

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 \$600,000 General Obligation Refunding Bonds, Series 2017B, to be issued by the City pursuant to the Illinois Municipal Code and the Local Government Debt Reform Act of Illinois for the purpose of refunding certain of the City's outstanding bonds, and in connection therewith, it would be necessary for the City to enter into an escrow agreement, and that the City Council would consider the adoption of an ordinance providing for the issue of said bonds and the levy of a direct annual tax sufficient to pay the principal and interest thereon and authorizing and directing the execution of such escrow agreement. The Mayor then explained that the ordinance

sets forth the parameters for the issuance of said bonds 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, purchase price and tax levy for said bonds.

Whereupon the City Clerk presented and there was 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 providing for the issue of not to exceed \$600,000 General Obligation Refunding Bonds, Series 2017B, of the City of Rochelle, Ogle and Lee Counties, Illinois, for the purpose of refunding certain outstanding bonds of said City, providing for the levy and collection of a direct annual tax sufficient to pay the principal and interest on said Bonds, authorizing and directing the execution of an escrow agreement in connection with the issue of said Bonds, and authorizing the sale of said Bonds to Robert W. Baird & Co. Incorporated.

* * *

WHEREAS, the City of Rochelle, Ogle and Lee Counties, 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, and is now operating under the provisions of the Illinois Municipal Code, as supplemented and amended; and

WHEREAS, the City has heretofore issued and there are now outstanding General Obligation Bonds, Series 2009, dated August 12, 2009, of the City (the “Prior Bonds”); and

WHEREAS, the Prior Bonds are presently outstanding and unpaid and are binding and subsisting legal obligations of the City; and

WHEREAS, the City Council of the City (the “Council”) has determined that it is necessary and desirable to refund all or a portion of the Prior Bonds (said Prior Bonds to be refunded being referred to herein as the “Refunded Bonds”) in order to restructure the debt burden of the City; and

WHEREAS, the Refunded Bonds shall be fully described in the Escrow Agreement referred to in Section 11 hereof; and

WHEREAS, the Council has further determined that in order to refund the Refunded Bonds, it is necessary and desirable to borrow not to exceed \$600,000 at this time and issue bonds of the City therefor (the “Bonds”); and

WHEREAS, in accordance with the terms of the Prior Bonds, certain of the Refunded Bonds may be called for redemption in advance of their maturity, and the Council has further determined it is necessary and desirable to make such call for redemption of the Refunded Bonds on their earliest possible call date, and provide for the giving of proper notice to the registered owners of the Refunded Bonds:

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. The Council hereby finds that the City is authorized to issue the Bonds in an amount not to exceed \$600,000 for the purpose of refunding the Refunded Bonds, and that it is necessary and for the best interests of the City that there be issued at this time not to exceed \$600,000 of the bonds so authorized, and these findings and determinations, together with those set forth in the preambles to this Ordinance, shall be deemed conclusive.

Section 3. Bond Details. In order to raise the sum of not to exceed \$600,000 presently needed for the purpose aforesaid, there be borrowed on the credit of and for and on behalf of the City an amount not to exceed \$600,000. The Bonds, if issued, shall be issued to said amount and shall be designated "General Obligation Refunding Bonds, Series 2017B" or such other designation or series as set forth in the Bond Notification (as hereinafter defined). The Bonds shall be dated such date (not prior to November 13, 2017, and not later than May 13, 2018) as set forth in the Bond 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 Bond shall represent installments of principal maturing on more than one date),

and shall be numbered 1 and upward. The Bonds shall become due and payable serially (subject to prior redemption as hereinafter described) on January 1 of each of the years (not later than 2029), in the amounts (not exceeding \$70,000 per year) and bearing interest at the rates (not exceeding 6.00% per annum) as set forth in the Bond Notification.

The Bonds shall bear interest from the 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 on January 1 and July 1 of each year, commencing on the date set forth in the Bond Notification. Interest on each Bond shall be paid by check or draft of UMB Bank, National Association, Kansas City, Missouri (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 any interest payment date. The principal of the Bonds shall be payable in lawful money of the United States of America at the principal corporate trust office of the Bond Registrar.

The seal of the City shall be affixed to or printed on each of the Bonds, and the Bonds shall be signed by the manual or facsimile signature of the Mayor of the City (the "*Mayor*"), and attested by the manual or facsimile signature of the City Clerk of the City (the "*Clerk*"), as they shall determine, 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 4. 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 corporate trust office of the Bond Registrar, which is hereby constituted and appointed the registrar of the City for the Bonds. The City is authorized to prepare, and the Bond Registrar 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 corporate trust 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*, that 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 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.

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 3 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. The Mayor, the Clerk and

the Bond 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 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 3 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 5. Redemption. (a) Optional Redemption. The Bonds, if any, due on and after the date, if any, specified in the Bond 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 Bonds of a single maturity to be selected by the Bond Registrar), on the date specified in the Bond Notification, and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date, as set forth in the Bond Notification.

(b) *Mandatory Redemption.* The Bonds maturing on the date or dates, if any, indicated in the Bond Notification are 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 for the Bonds on January 1 of the years, if any, and in the principal amounts, if any, as indicated in the 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 Council 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 Bond Registrar shall proceed with mandatory redemption without further notice or direction from the City. For redemptions at the option of the City, the City shall, at least 45 days prior to the 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 maturities and principal amounts of Bonds to be redeemed. For purposes of any redemption of less than all of the outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot not more than sixty (60) days prior to the redemption date by the Bond Registrar, 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 of Bonds in principal amounts of \$5,000 and integral multiples thereof.

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 6. 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 at the option of the City 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 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 7. 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 paragraph [6] and those thereafter as shall be appropriate shall be inserted immediately after paragraph [1]:

(Form of Bond - Front Side)

REGISTERED
NO. _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA

STATE OF ILLINOIS

COUNTIES OF OGLE AND LEE

CITY OF ROCHELLE

GENERAL OBLIGATION REFUNDING BOND, SERIES 2017B

See Reverse Side for
Additional Provisions

Interest Maturity Dated
Rate: _____% Date: January 1, 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 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 the 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 January 1 and July 1 of each year, commencing _____ 1, 201_, until said Principal Amount is paid. The principal of this Bond is payable in lawful money of the United States of America at the principal corporate trust office of UMB Bank, National Association, Kansas City, Missouri, 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 any 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 conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this bond 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 bonds of which this is one, does not exceed any limitation imposed by law; and that provision has been made for the collection of a direct annual tax in addition to all other taxes, on all of the taxable property in the City sufficient to pay the interest hereon as the same falls due and also to pay and discharge the principal hereof at maturity.

[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 Rochelle, Ogle and Lee Counties, Illinois, by its City Council, has caused its corporate seal to be imprinted by facsimile hereon or hereunto affixed, and this bond to be signed by the manual or duly authorized facsimile signature of the Mayor of the City and attested by the manual or duly authorized facsimile signature of the Clerk of the City, all as of the Dated Date identified above.

SPECIMEN

Mayor

Attest:

SPECIMEN

City Clerk

Date of Authentication: _____, 20__

CERTIFICATE
OF
AUTHENTICATION,

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

This Bond is one of the Bonds described in the within mentioned Ordinance and is one of the General Obligation Refunding Bonds, Series 2017B, of the City of Rochelle, Ogle and Lee Counties, Illinois.

UMB Bank, National Association,
as Bond Registrar

By _____
SPECIMEN
Authorized Officer

[Form of Bond - Reverse Side]

CITY OF ROCHELLE

OGLE COUNTY, ILLINOIS

GENERAL OBLIGATION REFUNDING BOND, SERIES 2017B

[6] This Bond is one of a series of bonds issued by the City for the purpose of paying the cost of refunding certain outstanding bonds of the City, all as described and defined in the Ordinance of the City, adopted by the City Council of the City on the 13th day of November, 2017, authorizing the Bonds, as supplemented by a Notification of Sale (the “*Ordinance*”), pursuant to and in all respects in compliance with the applicable provisions of the Illinois Municipal Code, as amended, and as supplemented by the Local Government Debt Reform Act of the State of Illinois, as amended, and with the Ordinance, which has been duly approved by the Mayor, and published, in all respects as by law required.

[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 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.]

[9] This Bond is transferable by the registered holder hereof in person or by his or her attorney duly authorized in writing at the principal corporate trust office of the Bond Registrar in Kansas City, Missouri, 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.

[10] 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 corporate trust 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 authorizing 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 at 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].

[11] The City and the Bond Registrar may deem and treat the registered holder 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 8. Sale of Bonds. 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 and deliver 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 as may be, and thereupon be deposited with the Treasurer, and after authentication thereof by the Bond Registrar, be by said Treasurer delivered to Robert W. Blair & 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 Bonds (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 Bonds 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 Bonds to the Purchaser.

Prior to the sale of the Bonds, 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 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 the Bonds, the Designated Representatives shall prepare a Notification of Sale of the Bonds, which shall include the pertinent details of sale as provided herein (the "*Bond Notification*"). In the Bond Notification, 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 the Bonds does not exceed the maximum rate otherwise authorized by applicable law. The 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 the Bonds, as evidenced by the execution and delivery of the Bond Notification by the Designated Representatives, 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, the contract for the sale of the Bonds 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 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 9. Tax Levy. For the purpose of providing the funds required to pay the interest on the Bonds as it falls due, and also to pay and discharge the principal thereof at maturity, there be and there shall be levied upon all the taxable property within the City 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 that there be and there is levied upon all of the said taxable property in the City in addition to all other taxes the following direct annual tax, to-wit (the “*Pledged Taxes*”):

FOR THE YEAR	A TAX SUFFICIENT TO PRODUCE THE SUM OF:	
2017	\$64,040.00	for interest and principal up to and including January 1, 2019
2018	\$64,040.00	for interest and principal
2019	\$64,040.00	for interest and principal
2020	\$64,040.00	for interest and principal
2021	\$64,040.00	for interest and principal
2022	\$64,040.00	for interest and principal
2023	\$64,040.00	for interest and principal
2024	\$64,040.00	for interest and principal
2025	\$64,040.00	for interest and principal
2026	\$64,040.00	for interest and principal
2027	\$64,040.00	for interest and principal

Whenever other funds from any lawful source are made available for the purpose of paying any principal of or interest on the Bonds so as to enable the abatement of the taxes levied herein for the payment of same, the Council shall, by proper proceedings, direct the deposit of

such funds into the hereinafter defined Bond Fund and further shall direct the abatement of the taxes by the amount so deposited. A certified copy or other notification of any such proceedings abating taxes may then be filed with the County Clerks of the Counties of Ogle and Lee, Illinois (the “*County Clerks*”), in a timely manner to effect such abatement.

The City and its officers will comply with all present and future applicable laws in order to assure that the Pledged Taxes may be levied, extended and collected as provided herein and deposited into the Bond Fund. The City covenants and agrees with the purchasers and registered 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 levy and collect the Pledged Taxes or enforce its full faith and credit pledge.

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, the Clerk and the 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 Clerks in a timely manner to effect such abatement.

Section 10. Filing of Ordinance and Certificate of Reduction of Taxes. Forthwith as soon as this Ordinance becomes effective, the Clerk is hereby directed to file a copy of said Ordinance with the County Clerks, and it shall be the duty of the County Clerks in and for each of the years 2017 to 2027, inclusive, to ascertain the rate percent required to produce the aggregate tax hereinbefore levied, and extend the same for collection on the tax books against all of the taxable property within the City in addition to other taxes levied in each of said years in the City in order to raise the respective amounts levied aforesaid, and such tax shall be computed, extended and collected in the same manner as now or hereafter provided by law for

the computation, extension and collection of taxes for general corporate purposes of the City, and when collected, the tax hereby levied shall be placed to the credit of a special fund to be designated and known as “Bond and Interest Fund of 2017” (the “*Bond Fund*”), and the Bond Fund is hereby irrevocably pledged to and shall be used only for the purpose of paying the principal of and interest on the Bonds.

The Mayor, the Clerk and the Treasurer or his or her designee be and the same are hereby directed to prepare and file with the County Clerks, a Certificate of Reduction of Taxes Heretofore Levied for the Payment of Bonds showing the Refunded Bonds and directing the abatement of the taxes heretofore levied to pay the Refunded Bonds.

Section 11. Creation of Funds and Appropriations; Call of Refunded Bonds. Accrued interest, if any, received upon the sale of the Bonds is hereby appropriated for the purpose of paying the interest due on the Bonds and is hereby ordered deposited into the Bond Fund. Simultaneously with the delivery of the Bonds, the principal proceeds of the Bonds, together with any premium received from the sale of the Bonds 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 Bonds and refund the Refunded Bonds, and that portion thereof not needed to pay such costs of issuance is hereby ordered deposited in escrow pursuant to an escrow agreement between the City and UMB Bank, National Association, Kansas City, Missouri (the “*Escrow Agent*”), substantially in the form attached hereto as *Exhibit A*, made a part hereof by this reference, and hereby approved (the “*Escrow Agreement*”); the officers appearing signatory to the Escrow Agreement are hereby authorized and directed to execute same, their execution to constitute conclusive proof of action in accordance with this Ordinance, and approval of all completions or revisions necessary or appropriate to effect the refunding of the Refunded Bonds. 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 Bonds. 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 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.

In accordance with the redemption provisions of the ordinance authorizing the issuance of the Prior Bonds, the City does hereby make provision for the payment of and does hereby call (subject only to the delivery of the Bonds) the Refunded Bonds for redemption on January 1, 2019.

Section 12. Use of Taxes Heretofore Levied. All proceeds received or to be received from any taxes heretofore levied to pay principal and interest on the Refunded Bonds, including the proceeds received or to be received from the taxes levied for the years 2016 for such purposes, shall be used to pay principal and interest on the Refunded Bonds and to the extent that such proceeds are not needed for such purpose because of the establishment of the escrow referred to in Section 11 hereof, the same shall be deposited into the Bond Fund and used to pay principal and interest on the Bonds in accordance with all of the provisions of this Ordinance.

Section 13. 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 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 or would otherwise cause the interest on the Bonds 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

Bonds, 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 Bonds or agreements as may be prepared by counsel approving the Bonds; (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 14. Designation of Bonds. The Bonds 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 15. 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 16. Duties of Bond Registrar. If requested by the Bond Registrar, the Mayor and the 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 17. 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 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 18. Municipal Bond Insurance. In the event the payment of principal and interest on 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 Council on advice of counsel, their approval to constitute full and complete acceptance by the City of such terms and provisions under authority of this Section.

Section 19. 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 20. 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.

Section 21. Superseder and Effective Date. All ordinances, resolutions, and orders, or parts thereof, in conflict herewith, are to the extent of such conflict hereby superseded; and this Ordinance shall be in full force and effect immediately upon its passage and approval.

ADOPTED: 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 official journal of proceedings, books, records, minutes and files of the City and of the City Council thereof (the “Council”).

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

AN ORDINANCE providing for the issue of not to exceed \$600,000 General Obligation Refunding Bonds, Series 2017B, of the City of Rochelle, Ogle and Lee Counties, Illinois, for the purpose of refunding certain outstanding bonds of said City, providing for the levy and collection of a direct annual tax sufficient to pay the principal and interest on said Bonds, authorizing and directing the execution of an escrow agreement in connection with the issue of said Bonds, and authorizing the sale of said Bonds 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 taken openly; that the vote on the adoption of said ordinance was taken openly; that said meeting was held at a specified time and place convenient to the public; that notice of said meeting was duly given to all of the news media requesting such notice; that an agenda for said meeting was posted at the location where said meeting was held and at the principal office of the Council at least 96 hours in advance of the holding of said meeting, that at least one copy of said agenda was continuously available for public review during the entire 96-hour period preceding said meeting, that 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 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 the adoption of said ordinance.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the City, this 13th day of November, 2017.

City Clerk

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF OGLE)

FILING CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of Ogle, 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 providing for the issue of not to exceed \$600,000 General Obligation Refunding Bonds, Series 2017B, of the City of Rochelle, Ogle and Lee Counties, Illinois, for the purpose of refunding certain outstanding bonds of said City, providing for the levy and collection of a direct annual tax sufficient to pay the principal and interest on said Bonds, authorizing and directing the execution of an escrow agreement in connection with the issue of said Bonds, and authorizing the sale of said Bonds to Robert W. Baird & Co. Incorporated.

duly adopted by the City Council of the City of Rochelle, Ogle and Lee Counties, Illinois, on the 13th day of November, 2017, 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 The County of Will, Illinois, this ____ day of _____, 2017.

County Clerk of The County of Ogle, Illinois

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF LEE)

FILING CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of Lee, 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 providing for the issue of not to exceed \$600,000 General Obligation Refunding Bonds, Series 2017B, of the City of Rochelle, Lee and Lee Counties, Illinois, for the purpose of refunding certain outstanding bonds of said City, providing for the levy and collection of a direct annual tax sufficient to pay the principal and interest on said Bonds, authorizing and directing the execution of an escrow agreement in connection with the issue of said Bonds, and authorizing the sale of said Bonds to Robert W. Baird & Co. Incorporated.

duly adopted by the City Council of the City of Rochelle, Ogle and Lee Counties, Illinois, on the 13th day of November, 2017, 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 The County of Will, Illinois, this ____ day of _____, 2017.

County Clerk of The County of Lee, Illinois

(SEAL)