance and is one of the General Obligation Refunding Debt Certificates (Limited Tax), Series 2017A, of the City of Rochelle, Ogle and Lee Counties, Illinois.

UMB BANK, NATIONAL ASSOCIATION,
as Certificate Registrar

By _____
SPECIMEN
Authorized Officer

[Form of Certificate – Reverse Side]

CITY OF ROCHELLE

OGLE AND LEE COUNTIES, ILLINOIS

GENERAL OBLIGATION REFUNDING DEBT CERTIFICATES (LIMITED TAX), SERIES 2017A

[6] This Certificate is one of a series of certificates issued by the City to refund certain outstanding obligations of the City, in full compliance with the provisions of the Illinois Code Municipal Code, as supplemented and amended, and in particular as supplemented by the Local Government Debt Reform Act of the State of Illinois, as amended, and is authorized by the City Council of the City pursuant to an ordinance duly and properly adopted for that purpose, in all respects as provided by law. The Certificates have been issued in evidence of the indebtedness incurred pursuant to an Installment Purchase Agreement, dated June 30, 2008, entered into by and between the City and the City Treasurer, as Nominee-Seller, and reference thereto is hereby expressly made and to which the holder by the acceptance of this Certificate assents.

[7] [Optional and Mandatory Redemption provisions, as applicable, will be inserted here].

[8] [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 Certificate to be redeemed at the address shown on the registration books of the City maintained by the Certificate Registrar or at such other address as is furnished in writing by such registered owner to the Certificate Registrar. When so called for redemption, this Certificate 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.]

[9] This Certificate is transferable by the Registered Owner hereof in person or by his or her attorney duly authorized in writing at the principal corporate trust office of the Certificate Registrar in Kansas City, Missouri, but only in the manner, subject to the limitations and upon payment of the charges provided in the authorizing ordinance, and upon surrender and cancellation of this Certificate. Upon such transfer a new Certificate or Certificates of authorized denominations of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

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

[11] The City and the Certificate 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 Certificate 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 Certificate and does hereby irrevocably constitute and appoint _____

attorney to transfer the said Certificate 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 Certificate in every particular, without alteration or enlargement or any change whatever.

Section 9. Sale of Certificates. The Mayor, Clerk, Treasurer of the City (the “*Treasurer*”), and City Manager (the “*Designated Representatives*”) are hereby authorized to proceed not later than the 13th day of May, 2018, without any further authorization or direction from the Council, to sell the Certificates upon the terms as prescribed in this Ordinance. The Certificates hereby authorized shall be executed as in this Ordinance provided as soon after the delivery of the Certificate Notification as may be, and thereupon be deposited with the Treasurer, and after authentication thereof by the Certificate Registrar, be delivered to Robert W. Baird & Co. Incorporated, Naperville, Illinois, the purchaser thereof (the “*Purchaser*”), upon receipt of the purchase price therefor, the same being not less than 96% of the principal amount of the Certificates (net of any original issue discount or original issue premium) plus accrued interest to date of delivery, if any, it being hereby found and determined that the sale of the Certificates to the Purchaser is in the best interests of the City and 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 Certificates to the Purchaser.

Prior to the sale of the Certificates, the Mayor or Treasurer 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 Certificates, 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 Certificates treating the fee paid as interest on the Certificates) is less than the present value of the interest reasonably expected to be saved on the Certificates over the term of the Certificates as a result of the Municipal Bond Insurance Policy.

Upon the sale of the Certificates, the Designated Representatives shall prepare a Notification of Sale of the Certificates, which shall include the pertinent details of sale as provided herein (the "*Certificate Notification*"). In the Certificate Notification, the Designated Representatives shall find and determine that the Certificates 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 the Certificates does not exceed the maximum rate otherwise authorized by applicable law. The Certificate 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 Certificate Notification.

Upon the sale of the Certificates, as evidenced by the execution and delivery of the Certificate Notification by the Designated Representatives, any officials 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 Certificates as may be necessary, including, without limitation, the contract for the sale of the Certificates between the City and the Purchaser (the "*Purchase*

Contract”). Prior to the execution and delivery of the Purchase Contract, the Designated Representatives shall find and determine 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 Purchase Contract.

The use by the Purchaser of any Preliminary Official Statement and any final Official Statement relating to the Certificates (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 Certificates.

Section 10. Use of Certificate Proceeds. Accrued interest received on the delivery of the Certificates, if any, is hereby appropriated for the purpose of paying first interest due on the Certificates and is hereby ordered deposited into the “General Obligation Refunding Debt Certificate (Limited Tax) Fund of 2017” (the “*Certificate Fund*”), which shall be the fund for the payment of the principal of and interest on the Certificates. Funds lawfully available for the purpose of paying the principal of and interest on the Certificates shall be deposited into the Certificate Fund and used solely and only for such purpose.

Simultaneously with the delivery of the Certificates, the principal proceeds of the Certificates, together with any premium received from the sale of the Certificates and such additional amounts as may be necessary from the general funds of the City, are hereby appropriated to pay the costs of issuance of the Certificates and for the purpose of refunding the Refunded Certificate, and that portion thereof not needed to pay such costs is hereby ordered deposited in escrow pursuant to an Escrow Agreement (the “*Escrow Agreement*”) to be entered

into between the City and UMB Bank, National Association, Kansas City, Missouri, as escrow agent (the “*Escrow Agent*”), in substantially the form attached hereto as *Exhibit A* and made a part hereof by this reference, or with such changes therein as shall be approved by the officers of the City executing the Escrow Agreement, such execution to constitute evidence of the approval of such changes, for the purpose of paying the principal of and interest on the Refunded Certificate as such becomes due upon redemption. The Council approves the form, terms and provisions of the Escrow Agreement and directs the Mayor and Treasurer to execute, attest and deliver the Escrow Agreement in the name and on behalf of the City. Amounts in the escrow may be used to purchase direct obligations of or obligations guaranteed by the full faith and credit of the United States of America (the “*Government Securities*”) to provide for the payment of the principal of and interest on the Refunded Certificate. The Escrow Agent and the Purchaser are each hereby authorized to act as agent for the City in the purchase of the Government Securities.

At the time of the issuance of the Certificates, the costs of issuance of the Certificates may be paid by the Purchaser on behalf of the City from the proceeds of the Certificates.

Section 11. Call of the Prior Certificate. In accordance with the redemption provisions of the ordinance authorizing the issuance of the Prior Certificate, the City by the Council does hereby make provisions for the payment of and does hereby call (subject only to the delivery of the Certificates) the Prior Certificate for redemption on June 30, 2018.

Section 12. General Tax Covenants. 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 Certificates) if taking, permitting, or omitting to take such action would cause any of the Certificates to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise

cause the interest on the Certificates to be included 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 Certificates, under present rules, the City may be treated as the “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 counsel approving the Certificates; (c) to consult with such 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 13. Designation of Certificates. The Certificates will be issued as “bank qualified bonds” in an amount or amounts not to exceed \$10,000,000 per calendar year of issuance and are designated as “qualified tax-exempt obligations” for the purposes and within the meaning of Section 265(b)(3) of the Code.

Section 14. List of Certificateholders. The Certificate Registrar shall maintain a list of the names and addresses of the holders of all Certificates and upon any transfer shall add the name and address of the new Certificateholder and eliminate the name and address of the transferor Certificateholder.

Section 15. Duties of Certificate Registrar. If requested by the Certificate Registrar, the Mayor and the Clerk are authorized to execute the Certificate Registrar’s standard form of

agreement between the City and the Certificate Registrar with respect to the obligations and duties of the Certificate Registrar hereunder which may include the following:

- (a) to act as certificate registrar, authenticating agent, paying agent and transfer agent as provided herein;
- (b) to maintain a list of Certificateholders 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 Certificates as provided herein;
- (d) to cancel and/or destroy Certificates 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 Certificates cancelled and/or destroyed; and
- (f) to furnish the City at least annually an audit confirmation of Certificates paid, Certificates outstanding and payments made with respect to interest on the Certificates.

Section 16. Continuing Disclosure Undertaking. The Mayor is hereby authorized, empowered and directed to execute and deliver a Continuing Disclosure Undertaking under Section (b)(5) of Rule 15c2-12 adopted by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the “*Continuing Disclosure Undertaking*”). 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 remedy for failure to comply with the Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any Certificate to seek mandamus or specific performance by

court order to cause the City to comply with its obligations under the Continuing Disclosure Undertaking.

Section 17. Municipal Bond Insurance. In the event the payment of principal and interest on the Certificates 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 Certificate Registrar agree to comply with such usual and reasonable provisions regarding presentment and payment of the Certificates, subrogation of the rights of the Certificateholders to the Bond Insurer upon payment of the Certificates by the Bond Insurer, amendment hereof, or other terms, as approved by the Mayor 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 18. Record-Keeping Policy and Post-Issuance Compliance Matters. On August 25, 2014, 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 on 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 19. Severability. If any section, paragraph, clause or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 20. 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 November 13, 2017.

Mayor, City of Rochelle, Ogle and Lee
Counties, Illinois

Attest:

City Clerk, City of Rochelle, Ogle and Lee
Counties, Illinois

EXHIBIT A

FORM OF ESCROW AGREEMENT

Council Member _____ moved and Council Member _____ seconded the motion that said ordinance as presented and read by title 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 the roll being called, the following Council Members voted AYE: _____

The following Council Members voted NAY: _____

Whereupon the Mayor declared the motion carried and said ordinance adopted, approved and signed the same in open meeting and directed the City Clerk to record the same in the records of the City Council of the City of Rochelle, Ogle and Lee Counties, Illinois, which was done.

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

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

City Clerk

STATE OF ILLINOIS)
) SS
COUNTY OF OGLE)

CERTIFICATION OF MINUTES AND ORDINANCE

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

I do further certify that the foregoing constitutes a full, true and complete transcript of the minutes of the meeting of the Council held on the 13th day of November, 2017, insofar as same relates to the adoption of Ordinance No. _____ entitled:

AN ORDINANCE authorizing and providing for the issue of not to exceed \$3,400,000 General Obligation Refunding Debt Certificates (Limited Tax), Series 2017A, to refund certain outstanding obligations of the City, evidencing the rights to payment under an Installment Purchase Agreement, providing for the security for and means of payment under said Agreement for the Certificates, authorizing and directing the execution of an escrow agreement in connection with the issue of said Certificates and authorizing the sale of said Certificates to Robert W. Baird & Co. Incorporated.

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 13th day of November, 2017.

City Clerk

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF OGLE)

FILING CERTIFICATE

We, the undersigned, do hereby certify that we are, respectively, the duly qualified and acting City Clerk and City Treasurer of the City of Rochelle, Ogle and Lee Counties, Illinois (the “City”), and as such officers we do hereby certify that on the 13th day of November, 2017, there was filed with each of us, respectively, and placed on deposit in our respective records, a properly certified copy of Ordinance No. _____ adopted by the City Council of the City on the 13th day of November, 2017, and entitled:

AN ORDINANCE authorizing and providing for the issue of not to exceed \$3,400,000 General Obligation Refunding Debt Certificates (Limited Tax), Series 2017A, to refund certain outstanding obligations of the City, evidencing the rights to payment under an Installment Purchase Agreement, providing for the security for and means of payment under said Agreement for the Certificates, authorizing and directing the execution of an escrow agreement in connection with the issue of said Certificates and authorizing the sale of said Certificates to Robert W. Baird & Co. Incorporated.

and that the same have all been deposited in, and all as appears from, the official files and records of our respective offices.

We do further certify that the description of the outstanding General Obligation Limited Tax Debt Certificate, Series 2008A, of the City set forth in said ordinance is accurate, and that said certificate is presently outstanding and unpaid and is a binding and subsisting legal obligation of the City and has never been refunded by the City.

IN WITNESS WHEREOF, we hereunto affix our official signatures and the seal of the City,
this 13th day of November, 2017.

City Clerk

City Treasurer

(SEAL)