

CITY OF GALESBURG

Illinois, USA



2021

November 1 City Council Agenda

Administration
55 West Tompkins Street
Galesburg, IL 61401

City Council Meeting Agenda
City of Galesburg, Illinois
 City Council Chambers
 November 1, 2021

Members of the public who would prefer to view Galesburg City Council meetings remotely, can view the council meetings on Comcast channel 7 or stream the meeting live on the [City's website](#).

- 5:30 p.m. Public Hearing Public Hearing pursuant to the requirements Section 147(f) of the Internal Revenue Code, as amended, on the plans to issue Educational Facilities Revenue Bonds, Series 2021 (Knox College Project) in the amount not to exceed \$45,000,000.
- Presentation Life Saver Awards presented to Lt. Cromien, Lt. Shaw & Officer Williams
- Proclamation Amtrak 50th Anniversary

- 5:30 p.m. Roll Call Pledge of Allegiance
- Invocation
- Approve Minutes from October 18, 2021

Consent Agenda #2021-21

- 21-2030 Resolution 2022 MFT Fill Materials
- 21-2031 Resolution Add streetlights on Brown Avenue and Greenleaf Street
- 21-4100 Approve Whistleblower policy
- 21-4101 Approve Engineering agreement for applying for Rebuild Downtown and Main Street Grant Program
- 21-4102 Approve Geo-Melt products for the 2021-2022 winter season
- 21-8020 Bills and Advance Checks Approval and warrants drawn in payment of same

Passage of Ordinances and Resolutions

- 21-1030 Ordinance Designate Grove St. at Olive St. a stop intersection (Final Reading)
- 21-1031 Ordinance An Ordinance Authorizing and Approving the Issuance and Sale of Not to Exceed \$45,000,000 City of Galesburg, Knox County, Illinois, Revenue Bonds, Series 2021 (Knox College Project), in One or More Series, Taxable or Tax-exempt, of the City of Galesburg, Knox County, Illinois; and Concerning Certain Related Matters (Final Reading)
- 21-1033 Ordinance Zoning map amendment to go from Institutional (I) to General Business (B2) at 898 W Main St (First Reading)

21-1034	Ordinance	Purchase of 355 E. Second Street from the Knox County Trustee (First Reading)
21-1035	Ordinance	Ordinance amendment to add a definition and provisions for Residential Gardens (First Reading)
21-1036	Ordinance	Ordinance dissolving the Tax Increment Financing fund and Redevelopment Project Area (Downtown TIF I) (First Reading)
21-2032	Resolution	Estimation of the 2021 Property Tax Levy

Bids, Petitions and Communications

Public Comment

City Manager's Report

- A. 12/31/22 annual budget is available for public inspection
- B. Stuff the Bus Campaign – November 1 – 22, 2021

Miscellaneous Business (Agreements, Approvals, Etc.)

21-4103	Approve	IAFF Contract
21-4104	Approve	Salary Schedule IAFF
21-4089	Reconsider	Police video trailer

Town Business

21-9023		Bills
21-9024		Estimation of the 2021 Property Tax Levy

Closing Comments

Adjournment

Vision Statement

“The City of Galesburg will be a dynamic community featuring a full range of public amenities to serve a diverse citizenry. The City Council will play a pro-active role in providing leadership to its citizens, neighborhoods, and other public bodies and enact policies which ensure the existence of a broad based economy.”

CITY COUNCIL MEETING City Manager's Report November 1, 2021

CONSENT AGENDA #2021-21

Item 21-2030 2020 MFT Fill Materials

Staff recommends approval of a Motor Fuel Tax (MFT) Maintenance Resolution for purchase of salt, hot mix asphalt, concrete, CA-6 gravel, and high-performance patching mixture for the 2022 calendar year. In order to bid out this contract, the Illinois Department of Transportation requires the City Council approve a MFT resolution. It is proposed to open bids on the materials in December and the bids will be brought to the Council for approval at that time.

Item 21-2031 Streetlights on Brown Avenue and Greenleaf Street

Staff recommends approval of a resolution to install streetlights on Brown Avenue and Greenleaf Street. A request was received to review the street lighting in this area, and the review found that the spacing on Brown Avenue did not meet the City's streetlight spacing guidelines. In addition, the lack of a streetlight at the dead end on Greenleaf Street was not consistent with the other dead end streets in the area and the area was not well lit at night. Installing two 100W LED streetlights on existing wooden power poles, one near 801 Brown Avenue and one near 1022 Greenleaf Street, will bring this area into compliance with the City's street lighting guidelines.

Item 21-4100 Whistleblower Policy

Staff recommends approval of the addition of a whistleblower policy to the personnel policy for exempt & non-represented employees.

Item 21-4101 Engineering Agreement for Grant Program Application

Staff recommends approval of an agreement with Hutchison Engineering, Inc. in an amount not to exceed \$5,000 to prepare a grant application for the State of Illinois Rebuild Downtowns and Main Streets Grant. This is a new one time grant program designed to bring investments to revitalize commercial corridors and main street areas statewide. Based on a staff review of the grant requirements and consultation with Hutchison Engineering, Inc., it is proposed to apply for reconstruction of Parking Lot H (located at 235 E. Simmons Street) as proposed in the Massie and Massie Downtown Development Plan that was approved in 2016. The improvements would include landscaping and resurfacing the lot as well as adding covered areas for event use and for covered parking. In addition to the parking lot, it is proposed to reconstruct the sidewalks and curbing on Simmons Street from Cherry Street to Kellogg Street and add landscaping and decorative streetlights along the street. The project would tie into the Park Plaza project, which was completed last year and would assist the businesses in the downtown area. As part of the project, it would be proposed to resurface the street with a new asphalt surface. The estimated cost of the project would be \$2 million with a proposed 20% local match from the City. The deadline to submit a project is January 1, 2022. Projects are anticipated to be selected in the summer of 2022 and would be constructed in 2023 if selected.

Item 21-4102 Geo-Melt Products for the 2021 – 2022 Winter Season

Staff recommends approval of the purchase of Geomelt 55, EcoSalt, and Bio-AG64 from SNI Solutions as needed for the 2021-2022 winter season at the quoted prices. These products are exclusively supplied to our area by SNI Solutions from Geneseo. The Geomelt product quoted price for 2021-2022 is \$2.05/gallon delivered and the Bio-AG64 is \$2.25/gallon delivered. Last year's prices were \$1.90/gallon and \$2.00/gallon respectively. The increase in price is due to material and labor price increases. It is estimated that the city will use between 9,000 and 13,500 gallons over the course of a winter season. The EcoSalt product is quoted at \$8.50 per bag, which is the same price that was quoted last year. There are sufficient funds budgeted in the City Gas Tax Fund for the purchases.

Item 21-8020 Bills

Bills and Advanced Checks are submitted for approval; please direct questions to Gloria Osborn, Director of Finance and Information Systems.

ORDINANCES AND RESOLUTIONS

Item 21-1030 Designate Grove Street at Olive Street a Stop Intersection (Final Reading)

Staff recommends approval an ordinance to replace the existing yield signs on Grove Street at Olive Street with stop signs. Upon review of the intersection, the Traffic Advisory Committee noted that visibility is restricted to the north and south of Grove Street at Olive Street due to trees, bushes, and structures. Due to these visibility restrictions, stop signs are recommended to be installed instead of the current yield signs.

Item 21-1031 Knox College Bond Issuance (Final Reading)

Staff recommends approval of a bond ordinance for a Knox College project. Knox has requested that the City assist them in the issuance of bonds to refinance existing debt and undertake additional capital projects. The City previously assisted Knox College with issuance of Series 1996 and Series 1999 Bonds, which are part of the debt being refinanced by this new bond issuance. Issuance of debt for a private, not for profit institution of higher learning is a valid exercise of the City's home rule authority. The new bond ordinance authorizes the issuance of up to \$45,000,000. The City has no liability or obligation associated with repayment of the bonds nor any control over the use of the proceeds. The City will be paid an issuance fee associated with this project in the amount of \$25,000. Knox College will also pay the fees incurred by the City's bond counsel and financial advisor per agreement between the parties.

Item 21-1033 Zoning Map Amendment for 898 W. Main Street (First Reading)

The Planning and Zoning Commission recommends approval of a zoning map amendment from I, Institutional to B2, General Business, for a portion of the property located at 898 W Main Street. Staff concur with this recommendation. The Galesburg Community Foundation and River Bend Food Bank have established a formal partnership to bring a Regional Food Bank to the property at 876 W Main Street, which is currently zoned B2, General Business. At the October 4, 2021, meeting the City Council approved donating a portion of property in Graham Park, 898 W Main Street, which is zoned Institutional, to the Galesburg Community Foundation. The city is seeking to amend the zoning of this property to B2, General Business, so the food bank can construct an approximate 4,420 square foot addition to their building for a new cooler and freezer.

Item 21-1034 Purchase of 355 E. Second Street from Knox County Trustee (First Reading)

Staff recommends approval of the purchase of 355 E. Second Street from the Knox County Trustee for \$823.00. The property is in a dilapidated condition, does not have active water service, and has accumulated over \$5,700 in fines and fees for abatement of weeds, trash and debris, and outside storage since 2018. Acquisition of the property from the Trustee would allow the City access to assess the property and determine if rehabilitation is feasible or move forward with demolition and clean-up of the property.

Item 21-1035 Residential Gardens (First Reading)

The Planning and Zoning Commission recommends approval of an amendment to the Development Ordinance regarding residential gardens. Staff concur with this recommendation. The proposed ordinance is intended to encourage residential gardens while keeping positive aesthetics and being a good neighbor in mind. Residential gardens will continue to be allowed as an accessory use on residential properties in the rear and side yards. The amendment to the ordinance will prohibit residential gardens from being in the required front yard setback.

Item 21-1036 Dissolving Downtown TIF I (First Reading)

Staff recommends approval of an ordinance dissolving the Tax Increment Financing fund and Redevelopment Project Area I (Downtown TIF I). TIF I was established on April 1, 1985 and was extended via Public Act 95-0164 for an additional 12 years. TIF I is set to expire December 31, 2021, and as part of the process the City must pass an ordinance dissolving the TIF fund and terminating the area designated as TIF redevelopment project area I (Downtown TIF I).

Item 21-2032 Estimation of the 2021 Property Tax Levy

Staff recommends approval of a resolution to not exceed a levy of 105 percent over the 2020 property tax levy extension. Prior to the first and second readings of the tax levy, a resolution is passed by the City Council stating their intent to exceed or not exceed the 5 percent increase threshold for any truth in taxation public hearing. This Resolution indicates an intention **not** to exceed 105 percent of the 2020 tax extension and thus does not require a truth in taxation public hearing.

BIDS, PETITIONS AND COMMUNICATIONS

CITY MANAGER'S REPORT

- A. 12/31/22 Annual Budget is available for public inspection

MISCELLANEOUS BUSINESS (Agreements, Approvals, Etc.)

Item 21-4103 IAFF Contract

Staff recommends approval of the Collective Bargaining Agreement between City of Galesburg and IAFF Local No. 555 Galesburg Firefighter's Association. The agreement provides for cost of living increases of 2.25% in 2021, 2.25% in 2022, and 2.50% in 2023. No increase in healthcare is included in the negotiated agreement. The parties did agree to a number of contract modifications as well as a new method for the assignment of overtime within the Department.

CITY OF GALESBURG

Administration

Operating Under Council – Manager Government Since 1957

Item 21-4089 Camera Trailer (RECONSIDER)

Information on the purchase of a camera trailer from WCCTV Inc. for the Galesburg Police Department is provided for council reconsideration. Video surveillance is an ever-growing tool utilized by law enforcement for the detection and deterrence of crime. Many camera systems are fixed in nature and only allow for cameras to be used a specific location. The purchase of mobile camera trailer would allow for video surveillance at various locations as needed. Three quotes were submitted for this purchase, with WCCTV, Inc. providing the low quote of \$24,592.32 for a camera trailer with a license plate recognition camera.

TOWN BUSINESS

Item 21-9022 Town Bills

Item 21-9023 Township Tax Levy

Respectfully submitted,
Todd Thompson
City Manager

Public Hearing: Closeout of DCEO Downstate Small Business Stabilization Grant for Formal Wear of Galesburg, Inc.

Galesburg City Council Regular Meeting
City Council Chambers
55 West Tompkins Street, Galesburg, Illinois
October 18, 2021
5:30 p.m.

Proclamation: National Manufacturing Month

Called to order by Mayor Peter Schwartzman at 5:35 p.m.

Roll Call #1: Present: Mayor Peter Schwartzman, Council Members Bradley Hix, Wayne Dennis, Kevin Wallace, Dwight White, Jaclyn Smith-Esters, Sarah Davis, and Larry Cox, 8. Also Present: City Manager Todd Thompson, City Attorney Bradley Nolden, and City Clerk Kelli Bennewitz.

Mayor Schwartzman declared a quorum present.

The Pledge of Allegiance was recited.

Semenya McCord gave the invocation.

Council Member Dennis moved, seconded by Council Member Smith-Esters, to approve the minutes of the City Council's regular meeting from October 4, 2021.

Roll Call #2:

Ayes: Council Members Hix, Dennis, White, Wallace, Smith-Esters, Davis, and Cox, 7.

Nays: None

Absent: None

Chairman declared motion carried.

CONSENT AGENDA #2021-20

All matters listed under the Consent Agenda are considered routine by the City Council and will be enacted by one motion.

21-4098

Approve a Highway Authority Agreement amendment for the right of way on South Seminary Street and East Simmons Street adjacent to 390 East Simmons Street.

21-5018

Receive a schedule of rates for American Ferrier LLC effective November 1, 2021.

21-8019

Approve bills in the amount of \$1,608,934.66 and advance checks in the amount of \$212,480.43.

Council Member Cox moved, seconded by Council Member Davis, to approve Consent Agenda 2021-20.

Roll Call #3:

Ayes: Council Members Hix, Dennis, Wallace, Smith-Esters, Davis, and Cox, 6.

Nays: None

Absent: None

Abstain: Council Member White, 1.

Chairman declared motion carried by omnibus vote.

PASSAGE OF ORDINANCES AND RESOLUTIONS

21-1026

Council Member Hix moved, seconded by Council Member Cox, to approve Ordinance 21-3649 on final reading approving a Zoning Map amendment from I, Institutional to B1, Neighborhood Business, for the property located at 387 East Grove Street and the parking lot to the south (across East Grove Street).

Roll Call #4:

Ayes: Council Members Hix, Dennis, Wallace, White, Smith-Esters, Davis, and Cox, 7.

Nays: None

Absent: None

Chairman declared motion carried.

21-1027

Council Member Smith-Esters moved, seconded by Council Member White, to approve Ordinance 21-3650 on final reading amending Section 152.073 of the Galesburg Municipal Code to allow Community Gardens in the Institutional (I) zoning district.

Roll Call #5:

Ayes: Council Members Hix, Dennis, Wallace, White, Smith-Esters, Davis, and Cox, 7.

Nays: None

Absent: None

Chairman declared motion carried.

21-1028

Council Member White moved, seconded by Council Member Davis, to approve Ordinance 21-3651 on final reading amending Traffic Appendix R of Chapter 77 of the Galesburg Municipal Code to restrict parking on both sides of South Seminary Street from Berrien Street to the south of the corporate limits.

Roll Call #6:

Ayes: Council Members Hix, Dennis, Wallace, White, Smith-Esters, Davis, and Cox, 7.

Nays: None

Absent: None

Chairman declared motion carried.

21-1029

Ordinance on first reading amending Section 113.043(C) of Chapter 113 of the Galesburg Municipal Code regarding the establishment of a Class C-2 liquor license.

Ken Springer, President, Knox County Area Partnership for Economic Development, addressed the Council in favor of this project. He has been working with the client, who plans to demolish the former dilapidated bowling alley building and build a 15,000 square foot store, including two outlots. The total project is estimated at \$4 million and would remove a blighted property. He explained that no incentives are being offered to the developer.

Council Member Dennis inquired about the other liquor stores and if those buildings could end up empty in the near future. Springer stated that this business would bring competition to the market and that they plan to have a wider selection of higher end liquor. Springer also noted that they plan to employ ten full time employees.

Mayor Schwartzman stated that unfortunately the former bowling alley is not fit for refurbishment and that it is likely financially impossible for someone to open the establishment.

Council Member Davis asked about the fencing for the outside patio since it is near a residential area. Springer stated that they plan to use a 6 foot fence and have limited hours.

Ed Sugai addressed the Council expressing concern that with the supply chain issues around the country that the project will be built and have no stock. It was noted that there are many local liquor companies and that the new establishment will work with distributors on that issue.

Council Member Cox reminded the public that the City is not proposing this business, not providing incentives and that it is not City-owned property. He added that the project is not ideal and that he would rather see an entertainment center of some type but that it's not what is before the Council at this time.

Council Member White agreed with Council Member Cox and stated that this new venture will provide income.

Council Member Hix clarified for the record that this property is listed with Century 21 but that he has no financial interest in the project and is not the agent for the property.

Council Member Cox moved, seconded by Council Member Smith-Esters, to suspend the rules and move agenda item 21-1029 to final reading.

Roll Call #7:

Ayes: Council Members Hix, Wallace, White, Smith-Esters, Davis, and Cox, 6.

Nays: Council Member Dennis, 1.

Absent: None

Chairman declared motion carried.

21-1029

Council Member Smith-Esters moved, seconded by Council Member Wallace, to approve Ordinance 21-3652 on final reading for the establishment of a Class C-2 liquor license.

Roll Call #8:

Ayes: Council Members Hix, Dennis, White, Smith-Esters, Davis, and Cox, 6.

Nays: Council Member Wallace, 1.

Absent: None
Chairman declared motion carried.

21-1030

Ordinance on first reading amending Traffic Appendix F of Chapter 76 of the Galesburg Municipal Code to replace the existing yield signs on Grove Street at Olive Street with stop signs.

21-1031

Ordinance on first reading for a bond issuance of up to \$45,000,000 for Knox College for the purpose of refinancing existing debt and to undertake additional capital projects.

21-1032

Ordinance on first reading amending Chapter 35 of the Galesburg Municipal Code to add an Amusement Tax of one cent per play on all video gaming terminals in the City of Galesburg.

City Manager Thompson stated that the House of Representatives has already passed legislation that prohibits municipalities from adopting a push tax on video gaming terminals, unless it was adopted before a specified date (the legislation currently states this date is June 1, 2021). However, the Senate has not passed this bill. Staff have consulted with the Illinois Municipal League and other parties involved in the legislation and believe it is likely that some version of this prohibition could be passed at the upcoming legislative veto session later this month. If it were to pass the Senate, it is possible that the City could be prohibited from adopting this type of amusement tax. Based on this urgency, it is the recommendation of the Administration that Council adopt this ordinance tonight in order to avoid potential preemption by this new state law.

Council Member Dennis inquired if the establishment owners would be paying the tax. The City Manager noted that it is a player's tax and it would be the responsibility of the terminal operators to collect it. City Attorney Brad Nolden stated that he is aware of seven other communities that have a push tax.

It was noted that at least two municipalities have been sued by the Illinois Gaming Machine Operators and several video gaming operators are challenging the validity of the tax. This litigation is pending in Cook County and unless resolved by the legislature, will likely result in a protracted battle through the Circuit Court and Appellate Courts. It is very possible that a similar lawsuit could be filed against the City of Galesburg and other municipalities which are in the process of adopting similar ordinances.

City Manager Thompson commented that there is no effective date in the ordinance and that it currently states that the City Manager is authorized to decide the date, means of collection, etc.

The Mayor stated that he and other Council Members attended a session at the IML Conference regarding an amusement tax (push tax) and the revenue it could bring in and keep in communities.

Council Member Dennis believes that this would be another burden on the establishments, who also pay liquor license fees, food and beverage taxes, gaming license fees, as well as utilities and insurance.

Bill Motz, The Corral, addressed the Council and stated that the City raised the liquor license fees recently, enacted a gaming terminal license fee, and now wants to approve this tax. He feels that the City picks on bars and has been hitting them hard lately.

Mike Budde, Budde's, addressed the Council and stated that he talked to his terminal operator and that he was told their software is not set up or capable of collecting this information. Dianne Budde also stated her opposition and commented that our taxes (liquor fees and food and beverage tax) equate to Chicago's taxes. They just celebrated fourteen years in business and it's been hard work to survive. She added that the City has made upwards of \$400,000 on gaming over the last three years.

Council Member Hix asked who would pay the tax, the terminal operator or the establishment owner. City Attorney Nolden stated that the ordinance is written that the terminal operator, or gaming machine owner, is responsible for the tax.

Council Member White addressed the audience and explained that the Council needs to approve the tax at this time so that they have the ability to enact the push tax ordinance in the future. There is no enactment date set yet which will give staff time to explore the logistics of collection.

Council Member Cox moved, seconded by Council Member Smith-Esters, to suspend the rules and move agenda item 21-1032 to final reading.

Roll Call #9:

Ayes: Council Members Wallace, White, Smith-Esters, Davis, and Cox, 5.

Nays: Council Members Hix and Dennis, 2.

Absent: None

Chairman declared motion carried.

Council Member Smith-Esters stated that this ordinance will not take effect tomorrow and that they understand and want to be careful how it affects business. She hopes everyone can work as a team on this issue.

Council Member Cox inquired about which cities have enacted the ordinance and been collecting. It was noted that the City is aware of two communities who have approved and enacted an ordinance that has been in effect for one month. Council Member Cox expressed that he believes the gaming companies will figure out the procedures and that citizens locally have paid millions to play these games and that a penny will not deter anyone. He added that he wished there was no gaming, which takes money out of individuals pockets, and instead they would keep their money and spend it responsibly.

Council Member Smith-Esters moved, seconded by Council Member Cox, to approve Ordinance 21-3653 on final reading to add an Amusement Tax of one cent per play on all video gaming terminals in the City of Galesburg.

Roll Call #10:

Ayes: Council Members White, Smith-Esters, Davis, and Cox, 4.

Nays: Council Members Hix, Dennis, and Wallace, 3.

Absent: None

Chairman declared motion carried.

BIDS, PETITIONS, AND COMMUNICATIONS

21-3021

Council Member White moved, seconded by Council Member Wallace, to approve a bid for the 2021 supply of water main materials for Frank Street from Henderson Street to Hawkinson Avenue.

Roll Call #11:

Ayes: None

Nays: Council Members Hix, Dennis, Wallace, White, Smith-Esters, Davis, and Cox, 7.

Absent: None

Chairman declared motion failed.

21-3022

Council Member Smith-Esters moved, seconded by Council Member White, to approve the bid from Tech Solutions in the amount of \$133,790 to replace the current City Hall data cable plant and remove the old cable plant. Orlee Lucero, Information Systems Specialist, stated that he is unclear why there was such a discrepancy between the bids but that he saw no material or quality differences.

Roll Call #12:

Ayes: Council Members Hix, Dennis, Wallace, White, Smith-Esters, Davis, and Cox, 7.

Nays: None

Absent: None

Chairman declared motion carried.

Council Member Hix and White left the meeting at 6:50 p.m.

PUBLIC COMMENT

Pam Davidson addressed the Council and stated she was sad to hear that the Hawthorne Pool may close and the City needs to keep the community pool.

Council Member White returned to the meeting at 6:53 p.m.

Jerry Ryberg brought a resolution he drafted to the Council's attention for allowing adult personal use and possession of entheogenic psychoactive plants and fungi in the City of Galesburg. He asked for the Council's consideration of the resolution.

Council Member Hix returned to the meeting at 6:55 p.m.

Ed Sugai invited the Council and public to attend a 100 year anniversary celebration for Coney Island on Saturday, October 23rd, at 3 p.m. at the establishment. He added that the Mayor would be in attendance.

Semenya McCord cited to the Council that after her retirement she became a part time attendant at a gaming parlor. She stated that there is an interesting crowd of regulars but doesn't believe the penny tax would deter anyone from playing the video gaming machines. She added that in fact, many people leave receipts for small winning amounts on the floor and don't seem to care about cashing them in.

CITY MANAGER'S REPORT

A. October Traffic Advisory Committee report received.

Council Member Cox asked about the tabled police camera trailer. The City Manager stated that more information had been provided and that it would be on the next agenda.

MISCELLANEOUS BUSINESS (Agreements, Approvals, Etc.)

21-4099

Council Member Dennis moved, seconded by Council Member Smith-Esters, to approve an agreement with Managing Results, LLC in the amount of \$30,950 to provide strategic planning services.

Roll Call #13:

Ayes: Council Members Hix, Dennis, Wallace, White, Smith-Esters, Davis, and Cox, 7.

Nays: None

Absent: None

Chairman declared motion carried.

Mayor Schwartzman noted that the timeline for a strategic planning session is to have it complete by Thanksgiving. Council Members should expect a phone call or email to begin scheduling the session soon.

Council Member Davis moved, seconded by Council Member Smith-Esters, that the City Council sit as the Town Board. The motion carried by voice vote.

TOWN BUSINESS

21-9022

Trustee Smith-Esters moved, seconded by Trustee White, to approve Town bills and warrants be drawn in payment of same.

Fund Title	Amount
Town Fund	\$4,382.14

General Assistance Fund	\$2,790.63
IMRF Fund	\$2,384.44
Social Security/Medicare Fund	\$2,443.68
Liability Fund	
Audit Fund	
Total	\$12,000.89

Roll Call #14:

Ayes: Trustees Hix, Dennis, Wallace, White, Smith-Esters, Davis, and Cox, 7.

Nays: None

Absent: None

Chairman declared motion carried.

Trustee Smith-Esters moved, seconded by Trustee Davis, to resume sitting as the City Council. The motion carried by voice vote.

CLOSING COMMENTS

Council Member Smith-Esters announced that Treat Street would be happening again this year on Saturday, October 30th, 11 a.m. - 1 p.m. downtown Galesburg. Trick or Treating in the City will be on the 31st from 5-8 p.m. She asked that with the holiday and the evenings getting darker that everyone be careful of kids in the streets and to drive slower.

Council Member Davis also hoped residents could attend Treat Street. She also announced that Bethel Baptist Church will have their Trunk or Treat on the 31st. Other area activities include Parks & Recreation's Haunted Trail on Fridays and Saturdays in October, 7-11 p.m., the Orpheum Theatre's free After Dark Friday Night Film Fest movie series, and the Prairie Player's production of *Little Shop of Horrors*, the weekend of October 28-31, 2021.

Council Member Cox congratulated Coney Island, a true community treasure, on their anniversary. He also congratulated Brighter Life Bookshoppe on their new location and grand re-opening tomorrow. Council Member Cox added that he agrees with Jerry Ryberg on his resolution but isn't sure the City Council is the right body to assist.

Council Member Wallace thanked Steve Gugliotta, Community Development Director, for a problem property in his ward.

Council Member White expressed that this week and tonight has been the most difficult he's had since being a Council Member. He thanked everyone for attending and for their input and believes it will all work out and benefit the City.

Mayor Schwartzman presented his Mayor's Award to Melvin Siverly. Mr. Siverly has been in manufacturing for over 30 years and has volunteered his time as a teacher and a Galesburg Public Library Board member.

He also congratulated Coney Island on their 100 year anniversary. He also noted that Sprinkle & Spoon, which started out at the former Armory building, is moving to a brick and mortar location on the corner of Seminary and Simmons Street.

The Mayor thanked those that have submitted Board & Commission applications, especially from the new website, and will be making appointments at the next meeting.

He also thanked those that showed up and participated in the Lake Storey clean up. He also encouraged those that enjoy that type of activity to support Chad Pregracke, Living Lands & Waters, whose mission it is to protect, preserve and restore the natural environment of the nations' major rivers and their watersheds.

Mayor Schwartzman reported that he had the opportunity to attend the Vocation Center open house, which is a state of the art facility. He believes it provides a great opportunity for our community residents to learn about good paying jobs and thanked the school district for being in the forefront of the project.

The Mayor announced that Pegasus Manufacturing has received a Governor's Award for their industry and innovation in celebration of National Manufacturing Month.

Lastly, the Mayor wished former Council Member Allen a speedy recovery at home.

There being no further business, Council Member White, seconded by Council Member Dennis, to adjourn the regular meeting at 7:16 p.m.

Roll Call #15:

Ayes: Council Members Hix, Dennis, Wallace, White, Smith-Esters, Davis, and Cox, 7.

Nays: None

Absent: None

Chairman declared motion carried.

Peter D. Schwartzman, Mayor

Kelli R. Bennewitz, City Clerk

Proclamation



WHEREAS, The U.S. Congress passed a law in 1970 that transferred the requirement of the railroads to operate passenger trains to the federally-owned National Railroad Passenger Corporation, and;

WHEREAS, when the U.S. Department of Transportation drew maps saying where these Amtrak trains would go, they did not include local service in Illinois between Quincy and Chicago, including Macomb, Galesburg, Kewanee, Princeton, Mendota, Plano and the Chicago Suburbs, and the service ended on May 11, 1971, and;

WHEREAS, when interests in Macomb and Quincy lost their fight against the law in federal court, they then asked the State of Illinois to sponsor the service, worked communities along the route, and convinced the Illinois Legislature and Governor to sponsor daily local Amtrak service under the Illinois Department of Transportation, and;

WHEREAS, the morning eastbound and evening westbound Illinois Zephyr trains have operated since November 4, 1971, and;

WHEREAS, the City of Galesburg has for 50 years benefitted from the longest continuously operated state-supported train in the Amtrak network, with total 2019 ridership to and from our station of 90,796, and;

WHEREAS, these same communities banded together in 2006 to create the Amtrak Carl Sandburg train, with departures westbound in the morning and eastbound in the evening, doubling local service on the route and marking its 15th anniversary this year, so;

NOW THEREFORE, I, Peter Schwartzman, Mayor of the City of Galesburg, Illinois, do hereby proclaim Wednesday, November 3, 2021, as **Amtrak Anniversary Day in Galesburg**, recognizing the work in 1971 and again in 2006 that resulted in our City having vital passenger train connections to and from Chicago and cities in Western and North-Central Illinois, and:

BE IT FURTHER RESOLVED, we will continue to work with other cities on the route, Amtrak, the Illinois Department of Transportation, and others to maintain and improve our local Amtrak service that is such an asset to our community and the region.

Dated this 1st day of November 2021.

Mayor Peter D. Schwartzman

**CITY OF GALESBURG
COUNCIL LETTER
NOVEMBER 1, 2021**

AGENDA ITEM: Motor Fuel Tax (MFT) Maintenance Resolution for purchase of salt, hot mix asphalt, concrete, CA-6 gravel, and high-performance patching mixture for the 2022 calendar year.

SUMMARY RECOMMENDATION: The City Manager, Director of Public Works, and City Engineer recommend approval of the Motor Fuel Tax Maintenance Resolution for 2022 material purchases.

BACKGROUND: For the 2022 calendar year, concrete, salt, hot mix asphalt, CA-6 gravel, and high-performance patching mixture is budgeted to be paid from the MFT Fund. In order to bid out this contract, the Illinois Department of Transportation requires the City Council approve a MFT resolution. This resolution covers the materials that will be used in the time period from January 1, 2022 to December 31, 2022. The total of the resolution is \$370,000. Salt is purchased based on a contract with the State of Illinois and will be brought for approval at a future meeting for the 2021-2022 winter season. It is proposed to open bids on the materials in December and the bids will be brought to the Council for approval at that time.

BUDGET IMPACT: There are sufficient funds budgeted for this work in the 2022 Budget from the MFT Fund.

SUPPORTING DOCUMENTS:

1. MFT Resolution



Resolution for Maintenance Under the Illinois Highway Code



Resolution Number	Resolution Type	Section Number
	Original	22-01003-50-GM

BE IT RESOLVED, by the Council of the Galesburg of Galesburg Illinois that there is hereby appropriated the sum of three hundred seventy thousand and 00/100 Dollars (\$370,000.00)

of Motor Fuel Tax funds for the purpose of maintaining streets and highways under the applicable provisions of Illinois Highway Code from 01/01/22 to 12/31/22.

BE IT FURTHER RESOLVED, that only those operations as listed and described on the approved Estimate of Maintenance Costs, including supplemental or revised estimates approved in connection with this resolution, are eligible for maintenance with Motor Fuel Tax funds during the period as specified above.

BE IT FURTHER RESOLVED, that City of Galesburg shall submit within three months after the end of the maintenance period as stated above, to the Department of Transportation, on forms available from the Department, a certified statement showing expenditures and the balances remaining in the funds authorized for expenditure by the Department under this appropriation, and

BE IT FURTHER RESOLVED, that the Clerk is hereby directed to transmit four (4) certified originals of this resolution to the district office of the Department of Transportation.

I Kelli Bennewitz City Clerk in and for said City of Galesburg in the State of Illinois, and keeper of the records and files thereof, as provided by statute, do hereby certify the foregoing to be a true, perfect and complete copy of a resolution adopted by the

Council of Galesburg at a meeting held on 11/01/21.

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal this 1 day of November, 2021.

(SEAL)

Clerk Signature

APPROVED

Regional Engineer
Department of Transportation

Date

**CITY OF GALESBURG
COUNCIL LETTER
NOVEMBER 1, 2021**

AGENDA ITEM: Resolution to install street lights on Brown Avenue and Greenleaf Street.

SUMMARY RECOMMENDATION: The City Manager, Director of Public Works and City Engineer recommend approval of a resolution authorizing additional street lights on Brown Avenue and Greenleaf Street.

BACKGROUND: A request was received to review the street lighting near Brown Avenue and Greenleaf Street. The review found that the spacing on Brown Avenue between Greenleaf Street and Washington Avenue did not meet the City's street light spacing guidelines. Also, the lack of a street light at the dead end on Greenleaf Street was not consistent with the other dead end streets in the area and the area was not well lit at night.

Installing two 100W LED street lights on existing wooden power poles, one near 801 Brown Avenue and one near 1022 Greenleaf Street, will bring this area into compliance with the City's street lighting guidelines.

BUDGET IMPACT: Each light will cost the City an additional \$3.19 per month in electrical costs.

SUPPORTING DOCUMENTS:

1. Resolution

RESOLUTION NO. _____

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GALESBURG,

KNOX COUNTY, ILLINOIS:

SECTION ONE: The city shall install one 100W LED street light on an existing wood pole in front of 801 Brown Avenue and one 100W LED street light on an existing wood pole in front of 1022 Greenleaf Street.

SECTION TWO: That this Resolution shall be in full force and effect upon its passage and approval.

Approved this ____ day of _____, 20 ____, by a roll call vote as follows:

Roll Call #: _____

Ayes: _____

Nays: _____

Absent: _____

Peter Schwartzman, Mayor

ATTEST:

Kelli R. Bennewitz, City Clerk

**COUNCIL LETTER
CITY OF GALESBURG
November 1, 2021**

AGENDA ITEM: Addition of Section 1.09 Whistleblower Policy of the Personnel Policy for Exempt & Non-Represented Personnel.

SUMMARY RECOMMENDATION: The City Manager, and the City Attorney & Director of Administrative Services recommend approving the Whistleblower Policy.

BACKGROUND: The Safety, Accountability, Fairness and Equity-Today (SAFE-T) Act amends the Public Officer Prohibited Activities Act by adding Section 4.1, “Retaliation Against a Whistleblower”, to provide whistleblower protections prohibiting retaliation by units of local government. The attached policy satisfies the requirement of the Act.

BUDGET IMPACT: There is no budgetary impact.

SUPPORTING DOCUMENTS:

1. Section 1.09 Whistleblower Policy

Section:	Administration	Effective Date:	10/18/2021
Number:	1.09	Last Revision:	
Title:	Whistleblower Protection Policy		

Whistleblower Reporting and Anti-Retaliation Policy and Procedures

1. General Policy

It is the policy of the City of Galesburg, Illinois to act in accordance with Illinois Public Act 101-652 generally, and specifically Section 4.1 of that Act.

It is the policy of the City to prohibit any official from retaliating against any employee who: (a) reports an improper governmental action, (b) cooperates in the investigation related to a report of an improper governmental action, or (c) testifies in a proceeding or prosecution of an improper governmental action. An improper governmental action is defined as follows.

“Improper governmental action” includes any action by a unit of local government employee, an appointed member of a board, commission, or committee, or an elected official of the unit of local government that is undertaken in violation of federal, State, or unit of local government law or rule; is an abuse of authority; violates the public’s trust or expectation of their conduct; is of substantial and specific danger to the public’s health or safety; or is a gross waste of public funds.

“Improper governmental action” does not include a unit of local government personnel actions, including, but not limited to employee grievances, complaints, appointments, promotions, transfers, assignments, reassignments, reinstatements, restorations, reemployment, performance evaluations, reductions in pay, dismissals, suspensions, demotions, reprimands, or violations of collective bargaining agreements, except to the extent the actions amounts to retaliation. Retaliation, in this context means retaliatory action that results from an employee’s protected activity of reporting improper governmental action, cooperating in the investigation, proceeding or prosecution of a reported improper governmental action.

Copies of this Policy and Procedure, along with a copy of Section 4.1 of Public Act 101-652 will be given to every employee upon hiring. Additionally, these same documents will be furnished or made available to all employees on an annual basis.

2. Procedures for Reporting and Investigating Reports of Improper Governmental Action

A. Reporting an “Improper Governmental Action” or Retaliation.

1. If an employee believes that they have witnessed an improper governmental action, as defined in the Policy above, the employee must submit a written report of the improper governmental action to the Auditing Official, which Auditing Official has been designated in Section 3.

2. If an employee believes that they have been retaliated against for reporting improper governmental action, or cooperating in the investigation, or procedure involving an improper governmental action, the employee must report such alleged retaliation to the Auditing Official within sixty (60) days of the retaliatory action taking place.
3. The Auditing Official may transfer the complaint to another auditing official, including the State's Attorney of Knox County, if they determine that it is appropriate.
4. If the Auditing Official is also the subject of the complaint, the Complainant may file the complaint with the State's Attorney of Knox County.

B. Investigation of Complaint.

1. Identity of the Complainant
 - a. The Auditing Official will keep the identity of the Complainant confidential to the extent allowed by law.
 - b. The Complainant may waive confidentiality in writing on a form presented to the Auditing Official.
2. The Auditing Official shall investigate the complaint promptly and thoroughly and conclude whether or not the evidence gathered through such investigation warrants merit of a finding that either an improper governmental action, or retaliation for filing such a complaint or complying with such investigation occurred or did not occur.
3. The investigation by the Auditing Official may include:
 - a. Interviews of the Complainant and witnesses;
 - b. Interviews of governmental officials who may have knowledge about the complaint or may be the subject of the complaint;
 - c. Inspection of documentation (in written, printed, or electronic format) relevant to the complaint;
 - d. Take any other appropriate measures to ensure that the complaint has been thoroughly investigated.
 - e. Make a determination whether the complaint has merit or whether the complaint does not have merit.

C. Determination and Remedial Action If Necessary.

1. If the Auditing Official determines that the complaint has no merit, they can dismiss the complaint.
2. If the Auditing Official determines that the complaint has merit, they may take remedial action on behalf of the Complainant, including reinstatement, reimbursement for lost wages or expenses, promotion, or other remedial action that the Auditing Official deems appropriate. The Auditing Official may also make their investigation findings available to the Complainant's attorney if the Auditing Official finds that restitution is not sufficient.
3. Any person who engages in prohibited retaliation under Section 4.1 of Public Act 101-652 may also be subject to fines, appropriate employment action, civil or criminal prosecution, or any combination of these actions.

3. Designation of Auditing Official

The City designates the City Manager or the Manager's designee to serve as the Auditing Official of the City, with the duties and responsibilities set forth in 50 ILCS 105/4.1 and this Policy.

Employee Acknowledgement of Whistleblower Protection Policy

I confirm that I have received, read, and understand the “Whistleblower Protection Policy” for employees of the City of Galesburg _____.

I understand that as an employee, it is my responsibility to abide by this Policy. If I have questions about the Policy, I understand it is my responsibility to seek clarification from the proper supervisory department, the Auditing Official, or the State’s Attorney of Knox County.

Print Name: _____

Employee Signature: _____

Date: _____

**CITY OF GALESBURG
COUNCIL LETTER
NOVEMBER 1, 2021**

AGENDA ITEM: Agreement with Hutchison Engineering, Inc to prepare a grant application for the State of Illinois Rebuild Downtowns and Main Streets Grant.

SUMMARY RECOMMENDATION: The City Manager, Director of Public Works and City Engineer recommend approval of an agreement with Hutchison Engineering Inc to prepare a grant application in an amount not to exceed \$5,000.

BACKGROUND: The Illinois Department of Commerce and Economic Opportunity (DCEO) is accepting applications for the Rebuild Downtowns and Main Streets Grant. This is a new one time grant program designed to bring investments to revitalize commercial corridors and main street areas statewide. The program leverages funds from the American Rescue Plan Act to provide grants for construction, repair and modernization of public infrastructure and amenities to boost jobs, improve quality of life and stimulate economic activity for areas hit hardest during COVID-19. Projects must be located in a commercial center or downtown area and may include, but are not limited to: roadways, parking and public way improvements, parks and venues or plazas for public use, sustainability upgrades, structural repairs, and mixed-use or transit-oriented development. This grant opportunity is intended for infrastructure investment that has a strong and direct connection with efforts to promote recovery from the COVID-19 health and economic crisis. Priority will be given to projects that are located in a disproportionately impacted area, an Opportunity Zone, or a Qualified Census Tract. Projects that advance initiatives that are part of a regional or local plan will also score higher.

The program is competitive and provides \$50 million for projects across Illinois. The minimum grant size is \$250,000 and the maximum grant size is \$3 million. There is no match requirement however, projects are scored higher if a local match is provided. Based on a staff review of the grant requirements and consultation with Hutchison Engineering, Inc., it is proposed to apply for reconstruction of Parking Lot H (located at 235 E. Simmons Street) as proposed in the Massie and Massie Downtown Development Plan that was approved in 2016. The improvements would include landscaping and resurfacing the lot as well as adding covered areas for event use and for covered parking when events are not going on. In addition to the parking lot, it is proposed to reconstruct the sidewalks and curbing on Simmons Street from Cherry Street to Kellogg Street and add landscaping and decorative streetlights along the street. The project would tie into the Park Plaza project which was completed last year and would assist the businesses in the downtown area. As part of the project, it would be proposed to resurface the street with a new asphalt surface. The project is located in a qualified census tract in addition to being adjacent or nearby many businesses impacted by COVID, which would make it a strong application for the program. The estimated cost of the project would be \$2 million with a proposed 20% local match from the City. The deadline to submit a project is January 1, 2022. Projects are anticipated to be selected in the summer of 2022 and would be constructed in 2023 if selected.

BUDGET IMPACT: The grant application agreement amount of \$5,000 would be paid from the City Gas Tax Fund. If selected for the grant, the City's share of the grant project, estimated at \$400,000 is planned to be funded through a combination of MFT, City Gas Tax, and Utility Tax funds in 2023.

SUPPORTING DOCUMENTS:

1. Agreement with Hutchison Engineering, Inc.
2. Exhibit from Downtown Development Plan for Parking Lot H

Hutchison Engineering, Inc.

Since 1945

Carbondale • Jacksonville • Quad Cities • Peoria • Shorewood

October 14, 2021

Aaron Gavin
City Engineer
City of Galesburg
55 W. Tompkins
Galesburg, IL 61402

Re: Rebuild Downtowns & Main Streets Capital Grant Program (RDMS) Grant Application Assistance Services

Dear Mr. Gavin:

As requested, we are pleased to submit a Professional Services Agreement for RDMS grant assistance services for street reconstruction/streetscaping on Simmons St. from Cherry St. to Kellogg St. The services to be provided are outlined in the attached Exhibit A - Scope of Services.

If you have any questions, please contact me at (309) 368-0689. We look forward to working with you on this project and continuing our relationship with the City of Galesburg.

Very truly yours,

Hutchison Engineering Inc.



W. Shane Larson, P.E.

Vice President

Attach.

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT made this _____ day of _____ October _____, 2021 by & between

City of Galesburg

55 W. Tompkins St., Galesburg, IL 61402

hereinafter called the OWNER and **Hutchison Engineering, Inc.**,
1801 W. Lafayette Avenue, P. O. Box 820, Jacksonville, IL 62651, hereinafter called the ENGINEER.

WITNESSETH: That whereas the OWNER desires Professional Engineering or Land Survey Services as follows:

See attached Exhibit A – Scope of Services for Rebuild Downtowns & Main Streets Capital Grant Program grant application assistance services for reconstruction/streetscaping of Simmons St. from Cherry St. to Kellogg St.

NOW THEREFORE:

The ENGINEER AGREES to provide the above described services in accordance with the generally accepted engineering practices.

The OWNER AGREES to compensate the ENGINEER for the actual time spent in providing the above described services in accordance with the ENGINEER’s attached Schedule of Hourly Charges in effect at the time the services are performed, unless otherwise provided herein. **The Not-to-Exceed cost for the above noted services is Five Thousand Dollars (\$5,000).**

IT IS MUTUALLY AGREED:

Payment for the services rendered shall be made monthly in accordance with invoices issued by the ENGINEER. Invoices not paid within thirty (30) days from the date of the invoice will be considered delinquent and shall bear interest at the rate of 12% per annum from the date of invoice until fully paid and OWNER shall be liable to ENGINEER for any reasonable attorney’s fees, court costs or related expenses incurred in connection with the effort to collect said delinquencies. Services may be suspended by ENGINEER if payments are not paid within thirty (30) days of OWNER’s receipt of invoice. In the event that the ENGINEER deems that a lien or other legal action is necessary to enforce collection of services rendered, the OWNER shall bear all lien fees, legal expenses and court costs.

Either the OWNER or the ENGINEER may terminate this agreement at any time by giving the other party five (5) days written notice thereof, in which case, the ENGINEER shall be paid in full for all services performed to the date of termination.

The OWNER agrees to limit the ENGINEER’s liability to the OWNER and to all construction contractors and sub-contractors on the PROJECT, due to the ENGINEER’s negligent acts, errors or omissions, such that the total aggregate liability of the ENGINEER to all those named shall not exceed fifty thousand dollars (\$50,000.00) or the ENGINEER’s total fee for services rendered on this PROJECT, whichever is greater.

IT IS FURTHER MUTUALLY AGREED:

The OWNER and the ENGINEER each binds himself, his partners, successors, executors, administrators and assignees to each other party hereto in respect to all the covenants and agreements herein and except as above, neither the OWNER nor the ENGINEER shall assign or transfer any part of his interest in this AGREEMENT without the written consent of the other party hereto.

IN WITNESS WHEREOF, the parties hereto have made and executed this AGREEMENT as of the day and year first above written.

OWNER:
City of Galesburg

ENGINEER:
HUTCHISON ENGINEERING, INC.

By: _____

By: *W. Sha Lan*

Title: _____

Title: Vice President

HUTCHISON ENGINEERING, INC.

**CITY OF GALESBURG – REBUILD DOWNTOWNS & MAIN STREETS CAPITAL GRANT PROGRAM GRANT
APPLICATION ASSISTANCE**

EXHIBIT A - SCOPE OF SERVICES

Whereas the City of Galesburg (Client) has requested a proposal from Hutchison Engineering, Inc. (Consultant), to provide professional services related to the development of a Rebuild Downtowns & Main Streets Capital Grant Program (RDMS) Grant application for street reconstruction/streetscaping on Simmons St. from Cherry St. to Kellogg St., Hutchison Engineering, Inc. agrees to provide the services described in the ensuing paragraphs.

SERVICES: Hutchison Engineering's proposed scope of services is as follows:

1. Attend Initial Scoping/Kick-off Meeting
2. Initial Site Visit
3. Application:
 - a. Develop Uniform Grant Application & Coordinate City Signatures.
 - b. Develop Uniform Capital Budget Template & Coordinate City Signatures.
 - c. Develop Conflict of Interest Disclosure & Coordinate City Signatures.
 - d. Develop Mandatory Disclosures & Coordinate City Signatures.
 - e. Project Narrative
 - i. Description of Commercial Corridor or Business District.
 1. Narrative
 2. Demographic Data
 3. Business Information (#, type, etc.)
 4. Photo Log
 5. Project Map/Exhibits
 - ii. Description of Proposed Project
 - iii. Assessment of How Proposed Project Would enhance the Commercial Corridor
 1. How project accomplishes goals established in regional/local economic plan.
 2. How project would preserve/enhance the aesthetics and historical character.
 3. How project compliments other amenities to foster economic development.
 4. How project directly impacts businesses and/or amenities currently located in the corridor.
 5. How project will result in future local investment by businesses.
 - iv. Detailed evidence that shows how project is an area that has exp. major economic development, job loss, etc.
 - v. Documentation the proposed area/businesses have been significantly harmed by COVID.
 - vi. Narrative from Treasury guidance document.
 - vii. Demonstration of Ability/Capacity to complete the project.
 - viii. Minority Inclusion Plan.
 - ix. Discussion of Matching Funds.

HUTCHISON ENGINEERING, INC.

**CITY OF GALESBURG – REBUILD DOWNTOWNS & MAIN STREETS CAPITAL GRANT PROGRAM GRANT
APPLICATION ASSISTANCE**

EXHIBIT A - SCOPE OF SERVICES

- f. Letters of Support
 - i. Develop draft Letter of Support.
 - ii. Disseminate draft letter of support to legislators, business owners, community groups.
 - iii. Collect Letters of Support.
- g. Develop Project Schedule.
- h. Develop Project Cost Estimate.
- 4. Develop draft application and submit to City for review.
- 5. Develop final application and submit to DCEO.

HUTCHISON ENGINEERING, INC.
Jacksonville, IL, Shorewood, IL
Peoria, IL, Moline, IL
SCHEDULE OF HOURLY CHARGES
Effective January 1, 2021

Engineering Technician 1.....	90.00 per hour
Engineering Technician 2.....	108.00 per hour
Engineering Technician 3.....	120.00 per hour
Engineering Technician 4.....	135.00 per hour
Engineering Technician 5.....	145.00 per hour
Engineering Technician 6.....	165.00 per hour
Engineer 1.....	107.00 per hour
Engineer 2.....	130.00 per hour
Engineer 3.....	152.00 per hour
Engineer 4.....	170.00 per hour
Engineer 5.....	205.00 per hour
Project Manager.....	235.00 per hour
Principal of Firm.....	260.00 per hour
Computer Aided Design/Drafting.....	15.00 per hour
Nuclear Density Equipment.....	50.00 per day (\$25.00 Minimum)
Breaking Concrete Cylinders	20.00 Each
GPS Equipment.....	200.00 per day (\$100.00 Minimum)
Robotic Survey Equipment.....	100.00 per day (\$50.00 Minimum)
Expenses such as sub-surface investigations, laboratory testing, bituminous proportioning, printing, mileage and subsistence shall be billed at actual cost.	

Premium portion of overtime hours will be billed as a direct cost.

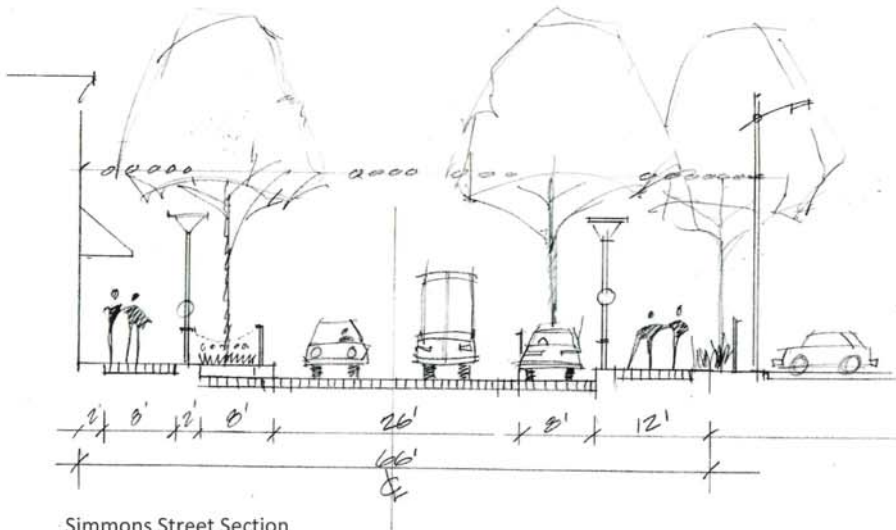
The above rates shall apply to any services for the calendar year in effect, after which the rates shall be adjusted to the then current calendar year schedule used by the firm.

Simmons Street Inclusive Urban Corridor

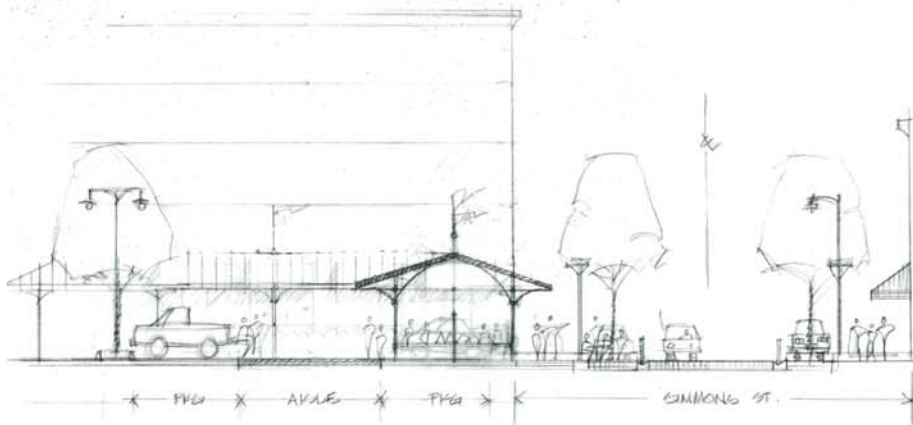
Simmons Street parallels Main Street one block to the south. This secondary street is bordered by theaters, restaurants, retail businesses, and several parking lots. The parking lots are used for major community festivals and events including a farmers' market. With the future development of the Railroad Hall of Fame and expansion of the Children's Discovery Depot and the Train Museum, this corridor will become the connecting pedestrian link north to Main Street and west to Broad Street. The corridor and its connecting side streets could be developed into an exciting urban atmosphere with activities and uses that attract visitors, new residents and new business opportunities.

Proposed treatments to achieve an inclusive urban corridor include:

- Replace the street pavement of Simmons Street with permeable unit pavers that allow rapid infiltration of storm water. New and wider sidewalks could be installed that encourage outdoor dining, sidewalk displays and other activities. On-street parking can remain and share the same space with street trees and flowerbeds. Through traffic would be discouraged and driveways limited to parking lots.
- Reconfigure public parking areas to allow ingress and egress without having one-way traffic. Maintain service access to buildings. Add trees and planted islands along with fencing and plantings to help define and screen the lots. Provide convenient access for both pedestrians and service vehicles, day-to-day and during community events.
- Establish a new lighting system that incorporates modern lower fixtures in combination with higher poles as is being recommended elsewhere in the downtown. Other auxiliary festival lighting and architectural lighting should be used to create an attractive nighttime atmosphere that makes the corridor comfortable and inviting. Poles should incorporate power receptacles for temporary vendors and exhibits.
- Recreate Park Plaza as a new urban space for outdoor activities and events. The plaza location near the Art Center offers the opportunity for various exhibits and programs. The area should be accessible and open to allow flexibility in uses including times when the space is passive essentially visual in nature. Alley and niches in this area could become small outdoor urban environments that are useable and attractive particularly improving the rear facades of buildings exposed to view.
- Introduce a series of interpretive markers, wayfinding kiosks, and small resting areas to encourage casual pedestrian movement.
- Replace the pavement of South Prairie and South Cherry for the block between Main and Simmons with historic street pavers to replicate the Seminary, Kellogg and Broad streets blocks that are brick.
- Repeat the proposed Simmons Street sidewalk and on-street parking treatment for the main connecting pedestrian routes (west side of Seminary, north side of Mulberry, north side of Tompkins, and the east side of Cherry)



Simmons Street Section



Optional Enhancement – Covered area within public parking lot



Simmons St. - 200E

Prairie to Kellogg

Proposed Improvements

Simmons Street

1. Replace asphalt street with permeable unit pavers.
2. Install 12' wide sidewalks (8' unobstructed with 2' borders).
Add trees between on-street parking spaces. Protect with vertical curbs.
3. Add trees between on-street parking spaces. Protect with vertical curbs.
4. Replace lights with Kellogg St. style lights. ♦
5. Add pedestrian-style lights. ■
6. Reconfigure parking lot layout to add green space and trees (lose 11 spaces).
7. Screen parking lot with fence and vegetation.
8. Add entry drive on Simmons Street to parking lot to improve vehicular circulation.
9. Eliminate two entry drives to parking lot on Kellogg Street to increase pedestrian safety.
10. Optional Enhancement: Add covered area within the parking lot along Simmons and Kellogg Streets for event use.

Prairie Street

11. Replace asphalt street with reused brick pavers, north of Simmons Street.
12. Stain existing concrete sidewalk to create contrasting amenity border along east side of street, north of Simmons St. (Optional Enhancement: Unit pavers).
13. Replace concrete pavement with turf boulevard on the east side of the street, south of Simmons St.
14. Re-lamp existing lights. ○
15. Add trees in turf boulevard.














Kellogg Street

16. Stain existing concrete sidewalk to create contrasting amenity border along west side of street, north of Simmons St. (Optional Enhancement = unit pavers).
17. Replace concrete pavement with turf boulevard on the west side of the street, south of Simmons St.
18. Replace lights with Kellogg St. style lights. ♦






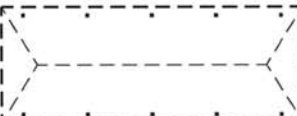

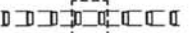



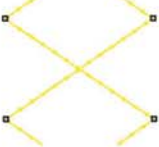

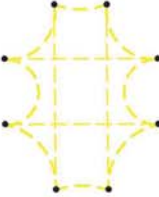





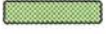


















Legend

Existing

	Right-of-way
	Sanitary Pipe
	Storm Pipe
	Water Line
	Sanitary Manhole
	Storm Manhole
	Storm Drain Inlet
	Fire Hydrant
	Light pole to be removed
	Traffic Signal
	Tree to be removed
	Deciduous Tree
	Evergreen Tree

Proposed

	Re-lamp existing light		Bicycle Pavement Striping
	Kellogg St. Style Light		Pedestrian Crossing Striping
	Re-furbished Area Light		Optional Enhancement: Covered area for event use
	Re-furbished Pedestrian Light		Optional Enhancement: Ferris Wheel
	Column Pedestrian Light		Custom Pergola
	Indirect Pedestrian Light		Poles and Overhead Strand Lights
	Bollard Light		Optional Enhancement: Shade Sail
	Sculpture / Interpretive Element		Shade Tree
	Wayfinding / Parking Lot Sign		Ornamental Tree in Planter
	Information Kiosk		Plant Bed
	Bench		Turf Grass
	Trash Receptacle		
	Planter		
	Table and Chairs (4)		
	Table and Chairs (2)		
	Tree Grate - 4'x6'		
	Tree Grate - 5'x5'		
	Ornamental Fence		
	Fence Sections		
	Concrete Sidewalk with 2' borders		
	Concrete Sidewalk		
	Concrete Driveway Pavement		
	Brick Pavers (reused original bricks)		
	Permeable Pavers		
	Stained Concrete or Brick Pavers		



Covered Parking Public Parking Lots

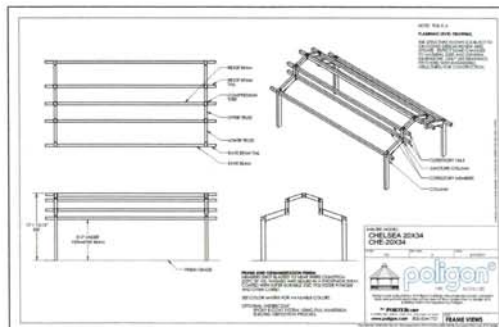
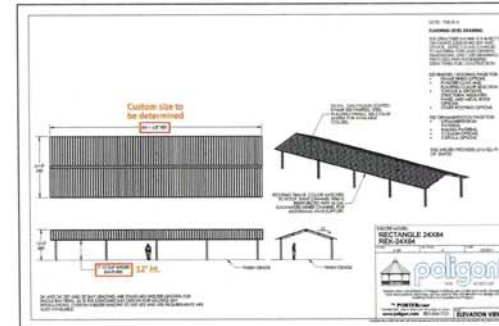
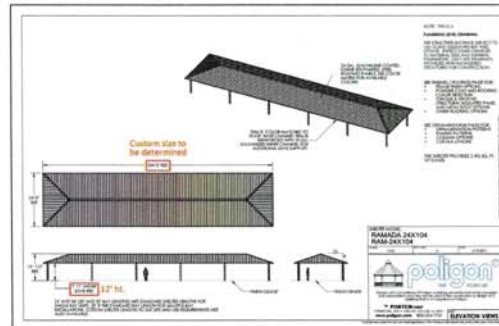
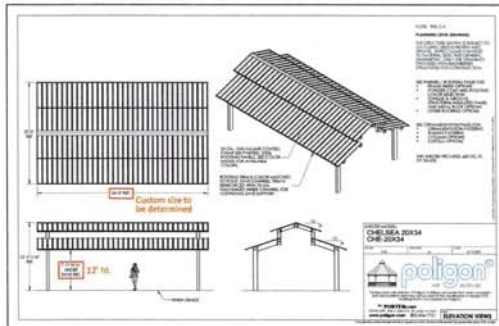
Proposed Locations

Public Parking Lots

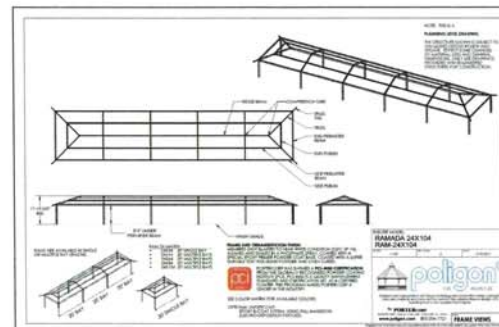
Within parking lots to provide shelter for Farmer's Market

Manufacturer

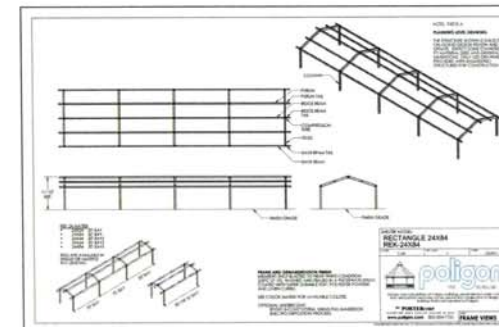
Poligon
4240 North 136th Avenue
Holland, MI 49424
www.poligon.com



Option A - Tiered Roof



Option B - Hip Roof



Option C - Gable Roof



Simmons St. - 100E

Cherry to Prairie

Proposed Improvements

Simmons Street

1. Replace asphalt street with permeable unit pavers.
2. Install 12' wide sidewalks (8' unobstructed with 2' borders).
3. Add trees between on-street parking spaces. Protect trees with vertical curbs.
4. Replace lights with Kellogg St. style lights. ◊
5. Add pedestrian-style lights. ■
6. Reconfigure parking lot layout and eliminate two driveway entrances (gain 13 spaces).
7. Screen parking lot with fence and vegetation.
8. Relocate entry drive to the business at the northeast corner of Simmons and Cherry Street to access within the parking lot.
9. Minimize and define access to the business at the southwest corner of Simmons and Prairie Street.

Cherry Street

10. Replace asphalt street with reused brick pavers, north of Simmons Street.
11. Replace asphalt street with reused brick pavers within the parking area on the east side of the street, south of Simmons St.
12. Install 12' wide sidewalks (8' unobstructed with 2' borders).
13. Add trees between on-street parking spaces. Protect trees with vertical curbs.
14. Re-lamp existing lights.

Prairie Street

15. Replace asphalt street with reused brick pavers, north of Simmons Street.
16. Stain existing concrete sidewalk to create contrasting amenity border along west side of street, north of Simmons St. (Optional Enhancement: Unit pavers).
17. Replace concrete pavement with turf boulevard on the west side of the street, south of Simmons St.
18. Re-lamp existing lights. ○



**COUNCIL LETTER
CITY OF GALESBURG
NOVEMBER 1, 2021**

AGENDA ITEM: Approval of purchase of Geomelt products for the 2021-2022 winter season.

SUMMARY RECOMMENDATION: The City Manager, Director of Public Works and Purchasing Agent recommend the approval of the purchase of the Geomelt products: Geomelt 55, EcoSalt, and Bio-AG64 from SNI Solutions as needed for the 2021-2022 winter season at the quoted prices.

BACKGROUND: Geomelt, EcoSalt, and Bio-AG64 are exclusively supplied to our area by SNI Solutions from Geneseo. There are no comparable products on the market and the city has had good experience in the past utilizing the Geomelt and Ecosalt products.

The Street Division utilizes the product, Bio-AG64, which mainly uses Geomelt 55 but has additives in order to allow it to work at even colder temperatures. This product has performed well and will be the primary product utilized this year. The product is mixed with rock salt and then is applied to the roadways. It coats the salt and makes it less corrosive to vehicles, equipment, and the roadway infrastructure. The Bio-AG64 coating makes the salt tacky which helps the salt stick to the roadway and reduces “bounce” of the salt off the road into the surrounding terraces. Use of the product results in safer streets, less corrosion of our trucks and equipment, vehicles using the streets, and of roadways and bridges.

The Geomelt product quoted price for 2021-2022 is \$2.05/gallon delivered and the Bio-AG64 is \$2.25/gallon delivered. Last year’s prices were \$1.90/gallon and \$2.00/gallon respectively. The increase in price was due to material and labor price increases. It is estimated that the city will use between 9,000 and 13,500 gallons over the course of a winter season. The EcoSalt product is quoted at \$8.50 per bag which is the same price that was quoted last year. The EcoSalt is used for sidewalk areas where road salt cannot be applied. The product contains a corrosion inhibitor and is an environmentally friendly material. It is used around City facilities as well as on sidewalks for some overpass bridges.

BUDGET IMPACT: There are sufficient funds budgeted in the City Gas Tax Fund for this material.

SUPPORTING DOCUMENTS:

1. Price Quote Letter from SNI



205 N. STEWART ST
GENESEO, IL 61254
PH: 888-840-5564 FAX: 309-944-4620

www.snisolutions.com

QUOTATION

Customer Name: J R
Company Name: City of Galesburg
City, State, Zip: Galesburg, IL

October 25, 2021

RE: Pricing for 2021-22

Hello J R

Please find your pricing – based on 4500 gallons - as follows:

1. Geomelt 55 \$2.05per gallon
2. Biomelt AG 64 \$2.25 per gallon
3. Ecosalt – 50# bags/48 bags per pallet 8.50 per bag - F.O.B Geneseo, IL

For liquids, this is delivered pricing with a minimum quantity of 3000 gallons per order for delivery at no additional charge. On Ecosalt, this is delivered pricing with a minimum of 8 pallets per order for delivery at no charge.

We appreciate your patronage and look forward to assisting you and the City of Galesburg with your winter operations.

Respectfully,

Mike Bellovics

Mike Bellovics
President

js

Accounts Payable

Transactions by Account

User: tmiller
 Printed: 10/26/2021 - 6:02PM
 Batch: 00001.11.2021



Account Number	Vendor	Description	Date	Amount	PO No
001-0000-10701-00	American Legal Publishing Corp.	01/22-10/22 Internet Renewal	10/26/2021	484.78	
001-0000-10701-00	Tyler Technologies, Inc	01/22-10/22 Tech Services Annual Fees	10/26/2021	181.92	
001-0000-10706-00	Nicholas Morrissey	Meals - Wk 9 Basic FF - Morrissey	10/26/2021	155.00	
001-0000-10801-00	Advance Auto Parts	Oil filters	10/26/2021	18.84	
001-0000-10801-00	Advance Auto Parts	Oil filters	10/26/2021	28.26	
001-0000-10801-00	Interstate Battery Systems of Central	Batteries	10/26/2021	577.91	
		Subtotal for Divison: 0000		1,446.71	
001-0105-61000-00	Marnic, Inc.	Nametags with magnets	10/26/2021	194.00	
		Subtotal for Divison: 0105		194.00	
001-0115-51000-00	American Legal Publishing Corp.	11/21-12/21 Internet Renewal	10/26/2021	96.96	
001-0115-61000-00	Office Specialists, Inc.	Pens	10/26/2021	48.03	
		Subtotal for Divison: 0115		144.99	
001-0120-56506-00	Consociate-Dansig	FSA Admin Fee	10/26/2021	80.75	
		Subtotal for Divison: 0120		80.75	
001-0145-55800-00	Tyler Technologies, Inc	11/21-12/21 Tech Services Annual Fees	10/26/2021	36.38	
		Subtotal for Divison: 0145		36.38	
001-0160-51000-00	Credit Collection Partners	09/21 Service	10/26/2021	50.00	
001-0160-51000-00	Collection Professionals, Inc	09/21 Service	10/26/2021	60.00	
001-0160-51500-00	Register Mail, Inc.	Notice to bidders #20710	10/26/2021	171.72	
001-0160-59523-00	Galesburg Downtown Council	2020 Property Tax Levy - Maintenance	10/26/2021	3,072.35	
001-0160-59523-00	Galesburg Downtown Council	2020 Property Tax Levy - Addl Maintenance	10/26/2021	4,608.53	
001-0160-83100-00	Nature's Treatment of the Quad Citie	04/21-06/21 Sales Tax Rebate per agreement	10/26/2021	45,671.32	
		Subtotal for Divison: 0160		53,633.92	
001-0305-51500-00	Register Mail, Inc.	Planning ads #00021744	10/26/2021	442.02	

Account Number	Vendor	Description	Date	Amount	PO No
Subtotal for Divison: 0305				442.02	
001-0306-55400-00	Kendall Zimmerman	Pick up trash from curb - 1625 E Fremont	10/26/2021	90.00	
001-0306-55400-00	Werner Restoraton Services, Inc.	Board up - 140-144 E Main St	10/26/2021	388.34	
001-0306-55400-00	Werner Restoraton Services, Inc.	Board up - 362 N Broad	10/26/2021	378.49	
001-0306-55400-00	Werner Restoraton Services, Inc.	Board up - 631 Peck	10/26/2021	336.34	
001-0306-55400-00	Werner Restoraton Services, Inc.	Board up - 748 S Henderson St	10/26/2021	343.84	
001-0306-55400-00	Werner Restoraton Services, Inc.	Board up - 917 W Third	10/26/2021	336.34	
001-0306-55400-00	Werner Restoraton Services, Inc.	Board up - 1091 Tamarind	10/26/2021	849.84	
001-0306-55400-00	Kendall Zimmerman	Cut down tall weeds/trees - 314 Lombard St	10/26/2021	125.00	
001-0306-55400-00	Werner Restoraton Services, Inc.	Board up - 670 US Hwy 150 E	10/26/2021	951.99	
001-0306-55400-00	Kendall Zimmerman	Pick up trash from curb - 249 Arnold	10/26/2021	45.00	
001-0306-55400-00	Kendall Zimmerman	Pick up trash from curb - 1884 Robertson	10/26/2021	40.00	
001-0306-55400-00	Werner Restoraton Services, Inc.	Board up - 820 E Fifth St	10/26/2021	498.34	
001-0306-55400-00	Kendall Zimmerman	Pick up trash/debris - 820 E Fifth	10/26/2021	536.00	
Subtotal for Divison: 0306				4,919.52	
001-0410-49500-00	Brayden Bledsoe	Education Incentive Reimbursement - BBledsoe	10/26/2021	150.00	
Subtotal for Divison: 0410				150.00	
001-0445-52500-00	Galesburg Sanitary Dist.	09/21 Sewer user charges	10/26/2021	11.38	
001-0445-57500-00	Aramark Uniform Serv. Inc.	10/21 Service	10/26/2021	44.94	
001-0445-57500-00	Aramark Uniform Serv. Inc.	10/21 Service	10/26/2021	48.16	
001-0445-62500-00	Advance Auto Parts	Brake pads #166	10/26/2021	40.94	
001-0445-62500-00	Advance Auto Parts	Brake pads #166	10/26/2021	42.99	
001-0445-62500-00	Napa Auto Parts	Oil filter, fuel filter #183	10/26/2021	121.04	
001-0445-62500-00	Grainger, Inc.	Clamps #600	10/26/2021	174.88	
001-0445-62500-00	Napa Auto Parts	Brake pads #183	10/26/2021	62.01	
001-0445-62500-00	Napa Auto Parts	Plug #183	10/26/2021	7.00	
001-0445-63000-00	Advance Auto Parts	Black plastic weld	10/26/2021	7.35	
001-0445-63000-00	Galesburg Welding, Inc	Steel	10/26/2021	10.93	
001-0445-63000-00	Napa Auto Parts	Brush parts cleaner	10/26/2021	11.76	
001-0445-66000-00	Galesburg Electric, Inc.	Bulbs, recycle bulbs	10/26/2021	117.20	
001-0445-66000-00	Galesburg Electric, Inc.	Bulbs, bulb recycling	10/26/2021	40.86	
Subtotal for Divison: 0445				741.44	
001-0450-52500-00	Galesburg Sanitary Dist.	09/21 Sewer user charges	10/26/2021	75.83	
001-0450-55700-00	Four Seasons Pest Control	06/21 Service	10/26/2021	40.00	

Account Number	Vendor	Description	Date	Amount	PO No
001-0450-59300-00	Getz Fire Equipment Co., Inc.	First aid supplies	10/26/2021	100.20	
001-0450-62500-00	Napa Auto Parts	Lens #108	10/26/2021	12.49	
001-0450-62500-00	Yemm Ford, Inc	Bracket #302	10/26/2021	52.35	
001-0450-62500-00	Nichols Diesel Service, Inc.	Harness #108	10/26/2021	66.80	
001-0450-62500-00	Mutual Wheel Co., Inc.	Stud #108	10/26/2021	3.63	
001-0450-62500-00	Nichols Diesel Service, Inc.	Ay-asa #108	10/26/2021	370.60	
001-0450-62500-00	Advance Auto Parts	Filter #108	10/26/2021	17.48	
001-0450-62500-00	Advance Auto Parts	Fuel filter #111	10/26/2021	18.89	
001-0450-62500-00	Eastern Iowa Tire	BLS #114	10/26/2021	281.95	
001-0450-62500-00	Mutual Wheel Co., Inc.	Drum #108	10/26/2021	479.40	
001-0450-65000-00	Office Specialists, Inc.	Towels	10/26/2021	25.47	
Subtotal for Divison: 0450				1,545.09	
001-0510-61000-00	Office Specialists, Inc.	Cups, spoons	10/26/2021	48.45	
001-0510-61700-00	Supreme Radio Communications, In	Getac body worn cam mag mnt	10/26/2021	394.96	
001-0510-61700-00	Supreme Radio Communications, In	Radio, antenna	10/26/2021	575.07	
001-0510-61700-00	Supreme Radio Communications, In	Getac body worn cam single prt dock	10/26/2021	107.58	
001-0510-61700-00	Supreme Radio Communications, In	Getac body worn cam mag mnt	10/26/2021	169.27	
001-0510-62500-00	Advance Auto Parts	Tie rod end #30	10/26/2021	22.93	
001-0510-67500-00	Ray O'Herron Co., Inc.	Armorskin poly SS - Paulsgrove	10/26/2021	54.36	
001-0510-67500-00	Ray O'Herron Co., Inc.	5 vests/carriers-Torres,Harpin,Countryman,Paulsgrove,Mings	10/26/2021	2,426.33	
001-0510-67500-00	Ray O'Herron Co., Inc.	High speed gear pouches	10/26/2021	264.00	
001-0510-67500-00	Ray O'Herron Co., Inc.	2 pr navy pants - JTapscott	10/26/2021	108.00	
Subtotal for Divison: 0510				4,170.95	
001-0550-67500-00	Midwest Uniform Supply, Inc	2 polos, 2 sweatshirts - ABuck	10/26/2021	106.32	
001-0550-85500-00	Knox County Sheriff's Department	11/21 Share of Ambulance Service	10/26/2021	674.82	
Subtotal for Divison: 0550				781.14	
001-0605-52500-00	Galesburg Sanitary Dist.	09/21 Sewer user charges	10/26/2021	91.00	
001-0605-62500-00	Advance Auto Parts	Battery #53	10/26/2021	218.80	
001-0605-62500-00	Napa Auto Parts	Fiber #53	10/26/2021	55.99	
001-0605-65000-00	Office Specialists, Inc.	Towels, bags	10/26/2021	54.63	
001-0605-65000-00	Office Specialists, Inc.	Liners, towels, detergent	10/26/2021	195.21	
001-0605-65000-00	Office Specialists, Inc.	Clay oil absorbant	10/26/2021	50.84	
001-0605-65000-00	Office Specialists, Inc.	Tissue, detergent, dishsoap,aerosol	10/26/2021	139.98	
001-0605-67500-00	Midwest Uniform Supply, Inc	Folding cap - ANelson	10/26/2021	10.00	
001-0605-67500-00	Midwest Uniform Supply, Inc	Perf tees, ball cap - JLenz	10/26/2021	29.00	

Account Number	Vendor	Description	Date	Amount	PO No
001-0605-67500-00	Midwest Uniform Supply, Inc	Jobshirt - MLewis	10/26/2021	74.99	
001-0605-67500-00	Midwest Uniform Supply, Inc	Polo shirts - Hovind	10/26/2021	225.00	
001-0605-67500-00	Midwest Uniform Supply, Inc	Jobshirt, polo shirt - ANelson	10/26/2021	119.99	
001-0605-67500-00	Sandry Fire Supply LLC	Helmet	10/26/2021	268.82	
001-0605-67500-00	Midwest Uniform Supply, Inc	Jobshirt - JPedigo	10/26/2021	74.99	
001-0605-67500-00	Midwest Uniform Supply, Inc	Polo shirts, perf tees - BCaruana	10/26/2021	137.50	
001-0605-68600-00	Office Specialists, Inc.	Gloves	10/26/2021	150.00	
001-0605-68600-00	Office Specialists, Inc.	Gloves	10/26/2021	292.00	
Subtotal for Divison: 0605				2,188.74	
Subtotal for Fund 001				70,475.65	
011-0000-66000-00	Galesburg Builders Supply, Inc.	Portland Cement Concrete Class SI for 2021	10/26/2021	204.00	0000091826
011-0000-66000-00	Galesburg Builders Supply, Inc.	Portland Cement Concrete Class SI for 2021	10/26/2021	918.00	0000091826
011-0000-66000-00	Galesburg Builders Supply, Inc.	Portland Cement Concrete Class SI for 2021	10/26/2021	306.00	0000091826
011-0000-66000-00	Galesburg Builders Supply, Inc.	Portland Cement Concrete Class SI for 2021	10/26/2021	714.00	0000091826
011-0000-66000-00	Galesburg Builders Supply, Inc.	Portland Cement Concrete Class SI for 2021	10/26/2021	204.00	0000091826
011-0000-66000-00	Tazewell County Asphalt Co, Inc	Hot-Mix Asphalt Surface & Binder for 2021	10/26/2021	5,249.25	0000091821
011-0000-66000-00	Tickle Asphalt Co., Ltd.	High Performance Patching Mix for 2021	10/26/2021	997.70	0000091823
Subtotal for Divison: 0000				8,592.95	
Subtotal for Fund 011				8,592.95	
013-0000-20103-00	JC Dillon, Inc	Retainage - Phase V of lead service line replacements	10/26/2021	-26,203.20	
013-0000-51000-00	Bruner, Cooper and Zuck, Inc.	Water Maint Building Modifications	10/26/2021	3,000.00	
013-0000-51000-00	Bruner, Cooper and Zuck, Inc.	Engineering agreement for the preparation of bid documents and p	10/26/2021	9,762.67	0000091684
013-0000-67500-00	Ray O'Herron Co., Inc.	5 vests/carriers-Torres,Harpin,Countryman,Paulsgrove,Mings	10/26/2021	1,970.37	
013-0000-83100-00	JC Dillon, Inc	Phase V of lead service line replacements	10/26/2021	262,032.00	0000091994
013-0000-83100-00	Bruner, Cooper and Zuck, Inc.	Preparation of Bid Documents and Construction Engineering for Ph	10/26/2021	1,948.25	0000092007
Subtotal for Divison: 0000				252,510.09	
Subtotal for Fund 013				252,510.09	
014-0000-51000-00	Bruner, Cooper and Zuck, Inc.	Material Testing Services for the 2021 Construction season	10/26/2021	1,230.00	0000091927
014-0000-55700-00	Lockwood Excavating & Constructic	Additional sidewalk replacement work	10/26/2021	1,935.84	0000091944
014-0000-55700-00	Lockwood Excavating & Constructic	2021 Sidewalk replacement at vaious locations within the City	10/26/2021	35,732.68	0000091944
014-0000-64500-00	Galesburg Electric, Inc.	Marking paint	10/26/2021	179.28	

Account Number	Vendor	Description	Date	Amount	PO No
014-0000-64500-00	Lawson Products, Inc.	Misc supplies	10/26/2021	24.31	
014-0000-64500-00	Lawson Products, Inc.	Misc supplies	10/26/2021	39.52	
014-0000-66000-00	Galesburg Builders Supply, Inc.	Additional Controlled Low Strength Material (CLSM) for 2021	10/26/2021	232.00	0000091830
014-0000-66000-00	Galesburg Builders Supply, Inc.	Additional Controlled Low Strength Material (CLSM) for 2021	10/26/2021	783.00	0000091830
014-0000-66000-00	Galesburg Builders Supply, Inc.	Additional Controlled Low Strength Material (CLSM) for 2021	10/26/2021	580.00	0000091830
014-0000-66000-00	Galesburg Builders Supply, Inc.	10 bags 80# motar mix	10/26/2021	76.50	
014-0000-66000-00	Galesburg Builders Supply, Inc.	Additional Controlled Low Strength Material (CLSM) for 2021	10/26/2021	116.00	0000091830
014-0000-66000-00	Galesburg Builders Supply, Inc.	11.07 tons washed gravel	10/26/2021	364.65	
014-0000-66000-00	Galesburg Builders Supply, Inc.	Additional Controlled Low Strength Material (CLSM) for 2021	10/26/2021	1,044.00	0000091830
		Subtotal for Divison: 0000		<u>42,337.78</u>	
		Subtotal for Fund 014		<u><u>42,337.78</u></u>	
016-0000-62500-00	Southern Computer Warehouse	2 TB solid state drive, 15.6" mobile workstation	10/26/2021	2,469.96	
016-0000-67500-00	Ray O'Herron Co., Inc.	Honor Guard Uniform - ASchlomer	10/26/2021	93.35	
		Subtotal for Divison: 0000		<u>2,563.31</u>	
		Subtotal for Fund 016		<u><u>2,563.31</u></u>	
018-0000-62500-00	Pomp's Tire - Galesburg	Tire replacement #125	10/26/2021	360.00	
018-0000-66000-00	Galesburg Builders Supply, Inc.	2x2 inlet closed	10/26/2021	151.30	
		Subtotal for Divison: 0000		<u>511.30</u>	
		Subtotal for Fund 018		<u><u>511.30</u></u>	
019-0000-10701-00	Johnson Controls Security Solutions	01/22 Recurring service	10/26/2021	99.39	
		Subtotal for Divison: 0000		<u>99.39</u>	
019-1905-51500-00	AD Scott Company, LLC	Banner ad	10/26/2021	125.00	
		Subtotal for Divison: 1905		<u>125.00</u>	
019-1910-52500-00	Galesburg Sanitary Dist.	09/21 Sewer user charges	10/26/2021	45.50	
019-1910-55700-00	Helm Mechanical / Helm Service	Refrigeration repair on Main Condensing Unit at City Hall	10/26/2021	5,607.38	0000092027
		Subtotal for Divison: 1910		<u>5,652.88</u>	
019-1911-52500-00	Galesburg Sanitary Dist.	09/21 Sewer user charges	10/26/2021	132.71	
019-1911-57500-00	Aramark Uniform Serv. Inc.	10/21 Service	10/26/2021	15.00	
019-1911-57500-00	Aramark Uniform Serv. Inc.	10/21 Service	10/26/2021	15.00	

Account Number	Vendor	Description	Date	Amount	PO No
019-1911-65000-00	Office Specialists, Inc.	Urinal screens/mats	10/26/2021	58.75	
019-1911-65000-00	Office Specialists, Inc.	Tissue	10/26/2021	48.30	
Subtotal for Divison: 1911				269.76	
019-1915-52500-00	Galesburg Sanitary Dist.	09/21 Sewer user charges	10/26/2021	12,008.37	
019-1915-55700-00	Knox County Landfill	09/21 Service	10/26/2021	543.56	
019-1915-55700-00	Johnson Controls Security Solutions	11/21-12/21 Recurring service	10/26/2021	198.78	
019-1915-55700-00	Knox County Landfill	Credit for 08/21 Service	10/26/2021	-314.40	
019-1915-57500-00	Aramark Uniform Serv. Inc.	10/21 Service	10/26/2021	40.80	
019-1915-57500-00	Aramark Uniform Serv. Inc.	10/21 Service	10/26/2021	39.88	
019-1915-62500-00	Advance Auto Parts	Air filter, oil filer, fuel filter #503	10/26/2021	74.87	
019-1915-62500-00	Advance Auto Parts	Brake pads #503	10/26/2021	92.93	
019-1915-62500-00	Yemm Ford, Inc	Spring #503	10/26/2021	1,588.60	
019-1915-62500-00	Pomp's Tire - Galesburg	Balancing beads #503	10/26/2021	60.00	
019-1915-62500-00	Martin Sullivan, Inc	Belt #541	10/26/2021	190.21	
019-1915-62500-00	Moore Tires, Inc	Tires #503	10/26/2021	766.00	
019-1915-66000-00	Galesburg Electric, Inc.	Ballasts	10/26/2021	253.10	
019-1915-66000-00	Riverstone Group, Inc.	17.71 tons rip rap rock	10/26/2021	380.77	
019-1915-66000-00	Galesburg Electric, Inc.	Misc supplies	10/26/2021	158.43	
Subtotal for Divison: 1915				16,081.90	
019-1920-52500-00	Galesburg Sanitary Dist.	09/21 Sewer user charges	10/26/2021	91.00	
019-1920-55500-00	LTL Partners, Inc	Misc service	10/26/2021	255.00	
019-1920-57500-00	Aramark Uniform Serv. Inc.	10/21 Service	10/26/2021	25.24	
019-1920-57500-00	Aramark Uniform Serv. Inc.	10/21 Service	10/26/2021	25.24	
019-1920-62510-00	Herr Petroleum Corp	203.4 gal diesel #2, 192.3 gal reg unleaded	10/26/2021	144.52	0000091804
019-1920-62510-00	Herr Petroleum Corp	284.2 gal diesel #2, 214.4 gal reg unleaded	10/26/2021	1,390.77	0000091804
019-1920-62510-00	Herr Petroleum Corp	203.4 gal diesel #2, 192.3 gal reg unleaded	10/26/2021	1,015.06	0000091804
019-1920-63500-00	Winfield Solutions, LLC	Misc supplies	10/26/2021	483.60	
019-1920-64125-00	Smithfield Direct, LLC	Misc concessions	10/26/2021	29.90	
019-1920-64125-00	Atlantic Coca-Cola	Misc concessions	10/26/2021	155.42	
019-1920-64125-00	Boxcar Express	Sandwiches	10/26/2021	1,127.40	
019-1920-66000-00	Galesburg Electric, Inc.	Misc supplies	10/26/2021	106.99	
Subtotal for Divison: 1920				4,850.14	
019-1925-52500-00	Galesburg Sanitary Dist.	09/21 Sewer user charges	10/26/2021	155.46	
Subtotal for Divison: 1925				155.46	

Account Number	Vendor	Description	Date	Amount	PO No
019-1935-52500-00	Galesburg Sanitary Dist.	09/21 Sewer user charges	10/26/2021	49.29	
019-1935-57500-00	Aramark Uniform Serv. Inc.	10/21 Service	10/26/2021	176.90	
019-1935-57500-00	Aramark Uniform Serv. Inc.	10/21 Service	10/26/2021	176.90	
019-1935-66000-00	Galesburg Electric, Inc.	Fuses	10/26/2021	33.30	
		Subtotal for Divison: 1935		<u>436.39</u>	
019-1940-51400-00	Traci Sharp	Conduct 2 Youth Vball Fall Clinics	10/26/2021	700.00	
019-1940-51400-00	Laci Washabaugh	Conduct Youth Vball Fall Clinic	10/26/2021	350.00	
		Subtotal for Divison: 1940		<u>1,050.00</u>	
019-1945-52500-00	Galesburg Sanitary Dist.	09/21 Sewer user charges	10/26/2021	7.58	
		Subtotal for Divison: 1945		<u>7.58</u>	
019-1950-52500-00	Galesburg Sanitary Dist.	09/21 Sewer user charges	10/26/2021	1,092.01	
019-1950-55500-00	Appliance Parts Service Depot, Inc	Replaced timer on freezer	10/26/2021	175.82	
		Subtotal for Divison: 1950		<u>1,267.83</u>	
019-1955-52500-00	Galesburg Sanitary Dist.	09/21 Sewer user charges	10/26/2021	75.83	
		Subtotal for Divison: 1955		<u>75.83</u>	
019-1965-51000-00	Lacky Monument Co.	Date of Passing - AAnderson	10/26/2021	200.00	
019-1965-52500-00	Galesburg Sanitary Dist.	09/21 Sewer user charges	10/26/2021	7.58	
019-1965-57500-00	Aramark Uniform Serv. Inc.	10/21 Service	10/26/2021	27.22	
019-1965-57500-00	Aramark Uniform Serv. Inc.	10/21 Service	10/26/2021	26.76	
019-1965-59300-00	Getz Fire Equipment Co., Inc.	First aid supplies	10/26/2021	52.75	
019-1965-61000-00	Office Specialists, Inc.	Ink	10/26/2021	45.13	
019-1965-61000-00	Office Specialists, Inc.	Ink	10/26/2021	63.35	
019-1965-62500-00	Napa Auto Parts	Filter #584	10/26/2021	52.18	
		Subtotal for Divison: 1965		<u>474.97</u>	
019-1975-65500-00	Scott Equipment, LLC	14" bar st 3/8-050 picco	10/26/2021	35.95	
019-1975-65500-00	Scott Equipment, LLC	HP ultra 6.4fl 2.5 gal mix	10/26/2021	23.90	
019-1975-66500-00	Vermeer Sales & Service of Central I	Replace rope and pulley system	10/26/2021	855.97	
		Subtotal for Divison: 1975		<u>915.82</u>	
		Subtotal for Fund 019		<u><u>31,462.95</u></u>	
020-0000-66000-00	Galesburg Electric, Inc.	Bulbs	10/26/2021	29.18	

Account Number	Vendor	Description	Date	Amount	PO No
		Subtotal for Divison: 0000		29.18	
		Subtotal for Fund 020		29.18	
021-0000-65500-00	Feld Fire	Revolution BIV elbows #21-27	10/26/2021	3,540.00	
		Subtotal for Divison: 0000		3,540.00	
		Subtotal for Fund 021		3,540.00	
023-0000-55420-00	Statham & Long, LLC	Title Search - 2051 Grand Ave	10/26/2021	150.00	
023-0000-55420-00	Statham & Long, LLC	Title Search - 147 W Tompkins St	10/26/2021	150.00	
023-0000-55420-00	Statham & Long, LLC	Title Search - 258 W North St	10/26/2021	150.00	
023-0000-55420-00	Statham & Long, LLC	Title Search - 1212 Maple Ave	10/26/2021	150.00	
023-0000-55420-00	Statham & Long, LLC	Title Search - 91 W Simmons St	10/26/2021	150.00	
023-0000-55420-00	Statham & Long, LLC	Title Search - 179 Fulton St	10/26/2021	150.00	
023-0000-55420-00	Statham & Long, LLC	Title Search - 481 E Third St	10/26/2021	150.00	
023-0000-55420-00	Statham & Long, LLC	Title Search - 462 N Cherry St	10/26/2021	150.00	
		Subtotal for Divison: 0000		1,200.00	
		Subtotal for Fund 023		1,200.00	
024-0000-59535-00	Knox Co. Area Partnership for Econ	Semi Annual Economic Development Support	10/26/2021	77,500.00	
024-0000-88300-00	Breslin's Floor Covering, Inc	11/21 Parking Lot Lease	10/26/2021	570.32	
		Subtotal for Divison: 0000		78,070.32	
		Subtotal for Fund 024		78,070.32	
030-0000-20102-00	Galesburg Sanitary Dist.	09/21 Sewer user charges	10/26/2021	45.13	
030-0000-20102-00	Galesburg Sanitary Dist.	09/21 Sewer user charges	10/26/2021	19.34	
		Subtotal for Divison: 0000		64.47	
030-0320-55500-00	Nichols Diesel Service, Inc.	State & Fed Tests #468	09/30/2021	41.00	
030-0320-61000-00	Office Specialists, Inc.	Labelmaker	10/26/2021	52.34	
030-0320-62500-00	Napa Auto Parts	Cones	10/26/2021	76.16	
030-0320-62500-00	Napa Auto Parts	Brake caliper	10/26/2021	129.50	
030-0320-62500-00	Map Automotive of Peoria	Battery	10/26/2021	219.20	
030-0320-62500-00	Map Automotive of Peoria	Starter	09/30/2021	128.88	
030-0320-62510-00	Herr Petroleum Corp	229.4 gal reg unleaded	10/26/2021	652.39	0000091803

Account Number	Vendor	Description	Date	Amount	PO No
030-0320-62510-00	Herr Petroleum Corp	314.1 gal reg unleaded	10/26/2021	840.52	0000091803
030-0320-62510-00	Herr Petroleum Corp	283.4 gal reg unleaded	10/26/2021	791.94	0000091803
030-0320-62510-00	Herr Petroleum Corp	211.9 gal reg unleaded	10/26/2021	592.13	0000091803
030-0320-65000-00	Office Specialists, Inc.	Tissue, liners	10/26/2021	155.45	
030-0320-65000-00	Office Specialists, Inc.	Mop head	10/26/2021	117.90	
030-0320-65000-00	Office Specialists, Inc.	Towels	10/26/2021	41.15	
Subtotal for Divison: 0320				3,838.56	
030-0370-51000-00	Galesburg Termite & Pest Control	10/21 Service	10/26/2021	45.00	
030-0370-57500-00	Cintas, Inc	Misc service	10/26/2021	164.05	
030-0370-57500-00	Cintas, Inc	Misc service	10/26/2021	114.17	
030-0370-61000-00	Office Specialists, Inc.	Planner	10/26/2021	19.97	
030-0370-61000-00	Office Specialists, Inc.	Labelmaker	10/26/2021	52.34	
030-0370-61000-00	Office Specialists, Inc.	Keyboard, mouse, post-its, calendars	10/26/2021	146.25	
030-0370-61000-00	Office Specialists, Inc.	Desk calendar	10/26/2021	15.23	
030-0370-62500-00	Map Automotive of Peoria	Alternator	09/30/2021	209.74	
030-0370-62500-00	Map Automotive of Peoria	Core return	09/30/2021	-30.00	
030-0370-62500-00	Gillig	Refund of cable asm power lf	09/30/2021	-866.27	
030-0370-62500-00	Napa Auto Parts	Switch	09/30/2021	3.69	
030-0370-62500-00	Gillig	Draglink, nuts, washers, bolt, arm	10/26/2021	618.91	
030-0370-62500-00	Gillig	Hose asm	10/26/2021	498.64	
030-0370-62500-00	Gillig	Auto air tank drain valves	10/26/2021	138.04	
030-0370-62500-00	Gillig	Module, battery voltage equalizer	10/26/2021	2,241.57	
030-0370-62500-00	Gillig	Credit on invoice 5050527	09/30/2021	-866.27	
030-0370-62500-00	RILCO Fluid Care	Oil	10/26/2021	646.09	
030-0370-62500-00	Cummins Sale & Service	Gasket, wf pkg	10/26/2021	70.95	
030-0370-62500-00	Cummins Sale & Service	Cooler oil	10/26/2021	269.27	
030-0370-62510-00	Herr Petroleum Corp	143.7 gal diesel #2	10/26/2021	439.58	0000091803
030-0370-62510-00	Herr Petroleum Corp	265 gal diesel #2	10/26/2021	823.94	0000091803
030-0370-62510-00	Herr Petroleum Corp	505.4 gal diesel #2	10/26/2021	1,546.04	0000091803
030-0370-65500-00	Napa Auto Parts	Cap screw	10/26/2021	14.06	
030-0370-65500-00	Napa Auto Parts	Dispense pump, batteries, primary wire terminals	10/26/2021	141.09	
030-0370-65500-00	Napa Auto Parts	Cap screws	10/26/2021	4.44	
030-0370-65500-00	Airgas Mid America Inc	Acetylene	09/30/2021	115.52	
030-0370-66500-00	Napa Auto Parts	Manual transfer pump	10/26/2021	54.99	
030-0370-66500-00	Napa Auto Parts	Vbelt	10/26/2021	5.59	

Account Number	Vendor	Description	Date	Amount	PO No
		Subtotal for Divison: 0370		6,636.62	
		Subtotal for Fund 030		10,539.65	
053-0000-66000-00	Galesburg Builders Supply, Inc.	13 tons PSI, 6.5 lbs micro fiber	10/26/2021	1,380.60	
053-0000-66000-00	GL Henry Plumbing and Heating	Plumbing for new shop	10/26/2021	350.00	
053-0000-66000-00	Midstate Manufacturing, Inc.	Sandblast and powder double door	10/26/2021	250.00	
		Subtotal for Divison: 0000		1,980.60	
		Subtotal for Fund 053		1,980.60	
061-0000-10701-00	Railroad Management Company III,	2022 12" Water Pipeline Crossing	10/26/2021	313.34	
061-0000-15401-00	Klingner & Associates, P.C. - Archit	Professional services for design & engineering of Gravel Pack We	10/26/2021	4,000.00	0000091919
061-0000-20101-00	SHIRLEY HECKEL	Refund Check 013999-000, 1116 PINE TREE LN	10/22/2021	12.91	
061-0000-20101-00	SHERRY KERSH	Refund Check 052827-005, 682 BEECHER AVE UPPER	10/19/2021	99.34	
061-0000-20101-00	SEMINARY STREET STATION	Refund Check 020682-016, 108 S SEMINARY ST	10/20/2021	25.00	
061-0000-20101-00	MELISSA PATTERSON	Refund Check 043387-001, 814 N WEST ST	10/20/2021	42.76	
061-0000-20101-00	BARBARA HOEKSEMA	Refund Check 008655-000, 1346 BROWN AVE	10/15/2021	30.02	
061-0000-20101-00	SARAH JONES	Refund Check 059842-000, 3125 CASTLEBURY PL	10/19/2021	78.10	
061-0000-20101-00	JUDITH OGDEN	Refund Check 045982-000, 945 DAYTON DR 5	10/21/2021	40.06	
061-0000-20101-00	NICHOLAS MIYLER	Refund Check 062704-000, 969 OLIVE ST	10/15/2021	102.36	
061-0000-20101-00	LETITIA SCHACTNER	Refund Check 006049-000, 246 E DAYTON ST	10/15/2021	2.47	
061-0000-20101-00	SUMMER KENNEDY	Refund Check 063519-000, 1084 WILLARD ST	10/15/2021	22.89	
061-0000-20101-00	PATRICK YOUNG	Refund Check 016622-021, 1455 WILLARD ST	10/15/2021	106.47	
061-0000-20101-00	NAOMI RIEDI	Refund Check 051813-004, 1048 MCCLURE ST	10/15/2021	48.36	
061-0000-20101-00	GWENDOLYN JOHNSON	Refund Check 005767-000, 624 N CHERRY ST	10/21/2021	11.51	
061-0000-20101-00	MEGAN SOPER	Refund Check 061316-000, 804 COLUMBUS AVE	10/19/2021	91.12	
061-0000-20101-00	BRIANNA LEFLER	Refund Check 047804-000, 2264 DANIEL DR SOUTH	10/15/2021	68.99	
061-0000-20101-00	MELINDA HALE	Refund Check 054725-001, 249 N WHITESBORO ST	10/19/2021	85.62	
061-0000-20101-00	TINA LANDON	Refund Check 021548-000, 767 E SOUTH ST	10/15/2021	21.47	
061-0000-20101-00	SUSAN WOOLSEY	Refund Check 051847-000, 1684 MAPLE AVE	10/15/2021	76.51	
061-0000-20101-00	ROBIN WEST	Refund Check 063704-000, 2710 MONTAGUE DR	10/19/2021	68.14	
061-0000-20101-00	JOHN TUTTLE	Refund Check 048072-012, 728 CENTURY ESTATES	10/20/2021	42.76	
061-0000-20101-00	WEBBER RENTAL & SUPPLY	Refund Check 009441-002, 148 W SIMMONS ST	10/15/2021	91.64	
061-0000-20101-00	GAYLE HOOTS	Refund Check 037802-000, 320 N KELLOGG ST	10/21/2021	85.90	
061-0000-20101-00	CARL GUENTHER	Refund Check 011488-001, 1288 PINE TREE LN	10/20/2021	24.14	
061-0000-20101-00	JEFFREY PACHECO	Refund Check 039781-000, 126 MARMAC CT	10/15/2021	68.65	

Account Number	Vendor	Description	Date	Amount	PO No
061-0000-20101-00	SEMINARY STREET STATION	Refund Check 020682-016, 108 S SEMINARY ST	10/15/2021	94.21	
061-0000-20101-00	JOAN WELLS	Refund Check 060345-000, 547 PHILLIPS ST	10/19/2021	74.37	
061-0000-20101-00	SAMANTHA GABBERT	Refund Check 062352-000, 933 FRANK ST	10/19/2021	63.14	
061-0000-20101-00	REHN LAW LLC	Refund Check 057717-000, 29 E SIMMONS ST	10/15/2021	94.58	
061-0000-20101-00	ANTHONY MAHNESMITH	Refund Check 048152-001, 1239 W LOSEY ST	10/19/2021	14.77	
061-0000-20101-00	LECHAUNTE JOHNSON	Refund Check 019558-002, 409 MONMOUTH BLVD A	10/21/2021	40.51	
061-0000-20101-00	ODORICO OLIVAS	Refund Check 021382-002, 725 E BROOKS ST	10/21/2021	85.43	
061-0000-20101-00	RAIN GARANT	Refund Check 063402-000, 1342 MOSHIER AVE	10/19/2021	80.62	
061-0000-20101-00	KIRSTEN RYLANDER	Refund Check 049432-002, 37 LORRAINE DR	10/21/2021	74.20	
061-0000-20101-00	JUDY ANGELO	Refund Check 010564-000, 420 PHILLIPS ST	10/15/2021	18.09	
061-0000-20101-00	ROBERT BAINTER	Refund Check 013001-001, 955 S CHAMBERS ST	10/21/2021	85.25	
061-0000-20101-00	EVELYN BAKER ESTATE	Refund Check 014087-002, 375 JUSTIN DR	10/21/2021	59.05	
061-0000-20101-00	RUTH BALL	Refund Check 022492-001, 808 BROWN AVE	10/20/2021	55.24	
061-0000-20101-00	MARIA BANDERAS	Refund Check 050945-003, 243 N HENDERSON ST	10/15/2021	70.27	
061-0000-20101-00	SCOTT BARKER	Refund Check 059788-000, 1066 E DAYTON ST	10/19/2021	40.66	
061-0000-20101-00	JOY BEHRENS	Refund Check 012000-000, 1409 N ACADEMY ST	10/21/2021	11.49	
061-0000-20101-00	MICHAEL BERN	Refund Check 061742-000, 959 W LOSEY ST	10/15/2021	102.36	
061-0000-20101-00	BRITTANY FERGUSON	Refund Check 046061-002, 150 BLAINE AVE	10/15/2021	81.30	
061-0000-20101-00	KIMBERLY EDDINGTON	Refund Check 056050-000, 596 N CEDAR ST 4	10/20/2021	23.35	
061-0000-20101-00	GENE ENDTHOFF	Refund Check 011738-001, 1445 N WEST ST	10/22/2021	55.29	
061-0000-20101-00	JOAN CRAWFORD	Refund Check 043002-000, 1256 N ACADEMY ST	10/15/2021	57.40	
061-0000-20101-00	DUSTAN DAVIS	Refund Check 052214-000, 1190 W GROVE ST	10/15/2021	79.37	
061-0000-20101-00	PHAEDRA DILWORTH-WASHING	Refund Check 015981-003, 978 JEFFERSON ST	10/20/2021	5.73	
061-0000-20101-00	TROYEL CAMPBELL	Refund Check 048020-002, 540 N PRAIRIE ST 12	10/21/2021	93.03	
061-0000-20101-00	CARL SWANSON INSURANCE A	Refund Check 013381-000, 1087 N HENDERSON ST	10/20/2021	8.10	
061-0000-20101-00	ROBERT BUCK	Refund Check 007577-001, 343 E FOURTH ST	10/15/2021	102.36	
061-0000-20101-00	TOBY BRADY	Refund Check 044728-004, 946 E SOUTH ST	10/15/2021	86.13	
061-0000-20101-00	LINDA ASBURY	Refund Check 018950-062, 837 E PROSPECT ST	10/15/2021	68.65	
061-0000-51000-00	PDC Laboratories, Inc.	Water testing	10/26/2021	33.00	
061-0000-51000-00	PDC Laboratories, Inc.	Water testing	10/26/2021	18.00	
061-0000-51500-00	Sebis Direct Inc	09/21 UB Printing Costs	10/26/2021	789.22	
061-0000-51500-00	Register Mail, Inc.	Notice to bidders #20710	10/26/2021	92.22	
061-0000-52500-00	Galesburg Sanitary Dist.	09/21 Sewer user charges	10/26/2021	22.75	
061-0000-55800-00	SpringbrookSoftware LLC	Data Fix	10/26/2021	1,074.00	
061-0000-59300-00	Getz Fire Equipment Co., Inc.	First aid supplies	10/26/2021	39.90	
061-0000-66000-00	Galesburg Builders Supply, Inc	PORTLAND CEMENT CONCRETE, CL PP2 MIX - DELIVERED	10/26/2021	190.75	0000091831
061-0000-66000-00	Galesburg Electric, Inc.	Bridle rings	10/26/2021	11.50	

Account Number	Vendor	Description	Date	Amount	PO No
061-0000-66000-00	Galesburg Electric, Inc.	Misc supplies for hoist operator cable repair	10/26/2021	262.99	
061-0000-66000-00	Core & Main	Water meters	10/26/2021	226.00	
		Subtotal for Divison: 0000		<u>10,145.81</u>	
		Subtotal for Fund 061		<u>10,145.81</u>	
067-0000-51500-00	Sebis Direct Inc	09/21 UB Printing Costs	10/26/2021	394.55	
067-0000-51500-00	Register Mail, Inc.	Fall Clean Up/Paint Recycling Ads #20712	10/26/2021	570.00	
067-0000-59501-00	Knox County Landfill	09/21 Service	10/26/2021	43,554.47	
067-0000-59502-00	Waste Management, Inc.	10/21 Refuse Removal	10/26/2021	170,556.81	
		Subtotal for Divison: 0000		<u>215,075.83</u>	
		Subtotal for Fund 067		<u>215,075.83</u>	
078-0000-56534-00	Cottage Rehab and Sports Medicine	Work comp dos 8/17/21 #AA15957205	10/26/2021	406.00	
078-0000-56534-00	Cottage Rehab and Sports Medicine	Work comp dos 8/24/21 #AA15957205	10/26/2021	206.00	
078-0000-56534-00	Cottage Rehab and Sports Medicine	Work comp dos 9/2/21 #AA15957205	10/26/2021	144.00	
078-0000-56535-00	OSF Occupational Medicine	Work comp dos 10/05/21 #0012491800	10/26/2021	180.09	
078-0000-56535-00	Midwest Orthopaedic Center	Work comp dos 10/06/21 #424022-010007	10/26/2021	77.44	
078-0000-56535-00	OSF St Mary Medical Center	Work comp dos 8/30/21 #7761324400	10/26/2021	537.41	
078-0000-56535-00	Buelt Chiropractic	Work comp dos 9/7-10/12 #188146-1	10/26/2021	260.55	
078-0000-56597-00	Jody Radakovich	Repair roof from tree damage - 1615 Russell Ave	10/26/2021	150.00	
078-0000-56597-00	Vermeer Sales & Service of Central I	Replace rope and pulley system	10/26/2021	1,826.70	
078-0000-56597-00	Dave Dunn's Auto Body, Inc.	Repairs to Squad #23 sustained in at-fault accident 08/09/2021	10/26/2021	15,548.51	0000091995
		Subtotal for Divison: 0000		<u>19,336.70</u>	
		Subtotal for Fund 078		<u>19,336.70</u>	
		Report Total:		<u>748,372.12</u>	

Advance Checks and ACH Payments as of 10/26/2021

Check Date	Check #	Vendor Name	Description	Account #	Amount
10/14/2021	95503	Ameren Illinois	09/21 Electricity #01147-55694	019-0000-20102	2,349.69
10/14/2021	95503	Ameren Illinois	09/21 Electricity #01147-55694	001-0000-20102	12,479.63
10/14/2021	0	Chuck Humes	Umpire Sball 3 games 10/12	019-1940-51400	90.00
10/14/2021	0	Dan Burgland	Umpire Sball 2 games 10/12	019-1940-51400	60.00
10/14/2021	0	Euclid Beverage	Liquor for Golf Concessions	019-1920-64125	100.40
10/14/2021	0	Farmers & Mechanics Bank	09/21 F&M Bank Trust Fees	061-0000-51000	42.30
10/14/2021	0	Farmers & Mechanics Bank	09/21 F&M Bank Trust Fees	026-0000-51000	43.00
10/14/2021	0	Farmers & Mechanics Bank	09/21 F&M Bank Trust Fees	019-1905-51000	0.44
10/14/2021	0	Farmers & Mechanics Bank	09/21 F&M Bank Trust Fees	053-0000-51000	42.30
10/14/2021	0	Farmers & Mechanics Bank	09/21 F&M Bank Trust Fees	001-0205-51000	126.86
10/14/2021	0	Farmers & Mechanics Bank	09/21 F&M Bank Trust Fees	059-0000-51000	42.30
10/14/2021	0	Illinois Department of Revenue	09/21 Sales Tax	019-1940-84000	15.00
10/14/2021	0	Illinois Department of Revenue	09/21 Sales Tax	019-1930-84000	4.00
10/14/2021	0	Illinois Department of Revenue	09/21 Sales Tax	019-1920-84000	1,449.00
10/14/2021	0	Illinois Department of Revenue	09/21 Sales Tax	019-1925-84000	102.00
10/14/2021	4039	J W Summy Contracting Corp.	DCEO RLF at 514 Monmouth Blvd	013-0000-83100	3,650.00
10/14/2021	20069	J W Summy Contracting Corp.	CO1-DCEO HELP increase for additional porch & deck work	013-0000-83100	1,300.00
10/14/2021	20069	J W Summy Contracting Corp.	DCEO HELP Pilot at 514 Monmouth Blvd	013-0000-83100	20,235.00
10/14/2021	0	Nicholas Morrissey	Meals - Wk 6 Basis FF Academy - NMorrissey	001-0000-10706	155.00
10/14/2021	95506	Paul Vannaken	OAF Funds	016-0000-51200	1,500.00
10/14/2021	95504	Summer Cash	Refund for Campground Stay (4 nights)	019-0000-33340	96.00
10/14/2021	95505	Treasurer of the State of Illinois	Unclaimed Property 7/1/17-6/30/18	001-0000-22002	1,808.43
10/21/2021	0	American Electric Power	07/21 Electricity	061-0000-20102	12,341.10
10/21/2021	0	BlueCross BlueShield of Illinois	11/21 Health Insurance Premiums	078-0000-20315	351,411.16
10/21/2021	5075	Brianna Coupland	Relocation Benefit - Food Allowance - 749 Monroe St	013-0000-83100	136.61
10/21/2021	0	G & M Distributors	Liquor for golf concessions	019-1920-64125	109.50
10/21/2021	5076	Greg Ferguson	Relocation Exp - Food Allowance - 114 S Ivan Ave	013-0000-83100	100.17
10/21/2021	4040	J W Summy Contracting Corp.	DCEO RLF at 1629 Bateman Street	013-0000-83100	1,732.50
10/21/2021	95574	Knox County Records Office	Recording fees	001-0160-51300	126.00
10/21/2021	95575	Knox County Records Office	File 28 weed/trash/demo liens	001-0160-51300	225.00
10/21/2021	20070	University of Illinois	Lead Exposure Reduction Project (2020 year portion)	013-0000-51000	3,113.60
10/21/2021	20071	University of Illinois	Lead Exposure Reduction Project (2020 year portion)	013-0000-51000	705.82
10/22/2021	95576	Knox County Records Office	Recording Lis Pendens - 936 S Broad St	001-0160-51300	63.00
10/22/2021	95576	Knox County Records Office	Recording Lis Pendens - 543 Liberty	001-0160-51300	63.00
10/22/2021	95576	Knox County Records Office	Recording Lis Pendens - 230 Pleasant	001-0160-51300	63.00
10/22/2021	0	Quadient Leasing USA, Inc	Postage for machine	061-0000-10702	500.00
10/22/2021	95577	San Joaquin County Sheriff	Service of Summons - Heuer	001-0145-51000	110.00
10/22/2021	0	T TECH	09/21 UB ACH Fees	067-0000-51000	338.21
10/22/2021	0	T TECH	09/21 UB ACH Fees	061-0000-51000	676.41
10/25/2021	0	Joel Zaiser	Umpire Sball 1 game 10/19	019-1940-51400	30.00
10/26/2021	0	Bank of Montreal	Menards - 2 ea 2x8-12'	019-1915-66000	19.54
10/26/2021	0	Bank of Montreal	Lowes - paint supplies	019-1950-66500	43.92

10/26/2021	0	Bank of Montreal	Lowes - toilet flapper	019-1915-65500	6.98
10/26/2021	0	Bank of Montreal	Walmart - scissors for craft night programs	019-1940-64000	8.88
10/26/2021	0	Bank of Montreal	Menards - wood & supplies for framing in Forestry door	019-1975-66000	236.94
10/26/2021	0	Bank of Montreal	Hilton - lodging - ICS300/400 training - Grodjesk	001-0605-54500	837.20
10/26/2021	0	Bank of Montreal	Amazon - stools for mobile playground truck staff	019-1940-64000	57.93
10/26/2021	0	Bank of Montreal	Galesburg Elec - light bulbs	019-1915-66000	28.36
10/26/2021	0	Bank of Montreal	Valley Dist -hydraulic oil	001-0000-10801	701.80
10/26/2021	0	Bank of Montreal	Advanced Auto - supplies for generator - Brooks	001-0605-65500	117.85
10/26/2021	0	Bank of Montreal	Todoist Pro - monthly subscription	001-0110-55800	4.00
10/26/2021	0	Bank of Montreal	Walmart - equipment for first aid training	019-1940-64000	30.77
10/26/2021	0	Bank of Montreal	Peoples - LP gas	001-0605-65500	25.60
10/26/2021	0	Bank of Montreal	Amazon - staff shirt	001-0115-61000	18.95
10/26/2021	0	Bank of Montreal	Farm King - wire crimps	061-0000-66000	10.99
10/26/2021	0	Bank of Montreal	Total Home Supply - thermostat for AC unit	030-0370-66000	279.00
10/26/2021	0	Bank of Montreal	HyVee - water for resale	019-1920-64125	29.95
10/26/2021	0	Bank of Montreal	Walmart - wall mount for TV	019-1950-66000	19.99
10/26/2021	0	Bank of Montreal	Lowes - materials for block wall	053-0000-66000	107.94
10/26/2021	0	Bank of Montreal	Peoples - supplies for the new shop	053-0000-66000	39.22
10/26/2021	0	Bank of Montreal	VZW - 08/21 Service	001-0105-54000	304.08
10/26/2021	0	Bank of Montreal	HyVee - hot dog buns	019-1920-64125	23.39
10/26/2021	0	Bank of Montreal	Comcast - 09/21 Internet	001-0205-54000	30.00
10/26/2021	0	Bank of Montreal	Galesburg Elec - shrink tube for transformer replacement	020-0000-64500	40.20
10/26/2021	0	Bank of Montreal	Comcast - 09/21 Internet	019-1965-54000	62.95
10/26/2021	0	Bank of Montreal	Office Specialist - reception chair	030-0320-61800	84.48
10/26/2021	0	Bank of Montreal	Mississippi Truck & Trailer - service repair to bus	030-0370-55500	920.32
10/26/2021	0	Bank of Montreal	Project N95 Shop - refund of sales tax	001-0000-10407	(4.34)
10/26/2021	0	Bank of Montreal	Menards - 30 pk tire plugs for park mower tires	019-1915-65500	27.35
10/26/2021	0	Bank of Montreal	Scot Equip - air filter, starter rope, trimmer head	019-1920-65500	97.82
10/26/2021	0	Bank of Montreal	Lowes - PVC pipe fittings	019-1950-65500	12.78
10/26/2021	0	Bank of Montreal	FarmKing - paint supplies	020-0000-65500	67.98
10/26/2021	0	Bank of Montreal	09/21 CC Charges - Library	001-0000-10407	6,789.01
10/26/2021	0	Bank of Montreal	Farm King - pipe fittings	061-0000-66000	11.75
10/26/2021	0	Bank of Montreal	Alan Environmental - air freshner clips	019-1920-65000	131.88
10/26/2021	0	Bank of Montreal	TLO Trans Union - program subscription	001-0510-55800	75.00
10/26/2021	0	Bank of Montreal	Allen Precision - knurled knobs	061-0000-65500	24.46
10/26/2021	0	Bank of Montreal	Galesburg Elec - minor tools	001-0450-66500	43.46
10/26/2021	0	Bank of Montreal	Menards - lag screws, batteries, driver bit	019-1915-65500	30.96
10/26/2021	0	Bank of Montreal	Amazon - handkerchiefs for crafts	019-1940-64000	14.99
10/26/2021	0	Bank of Montreal	Peoples - plug for vacuum at training station	001-0605-65000	2.79
10/26/2021	0	Bank of Montreal	Scott Equip - sales tax to be refunded	019-0000-10407	2.74
10/26/2021	0	Bank of Montreal	Project N95 - refund of sales tax	001-0000-10407	(4.33)
10/26/2021	0	Bank of Montreal	Phillips 66 - gas	061-0000-62510	94.35
10/26/2021	0	Bank of Montreal	Inquirehire - background check	078-0000-51000	58.00
10/26/2021	0	Bank of Montreal	Peoples - misc tools for shop upgrade	053-0000-66000	17.60
10/26/2021	0	Bank of Montreal	Comcast - 09/21 IDOT Modem	001-0000-10407	108.35

10/26/2021	0	Bank of Montreal	Peoples - sealant #507	019-1915-62500	4.44
10/26/2021	0	Bank of Montreal	Menards - broom for #58	001-0605-65000	14.99
10/26/2021	0	Bank of Montreal	Google - ads	019-1905-51500	500.00
10/26/2021	0	Bank of Montreal	Amazon - staff shirt	001-0115-61000	20.10
10/26/2021	0	Bank of Montreal	Greenview Nursery - plants, tree	019-1920-66000	160.97
10/26/2021	0	Bank of Montreal	Amazon - staff shirt	001-0115-61000	18.95
10/26/2021	0	Bank of Montreal	Menards - batteries for safe	019-1905-61000	11.99
10/26/2021	0	Bank of Montreal	Day Break - fuel	061-0000-62510	106.85
10/26/2021	0	Bank of Montreal	9 to 5 - replacement UPS - flood damaged	078-0000-56597	1,095.00
10/26/2021	0	Bank of Montreal	Menards - supplies for the new shop	053-0000-66000	1,051.57
10/26/2021	0	Bank of Montreal	Belson Outdoors - benches	019-1915-66000	1,808.37
10/26/2021	0	Bank of Montreal	OReilly - charge to refund sales tax	014-0000-10407	66.98
10/26/2021	0	Bank of Montreal	Farm King - jack foot #308	001-0450-62500	11.49
10/26/2021	0	Bank of Montreal	Midwest - max kit L track - WIAAA grant	013-0000-66500	1,655.86
10/26/2021	0	Bank of Montreal	Amazon - solid state drives for investigations	001-0510-61700	179.97
10/26/2021	0	Bank of Montreal	Amazon - parts for service truck	030-0370-62500	254.81
10/26/2021	0	Bank of Montreal	Amazon - plastic plates	001-0510-61000	47.78
10/26/2021	0	Bank of Montreal	Galesburg Lumber - lumber for forms	014-0000-66000	92.28
10/26/2021	0	Bank of Montreal	Thompson Truck - SRK 799 to repair #1107	030-0370-66500	911.86
10/26/2021	0	Bank of Montreal	HyVee - hot dog buns	019-1920-64125	28.83
10/26/2021	0	Bank of Montreal	Caseys - OT meal for 1st shift	001-0550-68000	31.36
10/26/2021	0	Bank of Montreal	Eagle Ridge- lodging - IPERLA 2021 Annual Conf - BNolden	001-0145-54500	183.39
10/26/2021	0	Bank of Montreal	Lowe's - misc tools for shop upgrade	053-0000-66000	205.90
10/26/2021	0	Bank of Montreal	Vista Print - refund of sales tax	019-0000-10407	(6.69)
10/26/2021	0	Bank of Montreal	Holt Supply - parts for tower, RPZ parts	061-0000-66000	152.18
10/26/2021	0	Bank of Montreal	UofI Housing- lodging - 10 Wk Basic FF-Morrissey	001-0605-54500	2,568.33
10/26/2021	0	Bank of Montreal	Valley Dist - core charge	001-0445-55500	20.00
10/26/2021	0	Bank of Montreal	Menards - supplies for the new shop	053-0000-66000	13.38
10/26/2021	0	Bank of Montreal	Lowe's - lumber for forms	014-0000-66000	214.16
10/26/2021	0	Bank of Montreal	Menards- pressure washer	061-0000-66500	113.82
10/26/2021	0	Bank of Montreal	Schulte Supply - marking paint	061-0000-66000	439.59
10/26/2021	0	Bank of Montreal	Monsido - site scanning and reporting system	001-0207-61700	4,500.00
10/26/2021	0	Bank of Montreal	Pizza House - OT meal for 2nd/3rd shift	001-0550-68000	72.67
10/26/2021	0	Bank of Montreal	Martin Sullivan - blades, spark plug, oil filter for tractor	030-0320-62500	57.45
10/26/2021	0	Bank of Montreal	Menards - misc tools for shop upgrade	053-0000-66000	670.78
10/26/2021	0	Bank of Montreal	SCW - adobe standard software - Kraig	030-0370-61700	265.12
10/26/2021	0	Bank of Montreal	Menards - supplies for the new shop	053-0000-66000	44.85
10/26/2021	0	Bank of Montreal	SQ Mississippi Truck - DOT inspection #1301	030-0370-66500	102.82
10/26/2021	0	Bank of Montreal	Safe & Vault Store - wall safe for driver deposits	030-0370-66500	1,185.00
10/26/2021	0	Bank of Montreal	Thompson Truck - electrical connection for parts inventory	030-0370-66500	9.54
10/26/2021	0	Bank of Montreal	Allegra - white bus tickets, business cards - Kraig	030-0370-51500	108.50
10/26/2021	0	Bank of Montreal	Menards - AC filters, eye bolts, PVC connectors	019-1920-66000	73.62
10/26/2021	0	Bank of Montreal	Amazon - notebooks for LEADS messages	001-0550-61000	29.60
10/26/2021	0	Bank of Montreal	Farm King - sump pump	061-0000-66500	369.99
10/26/2021	0	Bank of Montreal	VZW - 08/21 Service	001-0450-54000	1.78

10/26/2021	0	Bank of Montreal	Menards - fridge filter	030-0320-66000	49.43
10/26/2021	0	Bank of Montreal	VZW - 08/21 Service	019-1905-54000	114.03
10/26/2021	0	Bank of Montreal	Menards - wire electrical plug	001-0510-65500	4.99
10/26/2021	0	Bank of Montreal	Greenview Nursery - memorial trees	019-1915-63500	440.00
10/26/2021	0	Bank of Montreal	Amazon - cards for monthly passes	030-0370-61000	24.15
10/26/2021	0	Bank of Montreal	Alan Environmental - wasp spray	019-1915-65000	428.00
10/26/2021	0	Bank of Montreal	Amazon - 2 channellock replacement tips	019-1920-65500	20.89
10/26/2021	0	Bank of Montreal	Creative Bus - pendant control,switch harness, roll stop WIAAA	013-0000-66500	1,782.61
10/26/2021	0	Bank of Montreal	Jimmy Johns - lunch during 8/30/21 work session	001-0205-54500	6.63
10/26/2021	0	Bank of Montreal	VZW - 08/21 Service	001-0306-54000	266.07
10/26/2021	0	Bank of Montreal	Phillips 66 - diesel	061-0000-62510	115.68
10/26/2021	0	Bank of Montreal	Amazon - frying pans #21-26	021-0000-68000	442.74
10/26/2021	0	Bank of Montreal	Cutlery & More - 17 piece knife block set #21-25	021-0000-68000	349.95
10/26/2021	0	Bank of Montreal	Michaels - craft supplies, activity toys for Nature Center	019-1940-64000	45.55
10/26/2021	0	Bank of Montreal	Menards - Sevin, utility knives	030-0320-65000	19.96
10/26/2021	0	Bank of Montreal	Alan Environmental - wasp spray	019-1915-65000	230.69
10/26/2021	0	Bank of Montreal	Amazon - ball tubes	019-1945-66500	107.97
10/26/2021	0	Bank of Montreal	MonarchWatch.org- butterfly tagging kit	019-1940-64000	15.00
10/26/2021	0	Bank of Montreal	Pekin Life - 10/12 Life Ins Premiums	001-0510-47500	115.50
10/26/2021	0	Bank of Montreal	American Assoc of Notaries - name change for notary-EGugliotta	001-0115-57000	59.90
10/26/2021	0	Bank of Montreal	Office Specialist - 09/21 copier charges	001-0000-20102	2,451.51
10/26/2021	0	Bank of Montreal	Greenview Nursery - trees for Parks	019-1915-63500	1,945.89
10/26/2021	0	Bank of Montreal	Menards - carb jet cleaner	001-0605-65500	3.97
10/26/2021	0	Bank of Montreal	EMP - misc medical supplies	001-0605-68600	409.67
10/26/2021	0	Bank of Montreal	Pekin Life - 10/12 Life Ins Premiums	001-0605-47500	118.80
10/26/2021	0	Bank of Montreal	Amazon - staff shirt	001-0115-61000	17.58
10/26/2021	0	Bank of Montreal	CBA Lighting - transformer/light kit for runway	020-0000-64500	271.22
10/26/2021	0	Bank of Montreal	LexisNexis - legal research subscription	001-0145-55800	82.40
10/26/2021	0	Bank of Montreal	Lowe's - paint mixer	019-1950-66500	8.98
10/26/2021	0	Bank of Montreal	09/21 CC Charges - ETSB	001-0000-10407	3,875.04
10/26/2021	0	Bank of Montreal	Carriage House - breakfast for department promotions	001-0205-68000	23.24
10/26/2021	0	Bank of Montreal	Amazon - earbuds for communication device	001-0207-61700	15.98
10/26/2021	0	Bank of Montreal	Galesburg Elec - light ballast	019-1955-66000	12.53
10/26/2021	0	Bank of Montreal	Office Specialist - reception chair	030-0370-61000	84.48
10/26/2021	0	Bank of Montreal	VZW - 08/21 Service - iPads	001-0605-54000	190.05
10/26/2021	0	Bank of Montreal	Pegasus - fuel transfer pumps	001-0445-66500	133.81
10/26/2021	0	Bank of Montreal	Hilton - internet access - IML Conf - Mayor Schwartzman	001-0105-54500	12.95
10/26/2021	0	Bank of Montreal	Menards - new shop materials	053-0000-66000	140.80
10/26/2021	0	Bank of Montreal	Menards - screws	019-1915-65500	5.88
10/26/2021	0	Bank of Montreal	Amazon - paper cutter	001-0115-61000	44.78
10/26/2021	0	Bank of Montreal	AC McCartney - cylinder head #584	019-1965-62500	1,873.99
10/26/2021	0	Bank of Montreal	Amazon - larger key holders	001-0510-67500	20.67
10/26/2021	0	Bank of Montreal	Walmart - nails for pumpkin craft program	019-1940-64000	4.32
10/26/2021	0	Bank of Montreal	AC McCartney - spindles #182	001-0445-62500	871.72
10/26/2021	0	Bank of Montreal	Menards - misc supplies	061-0000-66000	79.96

10/26/2021	0	Bank of Montreal	Menards - concrete mix, boards for Forestry door	019-1975-66000	59.52
10/26/2021	0	Bank of Montreal	One Beat CPR Learning - misc medical supplies	001-0605-68600	336.00
10/26/2021	0	Bank of Montreal	Menards - rusty metal primer	019-1915-66000	28.92
10/26/2021	0	Bank of Montreal	DynDNS - DYN Standard DNS	001-0207-55800	5.00
10/26/2021	0	Bank of Montreal	Galesburg Elec - shrink tube for transformer replacement	020-0000-64500	24.08
10/26/2021	0	Bank of Montreal	Amazon - printer power supply cord	001-0510-61700	22.98
10/26/2021	0	Bank of Montreal	Menards - materials for block wall	053-0000-66000	235.20
10/26/2021	0	Bank of Montreal	Traffice Safety Warehouse - barricades	014-0000-64500	1,643.75
10/26/2021	0	Bank of Montreal	Scott Equip - two cycle oil	019-1965-65500	31.37
10/26/2021	0	Bank of Montreal	UPS Store - return items to JJ Keller	030-0370-53000	13.97
10/26/2021	0	Bank of Montreal	Amazon - battery replacements for Exit signs	030-0370-66000	29.99
10/26/2021	0	Bank of Montreal	RP Lumber - lumber for forms	014-0000-66000	91.93
10/26/2021	0	Bank of Montreal	Kitty OSheas - dinner - IML Conf - J Smith-Esters	001-0105-54500	22.91
10/26/2021	0	Bank of Montreal	VZW - 08/21 Service	001-0510-54000	532.14
10/26/2021	0	Bank of Montreal	IPEA - Continuing Ed - RSlagel	001-0306-54500	90.00
10/26/2021	0	Bank of Montreal	IPRA - Supervisor Symposium - AngieB	019-1905-54500	60.00
10/26/2021	0	Bank of Montreal	American Planning Assoc - 2021 Policy & Advocasy Conf- Steve G	001-0305-54500	200.00
10/26/2021	0	Bank of Montreal	Amazon - frying pans #21-26	021-0000-68000	118.65
10/26/2021	0	Bank of Montreal	S&S Indust - batteries, oil pad, penetrant oil	001-0445-63000	157.05
10/26/2021	0	Bank of Montreal	Wilson Paper - shop windshield towels	001-0445-63000	41.81
10/26/2021	0	Bank of Montreal	Hilton Chicago - lodging - IML Conf - Mayor Schwartzman	001-0105-54500	1,300.80
10/26/2021	0	Bank of Montreal	Walmart - vacuum	001-0120-61000	89.00
10/26/2021	0	Bank of Montreal	Amazon - oil for shredder	019-1905-61000	6.30
10/26/2021	0	Bank of Montreal	Amazon - supplies for staff training	019-1940-64000	13.99
10/26/2021	0	Bank of Montreal	HyVee - hot dog buns/misc supplies	019-1920-64125	55.14
10/26/2021	0	Bank of Montreal	Amazon - face masks	001-0510-67500	61.05
10/26/2021	0	Bank of Montreal	Sling - timeclock/scheduling app	019-1905-55800	117.60
10/26/2021	0	Bank of Montreal	Holt Supply - PVC fittings, glue	061-0000-66000	51.77
10/26/2021	0	Bank of Montreal	HyVee - baking soda for cleaning	001-0605-65000	11.40
10/26/2021	0	Bank of Montreal	Nat'l Sheriff Assoc - Neighborhood Watch Membership	001-0510-55000	47.00
10/26/2021	0	Bank of Montreal	Menards - misc tools	061-0000-66500	13.96
10/26/2021	0	Bank of Montreal	Amazon - urinal screens, deodorizer	001-0510-61000	24.80
10/26/2021	0	Bank of Montreal	Frontier- Oquawka phone/internet	061-0000-54000	331.98
10/26/2021	0	Bank of Montreal	Menards - PVC couplings/bushings, galv nipples	061-0000-66000	48.99
10/26/2021	0	Bank of Montreal	Lowe's - marker flags	019-1915-65500	16.44
10/26/2021	0	Bank of Montreal	VZW - 08/21 Service	019-1950-54000	1.78
10/26/2021	0	Bank of Montreal	VZW - 08/21 Service	061-0000-54000	21.46
10/26/2021	0	Bank of Montreal	IL Tax Increment Assoc - Fall 2021 Seminar - Steve G	001-0305-54500	375.00
10/26/2021	0	Bank of Montreal	Menards - cabinet door hinges	019-1920-65500	8.38
10/26/2021	0	Bank of Montreal	Walmart - Labor Day staff snacks	019-1930-64000	6.95
10/26/2021	0	Bank of Montreal	VZW - 08/21 Service	001-0110-54000	38.01
10/26/2021	0	Bank of Montreal	HyVee - snacks for volunteers at Monarch Festival	019-1940-64000	47.96
10/26/2021	0	Bank of Montreal	Lowe's - wall tile for programs	019-1940-66000	7.04
10/26/2021	0	Bank of Montreal	HyVee - hot dog buns	019-1920-64125	35.58
10/26/2021	0	Bank of Montreal	Amazon - battery cable for bus	030-0370-62500	126.28

10/26/2021	0	Bank of Montreal	Lowes - supplies for the new shop	053-0000-66000	65.08
10/26/2021	0	Bank of Montreal	Amazon - supplies for craft - tile coasters	019-1940-64000	36.83
10/26/2021	0	Bank of Montreal	Matco Tools - torque wrench	001-0445-66500	489.37
10/26/2021	0	Bank of Montreal	Office Specialist - 09/21 copier charges	067-0000-20102	31.38
10/26/2021	0	Bank of Montreal	Holt - wall faucet, connector	019-1950-65500	45.69
10/26/2021	0	Bank of Montreal	VZW - 08/21 Service	001-0605-54000	7.12
10/26/2021	0	Bank of Montreal	SCW - 2 UPS replacements	061-0000-61700	136.10
10/26/2021	0	Bank of Montreal	Menards - clothes hook, pumice stones	030-0320-65000	6.65
10/26/2021	0	Bank of Montreal	FarmKing - batteries, hitch pin for tree auger	019-1915-65500	61.32
10/26/2021	0	Bank of Montreal	Amazon - mesh bags for balls	019-1940-64000	23.99
10/26/2021	0	Bank of Montreal	VZW - 08/21 Service	016-0000-54000	1.78
10/26/2021	0	Bank of Montreal	Orpheum Theater - rental for ERC movie	001-0120-58500	400.00
10/26/2021	0	Bank of Montreal	Menards - PVC adapters, hose clamp	019-1925-65500	9.77
10/26/2021	0	Bank of Montreal	Comcast - 09/21 Internet	001-0207-54000	454.85
10/26/2021	0	Bank of Montreal	Office Specialist - 09/21 copier charges	078-0000-20102	39.47
10/26/2021	0	Bank of Montreal	Comcast - 09/21 AV room cable	001-0207-54000	5.99
10/26/2021	0	Bank of Montreal	Walmart - coffee	001-0510-61000	140.60
10/26/2021	0	Bank of Montreal	VZW - 08/21 Service - command vehicle	001-0510-54000	5.34
10/26/2021	0	Bank of Montreal	Menards - supplies for the new shop	053-0000-66000	57.60
10/26/2021	0	Bank of Montreal	Thompson Electronic - charging docking station	001-0207-61700	346.59
10/26/2021	0	Bank of Montreal	Menards - misc tools	061-0000-66500	26.19
10/26/2021	0	Bank of Montreal	Amtrak - tickets - IL Tax Increment Seminar - Steve G	001-0305-54500	48.00
10/26/2021	0	Bank of Montreal	Office Specialist - task chair	030-0320-61800	240.69
10/26/2021	0	Bank of Montreal	Cutting Edge - weed eater string	061-0000-65500	21.81
10/26/2021	0	Bank of Montreal	GFOA - GAAP Update Webinar - SHeiden	001-0205-54500	150.00
10/26/2021	0	Bank of Montreal	Lowes - shims for bathroom door install	053-0000-66000	11.80
10/26/2021	0	Bank of Montreal	Amazon - Canon digital camera	001-0510-66500	118.14
10/26/2021	0	Bank of Montreal	Midstate - filter cleaning #128	018-0000-55500	17.00
10/26/2021	0	Bank of Montreal	HyVee - butterfly food	019-1940-64000	4.03
10/26/2021	0	Bank of Montreal	Office Specialist - 09/21 copier charges	019-0000-20102	178.95
10/26/2021	0	Bank of Montreal	Amazon - 2 pc stop/kill safety lanyards, 2 nozzlehooks	019-1920-65500	39.19
10/26/2021	0	Bank of Montreal	Amazon - face masks	001-0115-61000	25.87
10/26/2021	0	Bank of Montreal	Amazon - staff shirt	001-0115-61000	20.39
10/26/2021	0	Bank of Montreal	S&S Indust - brake cleaner	001-0445-63000	55.82
10/26/2021	0	Bank of Montreal	IEPLRA - 2021 Annual Conf - BNolden	001-0145-54500	275.00
10/26/2021	0	Bank of Montreal	Amazon - hand soap dispenser	001-0510-67500	22.00
10/26/2021	0	Bank of Montreal	Allied 100 - batteries for AEDs	001-0605-68600	523.09
10/26/2021	0	Bank of Montreal	Amazon - spill saver for oils	030-0370-65000	9.82
10/26/2021	0	Bank of Montreal	DynDNS - Managed DNS Express 5	001-0207-55800	24.00
10/26/2021	0	Bank of Montreal	AC McCartney - castors #523	019-1915-62500	1,082.00
10/26/2021	0	Bank of Montreal	Kitty OSheas - dinner - IML Conf - DWhite	001-0105-54500	28.78
10/26/2021	0	Bank of Montreal	Promotions Now - refund of sales tax	001-0000-10407	(3.94)
10/26/2021	0	Bank of Montreal	Lowes - spackling	030-0320-66000	6.48
10/26/2021	0	Bank of Montreal	Office Specialist - 09/21 copier charges	061-0000-20102	337.18
10/26/2021	0	Bank of Montreal	Menards - wire electrical plugs	001-0510-65500	12.75

10/26/2021	0	Bank of Montreal	Illinois AWWA - webinar/training hours - TFey	061-0000-54500	72.00
10/26/2021	0	Bank of Montreal	American Assoc of Notaries - notary stamp & bond, IL fee-TMiller	001-0205-57000	59.90
10/26/2021	0	Bank of Montreal	VZW - 08/21 Service	019-1920-54000	38.01
10/26/2021	0	Bank of Montreal	Valley Dist - lithium grease	061-0000-62500	146.96
10/26/2021	0	Bank of Montreal	Inquirehire - background check	078-0000-51000	58.00
10/26/2021	0	Bank of Montreal	FarmKing - paint supplies	020-0000-65500	23.65
10/26/2021	0	Bank of Montreal	Galesburg Lumber - lumber for forms	014-0000-66000	136.10
10/26/2021	0	Bank of Montreal	Menards - colored electrical tape	001-0605-65000	13.14
10/26/2021	0	Bank of Montreal	Amazon - disposable gloves	030-0370-67500	258.02
10/26/2021	0	Bank of Montreal	Comcast - 09/21 HD Tech Fee #20-29	021-0000-54000	9.95
10/26/2021	0	Bank of Montreal	AC McCartney - oil seals #175	001-0445-62500	10.36
10/26/2021	0	Bank of Montreal	Walmart - office supplies	019-1905-61000	15.78
10/26/2021	0	Bank of Montreal	Lowes - cable ties	019-1920-65500	26.92
10/26/2021	0	Bank of Montreal	Lowes - boards, caulk, handles	019-1915-65500	158.40
10/26/2021	0	Bank of Montreal	Walmart - hot dog buns	019-1920-64125	7.92
10/26/2021	0	Bank of Montreal	Holt - misc plumbing supplies	061-0000-66000	81.22
10/26/2021	0	Bank of Montreal	FreshDesk - MIS HelpDesk support system	001-0207-55800	87.00
10/26/2021	0	Bank of Montreal	RP Lumber - string trimmer kit #21-24	021-0000-66500	249.99
10/26/2021	0	Bank of Montreal	IL Fire/Police Comm - Fall Sem Registration-Peters/Vanhootegem	001-0505-54500	950.00
10/26/2021	0	Bank of Montreal	Galesburg Elec - 6 volt batteries, recycle batteries	019-1935-66000	46.76
10/26/2021	0	Bank of Montreal	Amazon - storage shed for Nature Center	019-1940-66000	2,839.27
10/26/2021	0	Bank of Montreal	OREilly - charge to refund sales tax	014-0000-10407	(72.84)
10/26/2021	0	Bank of Montreal	JookSMS - mass texting service	078-0000-55800	100.00
10/26/2021	0	Bank of Montreal	Project N95 - refund of sales tax	001-0205-61700	(0.10)
10/26/2021	0	Bank of Montreal	Hilton Chicago - lodging - IML Conf - J Smith-Esters	001-0105-54500	650.40
10/26/2021	0	Bank of Montreal	Office Specialist - task chair	030-0370-61000	240.69
10/26/2021	0	Bank of Montreal	Walmart - batteries	019-1905-61000	27.96
10/26/2021	0	Bank of Montreal	IL GIS Assoc - Annual GIS Conf - JCueno	001-0410-54500	220.00
10/26/2021	0	Bank of Montreal	Creative Bus - amber marker lights for pickup truck	030-0320-66500	103.11
10/26/2021	0	Bank of Montreal	HyVee - fuel for chain saws	019-1975-62510	18.83
10/26/2021	0	Bank of Montreal	Lowes - paint tape	019-1950-66000	8.48
10/26/2021	0	Bank of Montreal	Amazon - storage boxes	001-0115-61000	53.99
10/26/2021	0	Bank of Montreal	Amazon - dome light for service truck	030-0370-62500	188.48
10/26/2021	0	Bank of Montreal	Menards - padlocks for the training site	001-0605-65000	49.98
10/26/2021	0	Bank of Montreal	Menards - bleach, denatured alcohol	061-0000-65000	15.71
10/26/2021	0	Bank of Montreal	Kaser Power - repair chop saw #51	001-0605-55500	67.21
10/26/2021	0	Bank of Montreal	VZW - 08/21 Service	061-0000-54000	1.78
10/26/2021	0	Bank of Montreal	Creative Instinct - K9 Dax/Thompson Cards	001-0510-51500	128.00
10/26/2021	0	Bank of Montreal	Acushnet - golf balls for resale	019-1920-64125	85.18
10/26/2021	0	Bank of Montreal	Chicago Tribune - monthly subscription	001-0110-55000	9.96
10/26/2021	0	Bank of Montreal	Menards - returned various items	053-0000-66000	(42.27)
10/26/2021	0	Bank of Montreal	VZW - 08/21 Service	001-0205-54000	38.01
10/26/2021	0	Bank of Montreal	Birkeys - wheel #582	019-1965-62500	375.00
10/26/2021	0	Bank of Montreal	Alan Environmental - dumpster deodorizer, wasp spray	019-1915-65000	747.66
10/26/2021	0	Bank of Montreal	HyVee - hot dog buns	019-1920-64125	29.68

10/26/2021	0	Bank of Montreal	Hilton Chicago - lodging - IML Conf - DWhite	001-0105-54500	975.60
10/26/2021	0	Bank of Montreal	Menards - misc tools	061-0000-66500	59.99
10/26/2021	0	Bank of Montreal	Lowes - paint rollers and covers	019-1950-66500	35.90
10/26/2021	0	Bank of Montreal	Amazon - rings for key organizing	019-1905-61000	7.99
10/26/2021	0	Bank of Montreal	Facebook - ads	019-1905-51500	54.67
10/26/2021	0	Bank of Montreal	Phillips 66 - diesel	061-0000-62510	84.17
10/26/2021	0	Bank of Montreal	Martin Tractor - 4 oil filters for JD riders	019-1915-65500	37.44
10/26/2021	0	Bank of Montreal	Go Van Goghs - uniform shirts - PTI Countryman,Torres,Harp	001-0510-67500	405.00
10/26/2021	0	Bank of Montreal	Vistaprint - refund of sales tax	019-0000-10407	(15.16)
10/26/2021	0	Bank of Montreal	Lowes - supplies for the new shop	053-0000-66000	110.70
10/26/2021	0	Bank of Montreal	USA Bluebook - nitrile gloves	061-0000-67500	37.30
10/26/2021	0	Bank of Montreal	Menards - jtrim, trim nails	019-1915-65500	39.95
10/26/2021	0	Bank of Montreal	Eagle Ridge Resort - refund hotel fee- FBINA Conf-RIdle	001-0510-54500	(148.74)
10/26/2021	0	Bank of Montreal	Creative Instinct - K9 Zues/Taylor Cards	001-0510-51500	128.00
10/26/2021	0	Bank of Montreal	Comcast - 09/21 Cable	001-0630-54000	15.00
10/26/2021	0	Bank of Montreal	Menards - fans	061-0000-66000	504.28
10/26/2021	0	Bank of Montreal	Amazon - backrack for service truck	030-0370-62500	88.02
10/26/2021	0	Bank of Montreal	Lowes - lumber for forms	014-0000-66000	207.57
10/26/2021	0	Bank of Montreal	Midstate Mfg - filter cleaning #113	001-0450-55500	24.00
10/26/2021	0	Bank of Montreal	Holt - 3 PVC caps	019-1915-65500	11.27
10/26/2021	0	Bank of Montreal	Martin Tractor - 2 yokes for JD mower wheel	019-1915-65500	485.48
10/26/2021	0	Bank of Montreal	Amazon - mobile playground craft supplies	019-1940-64000	4.92
10/26/2021	0	Bank of Montreal	HyVee - hot dog buns	019-1920-64125	14.32
10/26/2021	0	Bank of Montreal	Amazon - super sized vball	019-1940-64000	21.99
10/26/2021	0	Bank of Montreal	Walmart - water for resale	019-1920-64125	35.88
10/26/2021	0	Bank of Montreal	Fastenal - stainless steel bolts	061-0000-66000	9.91
10/26/2021	0	Bank of Montreal	Best of Signs - 2 wall name plates	001-0205-61000	31.68
10/26/2021	0	Bank of Montreal	Amazon - compasses for Nature at Night	019-1940-64000	14.98
10/26/2021	0	Bank of Montreal	Comcast - 09/21 Cable	001-0510-54000	19.90
10/26/2021	0	Bank of Montreal	Amazon - name tag pins for Pavilion hosts	019-1935-64000	9.99
10/26/2021	0	Bank of Montreal	Titanium - fiber splicing equipment & supplies	001-0207-61700	3,740.00
10/26/2021	0	Bank of Montreal	Menards- cleaning supplies, tools	061-0000-66500	35.03
10/26/2021	0	Bank of Montreal	Office Specialist - 09/21 copier charges	030-0000-20102	100.52
			Grand Total		\$ 493,806.74

**CITY OF GALESBURG
COUNCIL LETTER
OCTOBER 18, 2021**

AGENDA ITEM: Ordinance to replace the existing yield signs on Grove Street at Olive Street with stop signs.

SUMMARY RECOMMENDATION: The City Manager, Director of Public Works and City Engineer recommend approval of this Ordinance to replace the existing yield signs on Grove Street at Olive Street with stop signs.

BACKGROUND: A request was brought to the Traffic Advisory Committee to replace the existing yield signs on Grove Street at Olive Street with stop signs. Upon review, the Committee noted that visibility is restricted to the north and south of Grove Street at Olive Street due to trees, bushes, and structures. Due to these visibility restrictions, stop signs are recommended to be installed instead of the current yield signs.

BUDGET IMPACT: None

SUPPORTING DOCUMENTS:

1. Ordinance

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GALESBURG, ILLINOIS, AS FOLLOWS:

SECTION ONE: Appendix F of Chapter 76 of the City of Galesburg Code of Ordinances shall be, and is hereby amended by deleting the following language:

- Grove Street at Olive Street

SECTION TWO: Appendix E of Chapter 76 of the City of Galesburg Code of Ordinances shall be, and is hereby amended by adding the following language:

- Grove Street at Olive Street

SECTION THREE: All ordinances or parts of ordinances, in conflict with this ordinance are, to the extent of such conflict, hereby repealed.

SECTION FOUR: This ordinance shall be in full force and effect following its passage, approval and publication as required by law.

Approved this _____ day of _____, 2021, by roll call vote as follows:

Roll Call #:

Ayes:

Nays:

Absent: _____

Peter Schwartzman, Mayor

ATTEST:

Kelli R. Bennewitz, City Clerk

**COUNCIL LETTER
CITY OF GALESBURG
OCTOBER 18, 2021**

AGENDA ITEM: Bond Ordinance for Knox College Project

SUMMARY RECOMMENDATION: The City Manager and Director of Finance and Information Systems recommend approval of the Ordinance.

BACKGROUND: The Administration and staff from Knox College have been coordinating on the issuance of new debt for the College. Knox has requested that the City assist them in the issuance of bonds to refinance existing debt and undertake additional capital projects. The City previously assisted Knox College with issuance of Series 1996 and Series 1999 Bonds which are part of the debt being refinanced by this new bond issuance. Issuance of debt for a private, not for profit institution of higher learning is a valid exercise of the City's home rule authority.

The new bond ordinance authorizes the issuance of up to \$45,000,000. Notice of the potential issuance of the bonds was published in the October 15, 2021 Register-Mail. This notice also provides that a public hearing will be held at the November 1, City Council meeting prior to adoption of the Bond Ordinance.

The City has no liability or obligation associated with repayment of the bonds nor any control over the use of the proceeds. The City will be paid an issuance fee associated with this project in the amount of \$25,000. Knox College will also pay the fees incurred by the City's bond counsel and financial advisor per Agreement between the Parties.

A representative from Knox College will be available to answer questions at the City Council meeting.

BUDGET IMPACT: The issuance fee will be deposited into the General Fund.

SUPPORTING DOCUMENTS:

1. Ordinance

October 19, 2021

The City Council of the
City of Galesburg, Illinois

Dear Members:

We are representing the City of Galesburg, Illinois, in connection with a financing being undertaken on behalf of Knox College for its proposed issuance of not-to-exceed \$45,000,000 in aggregate principal amount of City of Galesburg, Knox County, Illinois Revenue Bonds, Series 2021 (Knox College Project) in one or more series, taxable or tax-exempt (the "Bonds").

The Bonds will be issued pursuant to a Loan Agreement, dated as of December 1, 2021 (the "Agreement"), between the Corporation and a Trust Indenture, dated as of December 1, 2021 (the "Indenture"), between the City and Amalgamated Bank of Chicago, as trustee (the "Trustee"), providing for the security of the Bonds and expressing the contract between the City and the holders of the Bonds.

The Loan Agreement and the Indenture, confirm that Knox College is the obligor for the Bonds and that no recourse can be had for the payment of the principal of, premium, if any, and interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in the Indenture, the Loan Agreement, the Bonds or the Bond Purchase Agreement against the City or any past, present or future member, officer, agent or employee of the City, or any incorporator, member, officer, employee, agent, director or trustee of any successor corporation, as such, either directly or through the City or any successor corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability is expressly waived and released as a condition of and consideration for the execution of the Indenture and the Loan Agreement and the issuance of the Bonds.

Very truly yours,



LG:kh

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING AND APPROVING THE ISSUANCE AND SALE OF NOT TO EXCEED \$45,000,000 CITY OF GALESBURG, KNOX COUNTY, ILLINOIS, REVENUE BONDS, SERIES 2021 (KNOX COLLEGE PROJECT), IN ONE OR MORE SERIES, TAXABLE OR TAX-EXEMPT, OF THE CITY OF GALESBURG, KNOX COUNTY, ILLINOIS; AND CONCERNING CERTAIN RELATED MATTERS.

WHEREAS, the City of Galesburg, Knox County, Illinois (the “**City**”), is a duly constituted and existing municipality and a home rule unit within the meaning of Section 6(a), Article VII of the 1970 Constitution of the State of Illinois; and

WHEREAS, the City, pursuant to its powers as a home rule unit, is authorized and empowered to issue its revenue bonds to finance and refinance the costs of acquiring, constructing, renovating and equipping educational facilities for private, not-for-profit institutions of higher education located within the City in order to enhance the general health and welfare of the residents of the City and the surrounding areas; and

WHEREAS, Knox College, an Illinois not-for-profit corporation (the “**Corporation**”), has requested that the City issue its revenue bonds and loan the proceeds of sale to the Corporation to provide all or a portion of the funds necessary to (i) finance or reimburse the Corporation for the costs of the acquisition, construction, renovation and equipping of certain educational facilities of the Corporation described in the Agreement defined below (the “**Project**”), (ii) refund all of the outstanding principal amount of the City of Galesburg, Illinois Variable Rate Demand Revenue Bonds, Series 1996 (Knox College Project) (the “**Series 1996 Bonds**”), (iii) refund all of the outstanding principal amount of the City of Galesburg, Illinois Variable Rate Demand Revenue Bonds, Series 1999 (Knox College Project) (the “**Series 1999 Bonds**”), (iv) refinance certain taxable indebtedness incurred by the Corporation under a loan (the “**Loan**”) from PNC Bank, National Association (the “**Bank**”), about \$10,660,000 of which is currently outstanding, (v) finance termination payments to PNC Bank, National Association pursuant to Interest Rate Swaps (as defined herein) entered into by the Corporation with respect to its Series 1996 Bonds and Series 1999 Bonds, and (vi) pay certain costs incurred in connection with the issuance of the Bonds (defined below) (collectively, the “**Financing Purposes**”); and

WHEREAS, the City previously issued the Series 1996 Bonds for the benefit of the Corporation in the original principal amount of \$19,700,000, \$19,700,000 of which is currently outstanding, for the purpose of providing all or a portion of the funds necessary to finance or refinance (i) all or a portion of the costs of the acquisition, construction, renovation, and equipping of the educational facilities of the Corporation located in the City, (ii) the payment of a bank loan issued for the purpose of refunding \$2,900,000 Illinois Educational Facilities Authority Revenue Bonds, Knox College, Series 1993, \$2,740,000 of which was then outstanding, (iii) the payment of bank loans issued for the purpose of prepaying the Corporation’s Secured Notes in the principal amounts of \$1,429,576 and \$1,762,117, respectively, of which \$1,370,000 and \$1,115,291, respectively, was then outstanding, issued to the Illinois Educational Facilities Authority to secure

loans made from a portion of the proceeds of the Adjustable Rate Demand Revenue Bonds, Series 1985 (University Pooled Financing Program) issued by the Illinois Educational Facilities Authority, (iv) capitalized interest on the Series 1996 Bonds and (v) all or a portion of the costs of issuance of the Series 1996 Bonds and the payment of the above-described bank loans; and

WHEREAS, the City previously issued the Series 1999 Bonds for the benefit of the Corporation in the original principal amount of \$5,000,000, \$5,000,000 of which is currently outstanding, for the purpose of providing all or a portion of the funds necessary to finance or refinance (i) all or a portion of the costs of the acquisition, construction, renovation and equipping of the educational facilities of the Corporation located in the City, (ii) certain Series 1999 Project costs financed under the Fifth Amended and Restated Revolving Loan Credit Agreement, dated as of July 1, 1999, and (iii) all or a portion of the costs of issuance of the Series 1999 Bonds and the payment of the above-described bank loans; and

WHEREAS, the Corporation previously entered into interest rate swaps with PNC Bank, National Association, in connection with the Series 1996 Bonds and the Series 1999 Bonds (together, the “**Interest Rate Swaps**”); and

WHEREAS, the Corporation intends to terminate the Interest Rate Swaps and pay any termination amounts due to the bank in connection therewith; and

WHEREAS, the termination payments due in connection with the Interest Rate Swaps are not eligible to be financed with the proceeds of tax-exempt bonds; and

WHEREAS, it is estimated that the costs of financing or refinancing the Financing Purposes, including costs relating to the authorization, preparation, sale and issuance of the Bonds, will total not less than \$45,000,000; and

WHEREAS, in order to provide such funds, it is necessary and in the best interests of the City and in furtherance of the general health and welfare of the residents of the City and the surrounding areas to authorize the issuance of not-to-exceed \$45,000,000 in aggregate principal amount of City of Galesburg, Knox County, Illinois Revenue Bonds, Series 2021 (Knox College Project) in one or more series, taxable or tax-exempt (the “**Bonds**”), and the same is a matter pertaining to the government and affairs of the City; and

WHEREAS, pursuant to public notice published on October 15, 2021, in the *Galesburg Register-Mail*, a newspaper of general circulation in Knox County, Illinois and the City available to the residents of the City, a public hearing was held by the City Council of the City (the “**City Council**”), beginning at 5:30 p.m. on November 1, 2021, in the City Hall, 55 West Tompkins, Galesburg, Illinois, at which all residents, taxpayers and other interested persons were given the opportunity to express their views, either orally or in writing, with respect to the issuance of the Bonds and the financing of the Financing Purposes; and

WHEREAS, proof of publication of the notice, including a description of the Financing Purposes and the financing of it, has been submitted to the City Council; and

WHEREAS, in order to provide for the issuance of the Bonds in global book entry form, it is necessary for the City to enter into a letter of representations in customary form (the “**Letter of Representations**”) with the Trustee and The Depository Trust Company, the depository through which the global book entry system will be implemented; and

WHEREAS, this Ordinance and all agreements to be signed by the City provide that the Bonds will not constitute nor give rise to a general obligation of the City or be a charge against its general credit or taxing powers and that the Bonds will be limited obligations of the City payable only from the revenues and receipts derived from the Agreement (defined below) and will be secured only by the pledge and assignment under the Indenture (defined below) of such revenues and by any moneys held by the Trustee (defined below) under the Indenture and the investment earnings on such moneys; and

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Galesburg, Knox County, Illinois, as follows:

Section 1. Exercise of Home Rule Powers. The City is a home rule unit under the provisions of the 1970 Constitution of Illinois and, as a home rule unit may, under the powers granted by Section 6(a) of Article VII thereof, “exercise any power and perform any function pertaining to its government and affairs.” This Ordinance is adopted pursuant to the City’s home rule powers, any provisions contained in the Illinois Municipal Code to the contrary notwithstanding.

Section 2. Incorporation of Preambles; Findings. The preambles are incorporated into this Ordinance by this reference and made a part of this Ordinance. The Bonds are to be issued for the purpose of lending the proceeds of the sale of the Bonds to the Corporation to be used to (i) finance or reimburse the Corporation for the costs of the Project, (ii) refund all of the outstanding principal amount of the Series 1996 Bonds, (iii) refund all of the outstanding principal amount of the Series 1999 Bonds, (iv) refinance certain taxable indebtedness incurred by the Corporation under the Loan from the Bank, (v) finance termination payments on the Interest Rate Swaps, and (vi) pay certain costs incurred in connection with the issuance of the Bonds, including as a part of such costs all or a portion of related fiscal, legal and other incidental costs and charges. The issuance of the Bonds for such purposes will promote the general health and welfare of the residents of the City and surrounding areas.

Section 3. Loan Agreement. The City shall finance the costs of the Financing Purposes and pay all or a portion of the financing, legal and other incidental costs and charges for the purposes described above by lending the proceeds of sale of the Bonds to the Corporation pursuant to a Loan Agreement, dated as of December 1, 2021 (the “**Agreement**”), between the Corporation and the City. The City Council authorizes and approves the execution of the Agreement by the Mayor of the City (the “**Mayor**”) under the seal of the City, attested by the City Clerk of the City (the “**City Clerk**”), and the delivery of the Bonds. The Agreement shall be substantially in the form of the Agreement attached as Exhibit A, which is approved, or with such changes as shall be approved by the officials of the City executing the same, such execution to constitute conclusive evidence of their approval, and of the City Council’s approval, of any changes or revisions from the form of the Agreement attached to this Ordinance.

Section 4. Bonds Authorized; Limited Obligations. In order to obtain funds to lend to the Corporation for the purposes described above, there is authorized the issuance of not in excess of \$45,000,000 in aggregate principal amount of the Bonds in one or more series, taxable or tax-exempt. The Bonds shall be issued in all respects in compliance with the Indenture referred to in Section 5. The Bonds may be registered to and held in the system of The Depository Trust Company, and the City may make such arrangements with The Depository Trust Company from time to time as are needed.

The Bonds shall bear interest at such rate or rates (not to exceed 15% per annum) and shall be payable on such date or dates, over a term not exceeding 35 years from their date of issuance, all as shall be approved by the Mayor within the parameters set forth in this Ordinance, the execution of the Indenture by the Mayor to constitute conclusive evidence of the Mayor's approval, and of the City Council's approval, of the final terms of the Bonds.

The Bonds shall not represent or constitute a debt of the City within the meaning of the provisions of the Constitution or statutes of the State of Illinois or a pledge of the full faith and credit of the City. The Bonds and the interest payable on the Bonds shall not give rise to a pecuniary liability of the City or a charge against its general credit or taxing powers. The Bonds and the interest and premium, if any, payable on the Bonds shall be limited obligations of the City and shall be payable solely from payments to be made under the Agreement and as otherwise provided in the Indenture.

Section 5. Indenture. The City Council authorizes and approves the execution by the Mayor under the seal of the City, attested by its City Clerk, and the delivery of a Trust Indenture, dated as of December 1, 2021 (the "**Indenture**"), between the City and Amalgamated Bank of Chicago, as trustee (the "**Trustee**"), providing for the security of the Bonds and expressing the contract between the City and the holders of the Bonds. The Indenture shall be substantially in the form of the Indenture attached as Exhibit B, which is approved, or with such changes as shall be approved by the officials of the City executing the same, such execution to constitute conclusive evidence of their approval, and of the City Council's approval, of any changes or revisions from the form of the Indenture attached to this Ordinance.

Section 6. Appointment of Trustee under the Indenture. Amalgamated Bank of Chicago, a national banking association with its principal corporate trust office located in Chicago, Illinois, is appointed as the initial Trustee under the Indenture.

Section 7. Financing Statements. To evidence the security interest created by the various documents contemplated in this Ordinance, the Mayor and the City Clerk are each authorized and directed to execute and deliver on behalf of the City, as debtor, a financing statement wherein the Trustee is the secured party covering the Agreement and all other and further rights and interests pledged and assigned to the Trustee under the Indenture.

Section 8. Bond Purchase Agreement. The City Council authorizes and approves the execution by the Mayor and the delivery of a Bond Purchase Agreement (the "**Bond Purchase Agreement**") among the City, the Corporation and Stifel, Nicolaus & Company, Incorporated, on behalf of itself and as representative (the "**Representative**") of Siebert Williams Shank & Co., LLC (together, with the Representative, the "**Underwriters**"), pursuant to which the Underwriters

will offer to purchase the Bonds at the price of not less than 97% of the principal amount thereof plus accrued interest, if any. The Bond Purchase Agreement shall be substantially in the form of the Bond Purchase Agreement attached as Exhibit C, which is approved, or with such changes as shall be approved by the Mayor, such execution to constitute conclusive evidence of the Mayor's approval, and of the City Council's approval, of any changes or revisions from the form of the Bond Purchase Agreement attached to this Ordinance.

Section 9. Letter of Representations. In order to provide for the issuance of the Bonds in global book entry form, the Mayor and the City Clerk shall execute, acknowledge and deliver in the name and on behalf of the City a Letter of Representations to be prepared by bond counsel and to be in customary form.

Section 10. Official Statement. The Preliminary Official Statement, substantially in the form attached hereto as Exhibit D, and the final Official Statement, in substantially the form of the Preliminary Official Statement with such changes and additions thereto as are necessary to conform to and describe the transaction, and the public distribution of the same by the Underwriters are hereby approved for use in connection with the sale of the Bonds. The City has not participated in the preparation of the Preliminary Official Statement or the final Official Statement and has not verified the accuracy of the information therein, other than information respecting the City under the captions "THE ISSUER" and "LITIGATION - The Issuer." Accordingly, such approvals do not constitute approval by the City of such information or a representation by the City as to the completeness or accuracy of the information contained therein. For the purpose of enabling the Underwriters to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission, the City deems the information regarding the City contained in the Preliminary Official Statement under the captions "THE ISSUER" and "LITIGATION - The Issuer" to be "final" as of its date, except for the omission of such information as is permitted by Rule 15c2-12(b)(1), and the appropriate officers of the City are hereby authorized, if requested, to provide the Underwriters a letter or certification to such effect and to take such other actions or execute such other documents as such officers in their reasonable judgment deem necessary to enable the Underwriters to comply with the requirements of such Rule.

Section 11. Tax Exemption Certificate and Agreement. The City recognizes that the purchasers and holders from time to time of any tax-exempt Bonds (including the Underwriters) will have accepted them on, and paid therefor a price which reflects, the understanding that interest on the tax-exempt Bonds is exempt from federal income taxation under laws in force at the time the tax-exempt Bonds shall have been delivered to the extent described in the Official Statement. In this connection, the Mayor, City Clerk and other appropriate officials of the City are authorized and directed to execute such certificates and make such representations as shall be necessary to establish that the tax-exempt Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and any lawful regulations promulgated or proposed thereunder (collectively, the "**Code**"). The substance of such certificates shall be based on certifications and representations of the Corporation.

The City Council authorizes and approves the execution by the Mayor and the delivery of a Tax Exemption Certificate and Agreement (the "**Tax Agreement**"), among the City, the Corporation and the Trustee relating to the tax-exempt Bonds. The Tax Agreement shall be in substantially the form of the Tax Agreement attached as Exhibit E, which is approved, or with

such changes as shall be approved by the Mayor, such execution to constitute conclusive evidence of the Mayor's approval, and of the City Council's approval, of any changes from the form of the Tax Agreement attached to this Ordinance.

The City covenants to and for the benefit of the holders of the tax-exempt Bonds from time to time (including the Underwriters) that no use will be made of the proceeds of the issue and sale of the tax-exempt Bonds or any other funds or accounts of the City which might be deemed to be available proceeds of the tax-exempt Bonds pursuant to the provisions of Section 148 of the Code and the applicable regulations (proposed or promulgated) under which, if such use had been reasonably expected on the date of delivery of and payment for the tax-exempt Bonds, the tax-exempt Bonds would be classified as "arbitrage bonds" within the meaning of Section 148 of the Code. Pursuant to such covenant, the City obligates itself to comply throughout the term of the issue of the tax-exempt Bonds with the requirements of the Code and any regulations promulgated thereunder. The City further covenants that it will neither take any action nor omit to take any action the taking or omission of which would render interest on the tax-exempt Bonds subject to federal income taxation. Any certificate given under this section shall be considered a representation of the City under this Ordinance.

Section 12. Arbitrage Rebate. The City recognizes that the provisions of Section 148 of the Code require a rebate of "excess arbitrage profits" to the United States of America in certain circumstances. The City covenants to make such rebate payments in accordance with the Code, if required, but only from moneys provided by the Corporation pursuant to the Agreement, the Indenture and the Tax Exemption Agreement.

Section 13. Registered Form. The City recognizes that Section 149 of the Code requires the tax-exempt Bonds to be issued and to remain in fully registered form in order for the interest on them to be and remain exempt from federal income taxes. In this connection, the City agrees that it will not take any action to permit the tax-exempt Bonds to be issued in, or converted into, bearer or coupon form.

Section 14. Authorization and Ratification of Related Matters. The members of the City Council, officers, officials, agents and employees of the City are authorized, empowered and directed to do all such acts and things and to execute, deliver and/or approve all such documents and showings as may be necessary to carry out and comply with the provisions of this Ordinance, and all of the acts and doings of the members of the City Council, officers, officials, agents and employees of the City which are in conformity with the intent and purposes of this Ordinance, whether heretofore or hereafter taken or done, are ratified, confirmed and approved. No recourse shall be had for the payment of any Bonds against any member of the City Council or any officer, official, agent, or employee of the City.

Section 15. Provisions Separable. The provisions of this Ordinance are declared to be separable, and if any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases or provisions of this Ordinance.

Section 16. Repeal of Conflicting Ordinances, Etc. All ordinances, resolutions, orders or parts of ordinances, resolutions or orders in conflict with the provisions of this Ordinance are, to the extent of such conflict, repealed.

Section 17. Effective Date. This Ordinance shall be in full force and effect upon its approval by the Mayor.

Section 18. Publication of Notice; Approval. The Certificate of Publication of Notice on October 15, 2021, concerning public notice of the public hearing held on the date of adoption of this Ordinance shall be received, placed on file with the City Clerk and is approved. The City Council approves the issuance of the Bonds in satisfaction of the requirements of Section 147(f) of the Code.

Section 19. Publication in Pamphlet Form. This Ordinance shall be published in book or pamphlet form, published by the authority of the City Council, within the time period prescribed by law.

Approved this 1st day of November, 2021, by roll call vote as follows:

Roll Call #:

Ayes: _____

Nays: _____

Absent: _____

Peter Schwartzman, Mayor

(SEAL)

ATTEST:

Kelli R. Bennewitz, City Clerk

EXHIBIT A

LOAN AGREEMENT

Dated as of December 1, 2021

BETWEEN

KNOX COLLEGE,
Borrower

AND

THE CITY OF GALESBURG, KNOX COUNTY, ILLINOIS,
Issuer

The rights of the City of Galesburg, Knox County, Illinois hereunder, other than Unassigned Rights (as defined in the Trust Indenture referred to below), have been assigned to Amalgamated Bank of Chicago, as trustee under a Trust Indenture dated as of December 1, 2021 from the City of Galesburg, Knox County, Illinois.

This instrument was prepared by

James M. Snyder
Ice Miller LLP
200 West Madison St., Suite 3500
Chicago, Illinois 60606

TABLE OF CONTENTS

SECTION	HEADING	PAGE
PARTIES		1
Preliminary Statement.....		1
ARTICLE I	DEFINITIONS	2
Section 1.1.	Terms Defined	2
Section 1.2.	Rules of Interpretation	2
Section 1.3.	Exhibits	2
ARTICLE II	PARTICULAR COVENANTS, REPRESENTATIONS AND WARRANTIES	3
Section 2.1.	Consent to Assignment to Trustee	3
Section 2.2.	Representations and Warranties.....	3
Section 2.3.	Payment of Principal, Premium and Interest	6
Section 2.4.	Maintenance of Corporate Existence and Status	7
Section 2.5.	Merger, Dissolution and Disposition of Assets	7
Section 2.6.	Financial Statements, Etc.....	9
Section 2.7.	Taxes, Charges and Assessments.....	11
Section 2.8.	Compliance with Orders, Ordinances, Etc.....	11
Section 2.9.	Permitted Contests	11
Section 2.10.	Use of the Total Financed Properties.....	12
Section 2.11.	Maintenance of Properties	12
Section 2.12.	Insurance.....	13
Section 2.13.	Trustee’s Right to Perform Borrower’s Covenants; Advances	13
Section 2.14.	Indemnification of the Authority and the Trustee	13
Section 2.15.	Issuance of a Substitute Note.....	15
Section 2.16.	Completion of the Financed Properties	16
Section 2.17.	Loan of Proceeds of Series 2021 Bonds; Payment of Expenses of Issuance of the Series 2021 Bonds; Funding of Indenture Funds; Investments; Tax Agreement; Arbitrage.....	17
Section 2.18.	Other Amounts Payable by the Borrower.....	18
Section 2.19.	Credits on the Series 2021 Notes	19
Section 2.20.	Maintenance of Tuition.....	19
Section 2.21.	ERISA	19
Section 2.22.	Application of Certain Gifts	20
Section 2.23.	Unconditional Obligation	20
Section 2.24.	Notice Regarding Bankruptcy Petitions, Events of Default or Potential Default	21
Section 2.25.	Security Interest in Funds	21
Section 2.26.	Indenture Provisions	22
Section 2.27.	Limited Obligation; No Recourse.....	22

ARTICLE III	PREPAYMENT OF THE SERIES 2021 NOTES	29
Section 3.1.	Prepayment Generally.....	29
Section 3.2.	Optional Prepayment of the Series 2021 Notes	29
Section 3.3.	Notice of Prepayment	30
Section 3.4.	Effect of Partial Prepayment.....	30
Section 3.5.	Amortization Schedules.....	30
Section 3.6.	Cancellation at Expiration of Term	30
ARTICLE IV	EVENTS OF DEFAULT AND REMEDIES THEREFOR.....	31
Section 4.1.	Events of Default	31
Section 4.2.	Remedies.....	32
Section 4.3.	Application of Proceeds of Remedies.....	33
Section 4.4.	Restoration to Original Position	33
Section 4.5.	Remedies Cumulative	33
Section 4.6.	Delay or Omission Not a Waiver.....	33
Section 4.7.	Waiver of Extension, Appraisement, Stay Laws	34
Section 4.8.	Remedies Subject to Provisions of Law	34
Section 4.9.	No Right to Conduct Affairs of Borrower.....	34
ARTICLE V	IMMUNITY OF MEMBERS, OFFICERS, DIRECTORS AND EMPLOYEES	34
Section 5.1.	Immunity.....	34
ARTICLE VI	SUPPLEMENTS AND AMENDMENTS TO THIS LOAN AGREEMENT; WAIVERS.....	35
Section 6.1.	Supplements and Amendments to this Loan Agreement; Waivers	35
ARTICLE VII	DEFEASANCE	35
Section 7.1.	Defeasance	35
ARTICLE VIII	MISCELLANEOUS PROVISIONS	36
Section 8.1.	Loan Agreement for Benefit of Parties Hereto	36
Section 8.2.	Severability	36
Section 8.3.	Limitation on Interest.....	36
Section 8.4.	Addresses for Notice and Demands.....	36
Section 8.5.	Notice to and Consent of Trustee	36
Section 8.6.	Successors and Assigns	37
Section 8.7.	Counterparts.....	37
Section 8.8.	Governing Law	37
Section 8.9.	Holidays.....	37
Section 8.10.	Term of this Loan Agreement.....	37

EXHIBITS:

EXHIBIT A - Description of the Project

EXHIBIT B - Form of Knox College Promissory Note, Series 2021

LOAN AGREEMENT

This is a LOAN AGREEMENT dated as of December 1, 2021 (herein referred to sometimes as the “Loan Agreement”), between KNOX COLLEGE, an Illinois not-for-profit corporation (the “Borrower”), as borrower, and the CITY OF GALESBURG, KNOX COUNTY, ILLINOIS (the “Issuer”), a municipality and home rule unit of government, duly organized and validly existing under the Constitution and the laws of the State of Illinois, as lender. “PARTIES”\L 4

“PRELIMINARY STATEMENT”\L 4 PRELIMINARY STATEMENT

The Borrower desires to (a) finance, refinance or be reimbursed for all or a portion of the costs of the planning, design, acquisition, construction, renovation, improvement, expansion, completion and/or equipping of certain of its educational facilities, constituting educational facilities located within the jurisdiction of the Issuer and as more fully described in *Exhibit A* attached hereto (the “Project”), (b) refund all of the outstanding principal amount of the City of Galesburg, Illinois Variable Rate Demand Revenue Bonds, Series 1996 (Knox College Project), currently outstanding in the aggregate principal amount of \$19,700,000 (the “Series 1996 Bonds”), (c) refund all of the outstanding principal amount of the City of Galesburg, Illinois Variable Rate Demand Revenue Bonds, Series 1999 (Knox College Project), currently outstanding in the aggregate principal amount of \$5,000,000 (the “Series 1999 Bonds”), (d) refinance certain taxable indebtedness incurred by the Borrower under a loan from PNC Bank, National Association, \$10,659,067.46 of which is currently outstanding, (e) finance termination payments to PNC Bank, National Association pursuant to Interest Rate Swaps (as defined herein) entered into by the Borrower with respect to its Series 1996 Bonds and Series 1999 Bonds, and (f) pay certain costs relating to the issuance of the Series 2021 Bonds (as hereinafter defined) (collectively, the “Financing Purposes”). In order to accomplish the foregoing, the Borrower is concurrently with the delivery hereof borrowing funds from the Issuer through the issuance and sale to the Issuer of its Promissory Note, Series 2021A (the “Series 2021A Note”), in the principal amount of \$[00,000,000], and its Promissory Note, Series 2021B (the “Series 2021B Note” and, together with the Series 2021A Note, the “Series 2021 Notes”), in the principal amount of \$[00,000,000] substantially in the form attached hereto as *Exhibit B*.

In order to obtain the funds to lend to the Borrower in order to accomplish the Financing Purposes, the Issuer is issuing \$[00,000,000] in aggregate principal amount of its City of Galesburg, Knox County, Illinois Revenue Bonds, Series 2021A (Knox College Project) (the “Series 2021A Bonds”), and \$[00,000,000] in aggregate principal amount of its City of Galesburg, Knox County, Illinois Taxable Revenue Bonds, Series 2021B (Knox College Project) (the “Series 2021B Bonds” and, together with the Series 2021A Bonds, the “Series 2021 Bonds”), under and pursuant to the Trust Indenture dated as of December 1, 2021 (the “Indenture”), between the Issuer and Amalgamated Bank of Chicago, as trustee (the “Trustee”). Pursuant to the Indenture, the Issuer will pledge and assign the Series 2021 Notes and assign its rights under this Loan Agreement (with certain limited exceptions) to the Trustee as security for the Series 2021 Bonds. The Series 2021 Bonds, together with the interest thereon, shall be payable solely from the payments to be made on the Series 2021 Notes, from amounts payable under the Loan Agreement and from certain funds and accounts pledged to the Trustee under the Indenture.

The Borrower desires to secure the Series 2021 Notes and its obligations hereunder by executing and delivering this Loan Agreement and has taken all action necessary thereto.

In consideration of the above premises, the respective representations and agreements contained herein, the loan of proceeds of the Series 2021 Bonds by the Issuer through the purchase and acceptance of the Series 2021 Notes by the Issuer and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to secure the payment of the principal of, premium, if any, and interest payable on the Series 2021 Notes, and under this Loan Agreement and the performance of all the covenants of the Borrower contained herein, the Borrower and the Issuer hereby further covenant and agree as follows:

“ARTICLE I DEFINITIONS”\L 1 ARTICLE I

DEFINITIONS

Section 1.1. Terms Defined “Section 1.1. Terms Defined” \l 2 . The terms used in this Loan Agreement, unless the context requires otherwise or unless otherwise defined herein, shall have the same meanings as set forth in the Indenture.

Section 1.2. Rules of Interpretation “Section 1.2. Rules of Interpretation” \l 2 . For all purposes of this Loan Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(1) “This Loan Agreement” means this instrument as originally executed and as it may from time to time be supplemented or amended pursuant to the applicable provisions hereof.

(2) All references in this instrument to designated “Articles,” “Sections” and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument as originally executed. The words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Loan Agreement as a whole and not to any particular Article, Section or other subdivision.

(3) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles.

(4) Any terms defined elsewhere in this Loan Agreement shall have the meanings therein prescribed for them.

(5) This Loan Agreement shall be interpreted and construed in accordance with the laws of the State of Illinois.

Section 1.3. Exhibits “Section 1.3. Exhibits” \l 2 . The following Exhibits are attached to and by reference made a part of this Loan Agreement:

EXHIBIT A: Description of the Project.

EXHIBIT B: Form of the Knox College Promissory Note, Series 2021.

“ARTICLE II PARTICULAR COVENANTS, REPRESENTATIONS AND WARRANTIES” \L 1 **ARTICLE II**

PARTICULAR COVENANTS, REPRESENTATIONS AND WARRANTIES

Section 2.1. Consent to Assignment to Trustee “Section 2.1. Consent to Assignment to Trustee” \l 2 . The Borrower acknowledges and consents to the pledge and assignment of the Series 2021 Notes and the assignment of the Issuer’s rights hereunder, other than Unassigned Rights, to the Trustee pursuant to the Indenture and agrees that the Trustee may enforce such rights, remedies and privileges granted to the Issuer hereunder.

Section 2.2. Representations and Warranties “Section 2.2. Representations and Warranties” \l 2 . (a) *Issuer Representations and Warranties*. The Issuer makes the following representations and covenants as the basis for its undertakings herein contained:

(i) The Issuer is a municipality and home rule unit of government, validly created and existing under the Constitution and the laws of the State, is authorized pursuant to (a) the provisions of Section 6 of Article VII of the Constitution of the State of Illinois, as a home rule unit, and (b) Ordinance No. [] (the “Bond Ordinance”) adopted by the Mayor and City Council of the Issuer on November 1, 2021, to enter into the transactions contemplated by this Loan Agreement and to carry out its obligations hereunder, and by proper action of its governing body has been duly authorized to execute and deliver the Indenture, this Loan Agreement and the Tax Agreement; and the Indenture, this Loan Agreement and the Tax Agreement have been duly executed and delivered by the Issuer and are valid and binding obligations of the Issuer enforceable in accordance with their terms (subject to limitations on enforceability related to bankruptcy, insolvency or other similar laws affecting creditors’ rights generally and by the availability of equitable remedies).

(ii) It is the Issuer’s understanding, based upon certain representations of the Borrower, that the issuance and sale of the Series 2021 Bonds and the loaning of the proceeds of the Series 2021 Bonds to the Borrower (which proceeds, along with certain other moneys, will be applied for the benefit of the Borrower) is to provide the moneys required to (a) finance, refinance or reimburse the Borrower for all or a portion of the costs of the planning, design, acquisition, construction, renovation, improvement, expansion, completion and/or equipping of the Project, (b) refund all of the Series 1996 Bonds, (c) refund all of the Series 1999 Bonds, (d) refinance certain taxable indebtedness of the Borrower, (e) pay the termination fees relating to the termination of the interest rate hedge agreements relating to the Series 1996 Bonds and the Series 1999 Bonds, and (f) pay certain costs relating to the issuance of the Series 2021 Bonds and the refunding of the Series 1996 Bonds and the Series 1999 Bonds.

(iii) The Series 2021 Bonds are being issued under and secured by the Indenture, pursuant to which certain of the Issuer’s interests in this Loan Agreement, and the revenues and income to be derived by the Issuer pursuant to this Loan Agreement,

will be pledged and assigned to the Trustee as security for payment of the principal of, premium, if any, and interest on the Series 2021 Bonds. The Issuer covenants that it has not and will not pledge or assign its interest in this Loan Agreement, or the revenues and income derived pursuant to this Loan Agreement, excepting Unassigned Rights, other than to the Trustee under the Indenture to secure the Bonds.

(iv) To the actual knowledge of the Issuer, neither the Issuer's execution and delivery of this Loan Agreement, nor its consummation of the transactions contemplated hereby, nor the Issuer's fulfillment of or compliance with the terms and conditions of this Loan Agreement conflicts with or results in a breach of the terms, conditions or provisions of any material restriction, agreement or instrument to which the Issuer is a party, or by which it or any of its property is bound, or constitutes a default under any of the foregoing.

(v) To the actual knowledge of the Issuer, no member of the Issuer or officer, agent or employee thereof is, in his or her own name or in the name of a nominee, an officer, director or holder of an ownership interest of more than 7-1/2% in any person, association, trust, corporation, partnership or other entity which is, in its own name or in the name of a nominee, a party to any contract or agreement upon which the member or officer, agent or employee may be called upon to act or vote in connection with the financing or refinancing of the Total Financed Properties.

(vi) To the actual knowledge of the Issuer, no member of the Issuer or officer, agent or employee thereof is, in his or her own name or in the name of a nominee, a holder of any direct or indirect interest (other than a prohibited interest described in paragraph (v) above) in any contract or agreement related to the transactions contemplated by the Bond Ordinance or the documents authorized by the Bond Ordinance to be executed by the Issuer upon which the member or officer, agent or employee may be called upon to act or vote in connection with the financing or refinancing of the Total Financed Properties.

(b) *Borrower Representations and Warranties.* The Borrower represents and warrants as follows:

(i) The Borrower is duly incorporated under the laws of the State of Illinois, is in good standing and duly authorized to conduct its business in such state, is duly authorized under the laws of State of Illinois and all other applicable provisions of law and its Articles of Incorporation and Bylaws to create and issue the Series 2021 Notes and to execute and deliver this Loan Agreement, the Series 2021 Notes, the Tax Agreement and the Bond Purchase Agreement (the "Borrower Agreements"), to execute the Official Statement and to undertake and complete the Financed Properties, and that all action on its part necessary for the valid creation and issuance of the Series 2021 Notes and the valid execution and delivery of the Borrower Agreements and the Official Statement have been duly and effectively taken, and neither the Borrower's execution and delivery of the Borrower Agreements and the Official Statement, and the Borrower's consummation of the transactions contemplated on its part thereby, nor the Borrower's

fulfillment of or compliance with the terms and conditions of the Borrower Agreements, conflicts with or results in a material breach of the Articles of Incorporation, as amended, or Bylaws, as amended, of the Borrower or any material agreement or instrument to which the Borrower is now a party or by which it is bound (except for any such breaches for which the Borrower has obtained a waiver or a required consent), or constitutes a material default (or would constitute a material default with due notice or the passage of time or both) under any of the foregoing; and that the Series 2021 Notes in the hands of the holders thereof will be the legal, enforceable and valid general obligations of the Borrower.

(ii) The Borrower constitutes educational facilities located within the jurisdiction of the Issuer. The Total Financed Properties constitute educational facilities within the jurisdiction of the Issuer, and the Borrower has the exclusive right of possession of the same.

(iii) The recitals of fact and statements contained in this Loan Agreement with respect to the Borrower and the Total Financed Properties are true.

(iv) The Borrower is a Tax-Exempt Organization; the Borrower has received determination letters from the Internal Revenue Service to the foregoing effect, which letters are still in full force and effect; and the Borrower has no, and has not declared, or been determined to have any, “unrelated business taxable income,” as defined in Section 512 of the Code, that would have an adverse effect on the Borrower’s status as a Tax-Exempt Organization or that would have an adverse effect on the condition of the Borrower, financial or otherwise.

(v) The Borrower has continuously owned, since its acquisition thereof, all of the Total Financed Properties.

(vi) The representations and covenants contained in the Project Certificate are true and correct and are incorporated herein by reference and shall have the same effect as if such representations and covenants were actually contained in this Loan Agreement.

(vii) No litigation, proceedings or investigations are pending or, to the knowledge of the Borrower, threatened in writing against the Borrower seeking to restrain, enjoin or in any way limit the approval or execution and delivery of the Borrower Agreements and the Official Statement, or which would in any manner challenge or adversely affect (a) the corporate existence or the powers of the Borrower to enter into and carry out the transactions described in or contemplated by the Borrower Agreements and the Official Statement, (b) the execution, delivery, validity or performance by the Borrower of the Borrower Agreements or (c) the execution and delivery of the Official Statement. In addition, except as described in the Official Statement, no litigation, proceedings or investigations are pending or, to the knowledge of the Borrower, threatened in writing against the Borrower, except litigation, proceedings or investigations involving claims for which the probable ultimate recoveries and the estimated costs and expenses of defense, in the opinion of management of the

Borrower (i) will be entirely within the applicable insurance policy limits (subject to applicable deductibles) or are not in excess of the total of the available assets held under applicable self-insurance programs or (ii) will not have a material adverse effect on the operations or condition, financial or otherwise, of the Borrower.

(viii) The consolidated audited statements of activities and changes in net assets and cash flows of the Borrower for each of the fiscal years ended June 30, 2021 and 2020 and the consolidated balance sheets as of June 30, 2021 and 2020, prepared and certified by Sikich LLP, independent certified public accountants, all included in the Preliminary Official Statement and the Official Statement, correctly and fairly present the financial condition of the Borrower as of said dates, and the results of the operations of the Borrower for each of such periods, respectively, all in accordance with generally accepted accounting principles consistently applied except as stated in the notes thereto, and there has been no material adverse change in the condition, financial or otherwise, of the Borrower since June 30, 2021 from that set forth in the information so utilized except as disclosed in the Preliminary Official Statement and the Official Statement.

(ix) The information used in the preparation of the financial statements referred to in paragraph (viii) above, this Loan Agreement, the Tax Agreement and any other written statement furnished by the Borrower to the Issuer (including the descriptions and information contained in the Preliminary Official Statement and the Official Statement relating to (i) the Borrower and the Total Financed Properties, (ii) the operations and financial and other affairs of the Borrower, (iii) the application by the Borrower of the proceeds to be received by it from the loan of the proceeds of sale of the Bonds, and (iv) the participation by the Borrower in the transactions contemplated herein and in the Official Statement) do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein or herein not misleading. There is no fact which the Borrower has not disclosed to the Issuer in writing which materially adversely affects or, so far as the Borrower can now foresee, will materially adversely affect the financial condition of the Borrower, the tax-exempt status of the Borrower, the ability of the Borrower to own and operate the Total Financed Properties or the Borrower's ability to make payments on the Series 2021 Notes and under this Loan Agreement when and as the same become due and payable.

Section 2.3. Payment of Principal, Premium and Interest "Section 2.3. Payment of Principal, Premium and Interest" \1 2 . The Borrower will duly and punctually pay the principal of, premium, if any, and interest on the Series 2021 Notes at the dates and the places and in the manner mentioned therein and in this Loan Agreement, according to the true intent and meaning thereof and hereof. Notwithstanding any schedule of payments upon the Series 2021 Notes set forth herein or therein, the Borrower agrees to make payments upon the Series 2021 Notes and to be liable therefor at times and in amounts sufficient to pay when due all principal (whether at maturity, by mandatory sinking fund redemption or otherwise) of and interest and premium, if any, on all Bonds from time to time Outstanding under the Indenture.

The foregoing notwithstanding, the Borrower agrees that the moneys and securities, if any, on deposit in the Rebate Fund created under the Tax Agreement or to be deposited in the

Rebate Fund are not part of the “trust estate” and are not available to make payments of principal and interest on the Bonds.

Section 2.4. Maintenance of Corporate Existence and Status “Section 2.4. Maintenance of Corporate Existence and Status” \1 2 . The Borrower agrees that, except as provided in Section 2.5 hereof, it will at all times maintain its existence as a Tax-Exempt Organization and an Illinois not-for-profit corporation, and that it will neither take nor fail to take any action nor suffer any action to be taken by others which will alter, change or destroy its status as a corporation or its status as a Tax-Exempt Organization or a not-for-profit corporation.

The Borrower further covenants that none of its revenues, income or profits, whether realized or unrealized, will be distributed to any of its trustees, or inure to the benefit of any private person, association or corporation, other than for the lawful corporate purposes of the Borrower; provided, however, that the Borrower may pay to any person, association or corporation the value of any service or product performed for or supplied to the Borrower by such person, association or corporation.

The Borrower further agrees that it will take such actions as are necessary or appropriate to comply with the provisions of the Code and the regulations promulgated thereunder in order to preserve the exclusion from federal gross income of the Owners thereof of the interest paid on the Series 2021A Bonds, and will not act or fail to act in any other manner which would adversely affect such exclusion. In connection with the foregoing, reference is hereby made to the Project Certificate and the Tax Agreement. The Borrower further acknowledges that in the event of an examination by the Internal Revenue Service of any exclusion of interest on the Series 2021A Bonds from gross income of the Owners thereof for federal income tax purposes, the Issuer is likely to be treated as the “taxpayer” in such examination and agrees that it will respond, and will direct the Issuer to respond, in a commercially reasonable manner to any inquiries from the Internal Revenue Service in connection with such an examination. The Issuer covenants that it will cooperate with the Borrower, at the Borrower’s expense and at the Borrower’s direction, in connection with such examination.

The Borrower covenants to comply with the rebate provisions contained in Section 148(f) of the Code and the United States Treasury Regulations relating to the tax-exempt bond provisions of the Code.

Section 2.5. Merger, Dissolution and Disposition of Assets “Section 2.5. Merger, Dissolution and Disposition of Assets” \1 2 . The Borrower will not transfer, sell, lease or otherwise dispose of all or a substantial part of its assets in any fiscal year (other than sales of securities and other assets held for investment purposes), nor be a party to any merger or consolidation, unless after giving effect thereto:

(a) the corporation (the “Surviving Corporation”) surviving such merger, resulting from such consolidation or acquiring such assets:

(i) expressly assumes in writing and without condition or qualification all of the obligations of the Borrower contained herein, in the Series 2021 Notes and under each of the Borrower Agreements;

(ii) has net assets equal to or greater than that of the Borrower immediately prior to such merger, consolidation or transfer of assets;

(iii) is a Tax-Exempt Organization;

(iv) is a private institution of higher education [within the jurisdiction of the Issuer]; and

(v) within ten (10) days after execution thereof, furnishes to the Issuer and the Trustee a true and complete copy of the instrument of dissolution, liquidation, disposition, consolidation or merger;

(b) no event of default as defined in Section 4.1 hereof or event of default under the Indenture shall have occurred and be continuing and no event shall have occurred and be continuing which with the lapse of time or giving of notice, or both, would constitute an event of default under this Loan Agreement or the Indenture;

(c) no litigation is pending against the other party to the proposed merger, consolidation or transfer of assets except litigation the probable recovery in which, and the estimated costs and expenses of defense of which, in the opinion of Counsel for the Borrower, either (i) will be within the coverage of existing insurance policies of the Surviving Corporation or (ii) will not be material to the operations or financial position of the Surviving Corporation;

(d) such dissolution, liquidation, merger, consolidation or transfer of assets will not adversely affect the exclusion from federal gross income of the Owners thereof of the interest paid on the Series 2021A Bonds, the Indenture and the Borrower Agreements are complied with concerning the dissolution, liquidation, disposition, consolidation or merger;

(e) neither the validity nor the enforceability of the Bonds, the Indenture or any agreements to which the Borrower is a party is adversely affected by the dissolution, liquidation, disposition, consolidation or merger;

(f) no rating on the Bonds, if the Bonds are then rated, is reduced or withdrawn as a result of the dissolution, liquidation, disposition, consolidation or merger;

(g) the Total Financed Properties continue to be as described herein; and

(h) any successor to the Borrower shall be qualified in the State of Illinois and shall continue to be qualified to operate in the State throughout the term hereof.

Prior to such merger, consolidation or transfer of assets, the Borrower shall (at its own cost) deliver to the Issuer and the Trustee a certificate signed by an Authorized Officer of the Borrower stating that all of the foregoing conditions have been satisfied, which certificate shall be supported: as to paragraph (a)(i) above, by an opinion of independent counsel; as to paragraph (a)(ii) above, by a report or opinion signed by its independent public accountants; as to paragraphs (a)(iii), (a)(iv), (c) and (e) above, by an opinion of Counsel for the Borrower; and as to paragraphs (d) and (e) above, by an Opinion of Bond Counsel.

Notwithstanding the foregoing, the Borrower may sell a substantial part of its assets if and to the extent that (a) such sale is for fair value, as determined by the Board of Trustees of the Borrower, (b) the proceeds of such sale are invested by the Borrower within six months thereafter in other assets which will be used in connection with the operations of the Borrower or for other valid corporate purposes, (c) such sale does not have a materially adverse effect on the ability of the Borrower to meet its obligations on the Series 2021 Notes or hereunder and (d) such sale does not violate, and is not inconsistent with, any of the terms, covenants and provisions of the Project Certificate.

As used herein, a substantial part of the assets of the Borrower shall mean assets with an aggregate fair market value of 10% or more of the aggregate fair market value of all assets of the Borrower, whether or not shown as assets on the balance sheets of the Borrower.

Section 2.6. Financial Statements, Etc “Section 2.6. Financial Statements, Etc” \1
2. The Borrower covenants that it will keep proper books of records and accounts in which full, true and correct entries will be made of all dealings or transactions of or in relation to the business and affairs of the Borrower, in accordance with generally accepted accounting principles consistently maintained; provided, however, that internal interim books of records and accounts of the Borrower need not be kept in accordance with generally accepted principles of accounting. In addition, the Borrower will furnish the following items to the Issuer and the Trustee:

(a) on or about December 1 of each year, and in any event within 180 days after the last day of each fiscal year of the Borrower, the financial statements of the Borrower certified by Sikich LLP, independent certified public accountants, or by another independent certified public accountant or firm of independent certified public accountants of nationally recognized standing selected by the Borrower for such fiscal year and containing those financial statements customarily prescribed for similar educational institutions, including a balance sheet as at the end of such fiscal year, together with a separate written statement of the accountants certifying such report;

(b) on or about December 1 of each year, and in any event within 180 days after the last day of each fiscal year of the Borrower, a certificate of an Authorized

Officer of the Borrower, stating that the Borrower has made a review of the activities of the Borrower during the preceding fiscal year for the purpose of determining whether or not the Borrower has complied with all of the terms, provisions and conditions of this Loan Agreement and the Project Certificate and that the Borrower has kept, observed, performed and fulfilled each and every covenant, provision and condition of this Loan Agreement and the Project Certificate on its part to be performed and is not in default in the performance or observance of any of the terms, covenants, provisions or conditions hereof or thereof; or if the Borrower shall be so in default, such certificate shall specify all such defaults and the nature thereof; and if the Borrower has the right to cure any such default pursuant to Section 4.1 hereof, the Borrower shall describe in reasonable detail the corrective action which the Borrower is undertaking or plans to undertake with respect thereto; and

(c) such additional information as the Issuer or the Trustee may reasonably request concerning the Borrower in order to enable the Issuer or the Trustee to determine whether the covenants, terms and provisions of this Loan Agreement and the Project Certificate have been complied with by the Borrower, and for that purpose all pertinent financial books, documents and vouchers (other than personnel records and such other records which the Borrower is not permitted by law to disclose) relating to its business, affairs and properties shall at all times upon reasonable prior written notice during regular business hours be open to the inspection of such accountant or other agent (who may make copies of all or any part thereof) as shall from time to time be designated and compensated by the Issuer or the Trustee.

The foregoing notwithstanding, the Borrower is not obligated to keep its books of records and accounts in accordance with generally accepted principles of accounting, and the financial report of the Borrower certified by independent certified public accountants required to be delivered pursuant to subparagraph (a) above may be qualified, if and to the extent that (i) a significant number of educational institutions similar to the Borrower, as determined by the Borrower and agreed upon by the Issuer and the Trustee, prepare their financial statements with the same variance from generally accepted principles of accounting as that of the Borrower, (ii) the Borrower provides a report to the Issuer and the Trustee prepared by a nationally recognized firm of independent certified public accountants in detail satisfactory to the Issuer and the Trustee, demonstrating the variance from generally accepted principles of accounting by such other educational institutions, and (iii) the Borrower does not furnish to any entity and does not keep financial statements prepared in a manner consistent with generally accepted principles of accounting.

The information used in the preparation of the financial statements referred to in this Section 2.6, this Loan Agreement, the Tax Agreement and any other written statement furnished by the Borrower to the Issuer (including the descriptions and information contained in the Official Statement relating to (i) the Borrower and the Total Financed Properties, (ii) the operations and financial and other affairs of the Borrower, (iii) the application by the Borrower of the proceeds to be received by it from the loan of the proceeds of sale of the Series 2021 Bonds, and (iv) the participation by the Borrower in the transactions contemplated herein and in the Official Statement) do not contain any untrue statement of a material fact or omit to state a

material fact necessary to make the statements contained therein or herein not misleading. There is no fact which the Borrower has not disclosed to the Issuer in writing which materially adversely affects or, so far as the Borrower can now foresee, will materially adversely affect the financial condition of the Borrower, the tax-exempt status of the Borrower, the ability of the Borrower to own and operate the Total Financed Properties or the Borrower's ability to make payments on the Series 2021 Notes and under this Loan Agreement when and as the same become due and payable.

Without limiting the foregoing, the Borrower agrees that the Issuer and the Trustee (or such persons as the Issuer or the Trustee may designate) shall have the right, but shall be under no duty or obligation to exercise this right, to visit, enter upon and inspect any of the properties of the Borrower and to discuss the affairs, finances and accounts of the Borrower with its trustees, officers and independent accountants, all upon reasonable prior written notice at such reasonable times and as often as the Issuer or the Trustee may reasonably desire.

Section 2.7. Taxes, Charges and Assessments "Section 2.7. Taxes, Charges and Assessments" \ 2 . Subject to the provisions of Section 2.9 hereof, to the extent that the Borrower or its properties are or become liable to taxation, the Borrower covenants and agrees to pay or cause to be paid (when the same shall become due and payable) all lawful taxes, charges, assessments and other governmental levies against the Borrower or its properties. If under applicable law any such tax, charge, fee, rate, imposition or assessment may at the option of the taxpayer be paid in installments, the Borrower may exercise such option.

Nothing contained herein shall be deemed to constitute an admission by either the Issuer or the Borrower that either the Issuer or the Borrower is liable for any tax, charge, fee, rate, imposition or assessment.

Section 2.8. Compliance with Orders, Ordinances, Etc "Section 2.8. Compliance with Orders, Ordinances, Etc" \ 2 . Subject to the provisions of Section 2.9 hereof, the Borrower will, at its sole cost and expense comply with all present and future laws, ordinances, orders, decrees, rules, regulations and requirements of every duly constituted governmental authority, commission and court and the officers thereof of which it has notice, and the failure to comply with which would materially and adversely affect the use, occupancy or condition of the Borrower's educational facilities, taken as a whole, or which may be applicable to the Total Financed Properties or to the repair and alteration thereof, or to the use or manner of use of the Total Financed Properties. The Borrower has any and all necessary licenses and permits to occupy and operate its existing facilities and has obtained, will obtain or will cause to be obtained all necessary licenses and permits to acquire, occupy and operate the Total Financed Properties as they become required, other than, in each case, licenses or permits the failure of which to obtain or maintain would not materially adversely affect the Borrower or its operations.

Section 2.9. Permitted Contests "Section 2.9. Permitted Contests" \ 2 . The Borrower shall not be required to pay any tax, charge, assessment or imposition or other governmental levy required to be paid under Section 2.7 hereof, or to comply with any law, ordinance, rule, order, decree, regulation or requirement referred to in Section 2.8 hereof, so long as the Borrower shall contest or take other appropriate action in good faith and at its cost and

expense with respect to the amount or validity thereof in an appropriate manner or by appropriate proceedings which shall operate during the pendency thereof to prevent the collection of or other realization upon the tax, assessment, imposition or charge so contested, the sale, forfeiture or loss of its Property or any part thereof to satisfy the same or any materially adverse effect on its Property or on the use, occupancy or condition of the Borrower's educational facilities taken as a whole; provided, that no such contest or action shall subject the Issuer or the Trustee to any liability unless the Borrower properly indemnifies the Issuer or the Trustee, as the case may be. While any such matters are pending, the Borrower shall have the right to pay, remove or cause to be discharged or marked exempt the tax, assessment, imposition, charge, lien or encumbrance being contested. Each such contest shall be promptly prosecuted to final conclusion or settlement, and the Borrower will pay, and save the Issuer and the Trustee harmless against, all losses, judgments, decrees and costs (including attorneys' fees and expenses in connection therewith) and will, promptly after the final determination or settlement of such contest or action, pay and discharge the amounts which shall be levied, assessed or imposed or determined to be payable therein, together with all penalties, fines, interests, costs and expenses thereon or in connection therewith.

Section 2.10. Use of the Total Financed Properties "Section 2.10. Use of the Total Financed Properties" \ 2 . (a) The Borrower will use the Total Financed Properties only in furtherance of the lawful corporate purposes of the Borrower.

(b) The Borrower further agrees that it will not use the Total Financed Properties or any part thereof in a manner which is prohibited by the Establishment of Religion Clause of the First Amendment to the Constitution of the United States of America and the decisions of the United States Supreme Court interpreting the same or by any comparable provisions of the Constitution of the State of Illinois and the decisions of the Supreme Court of the State interpreting the same. Notwithstanding the payment of the Series 2021 Notes, and notwithstanding the termination of this Loan Agreement, the Borrower agrees that it will continue to comply with the restrictions stated in the preceding sentence. To the extent required by law, the Borrower will permit the Issuer to inspect the Total Financed Properties solely in order to determine whether the Borrower has complied with the provisions of this paragraph, and such right of inspection shall survive the termination of this Loan Agreement.

The Borrower further agrees that it will not use the Total Financed Properties, or permit the Total Financed Properties to be used, in such manner as would jeopardize the exclusion from federal gross income of the Owners of the interest paid on the Bonds otherwise afforded under Section 103(a) of the Code, as more specifically described in the Project Certificate.

The foregoing notwithstanding, the Borrower need not comply with any covenant set forth in this Section 2.10 if the Borrower delivers to the Trustee and the Issuer an Opinion of Bond Counsel to the effect that such noncompliance will not adversely affect the validity of the Bonds or any exclusion of interest on the Series 2021A Bonds from gross income of the Owners thereof for federal income tax purposes.

Section 2.11. Maintenance of Properties "Section 2.11. Maintenance of Properties" \ 2 . The Borrower covenants at its own cost and expense to preserve and keep its properties in

good repair and order and from time to time will make all repairs, replacements, renewals and additions necessary for the efficient functioning thereof; provided, however, that the foregoing shall not prevent the Borrower from selling, removing, demolishing or not using any building or buildings, or any portion thereof, not considered by the Borrower to be necessary or useful for the efficient conduct of its activities, so long as such act or acts are consistent with and not in violation of any terms, covenants or provisions of the Project Certificate.

Section 2.12. Insurance “Section 2.12. Insurance” \ 2 . The Borrower agrees to maintain insurance coverage by financially sound and reputable insurance companies or associations, provided that such insurance is commercially available at reasonable costs, and/or to maintain self-insurance programs, in such forms and amounts and against such hazards as are customary for institutions of similar size and scope of activities.

Section 2.13. Trustee’s Right to Perform Borrower’s Covenants; Advances “Section 2.13. Trustee’s Right to Perform University’s Covenants; Advances” \ 2 . In the event the Borrower shall fail to (i) perform any covenant contained in Section 2.7 hereof, (ii) maintain its properties in repair pursuant to Section 2.11 hereof, (iii) procure the insurance required by Section 2.12 hereof, or (iv) make any other payment or perform any other act required to be performed hereunder, then and in each such case (unless the same is being contested or other appropriate action is being taken with respect thereto pursuant to Section 2.9 hereof), the Trustee, upon not less than five (5) days’ prior written notice to the Borrower, may (but shall not be obligated to) remedy such default for the account of the Borrower and make advances for that purpose. No such performance or advance shall operate to release the Borrower from any such default, and any sums so advanced by the Trustee shall be repayable by the Borrower on demand and shall bear interest at the Trustee’s Prime Rate from the date of the advance until repaid.

Section 2.14. Indemnification of the Issuer and the Trustee “Section 2.14. Indemnification of the Authority and the Trustee” \ 2 . The Borrower agrees to pay, and to protect, indemnify and save harmless the Issuer and the Trustee, and their respective past, present and future members, officers, directors, employees, agents, successor, assigns, and each other person, if any, who “controls” either the Issuer or the Trustee within the meaning of Section 15 of the Securities Act of 1933, as amended (each listed party hereinafter referred to as an “Indemnified Party”) against any and all liabilities, tax penalties, damages, losses, costs and expenses, including legal fees and expenses, causes of action, suits, proceedings, claims, demands, tax reviews, investigations and judgments of whatsoever kind and nature and by whomsoever made (including, but not limited to, those arising or resulting from any injury to or death of any person or damage to property) arising from or in any manner directly or indirectly growing out of or connected with (a) the use, nonuse, financing or refinancing of the Total Financed Properties or any equipment or facilities used in connection therewith by anyone whomsoever, (b) any repairs, restoration, construction, relocation, renovation, equipping, replacements, alterations or remodeling of or to the Total Financed Properties or any equipment or facilities used in connection therewith, (c) the condition of the Total Financed Properties including adjoining sidewalks, streets or alleys and any equipment or facilities at any time located on or used in connection therewith, (d) the occupancy of the Total Financed Properties, (e) a violation of any agreement, warranty, covenant or condition of this Loan Agreement or any other agreement executed in connection with this Loan Agreement, (f) a violation of any

contract, agreement or restriction by the Borrower relating to the Total Financed Properties, (g) a violation of any law, ordinance, rules, regulation or court order affecting the Total Financed Properties or the ownership, occupancy or use thereof or the Bonds or use of the proceeds thereof, (h) any statement or information concerning the Borrower, any of its officers and members, its operations or financial condition generally or the Total Financed Properties contained in any official statement or supplement or amendment thereto furnished to the Issuer or any purchasers of any Bonds that is untrue or incorrect in any material respect, and any omission from such official statement of any statement or information which should be contained therein for the purpose for which the same is to be used or which is necessary to make the statements therein concerning the Borrower, any of its officers and members, its operations or financial condition generally or the Total Financed Properties not misleading in any material respect, provided that such official statement or any supplement or amendment thereto has been approved by the Borrower and the Indemnified Parties did not have actual knowledge of the omission or misstatement, and (i) with respect to the Issuer and Trustee only, the acceptance or administration of the Indenture, including without limitation the enforcement of any remedies under the Indenture and related documents.

In case any claim shall be made or any action shall be brought against one or more Indemnified Parties in respect of which indemnity can be sought against the Borrower pursuant to any of the preceding paragraphs (a) through (i), the Indemnified Party seeking indemnity shall promptly notify the Borrower, in writing, and the Borrower shall promptly assume the defense thereof, including the employment of counsel chosen by the Borrower and approved by the Issuer or Trustee, or both (provided, that such approval by the Issuer or Trustee shall not be unreasonably withheld), the payment of all expenses and the right to negotiate and consent to settlement. If any Indemnified Party is advised in a written opinion of counsel that there may be legal defenses available to such Indemnified Party which are adverse to or in conflict with those available to the Borrower or that the defense of such Indemnified Party should be handled by separate counsel, the Borrower shall not have the right to assume the defense of such Indemnified Party, but the Borrower shall be responsible for the reasonable fees and expenses of counsel retained by such Indemnified Party in assuming its own defense, and provided also that, if the Borrower shall have failed to assume the defense of such action or to retain counsel reasonably satisfactory to the Issuer or Trustee within a reasonable time after notice of the commencement of such action, the reasonable fees and expenses of counsel retained by the Indemnified Party shall be paid by the Borrower. Notwithstanding the foregoing, any one or more Indemnified Party shall have the right to employ separate counsel with respect to any such claim or in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be paid by such Indemnified Party unless the employment of such counsel has been specifically authorized by the Borrower or unless the provisions of the immediately preceding sentence are applicable. The Borrower shall not be liable for any settlement of any such action effected without the consent of the Borrower, but if settled with the consent of the Borrower or if there be a final judgment for the plaintiff in any such action with or without consent, the Borrower agrees to indemnify and hold harmless the Indemnified Party from and against any loss, liability or expense by reason of such settlement or judgment.

The Borrower also agrees to pay and indemnify and hold harmless, the Trustee from and against, any loss, liability or expense (including reasonable attorneys fees and expenses) incurred

without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of the Indenture or the trusts thereunder or the performance of its duties thereunder. The obligation of the Borrower under this Section 2.14 shall survive any assignment or termination of this Loan Agreement.

The Borrower shall also indemnify the Issuer, the Trustee and their affiliated Indemnified Parties for all reasonable costs and expenses, including reasonable counsel fees, incurred in (i) enforcing any obligation of the Borrower under this Loan Agreement or any related agreement, (ii) taking any action requested by the Borrower, (iii) taking any action required by this Loan Agreement or any related agreement or (iv) taking any action considered necessary by the Issuer and which is authorized by this Loan Agreement or any related agreement. If the Issuer is to take any action under this Loan Agreement or any other instrument executed in connection herewith for the benefit of the Borrower, it will do so if and only if (i) the Issuer is a necessary party to any such action or proceeding, and (ii) the Issuer has received specific written direction from the Borrower, as required hereunder or under any other instrument executed in connection herewith, as to the action to be taken by the Issuer.

All amounts payable to the Issuer under this Section 2.14 shall be deemed to be fees and expenses payable to the Issuer for the purposes of the provisions hereof and of the Indenture dealing with assignment of the Issuer's rights hereunder. The Issuer and its members, officers, agents, employees and their successors and assigns shall not be liable to the Borrower for any reason.

Notwithstanding any provision of this Loan Agreement to the contrary, if the Borrower shall not have employed counsel to have charge of the defense of any such action within a reasonable time or if an Indemnified Party shall have reasonably concluded that there may be defenses available to it which are inconsistent or in conflict with those available to the Borrower or any other Indemnified Party (in which case the Borrower shall not have the right to direct the defense of such action on behalf of such Indemnified Party), legal and other expenses incurred by such Indemnified Party shall be borne by the Borrower.

The rights provided in this Section do not constitute an election of remedies or waiver of any rights which may be available to an Indemnified Party other than as provided herein, should the provisions of this Section or any portion hereof be found, by a court of competent jurisdiction, to be unenforceable, void or unavailable for any reason. Any provision of this Loan Agreement or any other instrument or document executed and delivered in connection therewith to the contrary notwithstanding, the Issuer retains the right to (i) enforce any applicable Federal or State law or regulation or ordinance of the Issuer, and (ii) enforce any rights accorded to the Issuer by Federal or State law or regulation of the Issuer and nothing in this Loan Agreement shall be construed as an express or implied waiver thereof.

The obligation of the Borrower under this Section 2.14 shall survive any assignment or termination of this Loan Agreement in accordance with Section 7.1 hereof.

Section 2.15. Issuance of a Substitute Note "Section 2.15. Issuance of a Substitute Note" \12 . Upon the surrender of a Series 2021A Note or Series 2021B Note, the Borrower will

execute and deliver to the holder thereof a new Series 2021A Note or Series 2021B Note dated the date of such Note being surrendered but with appropriate notations thereon to reflect payments of principal and interest thereon; provided, however, that there shall never be outstanding at any one time more than one Series 2021A Note and one Series 2021B Note.

Section 2.16. Completion of the Financed Properties. The Borrower represents and warrants that its application to the Issuer relating to the Series 2021 Bonds contains an accurate description, in all material respects, of the various categories of the Financed Properties as of the date of issuance of the Series 2021 Bonds. The Borrower covenants and agrees to apply such moneys as are necessary, in addition to the moneys on deposit in the Project Fund, to complete, or cause to be completed, the Financed Properties with reasonable dispatch, substantially in accordance with the plans and specifications therefor in effect on the date hereof and to deliver the Completion Certificate with respect to such Financed Properties, unless the Borrower certifies to the Issuer and the Trustee that such completion is not in the best interests of the Borrower, which certification shall set forth the reasons for such determination by the Borrower. If the Borrower determines not to complete any portion of any such Financed Properties for which Series 2021 Bond proceeds (or investment earnings thereon) are available and delivers the certification described in the immediately preceding sentence, or funds such portion of any such Financed Properties for which Series 2021 Bond proceeds (or investment earnings thereon) are available from any other source, such Series 2021 Bond proceeds (or investment earnings thereon) otherwise allocable to such portion of such Financed Properties must be used either (a) to pay costs of the remaining parts of such Financed Properties, provided that the Borrower certifies to the Issuer and the Trustee that such use will not violate any provision of the Project Certificate, (b) to pay the costs of other educational facilities located within the jurisdiction of the Issuer, provided that the Borrower shall have received an Opinion of Bond Counsel to the effect that such application will not adversely affect the validity or enforceability of the Series 2021 Bonds in accordance with their terms or any exclusion of interest on the 2021A Bonds from gross income of the Owners thereof for federal income tax purposes, (c) to prepay principal on the Series 2021 Notes and to pay or redeem principal on the Series 2021 Bonds in accordance with the provisions of this Loan Agreement and the Indenture and subject to compliance with the Tax Agreement and the Loan Agreement or (d) in any other lawful manner, provided there shall be delivered to the Trustee and the Issuer an Opinion of Bond Counsel to the effect that such application will not adversely affect the validity of the Series 2021 Bonds or any exclusion of interest on the Series 2021A Bonds from gross income of the Owners thereof for federal income tax purposes. If the Borrower shall so determine (a) not to complete any portion of any such Financed Properties for which Series 2021 Bond proceeds (or investment earnings thereon) are available or (b) to fund such portion from any other source, such portion of such Financed Properties shall no longer be deemed to be within the meaning of the term “Financed Properties” for any purpose of this Loan Agreement or the Indenture; and if the Borrower shall so determine to use available Series 2021 Bond proceeds to pay the costs of other educational facilities approved by the Issuer, such educational facilities shall thereafter be deemed to be within the meaning of the terms “Project” and “Financed Properties” for all purposes of this Loan Agreement and the Indenture.

The Borrower agrees to deliver the Completion Certificate, referred to in Section 302(c) of the Indenture, to the Trustee within 90 days after the Borrower makes its final drawing of moneys from the Project Fund.

The Borrower recognizes that the Issuer has not made an inspection of the Financed Properties or of any fixture or other item constituting a portion thereof, and the Issuer makes no warranty or representation, express or implied or otherwise, with respect to the same or the location, use, description, design, merchantability, fitness for use for any particular purpose, condition or durability thereof, or as to the Borrower's title thereto or ownership thereof or otherwise, it being agreed that all risks incident thereto are to be borne by the Borrower. In the event of any defect or deficiency of any nature in the Financed Properties or any fixture or other item constituting a portion thereof, whether patent or latent, the Issuer shall have no responsibility or liability with respect thereto. The provisions of this Section 2.16 have been negotiated and are intended to be a complete exclusion and negation of any warranties or representations by the Issuer, express or implied, with respect to the Financed Properties or any fixture or other item constituting a portion thereof, whether arising pursuant to the Uniform Commercial Code of the State of Illinois or another law now or hereafter in effect or otherwise.

The Borrower agrees that if, after exhaustion of the moneys in the Project Fund, the Borrower should pay, or deposit moneys in the Project Fund for the payment of, any portion of the costs of the Financed Properties pursuant to the provisions of this Section 2.16, it shall not be entitled to any reimbursement therefor from the Issuer, the Trustee or from the owners of the Series 2021 Bonds, nor shall it be entitled to any diminution of the amounts payable under this Loan Agreement. The Issuer does not make any warranty or representation, either express or implied, that the moneys which will be deposited into the Project Fund, and which under the provisions of this Loan Agreement will be available for payment of the costs of the Financed Properties, will be sufficient to pay all of the costs which will be incurred in connection therewith.

Section 2.17. Loan of Proceeds of Series 2021 Bonds; Payment of Expenses of Issuance of the Series 2021 Bonds; Funding of Indenture Funds; Investments; Tax Agreement; Arbitrage
“Section 2.17. Loan of Proceeds of Series 2014A Bonds; Payment of Expenses of Issuance of the Series 2014A Bonds; Funding of Indenture Funds; Investments; Tax Agreement; Arbitrage” \1 2 .
(a) The Borrower hereby agrees to issue and the Issuer hereby agrees to purchase the Series 2021 Notes as evidence of the loan by the Issuer to the Borrower of the proceeds of the Series 2021 Bonds, subject to the provisions of paragraph (b) of this Section 2.17. The Borrower hereby directs the Issuer and the Trustee to apply the net proceeds from the sale of the Series 2021 Notes in the manner specified in Section 301 of the Indenture. The Borrower agrees to be liable and pay for any Trustee's acceptance fees, legal fees, rating agency fees, printing expenses and other fees and expenses incurred or to be incurred by or on behalf of the Issuer in connection with or as an incident to the issuance and sale of the Series 2021 Bonds and not otherwise paid from funds available to the Borrower under the Indenture.

(b) The Borrower and the Issuer agree that, so long as no event of default hereunder has occurred and is continuing, all moneys in any Fund established by the Indenture shall, at the written direction of the Borrower, but subject to the limitations set forth in Section 407 of the

Indenture, be invested only in Qualified Investments in the manner and to the extent provided in the Indenture and the Tax Agreement.

(c) The Trustee is hereby authorized to trade with itself in the purchase and sale of securities for such investments, and may invest moneys in its own certificates of deposit or time deposits so long as the same constitute Qualified Investments. The Trustee shall not be liable or responsible for any loss resulting from any such investment so long as investment was made in accordance with the fiduciary duties imposed on the Trustee pursuant to the Indenture. Except as otherwise provided by the Indenture and the Tax Agreement, all such investments shall be held by or under the control of the Trustee and any income resulting therefrom shall be held or deposited in accordance with Section 407 of the Indenture.

(d) The foregoing notwithstanding, the Borrower will take all actions necessary, including without limitation providing the Trustee with all necessary directions, to assure that such moneys are continuously invested in accordance with the provisions of the Indenture and the Tax Agreement. The Borrower further agrees to take all actions required by the Tax Agreement. Without limiting the foregoing, the representations and certifications contained in the Tax Agreement executed by the Borrower on the Closing Date are true and correct and are incorporated by reference herein.

(e) The Borrower further covenants and agrees that it will not take any action, permit any action to be taken or fail to take any action, including without limitation any action with respect to the investment of the proceeds of any Bonds, with respect to any other moneys or securities deposited with the Trustee pursuant to the Indenture, with respect to the payments derived from the Series 2021 Notes or this Loan Agreement, with respect to the purchase of other Issuer obligations, or with respect to any actions or payments required under the Tax Agreement, or with respect to any other amounts regardless of the source where held which gives rise to a reasonable possibility of constituting the Bonds “arbitrage bonds” within the meaning of such term as used in Section 148 of the Code. The Borrower covenants that neither it nor any “related person,” as defined in Sections 144(a)(3) and 147(a) of the Code, shall, pursuant to an arrangement, formal or informal, purchase obligations of the Issuer in an amount related to the amount of the Series 2021 Notes.

Section 2.18. Other Amounts Payable by the Borrower “Section 2.18. Other Amounts Payable by the University” \ 2 . The Borrower agrees to pay directly to the Trustee within thirty (30) days after receipt of a bill therefor (i) an amount equal to the annual fee of the Trustee for the ordinary services rendered by the Trustee and its ordinary expenses and all advances, counsel fees and other expenses necessarily made or incurred under the Indenture, as and when the same become due, (ii) the reasonable fees, charges and expenses (including advances and counsel fees) of the Trustee, as Bond Registrar and paying agent, and any other fiduciaries or agents with respect to the Bonds for acting as paying agent as provided in the Indenture, as and when the same become due, (iii) the reasonable fees, charges and expenses (including advances and counsel fees) of the Trustee for the necessary extraordinary services rendered by it and extraordinary expenses incurred by it under the Indenture, as and when the same become due, including, without limitation, the costs of any exchange or transfer of Bonds described in Section 208 of the Indenture and any fees and expenses incurred by the Trustee in

connection with any action taken by the Trustee pursuant to Section 703 of the Indenture, or which is expressed to be at the sole cost and expense of the Borrower and (iv) all other reasonable fees and expenses incurred in connection with the issuance of the Bonds.

The Borrower further covenants to pay, with respect to the Series 2021 Bonds, a one-time issuance fee of \$[] to the Issuer, and a fee to the Issuer's counsel of \$[], prior to or contemporaneously with the issuance of the Series 2021 Bonds. The Borrower also agrees to pay within thirty (30) days after receipt of a bill therefor the reasonable fees and expenses of the Issuer in connection with and as provided in this Loan Agreement, the Bonds and the Indenture. Such expenses and fees shall be paid directly to the Issuer or as otherwise directed in writing by the Issuer.

Section 2.19. Credits on the Series 2021 Notes “Section 2.19. Credits on the Series 2015 Note” \1 2 . Notwithstanding any provision contained in this Loan Agreement or in the Indenture to the contrary, in addition to any credits on the Series 2021 Notes resulting from the payment or prepayment thereof:

(a) any moneys deposited by the Trustee into the Interest Fund and applied to the payment of interest on the Bonds of any particular series shall be credited against the obligation of the Borrower to make interest payments on the Series 2021 Notes corresponding to such interest payments on the Bonds, as such Series 2021 Notes payments become due;

(b) any moneys deposited by the Trustee into the Bond Sinking Fund and applied to the payment of principal on the Bonds of any particular series when due, whether at maturity or by mandatory sinking fund redemption, shall be credited against the obligation of the Borrower to make principal payments on the Series 2021 Notes corresponding to such principal payments on the Bonds, as such Series 2021 Notes payments become due; and

(c) the principal amount of and interest on Bonds of any particular series purchased by the Borrower and delivered to the Trustee and canceled, or purchased by the Trustee and canceled, shall be credited respectively against the corresponding obligation of the Borrower to make the principal of and interest payments on the Series 2021 Notes.

Section 2.20. Maintenance of Tuition “Section 2.20. Maintenance of Tuition” \1 2 . The Borrower covenants and agrees, to the extent permitted by law, to charge such Tuition for its educational facilities and services, and to exercise such skill and diligence with respect to all of its facilities and services, as to generate gross revenues therefrom which will be available and sufficient in amount to (a) pay costs of the operation and maintenance of the Borrower, and (b) make all payments on the Series 2021 Notes and under the Loan Agreement when due in accordance with their terms.

Section 2.21. ERISA “Section 2.21. ERISA” \1 2 . The Borrower shall not with respect to any “employee pension benefit plan” (as defined in Section 3 of ERISA) maintained by it

(i) engage in any “prohibited transaction” (as defined in Section 4975 of the Code) which is not an “exempt prohibited transaction,” (ii) permit any such plan to incur any “accumulated funding deficiency” (as defined in Section 302 of ERISA) unless waived by the appropriate governmental agencies, or (iii) cause any such plan to terminate in a manner which could result in the imposition of a lien or encumbrance on the assets of the Borrower pursuant to Section 4068 of ERISA.

Section 2.22. Application of Certain Gifts “Section 2.22. Application of Certain Gifts”
¶ 2 . The Borrower hereby acknowledges that it may receive from time to time Restricted Gifts. Subject to the provisions of the following paragraph, the Borrower hereby covenants and agrees that if and when the Borrower receives any Restricted Gifts, the Borrower will transfer the proceeds of any such Restricted Gifts to the Trustee for application to the payment of the Series 2021 Notes and the maturing principal of the Series 2021 Bonds at the earliest practicable date or dates in accordance with the terms hereof and of the Indenture. The proceeds of any such Restricted Gifts need not be so applied until the aggregate amount thereof held by the Borrower at any time and not previously so applied is at least \$250,000.

The Borrower may apply the proceeds of Restricted Gifts in a manner that varies from the requirements set forth above under this Section 2.22 if the Borrower delivers to the Issuer and the Trustee an Opinion of Bond Counsel to the effect that such application will not adversely affect the validity of any Bonds or any exclusion of interest on the Series 2021A Bonds from gross income of the Owners thereof for federal income tax purposes.

Section 2.23. Unconditional Obligation “Section 2.23. Unconditional Obligation”
¶ 2 . The obligations of the Borrower to make payments or cause the same to be made under this Loan Agreement and the Series 2021 Notes shall be complete and unconditional and the amount, manner and time of making such payments shall not be decreased, abated, postponed or delayed for any cause or by reason of the happening or nonhappening of any event, irrespective of any defense or any right of set-off, recoupment or counterclaim which the Borrower may otherwise have against the Issuer, the Trustee or any Bondholder for any cause whatsoever including, without limiting the generality of the foregoing, any declaration or finding that the Bonds or the Indenture are invalid or unenforceable or any other failure or default by the Issuer or the Trustee; provided, however, that nothing herein shall be construed to release the Issuer from the performance of any agreements on its part herein contained or any of its other duties or obligations, and in the event the Issuer shall fail to perform any such agreement, duty or obligation, the Borrower may institute such action as it may deem necessary to compel performance or recover its damages for non-performance. Notwithstanding the foregoing, neither the Issuer nor the Trustee shall have any obligation to advance or expend funds under this Loan Agreement beyond the extent of moneys in the Funds established under the Indenture available therefor. As security for the payment of the Bonds, the Issuer will assign and pledge to the Trustee all right, title and interest of the Issuer in and to this Loan Agreement and the Series 2021 Notes, including the right to receive payment hereunder and thereunder (except its Unassigned Rights, including without limitation, the right to receive payment of expenses, fees, indemnification and the rights to make determinations and receive notices as herein provided), and hereby directs the Borrower to make said payments directly to the Trustee. The Borrower herewith assents to such assignment and pledge.

Until the principal of and interest on the Bonds shall have been fully paid or provision for the payment of the Bonds made in accordance with the Indenture, the Borrower (a) will not suspend or discontinue any payments provided for in this Loan Agreement, (b) will perform all its other duties and responsibilities called for by this Loan Agreement, and (c) will not terminate this Loan Agreement for any cause, including any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Total Financed Properties, commercial frustration of purpose, any change in the laws of the United States or of the State or any political subdivision of either or any failure of the Issuer to perform any of its agreements, whether express or implied, or any duty, liability or obligation arising from or connected with this Loan Agreement.

This Loan Agreement, the Series 2021 Notes and the obligations of the Borrower to make payments hereunder are general obligations of the Borrower payable from any available funds of the Borrower.

The Borrower agrees to use its best efforts to enable the Issuer and the Trustee to comply with their respective obligations under the Indenture.

Section 2.24. Notice Regarding Bankruptcy Petitions, Events of Default or Potential Default “Section 2.24. Notice Regarding Bankruptcy Petitions, Events of Default or Potential Default” \ 2 . The Borrower agrees to notify the Trustee and the Issuer in writing prior to any filing by it of a petition in bankruptcy and to notify the Trustee and the Issuer immediately by telephone and in writing as soon as reasonably practicable when it obtains knowledge that a petition in bankruptcy has been filed against the Borrower or of an event of default or event but for the passage of time or giving of notice, or both, would constitute an event of default under this Loan Agreement.

Section 2.25. Security Interest in Funds “Section 2.25. Security Interest in Funds” \ 2 . To secure the payment of the principal of, premium, if any, and interest payable on the Series 2021 Notes, and the performance of all the other covenants of the Borrower contained in this Loan Agreement, the Borrower does hereby grant to the Issuer a security interest in the Borrower’s right, title and interest in any and all moneys, securities and other property from time to time on deposit in any Fund established under the Indenture (other than amounts held by the Trustee in the Rebate Fund), together with all income thereon and proceeds thereof and all substitutions thereof and additions thereto. The Borrower will, at its own expense, take all necessary action to maintain and preserve such liens and security interests so long as any principal, premium, if any, or interest on the Bonds remains unpaid.

The Borrower will cause any necessary agreements, including any amendments thereof and supplements thereto, and any financing statements in respect thereof to be filed, registered and recorded in such manner and in such places as may be required by law in order to publish notice of and fully to perfect and protect (i) the lien and security interest thereof upon and the title of the Borrower to the Total Financed Properties, if any, and (ii) the lien and security interest therein granted to the Trustee or the purchasers of the Bonds, if any, to the rights, if any, of the Issuer assigned under such agreements, and from time to time will perform or cause to be performed any other act as provided by law and will execute or cause to be executed any and all

continuation statements and further instruments necessary for such publication, perfection and protection. The Borrower will pay all filing, registration and recording fees incident to such filing, registration and recording, and all expenses incident to the preparation, execution and acknowledgment of such instruments of further assurance, and all Federal or State fees and other similar fees, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of such instruments or agreements of further assurance. The Issuer shall have no responsibility for the preparation, filing or recording of any instrument, document or financing statement or for the maintenance of any security interest intended to be perfected thereby. The Issuer will execute such instruments provided to it by the Borrower as may be reasonably necessary in connection with such filing or recording.

The foregoing notwithstanding, the Borrower and the Issuer hereby acknowledge that this Loan Agreement does not, and is not intended to, create any liens on any particular assets of the Borrower.

Section 2.26. Indenture Provisions “Section 2.26. Indenture Provisions” \1 2 . The Indenture provisions concerning the Bonds and the other matters therein are an integral part of the terms and conditions of the loan made by the Issuer to the Borrower pursuant to this Loan Agreement, and the execution of this Loan Agreement shall constitute conclusive evidence of approval of the Indenture by the Borrower to the extent it relates to the Borrower. Additionally, the Borrower agrees that, whenever the Indenture by its terms imposes a duty or obligation on the Borrower, such duty or obligation shall be binding upon the Borrower to the same extent as if the Borrower were an express party to the Indenture, and the Borrower hereby agrees to carry out and perform all of its obligations under the Indenture as fully as if the Borrower were a party to the Indenture.

Section 2.27. Limited Obligation; No Recourse. The obligations of the Issuer under this Loan Agreement are special, limited obligations of the Issuer, payable solely out of the revenues and income derived under this Loan Agreement, the Series 2021 Notes and the Indenture (except to the extent paid out of moneys attributable to the proceeds derived from the sale of the Bonds or income from the temporary investment of such funds or other funds held under the Indenture). The obligations of the Issuer hereunder shall not be deemed to constitute an indebtedness or an obligation of the Issuer, the State of Illinois or any political subdivision thereof within the purview of any constitutional limitation or statutory provision, or a charge against the credit or general taxing powers, if any, of any of them. Neither the Issuer nor any member, director, officer, employee or agent of the Issuer nor any person executing the Bonds shall be liable personally for the Bonds or be subject to any personal liability or accountability by reason of the issuance of the Bonds. No recourse shall be had for the payment of the principal of, redemption premium, if any, interest on, or purchase price for any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in the Indenture, this Loan Agreement or the Bond Purchase Agreement against any past, present or future member, officer, agent or employee of the Issuer, or any incorporator, member, officer, employee, director or trustee of any successor corporation, as such, either directly or through the Issuer or any successor corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such incorporator, member, officer, employee, director, agent or trustee as such is hereby expressly

waived and released as a condition of and consideration for the execution of the Indenture and this Loan Agreement and the issuance of the Bonds.

Notwithstanding any provision or obligation to the contrary set forth herein, no provision of this Loan Agreement shall be construed so as to give rise to a pecuniary liability of the Issuer or to give rise to a charge upon the general credit of the Issuer, the liability of the Issuer hereunder shall be limited to its interest in the Total Financed Properties, this Loan Agreement, the Series 2021 Notes, and all other related documents and collateral and the lien of any judgment shall be restricted thereto. In the performance of the agreements of the Issuer herein contained, any obligation it may incur for the payment of money shall not be a debt of the Issuer, nor shall the Issuer be liable on any obligation so incurred. The Issuer does not assume general liability for the repayment of the Bonds or for the costs, fees, penalties, taxes, interest, commissions, charges, insurance or any other payments recited herein, and shall be obligated to pay the same only out of the amounts payable by the Borrower hereunder. The Issuer shall not be required to do any act whatsoever or exercise any diligence whatsoever to mitigate the damages to the Borrower if a default shall occur hereunder.

Section 2.28. Additional Indebtedness. The Borrower shall not create, incur, assume, permit to exist, or otherwise become or remain directly or indirectly liable with respect to, any Indebtedness, except:

(a) Indebtedness arising under this Loan Agreement, the Series 2021 Notes, the Tax Agreement, the Bond Purchase Agreement and the other Borrower Agreements;

(b) Short-Term Indebtedness and Revolving Lines of Credit Indebtedness, and permitted Refunding Indebtedness related thereto not to exceed 25% of “Total Revenues, Gains and Other Support” as shown under Statement of Activities in the most recent audited financial statements of the Borrower, or conceptually equivalent item as classified in future financial statements of the Borrower;

(c) Indebtedness consisting of (i) extensions and renewals of Capital Lease Obligations existing on the date hereof and permitted Refunding Indebtedness related thereto, and (ii) additional Capital Lease Obligations and permitted Refunding Indebtedness related thereto;

(d) Indebtedness existing on the date hereof and set forth in Schedule 2.28 including permitted Refunding Indebtedness related thereto;

(e) Indebtedness incurred in the ordinary course of business in respect of netting services, overdraft protections, employee credit card programs and other similar services in connection with cash management and deposit accounts, Indebtedness in connection with drafts payable for payroll and other ordinary course expense items, and Indebtedness owed to depository banks for returned items incurred in the ordinary course of business;

(f) Indebtedness incurred in the ordinary course of business to finance insurance policy premiums;

(g) Indebtedness constituting reimbursement or indemnification obligations in respect of workers' compensation, health disability or other employee benefits or claims or self-insurance obligations or bid, performance, appeal or surety bonds (in each case other than for an obligation for borrowed money);

(h) Indebtedness in respect of performance bonds, bid bonds, appeal bonds, surety bonds, completion guarantees and similar obligations and trade-related letters of credit, in each case provided in the ordinary course of business, including those incurred to secure health, safety and environmental obligations in the ordinary course of business;

(i) other Long-Term Indebtedness up to an aggregate principal amount outstanding at any one time not to exceed an amount equal to the maximum principal amount of Long-Term Indebtedness that could be incurred such that after giving effect to the incurrence of such Long-Term Indebtedness, the ratio of (i) Total Cash and Investments to (ii) Funded Indebtedness, excluding Revolving Line of Credit Indebtedness, is greater than or equal to 2.0;

(j) Refunding Indebtedness for the purpose of refunding (whether in advance of maturity or otherwise) any outstanding Indebtedness, if the Borrower determines that such refunding is in the best interest of the Borrower.

As used in this Section 2.28, the following terms have the following meanings:

“Capital Lease” means any lease of, or other arrangement conveying the right to use, any property by the Borrower as lessee that has been or should be accounted for as a capital lease on a balance sheet of the Borrower prepared in accordance with GAAP; provided that, for purposes of this Loan Agreement, the determination of whether a lease is required to be classified and accounted for as a Capital Lease shall be made by reference to GAAP prior to the adoption of ASC 842 and any change in GAAP as a result of the adoption of ASC 842 that results in any lease which is, or would be, classified as an operating lease under GAAP prior to the adoption of ASC 842 being classified as a Capital Lease under revised GAAP shall be ignored for purposes of this Loan Agreement, regardless of whether such lease is entered into before or after the effective date of ASC 842.

“Capital Lease Obligations” means, at any time, with respect to any Capital Lease, the amount of all obligations of the Borrower that is capitalized on a balance sheet of the Borrower prepared in accordance with GAAP.

“Funded Indebtedness” means, as of any date of measurement, all Long-Term Indebtedness of the Borrower outstanding as of the date of measurement as determined in accordance with GAAP.

“GAAP” means generally accepted accounting principles in the United States, as in effect from time to time, set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants, in the statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar

functions and comparable stature and authority within the accounting profession) that are applicable to the circumstances as of the date of determination.

“Indebtedness” of the Borrower means, without duplication: (a) all indebtedness for borrowed money; (b) all obligations issued, undertaken or assumed as the deferred purchase price of property or services (other than accrued expenses incurred in the ordinary course of business and trade payables entered into in the ordinary course of business); (c) without duplication, all drafts drawn under letters of credit issued for the account of the Borrower and all reimbursement or payment obligations with respect to letters of credit, surety bonds and other similar instruments issued by the Borrower; (d) all obligations evidenced by notes, bonds, debentures or similar instruments, including obligations so evidenced incurred in connection with the acquisition of property, assets or businesses; (e) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to property acquired by the Borrower (even though the rights and remedies of the seller or bank under such agreement in the event of default are limited to repossession or sale of such property); (f) all Capital Lease Obligations; (g) all indebtedness referred to in clauses (a) through (f) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien (as defined in Section 2.32 of this Loan Agreement) upon or in property (including accounts and contracts rights) owned by the Borrower, even though the Borrower has not assumed or become liable for the payment of such indebtedness (and for purposes of this Loan Agreement, if the Borrower is not liable for the payment of such indebtedness, the amount of Indebtedness of the Borrower shall be deemed to be the fair market value of such property); and (h) any liability, contingent or otherwise, of the Borrower in respect of indebtedness or obligations of others of the kinds referred to in clauses (a) through (f) above if the primary purpose or intent of the Borrower incurring such liability, or the primary effect thereof, is to provide assurance to the obligee of such liability that such liability will be paid or discharged.

“Long-Term Indebtedness” means (a) Indebtedness having an original stated maturity or term greater than one year, or (b) Indebtedness having an original stated maturity or term equal to or less than one year that is renewable or extendable at the option of the debtor for a period greater than one year from the date of original issuance or incurrence thereof.

“Refunding Indebtedness” means any Indebtedness constituting a refinancing or extension of any outstanding Indebtedness.

“Revolving Line of Credit Indebtedness” means one or more revolving lines of credit having an original maturity for a term less than or equal to three years, with any financial institution, corporation or association which at any time may serve as the provider of a revolving line of credit to the Borrower.

“Short-Term Indebtedness” means Indebtedness having an original maturity less than or equal to one year and not renewable at the option of the debtor for a term greater than one year beyond the date of original issuance.

“*Total Cash and Investments*” means the aggregate amount set forth for the line items “Total Cash and Investments,” including “Cash and Cash Equivalents,” “Investments,” “Restricted Cash” and “Beneficial Interest in Perpetual Trust,” as shown on the most recent audited financial statements of the Borrower, and conceptually equivalent item as classified in future financial statements of the Borrower.

Section 2.29. Rate Covenant. The Borrower covenants and agrees to operate all its educational facilities upon a revenue-producing basis and to fix, charge and collect such reasonable tuition fees, student fees, rates, other fees, rentals and charges for the use and occupancy of its educational facilities or any part thereof, and for any other facilities operated by the Borrower, so that there shall inure to the Borrower gross cash receipts in each fiscal year of the Borrower that, together with other money legally available to the Borrower, are sufficient (as determined in accordance with GAAP) to pay the following costs (without priority of any one clause over another): (a) currently all of the Borrower’s expenses, payable during that fiscal year, for its operation, including those expenses incurred in carrying out its educational purposes, and for the operation, maintenance and repair of all its educational facilities and any other facilities operated by the Borrower; (b) all Loan Payments and Additional Payments under this Loan Agreement due in that fiscal year; and (c) all other Indebtedness and other obligations of the Borrower due in such fiscal year as the same become due and payable.

Section 2.30. Pledge of Gross Revenues. To secure the payment of the Series 2021 Notes and the performance of the duties and obligations of the Borrower under this Loan Agreement, the Borrower hereby pledges and collaterally assigns to the Issuer and its successors and assigns (including the further collateral assignment to the Trustee under the Indenture) and grants a security interest to the Issuer in all Gross Revenues of the Borrower.

The Borrower shall take all necessary action to maintain and preserve the security interest in Gross Revenues granted by this Loan Agreement so long as any Bonds or Notes are Outstanding. The Borrower shall cause this Loan Agreement and any financing statements in respect thereof to be promptly filed and recorded in such manner and in such places as may be required by law in order to fully perfect and protect such security interest and to preserve and protect the rights of the holders of the Notes and the Trustee, and from time to time will perform or cause to be performed any other act as provided by law and will execute or cause to be executed any and all continuation statements and further instruments that may be requested by the Trustee for such perfection and protection.

To the extent any of the property pledged and collaterally assigned under this Loan Agreement consists of property, rights or interests covered by the Uniform Commercial Code in each applicable jurisdiction, this Loan Agreement shall constitute a security agreement and is intended to create a security interest in such property in favor of the Issuer and assigned by the Issuer to the Trustee under the Trust Indenture. During the continuance of any event of default under this Loan Agreement or any other document or instrument evidencing, securing or otherwise relating to the Indebtedness hereby secured, the Trustee shall have all the rights of and remedies with regard to such property available to a secured creditor under the Uniform Commercial Code in each applicable jurisdiction. This Loan Agreement shall be self-operative with respect to such property, but the Borrower agrees to execute and deliver on demand such

security agreements, financing statements, continuation statements and other documents necessary to perfect a security interest in such property as the Trustee may request in order to impose or continue the lien and security interest hereof more specifically in any such property.

Except to the extent it is exempt therefrom, the Borrower shall pay or cause to be paid all filing, registration and recording fees and all expenses incident to the preparation, execution and acknowledgment of such instruments of perfection, and all federal or state fees and other similar fees, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Loan Agreement and such instruments of perfection. In the event that the Borrower fails to execute any of such instruments within 10 days after demand by the Trustee to do so, the Borrower hereby makes, constitutes and irrevocably appoints the Trustee as its attorney-in-fact and in its name, place and stead so to do.

Notwithstanding the security interest granted in the Borrower's Gross Revenues under this Loan Agreement, it is understood and agreed that so long as the Borrower makes when due and payable all Loan Payments, all payments of principal of and interest on Parity Obligations (as defined in Section 2.31 of this Loan Agreement) and all additional payments required by this Loan Agreement, including without limitation the payments described in Section 2.18 of this Loan Agreement, the Borrower shall be entitled to utilize its Gross Revenues for its proper corporate purposes.

As used in this Section 2.30, the following term has the following meaning:

"Gross Revenues" as pledged under and defined in this Loan Agreement, means all receipts, revenues, rents, income and other money received by the Borrower from any source and all rights to receive the same (including, without limitation, tuition and fee revenues, other operating revenues and nonoperating revenues determined in accordance with generally accepted accounting principles), whether in the form of accounts receivable, contract rights, general intangibles, chattel paper, instruments or other rights, and all proceeds thereof, and any insurance thereon, whether now existing or hereafter coming into existence and whether now owned or held or hereafter acquired by the Borrower; provided, however, that gifts, grants, bequests, donations and contributions heretofore or hereafter made, designated at the time of making thereof by the donor or maker as being for certain specific purposes inconsistent with their use for payment of the Parity Obligations, and the income derived therefrom, to the extent required by such designation, shall be excluded from Gross Revenues.

Section 2.31. Parity Obligations. The Borrower may issue or incur Parity Obligations for any proper corporate purpose if prior to the issuance and delivery of any Parity Obligations, and as a condition precedent thereto, the following documents and showings shall be executed and delivered to the Trustee an Officer's Certificate (1) stating that no event of default under this Loan Agreement has occurred and is continuing and that no event has occurred and is continuing which with the lapse of time or giving of notice, or both, would constitute such an event of default, and (2) stating the purpose or purposes for which such Parity Obligations are being issued and the classification of the Indebtedness under Section 2.28 of this Loan Agreement and accompanied by the certificates, reports or opinions demonstrating compliance with the applicable tests set forth in Section 2.28 of this Loan Agreement.

The Trustee, at the request of the Borrower, shall enter into an intercreditor agreement with the holders of such Parity Obligations. The owners of such Parity Obligations shall not have a security interest in or other rights to in or be entitled to share on a parity with the owners of the Bonds in the Interest Fund or the Bond Sinking Fund. Such Parity Obligations may be further secured in any manner not inconsistent with the provisions and intent of the Indenture or this Loan Agreement.

Any default under any instrument or agreement providing for repayment of any Parity Obligation secured on a parity with the Notes as provided in this Section shall be a default under this Loan Agreement and there shall be included in any instrument or agreement providing for repayment of such Parity Obligation a provision that any default under this Loan Agreement shall be a default under such instrument or agreement. Any action which cures a default under any such instrument or agreement shall also cure such default under this Loan Agreement.

As used in Section 2.30 and Section 2.31, the following term has the following meaning:

“Parity Obligations” means any Indebtedness of the Borrower, other than the Notes, issued or incurred by the Borrower in accordance with Section 2.28 of the Loan Agreement and secured on a parity with the Notes, which obligations may be issued to any Person, including Persons other than the Issuer.

Section 2.32. Negative Pledge. Except for Permitted Encumbrances, the Borrower will not incur, create or permit to be created or remain, and will at its sole cost and expense promptly discharge any Lien in or on any of its Property.

As used in this Section 2.32, the following terms have the following meanings:

“Lien” means, with respect to the Borrower, any mortgage, lien, pledge, charge, security interest or other encumbrance, or any interest or title of any vendor, lessor, lender or other secured party to or of the Borrower under any conditional sale or other title retention agreement or capital lease, upon or with respect to any property or asset of the Borrower (including in the case of stock, stockholder agreements, voting trust agreements and all similar arrangements).

“Permitted Encumbrance” means the Indenture, this Loan Agreement and, as of any particular time:

(a) Liens for taxes or other governmental charges not at the time delinquent or thereafter payable without penalty or being contested in good faith by appropriate proceedings and, in each case, for which it maintains adequate reserves;

(b) Liens arising in the ordinary course of business (such as (i) Liens of carriers, warehousemen, mechanics and materialmen and other similar Liens imposed by law and (ii) Liens in the form of deposits or pledges incurred in connection with worker’s compensation, unemployment compensation and other types of social security (excluding Liens arising under ERISA) or in connection with surety bonds, bids,

performance bonds and similar obligations) for sums not overdue or being contested in good faith by appropriate proceedings and not involving any advances or borrowed money or the deferred purchase price of property or services and, in each case, for which it maintains adequate reserves;

(c) (i) Liens arising in connection with capital leases (and attaching only to the Property being leased), (ii) Liens existing on Property at the time of the acquisition thereof by the Borrower (and not created in contemplation of such acquisition); (iii) Liens that constitute purchase money security interests on any Property securing debt incurred for the purpose of financing all or any part of the cost of acquiring such Property, provided that any such Lien attaches to such Property within 20 days of the acquisition thereof and attaches solely to the Property so acquired, and (iv) Liens arising in connection with obligations with a maturity of less than one year in an amount not to exceed \$_____;

(e) attachments, appeal bonds, judgments and other similar Liens, for sums not exceeding \$500,000 (individually) or \$1,000,000 (in the aggregate) arising in connection with court proceedings, provided the execution or other enforcement of such Liens is effectively stayed and the claims secured thereby are being actively contested in good faith and by appropriate proceedings;

(f) easements, rights of way, restrictions, minor defects or irregularities in title and other similar Liens not interfering in any material respect with the ordinary conduct of the business of the Borrower;

(g) Liens arising under this Loan Agreement, the Indenture and the Tax Agreement;

(h) Liens on real property other than the Property;

(i) Liens arising by operation of law (such as real estate taxes); and

(j) Liens on insurance policies or proceeds thereof to secure payment of premiums thereunder.

“ARTICLE III PREPAYMENT OF THE SERIES 2015 NOTE” \L 1 **ARTICLE III**

PREPAYMENT OF THE SERIES 2021 NOTES

Section 3.1. Prepayment Generally “Section 3.1. Prepayment Generally” \l 2 . No prepayment of the Series 2021 Notes may be made except to the extent and in the manner expressly permitted by this Loan Agreement.

Section 3.2. Optional Prepayment of the Series 2021 Notes “Section 3.2. Optional Prepayment of the Series 2015 Note” \l 2 . The Borrower may, at its option, prepay the Series 2021 Notes in whole or in part on any date in order to provide for the optional redemption of all

or a portion of the Series 2021 Bonds under the provisions of Section 501(b) of the Indenture or to provide for the defeasance of all or a portion of the Series 2021 Bonds in accordance with the Indenture, at a price equal to 100% of the principal amount of the Series 2021 Notes or portion thereof to be prepaid, together with accrued and unpaid interest thereon to the date of prepayment.

Any prepayment of less than the full unpaid principal amount of the Series 2021 Notes made pursuant to this Section 3.2(a) shall be applied to the installments of principal thereon corresponding to the principal payments on the Series 2021 Bonds to be redeemed or defeased with the proceeds of such prepayment.

Section 3.3. Notice of Prepayment “Section 3.3. Notice of Prepayment” \1 2 . The Borrower shall give the Issuer and the Trustee prior written notice of any prepayment of the Series 2021 Notes, which notice shall designate the date of prepayment and the amount thereof and direct the redemption or defeasance of the Bonds in the amounts corresponding to the Series 2021 Notes and which shall be given not less than twenty-five (25) days prior to the date of such optional redemption or defeasance of all or a portion of the Series 2021 Bonds. Such notice may be withdrawn by the Borrower at any time prior to the date on which the Trustee mails the optional redemption notice pursuant to Section 502 of the Indenture or effects such defeasance, or thereafter if such optional redemption notice states that such optional redemption is conditional.

Section 3.4. Effect of Partial Prepayment “Section 3.4. Effect of Partial Prepayment” \1 2 . Upon any partial prepayment of the Series 2021 Notes, each installment of interest which shall thereafter be payable thereon shall be reduced, taking into account the interest rate or rates on the Bonds remaining Outstanding after the prepayment of the Bonds from the proceeds of such partial prepayment, so that the interest remaining payable on the Series 2021 Notes shall be sufficient to pay the interest on the Outstanding Bonds when due.

Section 3.5. Amortization Schedules “Section 3.5. Amortization Schedules” \1 2 . On the date of any partial prepayment of the Series 2021 Notes, the Borrower shall deliver to the Issuer and the Trustee two copies of an amortization schedule with respect to the amount of the Series 2021 Notes then outstanding, setting forth the amount of the installments to be paid on after the date of such partial prepayment and the unpaid principal balance of the Series 2021 Notes after payment of each such installment.

Section 3.6. Cancellation at Expiration of Term “Section 3.6. Cancellation at Expiration of Term” \1 2 . At the expiration of the term of this Loan Agreement and following full payment of the Bonds or provision for payment thereof and of all fees, indemnities, expenses and charges having been made in accordance with the provisions of this Loan Agreement and the Indenture, the Issuer shall deliver to the Borrower any documents and take or cause the Trustee to take such actions as may be necessary to effectuate the cancellation of the Series 2021 Notes and evidence the termination of this Loan Agreement.

“ARTICLE IV EVENTS OF DEFAULT AND REMEDIES THEREFOR” \ 1 **ARTICLE IV**

EVENTS OF DEFAULT AND REMEDIES THEREFOR

Section 4.1. Events of Default “Section 4.1. Events of Default” \ 2 . The occurrence and continuance of any of the following events shall constitute an “event of default” hereunder:

(a) failure of the Borrower to pay any installment of interest or of principal, or any premium, on the Series 2021 Notes when the same shall become due and payable, whether at maturity or upon any date fixed for prepayment or by acceleration or otherwise; or

(b) failure of the Borrower to observe or perform any of the covenants or conditions contained in Section 2.4 or 2.5 hereof; or

(c) failure of the Borrower to perform any other covenant, condition or provision hereof and to remedy such default within 30 days after notice thereof from the Issuer or the Trustee to the Borrower, unless the nature of the default is such that it cannot be remedied within the 30-day period and the Trustee agrees in writing to an extension of time of up to 60 days after the original notice of such default and the Borrower institutes corrective action within the period agreed upon and diligently pursues such action until the default is remedied; or

(d) any representation or warranty made by the Borrower in any statement or certificate furnished to the Issuer or the Trustee or the purchaser of any Bonds, in connection with the sale of any Bonds or furnished by the Borrower pursuant hereto, proves untrue in any material respect as of the date of the issuance or making thereof and shall not be made good within 30 days after notice thereof to the Borrower by the Issuer, the Trustee or such purchaser, unless the nature of the default is such that it cannot be remedied within the 30-day period and the Trustee agrees in writing to an extension of time of up to 60 days after the original notice of such default and the Borrower institutes corrective action within the period agreed upon and diligently pursues such action until the default is remedied; or

(e) default in any payment of principal of or of premium, if any, on, or of interest on any other obligation of the Borrower for borrowed money in excess of \$1,000,000 continuing beyond the expiration of the applicable grace period, if any, provided for therein or in the performance of any other agreement, term or condition contained in any agreement under which such obligation is created continuing beyond the expiration of the applicable grace period, if any, provided for therein, which default shall result in or permit the declaring due and payable of such obligation prior to the date on which it would otherwise have become due and payable; provided, however, that if such default shall be remedied or cured by the Borrower or be waived by the holders of such obligation, and any such declaration be rescinded or annulled, then the event of default hereunder by reason thereof shall be deemed to have been thereupon cured; or

(f) any judgment, writ or warrant of attachment or of any similar process in an amount in excess of \$1,000,000 shall be entered or filed against the Borrower or against any of its property and remains unvacated, unpaid, unbonded, unstayed, or uncontested in good faith for a period of 60 days; or

(g) the Borrower admits insolvency or bankruptcy or its inability to pay its debts as they mature, or makes an assignment for the benefit of creditors or applies for or consents to the appointment of a trustee, custodian or receiver for the Borrower, or for the major part of its property; or

(h) a trustee, custodian or receiver is appointed for the Borrower or for the major part of its property and is not discharged within 30 days after such appointment; or

(i) any event of default as defined in Section 701 of the Indenture shall occur and be continuing; or

(j) bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings for relief under any bankruptcy law or similar law for the relief of debtors are instituted by or against the Borrower (other than bankruptcy proceedings instituted by the Borrower against third parties), and if instituted against the Borrower are allowed against the Borrower or are consented to or are not dismissed, stayed or otherwise nullified within 30 days after such institution; or

(k) if the Borrower fails to perform any of its obligations contained in the Tax Agreement, the effect of which is to cause a Determination of Taxability.

Section 4.2. Remedies “Section 4.2. Remedies” \1 2 . During the continuance of any such event of default and subject to the provisions of Section 4.1 hereof, the Issuer may pursue the following remedies, in addition to any other remedies provided for by law:

I. *Acceleration of Maturity; Waiver of Event of Default and Rescission of Acceleration.* The Issuer may, by written notice to the Borrower, declare the principal of the Series 2021 Notes (if not then due and payable) and the interest accrued thereon to be due and payable immediately, and upon any such declaration the principal of the Series 2021 Notes and the interest accrued thereon shall become and be immediately due and payable, anything in the Series 2021 Notes or in this Loan Agreement contained to the contrary notwithstanding. This provision, however, is subject to the condition that if, at any time after the principal of the Series 2021 Notes and the interest accrued thereon shall have been so declared and become due and payable, all arrears of principal of and interest, if any, upon the Series 2021 Notes and the expenses of the Issuer shall be paid by the Borrower, and every other default in the observance or performance of any covenant, condition or agreement in the Series 2021 Notes or in this Loan Agreement contained shall be made good, or be secured, to the satisfaction of the Issuer, or provision deemed by the Issuer to be adequate shall be made therefor, then and in every such case the Issuer by written notice to the Borrower may at its option waive the event of default by reason of which the principal of the Series 2021 Notes shall have been so declared and

become due and payable, and may rescind and annul such declaration and its consequences; but no such waiver, rescission or annulment shall extend to or affect any subsequent event of default or impair any right consequent thereon.

II. *Issuer's Powers.* The Issuer, personally or by attorney, may in its discretion proceed to protect and enforce its rights by suit or suits in equity or at law, whether for the specific performance of any covenant or agreement contained in the Series 2021 Notes or in this Loan Agreement, or in aid of the execution of any power herein granted, or for any foreclosure hereunder, or for the enforcement of any other appropriate legal or equitable remedy, as the Issuer shall deem most effectual to protect and enforce any of its rights or duties hereunder.

Section 4.3. Application of Proceeds of Remedies “Section 4.3. Application of Proceeds of Remedies” ¶ 2 . Any moneys collected by the Trustee pursuant to this Article (after the deductions for payment of costs and expenses of proceedings resulting in the collection of such moneys) together with any other sums then held by the Trustee as part of the Trust Estate, shall be applied as provided in the Indenture and, in case of the distribution of such money on account of principal (or premium, if any) or interest on the Bonds, shall be credited against amounts due on the Notes.

Section 4.4. Restoration to Original Position “Section 4.4. Restoration to Original Position” ¶ 2 . In case the Issuer shall have proceeded to enforce any right under this Loan Agreement, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer, the Borrower and the Trustee shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Issuer shall continue as if no such proceedings had been taken. To the extent that the Issuer waives or rescinds any event of default hereunder, or in case any proceeding taken by the Issuer on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the Issuer, the Trustee and the Borrower shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other event of default, or impair any right consequent thereon.

Section 4.5. Remedies Cumulative “Section 4.5. Remedies Cumulative” ¶ 2 . No remedy herein conferred upon or reserved to the Issuer or the Trustee is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder and under the Indenture or now or hereafter existing at law or in equity or by statute.

Section 4.6. Delay or Omission Not a Waiver “Section 4.6. Delay or Omission Not a Waiver” ¶ 2 . No delay or omission of the Issuer or the Trustee to exercise any right or power accruing upon any event of default shall impair any such right or power, or shall be construed to be a waiver of any such event of default or an acquiescence therein; and every power and remedy given by this Loan Agreement to the Issuer or the Trustee may be exercised from time to time and as often as may be deemed expedient by the Issuer or the Trustee.

Section 4.7. Waiver of Extension, Appraisal, Stay Laws “Section 4.7. Waiver of Extension, Appraisal, Stay Laws” \ 2 . To the extent permitted by law, the Borrower will not during the continuance of any event of default hereunder insist upon, or plead, or in any manner whatever claim or take any benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants and terms of performance of this Loan Agreement; nor claim, take or insist upon any benefit or advantage of any law now or hereafter in force providing for the valuation or appraisal of any of the Borrower’s Property, prior to any sale or sales thereof which may be made pursuant to any provision herein contained, or pursuant to the decree, judgment or order of any court of competent jurisdiction; nor after any such sale or sales, claim or exercise any right under any statute heretofore or hereafter enacted by the United States of America or by any state or territory, or otherwise, to redeem the property so sold or any part thereof, and the Borrower hereby expressly waives all benefits or advantages of any such law or laws and covenants not to hinder, delay or impede the execution of any power herein granted or delegated to the Issuer, but to suffer and permit the execution of every power as though no such law or laws had been made or enacted.

Section 4.8. Remedies Subject to Provisions of Law “Section 4.8. Remedies Subject to Provisions of Law” \ 2 . All rights, remedies and powers provided by this Article may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions of this Article are intended to be subject to all applicable mandatory provisions of law which may be controlling in the premises and to be limited to the extent necessary so that they will not render this Loan Agreement invalid or unenforceable under the provisions of any applicable law.

Section 4.9. No Right to Conduct Affairs of Borrower “Section 4.9. No Right to Conduct Affairs of University” \ 2 . Nothing contained in this Loan Agreement shall be construed to grant the Issuer the right to conduct the business and affairs of the Borrower, whether or not an event of default shall have occurred.

“ARTICLE V IMMUNITY OF MEMBERS, OFFICERS, DIRECTORS AND EMPLOYEES” \ L 1

ARTICLE V

IMMUNITY OF MEMBERS, OFFICERS, DIRECTORS AND EMPLOYEES

Section 5.1. Immunity “Section 5.1. Immunity” \ 2 . No recourse shall be had for the payment of the principal of, or premium, if any, or the interest on, the Series 2021 Notes, or for any claim based thereon or on this Loan Agreement or any agreement supplemental or collateral hereto, against any trustee, member, director, officer or employee, past, present or future, of the Borrower, or of any predecessor or successor corporation, as such, either directly, or through the Borrower, or any such predecessor or successor corporation thereto, whether by virtue of any constitution, statute, rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitution, statute or otherwise, of trustees, members, directors, officers or employees, as such, being released as a condition of and consideration for the execution of this Loan Agreement and of the issuance of the Series 2021 Notes.

“ARTICLE VI SUPPLEMENTS AND AMENDMENTS TO THIS LOAN AGREEMENT; WAIVERS” \L 1

ARTICLE VI

**SUPPLEMENTS AND AMENDMENTS TO THIS
LOAN AGREEMENT; WAIVERS**

Section 6.1. Supplements and Amendments to this Loan Agreement; Waivers “Section 6.1. Supplements and Amendments to this Loan Agreement; Waivers” \l 2 . Subject to the terms, conditions and provisions of Article X of the Indenture, (a) the Borrower and the Issuer, with the consent of the Trustee, may from time to time enter into such supplements and amendments to this Loan Agreement, and (b) the Trustee may grant such waivers of compliance by the Borrower with provisions of this Loan Agreement as to the Trustee may seem necessary or desirable to effectuate the purposes or intent hereof and which, in the opinion of the Trustee, do not have a material adverse effect upon the interests of the Bondholders; provided that the Trustee shall file an original of any and all such waivers that it grants with the Issuer within three Business Days thereof.

“ARTICLE VII DEFEASANCE” \L 1 **ARTICLE VII**

DEFEASANCE

Section 7.1. Defeasance “Section 7.1. Defeasance” \l 2 . If (a) the Borrower shall pay and discharge or provide, in a manner reasonably satisfactory to the Issuer, for the payment and discharge of the whole amount of the principal of, premium, if any, and interest on the Series 2021 Notes at the time outstanding, and shall pay or cause to be paid all other sums payable hereunder, or shall make arrangements reasonably satisfactory to the Issuer for such payment and discharge, (b) the Borrower shall (i) have paid or caused to be paid all other sums then accrued and unpaid under this Loan Agreement, the Series 2021 Notes and the Indenture, (ii) not be in default of any covenant which has resulted, or with the passage of time or the giving of notice, or both, gives rise to a reasonable possibility of resulting, in the loss of the exclusion from federal gross income of the Owners thereof of interest paid on the Series 2021A Bonds otherwise afforded under Section 103(a) of the Code and (iii) have kept, performed and observed all and singular the covenants and promises in the Series 2021 Notes and this Loan Agreement expressed to be kept, performed and observed by the Borrower, (c) the Bonds shall have been paid in full or provision therefor shall have been made as provided in the Indenture and (d) provision has been made for the satisfaction and discharge of the Indenture as provided therein, then and in that case all property, rights and interest hereby conveyed or assigned or pledged shall revert to the Borrower and the estate, right, title and interest of the Issuer therein shall thereupon cease, terminate and become void; and, except to the extent necessary to assure the maintenance of the exclusion of interest on the Series 2021A Bonds from the gross income of the Owners thereof of such Bonds in the Opinion of Bond Counsel acceptable to the Issuer, this Loan Agreement, and the covenants of the Borrower contained herein, except as otherwise provided herein, including, without limitation, as provided in Sections 2.10, 2.14 and 2.18 herein, shall be discharged and the Issuer in such case on demand of the Borrower and at the Borrower’s cost and expense, shall execute and deliver to the Borrower a proper instrument or proper instruments acknowledging the satisfaction and termination of this Loan Agreement, and

shall convey, assign and transfer or cause to be conveyed, assigned or transferred, and shall deliver or cause to be delivered, to the Borrower, all property, including money, then held by the Issuer, other than moneys held in the Rebate Fund or deposited with the Trustee for the payment of the principal of and premium, if any, or interest on the Series 2021 Notes, together with the Series 2021 Notes marked paid or cancelled.

“ARTICLE VIII MISCELLANEOUS PROVISIONS” \L 1 **ARTICLE VIII**

MISCELLANEOUS PROVISIONS

Section 8.1. Loan Agreement for Benefit of Parties Hereto “Section 8.1. Loan Agreement for Benefit of Parties Hereto” \l 2 . Nothing in this Loan Agreement, express or implied, is intended or shall be construed to confer upon, or to give to, any person other than the parties hereto and their successors and assigns and the holders of the Series 2021 Notes, any right, remedy or claim under or by reason of this Loan Agreement or any covenant, condition or stipulation hereof; and the covenants, stipulations and agreement in this Loan Agreement contained are and shall be for the sole and exclusive benefit of the parties hereto, their successors and assigns and the holders of the Series 2021 Notes.

Section 8.2. Severability “Section 8.2. Severability” \l 2 . In case any one or more of the provisions contained in this Loan Agreement or in the Series 2021 Notes shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby.

Section 8.3. Limitation on Interest “Section 8.3. Limitation on Interest” \l 2 . No provisions of this Loan Agreement or of the Series 2021 Notes shall require the payment or permit the collection of interest in excess of the maximum permitted by law. If any excess of interest in such respect is herein or on the Series 2021 Notes provided for, or shall be adjudicated to be so provided for herein or in the Series 2021 Notes, neither the Borrower nor its successors or assigns shall be obligated to pay such interest in excess of the amount permitted by law, and the right to demand the payment of any such excess shall be and hereby is waived, and this provision shall control any provisions of this Loan Agreement and the Series 2021 Notes inconsistent with this provision.

Section 8.4. Addresses for Notice and Demands “Section 8.4. Addresses for Notice and Demands” \l 2 . Any notice to or demand upon the Issuer, the Trustee or the Borrower may be served or presented in the manner set forth in Section 1106 of the Indenture.

The Borrower agrees that it shall send or cause to be sent to the Issuer a duplicate copy or executed copy of all certificates, notices and extraordinary correspondence sent by the Borrower to the Trustee.

Section 8.5. Notice to and Consent of Trustee “Section 8.5. Notice to and Consent of Trustee” \l 2 . The Borrower acknowledges that, concurrently with the execution and delivery of this Loan Agreement, the Issuer is executing and delivering the Indenture pursuant to which the Issuer is assigning to the Trustee all of its right, title and interest in the Series 2021 Notes and

this Loan Agreement, other than Unassigned Rights. With respect to the matters as to which the Issuer has assigned its rights to the Trustee, whenever the Borrower is required to secure the consent of or give notice to the Issuer pursuant to the terms of this Loan Agreement or any other Bond documents, the Borrower shall secure the consent of or give notice to, as the case may be, the Trustee.

Section 8.6. Successors and Assigns “Section 8.6. Successors and Assigns” \ 2 . Whenever in this Loan Agreement any of the parties hereto is named or referred to, the successors and assigns of such party shall be deemed to be included and all the covenants, promises and agreements in this Loan Agreement contained by or on behalf of the Borrower, or by or on behalf of the Issuer, shall bind and inure to the benefit of the respective successors and assigns, whether so expressed or not.

Section 8.7. Counterparts “Section 8.7. Counterparts” \ 2 . This Loan Agreement is being executed in any number of counterparts, each of which is an original and all of which are identical. Each counterpart of this Loan Agreement is to be deemed an original hereof and all counterparts collectively are to be deemed but one instrument.

Section 8.8. Governing Law “Section 8.8. Governing Law” \ 2 . It is the intention of the parties hereto that this Loan Agreement and the rights and obligations of the parties hereunder, and under the Series 2021 Notes and the rights and obligations of the parties thereunder, shall be governed exclusively by and construed and enforced in accordance with, the laws of the State of Illinois.

Section 8.9. Holidays “Section 8.9. Holidays” \ 2 . If any date for the payment of an amount hereunder or on the Series 2021 Notes, or the taking of any other action required or permitted to be taken hereunder, is not a Business Day, then such payment shall be due or such action shall or may be taken, as the case may be, on the first Business Day thereafter, with the same force and effect as if done on the nominal date provided in the Indenture and this Loan Agreement and no interest shall accrue for the period after such nominal date.

Section 8.10. Term of this Loan Agreement. This Loan Agreement shall be in full force and effect from the date hereof, and shall continue in effect until the payment in full of all principal of, premium, if any, and interest on the Bonds, or provision for the payment thereof shall have been made pursuant to Article V of the Indenture; all fees, charges, indemnities and expenses of the Issuer, the Trustee and the Bond Registrar have been fully paid or provision made for such payment (the payment of which fees, charges, indemnities and expenses shall be evidenced by a written certification of the Borrower that it has fully paid or provided for all such fees, charges, indemnities and expenses); and all other amounts due hereunder and under the Series 2021 Notes have been duly paid or provision made for such payment. All representations, certifications and covenants by the Borrower as to the indemnification of various parties and the payment of fees and expenses of the Issuer as described in Sections 2.14 and 2.18 hereof, and all matters affecting the tax-exempt status of the Series 2021A Bonds shall survive the termination of this Loan Agreement.

IN WITNESS WHEREOF, the Borrower and the Issuer have caused this Loan Agreement to be executed in their respective corporate names and their respective corporate seals to be hereunto affixed and attested by their duly authorized officers, all as of the date first above written.

KNOX COLLEGE

By _____
Vice President for Finance and
Administrative Services

CITY OF GALESBURG, KNOX COUNTY, ILLINOIS

By _____
Mayor

(SEAL)

ATTEST:

City Clerk

EXHIBIT A

DESCRIPTION OF THE PROJECT

The Project consists of the planning, design, acquisition, construction, renovation, improvement, expansion, completion and/or equipping of certain educational facilities of the Borrower located on land owned by the Borrower at its main campus in the City of Galesburg, Knox County, Illinois, having a street address of 2 East South Street, Galesburg, Illinois, and generally bordered on the north by Tompkins Street, on the east, more or less, by Depot and Kellogg Streets, on the south, more or less, by First Street, railroad tracks, and Knox Street, and on the west, more or less, by Academy Street.

EXHIBIT B

**KNOX COLLEGE
PROMISSORY NOTE, SERIES 2021__**

FOR VALUE RECEIVED, the undersigned KNOX COLLEGE, an Illinois not-for-profit corporation (the “Borrower”), hereby promises to pay to the order of the CITY OF GALESBURG, KNOX COUNTY, ILLINOIS, a municipality and home rule unit of government (the “Issuer”) created and validly existing under the Constitution and the laws of the State of Illinois, the principal sum of [_____]
(\$[00,000,000]) in installments on October 1 of each of the years and in the respective amounts set forth below, and to pay interest thereon in semi-annual installments on April 1 and October 1 of the years and in the respective amounts set forth below:

<u>Year</u>	<u>Principal Due on October 1 (\$)</u>	<u>Semi-annual Installment of Interest Due on April 1 (\$)</u>	<u>Semi-annual Installment of Interest Due on October 1 (\$)</u>
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			

If any date for the payment of principal or premium, if any, or interest on this Series 2021 Note is not a Business Day, as defined in the hereinafter referred to Indenture, then such payment shall be due on the first Business Day thereafter.

Notwithstanding any schedule of payments upon this Series 2021 Note set forth herein or in the Loan Agreement hereinafter mentioned, the Borrower agrees to make payments upon this Series 2021 Note and to be liable therefor at times and in amounts sufficient to pay when due all principal (whether at maturity, by redemption or otherwise) of and interest and premium, if any, on all Series 2021 Bonds from time to time Outstanding, as such terms are defined in the Indenture. Furthermore, the Borrower promises to pay interest on any overdue principal and premium and, to the extent permitted by law, on any overdue interest, at the rate borne by the Bonds in respect of which such payments are overdue. Such principal, premium, if any, and interest are payable at the designated corporate trust office of Amalgamated Bank of Chicago, as the trustee (the "Trustee") under the Trust Indenture dated as of December 1, 2021 (the "Indenture"), from the Issuer, or at the office of any successor trustee under the Indenture.

This Series 2021 Note is issued under and secured by the Loan Agreement dated as of December 1, 2021 (the "Loan Agreement"), between the Borrower and the Issuer. Reference is hereby made to the Loan Agreement for a description of the property subject to the lien and security interest thereof, the nature and extent of the security for this Series 2021 Note and the rights of the holder thereof, the Borrower and the Issuer in respect thereof, and the provisions for amending the Loan Agreement, to all of which the holder hereof, by its acceptance hereof, assents.

The principal of this Series 2021 Note is subject to prepayment by the Borrower from time to time, in the manner and under the circumstances set forth in the Loan Agreement, in whole or in part, at a price equal to 100% of the principal amount of such installments or parts thereof being prepaid plus accrued and unpaid interest thereon to the date fixed for prepayment, together with premium, if any, provided for in the Loan Agreement upon such prepayment.

In certain events and in the manner set forth in the Loan Agreement, the entire principal amount of this Series 2021 Note and interest accrued hereon may be declared to be due and payable.

No recourse shall be had for the payment of the principal of, or premium, if any, or interest on this Series 2021 Note, or for any claim based thereon or on the Loan Agreement or any agreement supplemental thereto, against any trustee, member, director, officer or employee, past, present or future, of the Borrower, or of any successor corporation, as such either directly or through the Borrower or any such successor corporation, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty, or otherwise, all such liability, whether at common law, in equity, by any constitution, statute or otherwise, of members, trustees, directors, officers or employees as such, being released as a condition of and consideration for the execution of the Loan Agreement and the issuance of this Series 2021 Note.

IN WITNESS WHEREOF, the Borrower has caused this Series 2021 Note to be duly executed as of this [_____] day of December, 2021.

KNOX COLLEGE

By _____
Vice President for Finance and
Administrative Services

ENDORSEMENT

Pay to the order of Amalgamated Bank of Chicago, as Trustee under the Trust Indenture dated as of December 1, 2021, from the undersigned without recourse or warranty.

CITY OF GALESBURG, KNOX COUNTY, ILLINOIS

By _____
Mayor

EXHIBIT B

TRUST INDENTURE

Dated as of December 1, 2021

BETWEEN

THE CITY OF GALESBURG, KNOX COUNTY, ILLINOIS

AND

AMALGAMATED BANK OF CHICAGO,
as Trustee

[\$[00,000,000] City of Galesburg, Knox County, Illinois Revenue
Bonds, Series 2021A (Knox College Project)

[\$[00,000,000] City of Galesburg, Knox County, Illinois Taxable
Revenue Bonds, Series 2021B (Knox College Project)

This instrument was prepared by:

James M. Snyder
Ice Miller LLP
200 West Madison St., Suite 3500
Chicago, Illinois 60606

TABLE OF CONTENTS

	Page
Parties.....	1
Recitals.....	1
Granting Clauses.....	2
ARTICLE I DEFINITIONS AND INTERPRETATIONS.....	4
Section 101. Definitions	4
Section 102. Article and Section Headings	13
Section 103. Interpretation.....	13
ARTICLE II THE BONDS.....	14
Section 201. Authorized Amount of Bonds.....	14
Section 202. Issuance of Series 2021 Bonds	14
Section 203. Execution; Limited Obligation	16
Section 204. Authentication.....	17
Section 205. Form of Bonds and Temporary Bonds	17
Section 206. Delivery of Series 2021 Bonds	17
Section 207. Mutilated, Lost, Stolen or Destroyed Bonds.....	18
Section 208. Registration of Bonds; Persons Treated as Owners.....	19
Section 209. Book-Entry Only System.....	20
ARTICLE III APPLICATION OF SERIES 2021 BOND PROCEEDS	21
Section 301. Deposit of Funds	21
Section 302. Creation of Project Fund; Disbursements	22
ARTICLE IV REVENUE AND FUNDS	25
Section 401. Source of Payment of Bonds	25
Section 402. Interest Fund	25
Section 403. Bond Sinking Fund	26
Section 404. Cost of Issuance Fund.....	26
Section 405. Optional Redemption Fund.....	27
Section 406. Redemption Fund.....	27
Section 407. Investment of Funds.....	28
Section 408. Moneys Held in Trust	28
Section 409. Trust Funds	28
Section 410. Excluded Funds; Transfers to Rebate Fund.....	29
Section 411. Additional Accounts and Subaccounts	29
ARTICLE V PAYMENT AND REDEMPTION OF BONDS	29

Section 501.	Payment and Redemption Dates and Prices	29
Section 502.	Notice of Redemption	31
Section 503.	Cancellation	32
ARTICLE VI GENERAL COVENANTS.....		32
Section 601.	Payment of Principal and Interest.....	32
Section 602.	Performance of Covenants; Authorization	33
Section 603.	Ownership; Instruments of Further Assurance	33
Section 604.	Recordation of Indenture, Loan Agreement and Other Security Instruments.....	34
Section 605.	Rights Under Loan Agreement and the Notes	34
Section 606.	Designation of Additional Paying Agents	34
Section 607.	Arbitrage and Tax Covenants	34
Section 608.	List of Bondholders	35
ARTICLE VII EVENTS OF DEFAULT AND REMEDIES		35
Section 701.	Events of Default	35
Section 702.	Acceleration	37
Section 703.	Remedies; Rights of Bondholders	37
Section 704.	Right of Bondholders to Direct Proceedings	38
Section 705.	Application of Moneys	38
Section 706.	Remedies Vested in Trustee	39
Section 707.	Rights and Remedies of Bondholders.....	39
Section 708.	Termination of Proceedings.....	40
Section 709.	Waivers of Events of Default.....	40
Section 710.	Borrower's Right of Possession and Use of Its Property.....	41
Section 711.	Cooperation of Authority.....	41
ARTICLE VIII THE TRUSTEE.....		41
Section 801.	Acceptance of the Trusts.....	41
Section 802.	Notice to Bondholders and Others If Default Occurs.....	43
Section 803.	Intervention by the Trustee	43
Section 804.	Successor Trustee	44
Section 805.	Trustee Eligibility	44
Section 806.	Resignation and Removal	44
Section 807.	Appointment of Successor Trustee by the Bondholders; Temporary Trustee	45
Section 808.	Concerning Any Successor Trustee.....	45
Section 809.	Trustee Protected in Relying upon Resolution, Etc.....	45
Section 810.	Successor Trustee as Trustee of Funds, Paying Agent and Bond Registrar.....	45
Section 811.	Trust Estate May Be Vested in Separate or Co-Trustee	46
Section 812.	Fees, Charges and Expenses of Trustee.....	46
Section 813.	Representations, Warranties and Covenants of the Trustee	47

ARTICLE IX	SUPPLEMENTAL INDENTURES	47
Section 901.	Supplemental Indentures Not Requiring Consent of Bondholders.....	47
Section 902.	Supplemental Indentures Requiring Consent of Bondholders; Waivers and Consents by Bondholders	48
Section 903.	Notice to and Consent of Borrower	49
ARTICLE X	AMENDMENTS TO THE LOAN AGREEMENT.....	49
Section 1001.	Amendments to Loan Agreement Not Requiring Consent of Bondholders; Waivers.....	49
Section 1002.	Amendments, Etc., to Loan Agreement Requiring Consent of Bondholders	50
Section 1003.	No Amendment May Alter Notes	50
ARTICLE XI	MISCELLANEOUS	50
Section 1101.	Satisfaction and Discharge.....	50
Section 1102.	Application of Trust Money	52
Section 1103.	Consents, Etc., of Bondholders.....	52
Section 1104.	Limitation of Rights.....	52
Section 1105.	Severability	53
Section 1106.	Notices	53
Section 1107.	Trustee as Paying Agent and Registrar.....	54
Section 1108.	Counterparts.....	54
Section 1109.	Applicable Law	54
Section 1110.	Immunity of Officers and Directors.....	54
Section 1111.	Reimbursement of Authority	54
Section 1112.	Holidays.....	55
Section 1113.	Unclaimed Moneys	55
Section 1114.	Captions	55
Signatures.....		56
EXHIBIT A	— Form of Series 2021 Bonds	
EXHIBIT B	— Form of Project Fund Disbursement Written Request	
EXHIBIT C	— Form of Cost of Issuance Disbursement Written Request	

TRUST INDENTURE

“Parties” \ 4 THIS TRUST INDENTURE dated as of December 1, 2021 (hereinafter, together with any amendments hereto, sometimes referred to as this or the “Indenture”), by and between the CITY OF GALESBURG, KNOX COUNTY, ILLINOIS, a municipality and home rule unit of government, duly organized and validly existing under the Constitution and the laws of the State of Illinois (the “Issuer”), and AMALGAMATED BANK OF CHICAGO, an Illinois state bank duly organized and validly existing under the laws of Illinois, with a designated corporate trust office in Chicago, Illinois, as trustee (the “Trustee”);

“RECITALS” \ 4 WITNESSETH:

WHEREAS, the Issuer is a municipality and a home rule unit under the provisions of Article VII of the Constitution of the State of Illinois and, as such, is empowered to finance and refinance the cost of acquiring, constructing, renovating and equipping educational facilities for private, nonprofit institutions of higher education located within the Issuer in order to enhance the general health and welfare of the residents of the Issuer and the surrounding areas; and

WHEREAS, Knox College, an Illinois not-for-profit corporation (the “Borrower”), desires to (a) finance, refinance or be reimbursed for all or a portion of the costs of the planning, design, acquisition, construction, renovation, improvement, expansion, completion and/or equipping of certain of its educational facilities located within the jurisdiction of the Issuer as more fully described in *Exhibit A* to the Loan Agreement (as hereinafter defined) (the “Project”), (b) refund all of the outstanding principal amount of the City of Galesburg, Illinois Variable Rate Demand Revenue Bonds, Series 1996 (Knox College Project), currently outstanding in the aggregate principal amount of \$19,700,000 (the “Series 1996 Bonds”), (c) refund all of the outstanding principal amount of the City of Galesburg, Illinois Variable Rate Demand Revenue Bonds, Series 1999 (Knox College Project), currently outstanding in the aggregate principal amount of \$5,000,000 (the “Series 1999 Bonds”), (d) refinance certain taxable indebtedness incurred by the Borrower under a loan in the principal amount of \$15,065,647.46 from PNC Bank, National Association, \$10,659,067.46 of which is currently outstanding, (e) finance termination payments to PNC Bank, National Association pursuant to Interest Rate Swaps (as defined herein) entered into by the Borrower with respect to its Series 1996 Bonds and Series 1999 Bonds, and (f) pay certain costs relating to the issuance of the Series 2021 Bonds (as hereinafter defined) (collectively, the “Financing Purposes”); and

WHEREAS, the Borrower desires to achieve the foregoing by borrowing funds from the Issuer through the issuance and sale to the Issuer of its Promissory Note, Series 2021A (the “Series 2021A Note”) and its Promissory Note, Series 2021B (the “Series 2021B Note” and, together with the Series 2021A Note, the “Series 2021 Notes” or “Notes”), in the aggregate principal amount of \$[00,000,000], issued under and secured by the Loan Agreement dated as of December 1, 2021 (the “Loan Agreement”), between the Borrower and the Issuer; and

WHEREAS, the Issuer is authorized pursuant to (i) the provisions of Section 6 of Article VII of the Constitution of the State of Illinois, as a home rule unit and (ii) Ordinance No. [] (the “Bond Ordinance”) adopted by the Mayor and City Council of the Issuer on

November 1, 2021, to issue bonds for the benefit of the Borrower for the Financing Purposes; and

WHEREAS, in order to obtain the funds to lend to the Borrower, the Issuer will issue its \$[00,000,000] aggregate principal amount of City of Galesburg, Knox County, Illinois Revenue Bonds, Series 2021A (Knox College Project) (the “Series 2021A Bonds”) and its \$[00,000,000] aggregate principal amount of City of Galesburg, Knox County, Illinois Taxable Revenue Bonds, Series 2021B (Knox College Project) (the “Series 2021B Bonds”) and, together with the Series 2021A Bonds, the “Series 2021 Bonds” or “Bonds”), under and pursuant to this Indenture; and

WHEREAS, the Series 2021 Bonds and the Trustee’s certificate of authentication to be endorsed thereon are to be in substantially the form attached hereto as *Exhibit A*, with necessary and appropriate variations, omissions and insertions as permitted or required by this Indenture or deemed necessary by the Trustee; and

WHEREAS, the execution and delivery of this Indenture, and the issuance of the Series 2021 Bonds hereunder have been in all respects duly and validly authorized by the Bond Ordinance; and

NOW, THEREFORE, THIS INDENTURE WITNESSETH: That in order to secure the payment of the principal of and interest and premium, if any, on the Bonds to be issued under this Indenture according to their tenor, purport and effect, and in order to secure the performance and observance of all the covenants and conditions herein and in said Bonds contained, and in order to declare the terms and conditions upon which the Bonds are issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become Owners (as defined herein) thereof, and for and in consideration of the mutual covenants herein contained, of the acceptance by the Trustee of the trust hereby created, and of the purchase and acceptance of the Bonds by the Owners thereof, the Issuer has executed and delivered this Indenture, and by these presents does hereby convey, assign, pledge and grant a security interest in and unto the Trustee, its successor or successors and its or their assigns forever, with power of sale, all and singular, the property, real and personal, hereinafter described said property being herein referred to as the “Trust Estate”:

“GRANTING CLAUSES” \L 4 GRANTING CLAUSES

DIVISION I

The Series 2021 Notes, which have been endorsed by the Issuer to the order of the Trustee, and all sums payable in respect of the indebtedness evidenced thereby;

DIVISION II

All right, title and interest of the Issuer (a) in, to and under the Loan Agreement (except its Unassigned Rights), and all extensions and renewals of the term thereof, if any; (b) in and to

the amounts payable to the Issuer under the Loan Agreement (excluding Unassigned Rights); and (c) to do any and all other things which the Issuer is or may become entitled to do under the Loan Agreement; provided, however, that the assignment made pursuant to this clause shall not impair or diminish any obligations of the Issuer under the Loan Agreement or alter the rights, duties and obligations of the Trustee under the remaining terms of this Indenture;

DIVISION III

All right, title and interest of the Issuer in and to all moneys and securities from time to time held by the Trustee under the terms of this Indenture and all other property, if any, pledged to the Trustee as security under this Indenture; and

DIVISION IV

Any and all property, rights and interests of every kind or description which, from time to time hereafter, may be sold, transferred, conveyed, assigned, pledged, mortgaged or delivered to the Trustee as additional security hereunder; the Trustee is hereby authorized to receive all such property at any time and to hold and apply it subject to the terms hereof;

EXCEPTED PROPERTY

There is, however, expressly excepted and excluded from the lien of this Indenture amounts held by the Trustee in the Rebate Fund (as defined in Article I hereof);

TO HAVE AND TO HOLD all and singular the Trust Estate, whether now owned or hereafter acquired, irrevocably unto the Trustee and its successors in trust and assigns forever;

IN TRUST, NEVERTHELESS, upon the terms and trusts herein set forth for the equal and ratable benefit, security and protection of all present and future Owners of the Bonds issued under and secured by this Indenture, without privilege, priority or distinction as to lien or otherwise of any Bond over any other Bond, except as expressly provided herein;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, the principal of the Bonds and the interest and premium, if any, due or to become due thereon at the times and in the manner mentioned in the Bonds according to the true intent and meaning thereof, and shall cause the payments to be made into the Interest Fund and Bond Sinking Fund as required under Article IV hereof, or shall provide, as permitted by Section 1101 hereof, for the payment thereof, and shall well and truly keep, perform and observe all of the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due in accordance with the terms and provisions hereof, then this Indenture and the rights hereby granted shall cease and terminate; otherwise this Indenture is to be and remain in full force and effect.

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that the Bonds issued and secured hereunder are to be issued, authenticated and delivered, and all said property, rights and interests, including, without limitation, the amounts hereby assigned, are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes hereinafter expressed, and that the Issuer has agreed and covenanted, and hereby does agree and covenant, with the Trustee and the Owners, from time to time, of the Bonds, or any part thereof, as follows:

“ARTICLE I DEFINITIONS AND INTERPRETATIONS” \l 1 ARTICLE I

DEFINITIONS AND INTERPRETATIONS

Section 101. Definitions “Section 101. Definitions” \l 2 . In addition to the words and terms elsewhere defined in this Indenture, each of the following terms shall have the meaning assigned to it in this Section 101 whenever it is used in this Indenture or in the Loan Agreement, unless the context in which it is used clearly requires otherwise:

“Account” means any of the accounts established pursuant to this Indenture.

“Act” means, collectively, Section 6 of Article VII of the Constitution of the State and the Bond Ordinance.

“Authorized Denomination” means \$5,000 and any integral multiple thereof.

“Authorized Officer” means: (a) in the case of the Issuer, its [Mayor, Clerk] or any other member of the City Council of the Issuer or officer of the Issuer designated by the Issuer to act on behalf of the Issuer under ordinance of the Issuer; (b) in the case of the Borrower, its [Chairman of the Board of Trustees, its President, its Vice President for Finance and Administrative Services, its Treasurer] or any other representative of the Borrower duly authorized by the Borrower; and (c) in the case of the Trustee, any person authorized by or pursuant to the bylaws of the Trustee or a resolution of the Board of Directors of the Trustee.

“Beneficial Owner” or *“beneficial owner”* shall have the meaning set forth in Section 209 hereof.

“Bond Counsel” means Ice Miller LLP, Chicago, Illinois, or any other nationally recognized municipal bond attorney or firm of municipal bond attorneys approved by the Issuer and acceptable to the Trustee.

“Bond Ordinance” means Ordinance No. [] adopted by the Mayor and City Council of the Issuer on November 1, 2021, authorizing the issuance, delivery and sale of the Series 2021 Bonds.

“Bond Purchase Agreement” means one or more bond purchase agreements among the Issuer, the Borrower and the underwriters named therein, including all amendments thereof and supplements thereto, providing for the sale of the Series 2021 Bonds.

“*Bond Register*” means the registration records of the Issuer, maintained by the Trustee, as registrar for the Bonds.

“*Bond Registrar*” means the Trustee.

“*Bond Sinking Fund*” means the Fund established by Section 403 hereof.

“*Bond Sinking Fund Requirement*” shall have the meaning set forth in Section 501(a) hereof.

“*Bond Year*” means, the initial period beginning on the date of issuance of the Bonds and ending on October 1 of the following year, and thereafter each one-year period ending on October 1 or, if earlier, the day on which all outstanding Bonds are retired.

“*Bondholder*” or “*Owner,*” or “*owner*” or “*Owner of the Bonds,*” when used with respect to a Bond, means the person or entity in whose name such Bond shall be registered on the Bond Register.

“*Borrower*” means Knox College, an Illinois not-for-profit corporation, and any successor thereto permitted by Section 2.5 of the Loan Agreement.

“*Business Day*” means any day which is not (a) a Saturday, a Sunday or, a day on which banking institutions in the City of Chicago, Illinois (or, if different, in the city in which the designated corporate trust office of the Trustee is located), are authorized or required by law or executive order to close or (b) a day on which the New York Stock Exchange is closed.

“*Code*” means the Internal Revenue Code of 1986, as amended, or any successor sections of a subsequent income tax statute or code, including the regulations, rulings and proclamations promulgated and proposed thereunder or under the predecessor code.

“*Completion Certificate*” means the certificate delivered by an Authorized Officer of the Borrower pursuant to Section 302(c) of this Indenture.

“*Cost of Issuance Fund*” means the Fund by that name established by Section 404 hereof.

“*Counsel*” means an attorney duly admitted to practice law before the highest court of any state of the United States of America and, without limitation, may include legal counsel for the Issuer, the Borrower or the Trustee.

“*Default*” or “*event of default*” means (a) with respect to this Indenture, any of those events defined as events of default by Section 701 of this Indenture and (b) with respect to the Loan Agreement, any of those events defined as events of default by Section 4.1 of the Loan Agreement.

“Determination of Taxability” means a determination that the interest payable on any Series 2021A Bond is includible for federal income tax purposes in the gross income of the Owner thereof by reason of such Series 2021A Bond being an “arbitrage bond” within the meaning of Section 148 of the Code, which determination shall be deemed to have been made with respect to a Series 2021A Bond upon the occurrence of the first of the following events: (a) the date on which the Borrower determines that the interest payable on such Series 2021A Bond is includible for federal income tax purposes in the gross income of the Owners thereof by reason of such Series 2021A Bond being an “arbitrage bond” within the meaning of Section 148 of the Code; (b) the date on which the Internal Revenue Service issues any private ruling, technical advice or any other substantially equivalent written communication to the effect that the interest payable on such Series 2021A Bond is includible for federal income tax purposes in the gross income of the Owners thereof by reason of such Series 2021A Bond being an “arbitrage bond” within the meaning of Section 148 of the Code; (c) the date on which the Borrower shall receive notice from the Trustee in writing that the Trustee has been advised in writing by the Owner of such Series 2021A Bond that the Internal Revenue Service has issued a 30-day letter or other formal written determination (a copy of which shall have been provided by such Owner to the Trustee) which asserts that the interest payable on such Series 2021A Bond is includible for federal income tax purposes in the gross income of the Owners thereof by reason of such Series 2021A Bond being an “arbitrage bond” within the meaning of Section 148 of the Code; or (d) the date on which the Trustee receives written notice that the Borrower has taken any action or has failed to take any action the effect of which is to cause the interest payable on such Series 2021A Bond to become includible for federal income tax purposes in the gross income of the Owners thereof by reason of such Series 2021A Bond being an “arbitrage bond” within the meaning of Section 148 of the Code; provided, however, that in the event of a good faith appeal, contest or the filing with the Internal Revenue Service of a request for ruling or other advice initiated by the Borrower within 60 days after the earlier of the dates referred to in clauses (b), (c) or (d) hereof no Determination of Taxability shall be deemed to have occurred until the date upon which all such appeals, contests, or requests pursued with due diligence by the Borrower have been exhausted.

“DTC” means The Depository Trust Company, New York, New York, a limited-purpose trust company organized under the New York banking law, acting as the initial securities depository for the Bonds, and any successor corporation thereto.

“DTC Participant” means a participant in DTC’s book-entry only system that deposits its securities with DTC.

“ERISA” means the Employee Retirement Income Security Act of 1974, as in effect from time to time.

“Financed Properties” means the facilities of the Borrower or portions thereof that constitute a part of the Project and that are being financed, refinanced or reimbursed with the proceeds of the Series 2021 Bonds; provided that the term “Financed Properties” shall not include the Refinanced Properties.

“*Financing Purposes*” means (i) the current refunding of the Series 1996 Bonds, (ii) the current refunding of the Series 1999 Bonds, (iii) the refinancing of certain taxable indebtedness, (iv) the financing or reimbursement of the Borrower for the payment of certain costs of the Project, (iv) paying the termination fees relating to the termination of the interest rate hedge agreements relating to the Series 1996 Bonds and the Series 1999 Bonds, and (v) the payment of certain of the costs incurred in connection with the issuance of the Series 2021 Bonds and the refunding of the Series 1996 Bonds and the Series 1999 Bonds.

“*Fiscal Year*” means any twelve-month period beginning on July 1 of any calendar year and ending on June 30 of the following calendar year, or any other twelve-month period selected by the Borrower as the fiscal year of the Borrower.

“*Fitch*” means Fitch, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “*Fitch*” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, at the written direction of the Borrower, and acceptable to the Issuer.

“*Fund*” means any of the funds established pursuant to this Indenture.

“*Government Obligations*” means (a) direct obligations of the United States of America or any agency or instrumentality of the United States of America, (b) obligations on which the timely payment of principal and interest is fully guaranteed by the United States of America or any agency or instrumentality of the United States of America, (c) evidences of a direct ownership interest in amounts payable upon any of the obligations set forth in (a) or (b) of this definition, (d) certificates of deposit of, time deposits in, or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act, which certificates of deposit, time deposits, or obligations are fully insured by the Federal Deposit Insurance Corporation or a similar federal agency, (e) shares or other forms of securities legally issuable by savings and loan associations incorporated under the laws of the State or any other state or under the laws of the United States of America, provided those shares or securities are fully insured by the Federal Deposit Insurance Corporation or a similar federal agency, or (f) Securities and Exchange Commission registered money market mutual funds conforming to Rule 2a-7 of the Investment Company Act of 1940 that invest primarily in direct obligations issued by the U.S. Treasury and repurchase agreements backed by those obligations, including funds for which the Trustee or an affiliate of the Trustee acts as an advisor, and rated in the highest category by S&P and Moody’s.

“*Indenture*” means this instrument as originally executed or as it may from time to time be amended or supplemented pursuant to Article IX hereof.

“*Interest Fund*” means the Fund by that name established by Section 402 hereof.

“*Issuer*” means the City of Galesburg, Knox County, Illinois.

“*Letter of Representations*” means the Blanket Letter of Representations dated [November 25, 1997] from the Issuer to DTC.

“*Loan Agreement*” means the Loan Agreement dated as of December 1, 2021, between the Borrower and the Issuer, including all amendments thereof and supplements thereto.

“*Moody’s*” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “*Moody’s*” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, at the written direction of the Borrower, and acceptable to the Issuer.

“*Official Statement*” means the Official Statement prepared in connection with the issuance and sale of the Series 2021 Bonds, together with any amendments and supplements thereto.

“*Opinion of Bond Counsel*” means an opinion of Ice Miller LLP, Chicago, Illinois, or of any other firm of nationally recognized municipal bond attorneys acceptable to the Issuer and the Trustee.

“*Optional Redemption Fund*” means the Fund by that name established pursuant to Section 405 hereof.

“*Outstanding*” or “*Bonds Outstanding*” means, at the time in question, all Bonds that have been executed and delivered by the Issuer and authenticated by the Trustee under this Indenture, except:

- (a) Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation in accordance with the provisions of this Indenture;
- (b) Bonds paid or deemed to be paid pursuant to Section 1101 hereof; and
- (c) Bonds in lieu of or in exchange for which other Bonds shall have been executed and delivered by the Issuer and authenticated by the Trustee under Section 205, 207 or 208 hereof.

“*Paying Agent*” means the bank or banks, if any, designated pursuant to Sections 810 and 1107 hereof to receive and disburse the principal of and interest on any Bonds.

“*Person*” means an individual, a corporation, a partnership, a limited liability company, an association, a trust or any other entity or organization, including a government or political subdivision or any agency or instrumentality thereof.

“*Preliminary Official Statement*” means the Preliminary Official Statement prepared in connection with the offering, issuance and sale of the Series 2021 Bonds, together with any amendments and supplements thereto.

“*Project*” means the financing, refinancing or reimbursement, in whole or in part, of the planning, design, acquisition, construction, renovation, improvement, expansion, completion and/or equipping of certain educational facilities of the Borrower, as more fully described in *Exhibit A* to the Loan Agreement (which Exhibit A may be amended, supplemented or restated from time to time), with proceeds from the sale of the Series 2021 Bonds.

“*Project Certificate*” means the Project Certificate dated the date of issuance of the Bonds and delivered by the Borrower with respect to certain tax matters relating to the Series 2021 Bonds.

“*Project Fund*” means the Fund by that name established by Section 302 hereof.

“*Property*” means any and all rights, title and interests in and to any and all assets, whether real or personal, tangible or intangible and wherever situated.

“*Qualified Investments*” means any of the following which at the time of investment are legal investments under the laws of the State of Illinois for the moneys proposed to be invested therein: (a) bonds, notes, certificates of indebtedness, treasury bills or other securities now or hereafter issued that are fully guaranteed by the full faith and credit of the United States of America as to the timely payment of principal and interest; (b) bonds, notes, debentures or other similar obligations of the United States of America that are fully guaranteed by the full faith and credit of the United States of America as to the timely payment of principal and interest and that are rated in the highest rating category by each Rating Agency; (c) bonds, notes, debentures or other similar obligations of the Export-Import Bank, the Farm Credit System Financial Assistance Corporation, the Rural Economic Community Development Administration, the General Services Administration, the U.S. Maritime Administration, the Small Business Administration, the Government National Mortgage Association, the U.S. Department of Housing & Urban Development, the Federal Housing Administration and the Federal Financing Bank that are fully guaranteed by the full faith and credit of the United States of America as to the timely payment of principal and interest and that are rated in the highest rating category by each Rating Agency; (d) senior debt obligations of the Federal National Mortgage Association so long as such obligations are rated “Aaa” by Moody’s and “AA+” by S&P; (e) senior debt obligations of the Federal Home Loan Banks; (f) obligations of the Resolution Funding Corporation; (g) interests in money market mutual funds registered under the Investment Company Act of 1940, as amended, and rated in the highest category by S&P or Moody’s, including money market mutual funds of the Trustee or its affiliates; provided that the portfolio of such money market mutual fund is limited to obligations of the type described in (a) or (b) of this definition and to agreements to repurchase such obligations; (h) bonds, notes or other obligations of any state of the United States of America with a rating of at least “A2/A” or higher by both Moody’s and S&P or of any unit of local government of any state which are rated at least “Aa/AA” or higher by Moody’s and S&P; (i) interest-bearing savings accounts, certificates of deposit or time deposits constituting direct obligations of any domestic commercial bank, as defined by the Illinois Banking Act, 205 ILCS 1996, 5/1 *et seq.*, as amended (including the Trustee and its affiliates), that has a rating on its short term certificates of deposit on the date of purchase of “P-1” by Moody’s and “A-1+” or “A-1” by S&P; provided that investments may be made only in savings accounts, certificates of deposit or time deposits of banks that are insured

by the Federal Deposit Insurance Corporation or similar federal agency or which are fully collateralized by obligations described in (a) or (b) of this definition and that comply with Section 5.8 of the Tax Agreement and any such investments shall mature no more than 360 calendar days after the date of purchase; (j) repurchase agreements of government securities having the meaning set out in the Government Securities Act of 1986, Pub.L. No. 99-571, 100 Stat 3208, subject to the provisions of said Government Securities Act and the regulations issued thereunder (which securities include obligations of the type described in clauses (a) and (b) of this sentence, securities which are issued or guaranteed by corporations in which the United States of America has a direct or indirect interest and which are designated by the Secretary of the Treasury for exemption as necessary or appropriate in the public interest or for the protection of investors and securities issued or guaranteed as to principal or interest by any corporation the securities of which are designated, by statute specifically naming such corporation, to constitute exempt securities within the meaning of the laws administered by the Securities and Exchange Commission), and, unless registered or inscribed in the name of the Issuer, that are purchased through banks or trust companies authorized to do business in the State; (k) commercial paper of corporations organized in the United States of America with assets exceeding \$550,000,000 if (1) such obligations are rated at the time of purchase “P-1” by Moody’s and “A-1” by S&P; and (2) no more than one-third of the moneys relating to the Bonds are so invested; (l) bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of “Prime-1” or “A3” or better by Moody’s and “A-1” or “A” or better by S&P; (m) investment agreements with providers with secured or unsecured long-term debt ratings of at least “AA-” and “Aa3” by S&P and Moody’s, with the provision that (1) if the provider’s secured or unsecured long-term debt rating is downgraded below “AA-” or “Aa3” by S&P or Moody’s, the provider must deliver collateral of the type described in (a) above at a margin percentage of 104%, or that described in (b) or (c) above at a margin percentage of 105%, and such collateral shall be held in a separate, segregated account by either the Trustee or tri-party custodian for the benefit of the Issuer, and the Issuer or the Trustee must have a perfected security interest in all collateral, and the Trustee or tri-party custodian must mark collateral to market weekly and (2) if the provider’s secured or unsecured long-term debt ratings are further downgraded below “A-” or “A3” by S&P or Moody’s, the Issuer will have the right to terminate the agreement and receive all invested amounts plus accrued but unpaid interest without penalty; (n) deposit accounts constituting direct obligations of any commercial bank whose long term debt is rated at least “Aa3” by Moody’s and “AA-” by S&P; or (o) any other type of investment approved by the Issuer and the Borrower.

Ratings of Qualified Investments referred to herein shall be determined at the time of purchase of such Qualified Investments and without regard to ratings subcategories. The Trustee shall have no responsibility to monitor the ratings of Qualified Investments after the initial purchase of such Qualified Investments.

“Rating Agency” means Fitch, Moody’s or S&P.

“Rebate Fund” means the Rebate Fund established by the Tax Agreement.

“Record Date” means the 15th day (whether or not a Business Day) of the calendar month next preceding the month in which an interest payment on the Bonds is due.

“*Redemption Fund*” means the Fund by that name established by Section 406 hereof.

“*Refinanced Properties*” means those facilities of the Borrower or portions thereof the costs of which were previously financed, refinanced or reimbursed with proceeds of (a) the Series 1996 Bonds, (b) the Series 1999 Bonds, or (c) the Taxable Debt, and, in each case, which are being refinanced with proceeds of the Series 2021 Bonds.

“*Restricted Gifts*” means all gifts, grants, donations, bequests or other charitable contributions, regardless of the form or the source thereof, the proceeds of which when received by the Borrower are legally restricted for the payment of costs of all or a portion of the Financed Properties.

“*Series 1996 Bonds*” means the City of Galesburg, Illinois Variable Rate Demand Revenue Bonds, Series 1996 (Knox College Project), issued in the original aggregate principal amount of \$19,700,000 pursuant to the Series 1996 Indenture for the benefit of the Borrower.

“*Series 1996 Indenture*” means the Indenture of Trust dated as of February 1, 1996, as supplemented and amended, between the Issuer and the Series 1996 Trustee.

“*Series 1996 Trustee*” means Wells Fargo Bank, National Association., as successor to Northwest Bank Illinois, N.A., as trustee under the Series 1996 Indenture.

“*Series 1999 Bonds*” means the City of Galesburg, Illinois Variable Rate Demand Revenue Bonds, Series 1999 (Knox College Project), issued in the original aggregate principal amount of \$5,000,000 pursuant to the Series 1999 Indenture for the benefit of the Borrower.

“*Series 1999 Indenture*” means the Indenture of Trust dated as of July 1, 1999, as supplemented and amended, between the Issuer and the Series 1999 Trustee.

“*Series 1999 Trustee*” means Wells Fargo Bank, National Association, as successor to Northwest Bank Minnesota, N.A., as trustee under the Series 1999 Indenture.

“*Series 2021 Bonds*” or “*Bonds*” means the Series 2021A Bonds and Series 2021B Bonds.

“*Series 2021 Notes*” or “*Notes*” means the Series 2021A Note and Series 2021B Note.

[“*Series 2021 Term Bonds*” means, collectively, (a) the Series 2021 Bonds maturing on October 1, 20[] and bearing interest at the rate of []% per annum and (b) the Series 2021 Bonds maturing on October 1, 20[] bearing interest at the rate of []% per annum.]

“*Series 2021A Bonds*” means one or more of the City of Galesburg, Knox County, Illinois Revenue Bonds, Series 2021A (Knox College Project), being issued under this Indenture in the aggregate principal amount of \$[00,000,000] to finance the purchase of the Series 2021A Note, and any Series 2021A Bonds issued in substitution or replacement therefor.

“*Series 2021A Note*” means the Promissory Note, Series 2021A, of the Borrower, in the principal amount of \$[00,000,000], being issued by the Borrower to the Issuer pursuant to the Loan Agreement, and any Series 2021A Note issued in exchange therefor pursuant to Section 2.15 of the Loan Agreement.

“*Series 2021B Bonds*” means one or more of the City of Galesburg, Knox County, Illinois Taxable Revenue Bonds, Series 2021B (Knox College Project), being issued under this Indenture in the aggregate principal amount of \$[00,000,000] to finance the purchase of the Series 2021B Note, and any Series 2021B Bonds issued in substitution or replacement therefor.

“*Series 2021B Note*” means the Promissory Note, Series 2021B, of the Borrower, in the principal amount of \$[00,000,000], being issued by the Borrower to the Issuer pursuant to the Loan Agreement, and any Series 2021B Note issued in exchange therefor pursuant to Section 2.15 of the Loan Agreement.

“*Swap Provider*” means PNC Bank, National Association, as swap provider under the ISDA Master Agreement dated as of _____, ___ between the Swap Provider and the Borrower, relating to the Series 1996 Bonds and the Series 1999 Bonds.

“*S&P*” means S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, a limited liability company organized and existing under the laws of the State of Delaware, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “*S&P*” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, at the written direction of the Borrower, and acceptable to the Issuer.

“*State*” means the State of Illinois.

“*Taxable Debt*” means the loan to the Borrower from PNC Bank, National Association evidenced by the Loan Agreement dated as of _____, 20__ and the Term Note dated as of _____, 20__, issued in an aggregate principal amount of \$15,065,647.46 and currently outstanding in the amount of \$10,659,067.46.

“*Tax Agreement*” means the Tax Exemption Certificate and Agreement and the Certificate of the Issuer re: Arbitrage, each dated the date of issuance of the Series 2021 Bonds, among the Borrower, the Issuer and the Trustee, including all amendments thereof and supplements thereto.

“*Tax-Exempt Organization*” means a Person organized under the laws of the United States of America or any state thereof (a) which is an organization described in Section 501(c)(3) of the Code, (b) which is exempt from federal income taxes under Section 501(a) of the Code and (c) which is not a “private foundation” within the meaning of Section 509(a) of the Code unless there is delivered to the Issuer and the Trustee an Opinion of Bond Counsel to the effect that the status of such Person as a private foundation will not adversely affect the exclusion of interest on the Bonds from gross income of the Owners thereof for federal income tax purposes.

“*The Bond Buyer*” means the publication so entitled and published in New York, New York and any successor thereto.

“*Total Financed Properties*” means, collectively, the Financed Properties and the Refinanced Properties.

“*Trustee*” means Amalgamated Bank of Chicago, an Illinois state bank duly organized and validly existing under the laws of Illinois, not in its individual capacity but solely as Trustee under this Indenture, or any successor trustee or co-trustee serving as such under this Indenture; provided, however, that the requirements of Section 805 hereof are satisfied. All references in this Indenture to the “designated corporate trust office” of the Trustee shall mean the office of the Trustee located at the address set forth in Section 1106 hereof.

“*Tuition*” means money received by the Borrower from any source on account of academic instruction or services, whether or not termed tuition and whether or not consisting of partial or total financial aid, but excluding moneys received by the Borrower for room and board.

“*Unassigned Rights*” means the Issuer’s right to receive fees and expenses payable to the Issuer under the Loan Agreement, the Issuer’s right to be indemnified and held harmless under the Loan Agreement, the Issuer’s right to execute and deliver supplements and amendments to the Loan Agreement pursuant to Article VI of the Loan Agreement, the Issuer’s right to receive financial information under Section 2.6 of the Loan Agreement and the Issuer’s right to make determinations and receive notices as provided in the Loan Agreement.

“*Unrelated Trade or Business*” means an unrelated trade or business of the entity under consideration within the meaning of Section 513(a) of the Code, without regard to whether such activities generate unrelated business taxable income under Section 512(a) of the Code.

“*Written Request*” means, with reference to the Issuer, a request in writing signed by an Authorized Officer of the Issuer and, with reference to the Borrower, a request in writing signed by an Authorized Officer of the Borrower, or, in the either case, any other officer or officers designated by the Issuer or the Borrower, as the case may be, which shall be satisfactory to the Trustee.

Section 102. Article and Section Headings “Section 102. Article and Section Headings” \ 2 . The headings or titles of the several Articles and Sections of this Indenture, and the Table of Contents appended hereto, are solely for convenience of reference and shall not affect the meaning or construction of the provisions hereof.

Section 103. Interpretation “Section 103. Interpretation” \ 2 . The singular form of any word used herein shall include the plural, and vice versa, if applicable. The use of word of any gender shall include all genders, if applicable. This Indenture and all the terms and provisions hereof shall be construed so as to effectuate the purposes contemplated hereby and to sustain the validity hereof. All references to any person or entity defined in Section 101 shall be deemed to include any person or entity succeeding to the rights, duties and obligations of such person or entity.

“ARTICLE II THE BONDS” \ 1 ARTICLE II

THE BONDS

Section 201. Authorized Amount of Bonds “Section 201. Authorized Amount of Bonds” \ 2 . No Bonds may be issued under the provisions of this Indenture except in accordance with this Article. The total principal amount of Bonds that may be issued is hereby expressly limited to \$[00,000,000] (other than Bonds issued pursuant to Section 207 hereof).

Section 202. Issuance of Series 2021 Bonds “Section 202. Issuance of Series 2015 Bonds” \ 2 . The Series 2021A Bonds shall be designated “City of Galesburg, Knox County, Illinois Revenue Bonds, Series 2021A (Knox College Project).” The Series 2021B Bonds shall be designated “City of Galesburg, Knox County, Illinois Taxable Revenue Bonds, Series 2021B (Knox College Project).” The Series 2021 Bonds shall bear interest from their dated date and shall be issuable as fully registered bonds without coupons in any Authorized Denomination, in substantially the form attached hereto as Exhibit A. Each Bond shall bear interest on overdue principal and premium and, to the extent permitted by law, on overdue interest, at the stated rate of interest borne by such Bond. Unless the Issuer shall otherwise direct, the Bonds of each series shall be lettered and numbered from R-1 and upward.

Each Bond shall be dated as of the date of issuance and shall bear interest from the interest payment date to which interest has been paid as of the date on which it is authenticated or, if it is authenticated prior to the first date on which interest is to be paid, from the date of issuance. Interest on the Bonds shall be payable on April] and October 1 of each year, commencing, with respect to the Series 2021 Bonds, on [April 1, 2022]. Interest on the Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The Series 2021A Bonds shall bear interest at the respective rates set forth below and shall mature on October 1 of each of the years and in the principal amounts set forth below:

MATURITY DATE (OCTOBER 1)	INTEREST RATE (%)	PRINCIPAL AMOUNT (\$)
---------------------------------	----------------------	--------------------------

MATURITY DATE <u>(OCTOBER 1)</u>	INTEREST RATE (%)	PRINCIPAL AMOUNT (\$)
--	----------------------	--------------------------

The Series 2021B Bonds shall bear interest at the respective rates set forth below and shall mature on October 1 of each of the years and in the principal amounts set forth below:

MATURITY DATE <u>(OCTOBER 1)</u>	INTEREST RATE (%)	PRINCIPAL AMOUNT (\$)
--	----------------------	--------------------------

The Series 2021 Term Bonds are subject to mandatory sinking fund redemption pursuant to Section 501(a) hereof.

The principal of, premium, if any, and interest on the Bonds shall be payable in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts, and such principal and premium, if any, shall be payable at the designated corporate trust office of the Trustee, or of any alternate Paying Agent named in such Bonds or subsequently appointed. Payment of the interest on the Bonds on any interest payment date shall be made to the person appearing on the Bond registration books of the Issuer as the Owner as of the close of business of the Trustee on the Record Date and shall be paid by (a) check or draft mailed on the applicable interest payment date to the Owner at such Owner's address as it appears on such registration books or at such other address as is furnished the Trustee in writing by such Owner, or (b) in the case of an interest payment to any Owner of \$1,000,000 or more in aggregate principal amount of Bonds as of the close of business of the Trustee on the Record Date for a particular interest payment date, by wire transfer to such Owner upon written request from such Owner, which written request shall contain the wire transfer

address (which shall be in the continental United States of America) to which such Owner wishes to have such wire directed and which written request is received not less than 15 days prior to such interest payment date (it being understood that such request may refer to multiple interest payments), except, in each case, that, if and to the extent that there shall be a default in the payment of the interest due on such interest payment date, such defaulted interest shall be paid to the Owners in whose name any such Bonds are registered at the close of business on the fifth Business Day immediately preceding the date of payment of such defaulted interest.

Section 203. Execution; Limited Obligation “Section 203. Execution; Limited Obligation” \ 2 . The Bonds shall be executed on behalf of the Issuer with the official manual or facsimile signature of the Mayor of the Issuer and attested with the official manual or facsimile signature of the City Clerk of the Issuer, and shall have impressed or printed thereon the corporate seal of the Issuer. All authorized facsimile signatures shall have the same force and effect as if manually signed. In case any officer whose signature or facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of such Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until delivery. The Bonds may be signed on behalf of the Issuer by such persons who, at the time of the execution of such Bonds, are duly authorized or hold the appropriate office of the Issuer, although on the date of the Bonds such persons were not so authorized or did not hold such offices.

The Bonds, together with interest thereon and premium, if any, with respect thereto, are special limited obligations of the Issuer secured by the Loan Agreement and the Notes and shall always be payable solely from the payments and prepayments to be made on the Notes from amounts payable under the Loan Agreement (other than Unassigned Rights) and from moneys and investments on deposit in certain funds and accounts pledged to the Trustee under this Indenture, except funds held, or required to be deposited, in the Rebate Fund, are and shall always be a valid claim of the respective Owners thereof only against the moneys held by the Trustee, the payments and prepayments to be made on the Notes and such other sources, which are hereby pledged and assigned for the equal and ratable payment of the Bonds, and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Bonds, except as may be otherwise expressly authorized in this Indenture and the Loan Agreement.

The Bonds are issued pursuant to the Act and the Bonds and the obligation to pay principal and interest thereon and any premium with respect thereto do not and shall never constitute an indebtedness or obligation, general or moral, or a pledge of the faith and credit of the Issuer, the State or any political subdivision thereof, within the purview of any constitutional or statutory limitation or provision, or a charge against the general credit or the taxing powers, if any, of the Issuer, the State or any political subdivision thereof, and shall never give rise to any pecuniary liability of the Issuer, but shall be secured as aforesaid, and neither the Issuer, the State nor any political subdivision thereof shall be liable for the payments of principal of and premium, if any, and interest on the Bonds, and the Bonds are payable from no other source, but are special limited obligations of the Issuer, payable solely out of the Trust Estate and receipts of the Issuer derived pursuant to the Notes and the Loan Agreement. No owner of the Bonds shall

have the right to compel any exercise of the taxing power, if any, of the Issuer, the State or any political subdivision thereof to pay the Bonds or the interest or premium, if any, thereon.

No recourse shall be had for the payment of the principal of, premium, if any, and interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in this Indenture, the Loan Agreement, the Notes or the Bond Purchase Agreement against any past, present or future member, officer, agent or employee of the Issuer, or any incorporator, member, officer, employee, agent, director or trustee of any successor corporation, as such, either directly or through the Issuer or any successor corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability is hereby expressly waived and released as a condition of and consideration for the execution of this Indenture and the Loan Agreement and the issuance of the Bonds.

Section 204. Authentication “Section 204. Authentication” \ 2 . No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Indenture unless and until a certificate of authentication on such Bond substantially in the form hereinafter set forth shall have been duly executed by the Trustee, and such executed certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The Trustee’s certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized signatory of the Trustee, but it shall not be necessary that the same signatory sign the certificate of authentication on all of the Bonds issued hereunder.

Section 205. Form of Bonds and Temporary Bonds “Section 205. Form of Bonds and Temporary Bonds” \ 2 . The Bonds issued under this Indenture shall be substantially in the form set forth in *Exhibit A* attached hereto, with such appropriate variations, omissions and insertions as are permitted or required by this Indenture or deemed necessary by the Trustee and approved by the Issuer.

Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds shall be of such denomination or denominations, without coupons, as may be determined by the Issuer, and may contain such references to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Issuer and be authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Issuer issues temporary Bonds it will execute and furnish definitive Bonds without delay and thereupon the temporary Bonds may be surrendered for cancellation in exchange therefor at the designated corporate trust office of the Trustee, and the Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive fully registered Bonds without coupons of Authorized Denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Indenture as definitive Bonds authenticated and delivered hereunder.

Section 206. Delivery of Series 2021 Bonds “Section 206. Delivery of Series 2015 Bonds” \ 2 . Upon the execution and delivery of this Indenture, the Issuer shall execute and deliver to the Trustee and the Trustee shall authenticate the Series 2021 Bonds, to be issued in

the aggregate principal amount of \$[00,000,000], and shall deliver them to or upon the order of the Issuer as hereinafter in this Section 206 provided.

Prior to the delivery by the Trustee of any of the Series 2021 Bonds there shall be filed with the Trustee:

(a) A copy, duly certified by the City Clerk of the Issuer, of the Bond Ordinance adopted and approved by the Issuer authorizing the execution and delivery of this Indenture, the Loan Agreement, the Bond Purchase Agreement and the Tax Agreement and the issuance and sale of the Series 2021 Bonds.

(b) Original executed counterparts of this Indenture, the Loan Agreement, the Bond Purchase Agreement and the Tax Agreement and the original executed Series 2021 Notes.

(c) A copy, duly certified by the Secretary or an Assistant Secretary of the Borrower, of the resolution adopted by the Board of Trustees of the Borrower or the Executive Committee of the Board of Trustees authorizing the execution and delivery of the Series 2021 Notes, the Official Statement, the Loan Agreement, the Bond Purchase Agreement, the Continuing Disclosure Agreement and the Tax Agreement and approving this Indenture and the issuance and sale of the Series 2021 Bonds.

(d) A written opinion of Counsel for the Borrower in form and substance required by the Bond Purchase Agreement.

(e) An Opinion of Bond Counsel in form and substance required by the Bond Purchase Agreement.

(f) An opinion of Counsel for the Issuer stating that the Issuer has full and lawful authority to enter into and to perform the Loan Agreement, the Bond Purchase Agreement, the Tax Agreement and this Indenture and to issue and sell the Series 2021 Bonds.

(g) A Written Request of the Issuer to the Trustee requesting the Trustee to authenticate and deliver the Series 2021 Bonds in the aggregate principal amount of \$[00,000,000] upon payment to the Issuer of the sum specified in such Written Request.

(h) Such other instruments, documents and showings as may be required by the Issuer, the Trustee or Bond Counsel in connection with the issuance of the Series 2021 Bonds.

The proceeds of the Series 2021 Bonds shall be paid over to the Trustee and deposited to the credit of various funds as hereinafter provided under Section 301 hereof.

Section 207. Mutilated, Lost, Stolen or Destroyed Bonds “Section 207. Mutilated, Lost, Stolen or Destroyed Bonds” \1 2 . In the event any Bond is mutilated, lost, stolen or

destroyed, the Issuer may execute and the Trustee may authenticate a new Bond of like maturity and denomination as that mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Issuer, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Issuer and the Trustee evidence of such loss, theft or destruction satisfactory to the Issuer and the Trustee together with indemnity satisfactory to them. In the event any such Bond shall have matured, instead of issuing a duplicate Bond the Issuer may pay the same without surrender thereof. The Issuer and the Trustee may charge the Owner of such Bond with their reasonable fees and expenses in this connection. Any Bond issued pursuant to this Section 207 shall be deemed part of the original series of the Bond in respect of which it was issued and an original additional contractual obligation of the Issuer.

Section 208. Registration of Bonds; Persons Treated as Owners “Section 208. Registration of Bonds; Persons Treated as Owners” \1 2 . The Issuer shall cause books for the registration and for the transfer of the Bonds as provided in this Indenture to be kept by the Trustee which is hereby constituted and appointed the Bond Registrar of the Issuer.

Only upon surrender for transfer of any fully registered Bond at the designated corporate trust office of the Trustee, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Trustee and duly executed by, the Owner or his attorney duly authorized in writing, the Issuer shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same maturity and series for a like aggregate principal amount. Fully registered Bonds may be exchanged at such office of the Trustee for a like aggregate amount of fully registered Bonds of the same series of other Authorized Denominations. The Trustee shall not be required to transfer or exchange any fully registered Bond during the period after the close of business on the 15th day of the calendar month next preceding any interest payment date until such interest payment date, nor during a period of fifteen days next preceding mailing of a notice of payment, redemption or prepayment of any Bonds of the same series. Bonds surrendered for payment, redemption or exchange and Bonds purchased from any moneys held by the Trustee hereunder or surrendered to the Trustee by the Issuer or the Borrower shall be promptly cancelled and destroyed by the Trustee. The Trustee shall deliver to the Issuer and the Borrower a certificate of destruction in respect of all Bonds so destroyed.

As to any Bond, the person in whose name the same shall be registered shall be deemed and regarded as the absolute Owner thereof for all purposes, and payment of either principal of or interest on or premium, if any, on any such Bond shall be made only to or upon order of the Owner thereof or such Owner’s legal representative, but such registration may be changed only as hereinabove specifically provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including the premium, if any, and interest on such Bond, to the extent of the sum or sums so paid.

No service charge shall be made to the Owner of any Bond requesting an exchange, registration or transfer of any Bond but the Issuer and the Trustee may require payment of a sum sufficient to cover any tax, fee or other governmental charge required to be paid with respect to such exchange, registration or transfer.

Section 209. Book-Entry Only System “Section 209. Book-Entry Only System” ¶ 2. The Bonds shall be initially issued in the name of “Cede & Co.,” as nominee for DTC as registered owner of the Bonds, and held in the custody of DTC or its FAST agent. A separate single fully registered Bond certificate will be issued for each maturity of each series and delivered to DTC or its FAST agent. The purchasers of beneficial interests in the Bonds (the “Beneficial Owners”) will not receive physical delivery of Bond certificates except as provided herein. Beneficial Owners are expected by DTC to receive a written confirmation of their purchase providing details of each beneficial interest acquired from the DTC Participant through which such Beneficial Owner made such purchase. For so long as DTC shall continue to serve as securities depository for the Bonds as provided herein, all transfers of beneficial ownership interests will be made by book-entry only, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership of Bonds is to receive, hold or deliver any Bond certificate.

The Bondholders have no right to a depository for the Bonds. The Issuer, with the consent of the Trustee and the Borrower (which consent shall not be unreasonably withheld), the Trustee, with the consent of the Issuer and the Borrower (which consent shall not be unreasonably withheld) or the Borrower, with the consent of the Issuer and the Trustee (which consent shall not be unreasonably withheld), may remove DTC or any successor thereto for any reason at any time. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving 30 days’ notice to the Issuer or the Trustee and discharging its responsibilities with respect thereto under any applicable law. Upon receipt of any such notice from DTC, the Issuer or the Trustee, as applicable, shall notify the Borrower and the Trustee or the Issuer, as applicable, of such discontinuation of DTC’s services. In such event, the Issuer and the Borrower shall (a) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC of the appointment of such successor securities depository and transfer or cause the transfer of one or more separate Bond certificates to such successor securities depository or (b) notify DTC of the availability through DTC of Bond certificates and transfer or cause the transfer of one or more separate Bond certificates to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names the DTC Participants receiving Bonds shall designate, in accordance with the provisions of this Indenture.

Notwithstanding any other provision of this Indenture, so long as DTC, or its designee, is the registered owner of all Bonds, the provisions set forth in the Letter of Representations shall apply to the payment of principal of and interest on the Bonds, including without limitation, that:

(a) presentation of Bonds to the Trustee at maturity shall be deemed made to the Trustee when the right to exercise ownership rights in the Bonds through DTC or DTC’s Participants is transferred by DTC on its books to the Trustee; and

(b) DTC may present notices, approvals, waivers or other communications required or permitted to be made by Bondholders under this Indenture on a fractionalized basis on behalf of some or all of those persons entitled to exercise ownership rights in the Bonds through DTC or DTC’s Participants.

The Issuer, the Borrower and the Trustee will recognize DTC or its nominee as the Bondholder for all purposes, including notices and voting.

Whenever, during the term of the Bonds, beneficial ownership thereof is determined by a book entry at DTC, the requirements in this Indenture for holding, delivering or transferring Bonds shall be deemed modified to permit the appropriate person to meet the requirements of DTC as to registering or transferring the book entry to produce the same effect. For every transfer and exchange of Bonds, the Beneficial Owner may be charged a sum sufficient to cover such Beneficial Owner's allocable share of any tax, fee or other governmental charge that may be imposed in relation thereto.

Notwithstanding anything in this Indenture to the contrary, the Issuer and the Trustee hereby agree as follows with respect to the Bonds, if and to the extent any Bond is registered in the name of "Cede & Co." as nominee of DTC: (a) the Trustee shall give DTC all special notices required by the Letter of Representations at the times, in the forms and by the means required by the Letter of Representations; (b) the Trustee shall make payments to Cede & Co. at the times and by the means specified in the Letter of Representations; (c) Cede & Co. shall not be required to surrender Bonds which have been partially paid or prepaid to the extent permitted by the Letter of Representations; (d) the Trustee shall set a special record date (and shall notify the registered owners of the Bonds thereof in writing) prior to soliciting any Bondholder consent or vote, such notice to be given not less than 15 calendar days prior to such record date; and (e) any Bond transferred by a registered owner subsequent to the establishment of the special record date and prior to obtaining such consent or vote shall have attached to it a copy of the notice to Bondholders by the Trustee.

If at any time DTC ceases to hold the Bonds, all references herein to DTC shall be of no further force or effect.

"ARTICLE III APPLICATION OF SERIES 2015 BOND PROCEEDS" \l 1 ARTICLE III

APPLICATION OF SERIES 2021 BOND PROCEEDS

Section 301. Deposit of Funds "Section 301. Deposit of Funds" \l 2 . The Issuer shall loan all proceeds from the sale of the Series 2021 Bonds to the Borrower through the purchase by the Issuer of the Series 2021 Notes and, pursuant to the direction of the Borrower set forth in Section 2.17 of the Loan Agreement, shall deposit with the Trustee all net proceeds of the Series 2021A Bonds (\$ _____, consisting of the aggregate principal amount of the Series 2021A Bonds less underwriter's discount of \$ _____), all net proceeds of the Series 2021B Bonds (\$ _____, consisting of the aggregate principal amount of the Series 2021B Bonds less underwriter's discount of \$ _____), and certain funds on hand of the Borrower, and on the date of issuance of the Series 2021 Bonds, the Trustee shall out of such net proceeds:

- (a) deposit \$[_____] to the credit of the Series 2021A Account and \$[_____] to the credit of the Series 2021B Account of the Cost of Issuance Fund established under Section 404 hereof;

(b) transfer \$[] to the credit of the Proceeds Account of the Redemption Fund established under Section 406 hereof;

(c) transfer \$[] to the credit of the Equity Account of the Redemption Fund established under Section 406 hereof;

(d) remit \$ _____ to PNC Bank, National Association to refinance the Taxable Debt;

(e) remit \$[] to the Swap Provider; and

(f) deposit the balance of the net proceeds of the Series 2021 Bonds (\$ _____) to the credit of the Project Fund established under Section 302 hereof.

[The Trustee hereby acknowledges that, upon the payment or redemption of said portion of the Series 1996 Bonds and Series 1999 Bonds, the Series 1996 Trustee and Series 1999 Trustee have been instructed by the Issuer to transfer any excess funds remaining on deposit with the Series 1996 Trustee and Series 1999 Trustee to the Trustee. The Trustee hereby acknowledges that any such funds so received by the Trustee from the Series 1996 Trustee and Series 1999 Trustee will be deposited into the Series 2021A Account of the Interest Fund and applied in accordance with Section 402 hereof.]

Section 302. Creation of Project Fund; Disbursements.

(a) *Establishment of Project Fund.* There is hereby created by the Issuer and ordered established with the Trustee a trust fund in the name of the Issuer to be designated the “Project Fund — Knox College, Series 2021A Bond Issue” (the “Project Fund”). Proceeds received by the Issuer upon the sale of the Series 2021A Bonds shall be deposited in the Project Fund in accordance with Section 301 hereof. Any moneys received by the Trustee from any source for the Project shall be deposited in the Project Fund. The moneys in the Project Fund shall be held in trust by the Trustee, shall be applied to the payment of the costs of the Project, except to the extent required to be transferred to the Rebate Fund in accordance with the Tax Agreement and pursuant to written direction from the Borrower, and, pending such application, shall be held as trust funds under this Indenture until paid out or transferred as provided in this Section 302. The Trustee may, in its discretion, establish additional accounts within the Project Fund, and subaccounts within any of such accounts, as the Trustee may deem necessary or useful for the purpose of identifying more precisely the sources of payments into and disbursements from the Project Fund and its accounts, or, at the direction of the Borrower, for the purpose of complying with the requirements of the Code relating to arbitrage, but the establishment of any such account or subaccount shall not alter or modify any of the requirements of this Indenture with respect to the deposit or use of money in the Project Fund, or result in commingling of funds not permitted hereunder. In establishing such additional accounts or subaccounts, the Trustee may at any time request, receive and rely with full acquittance upon an Opinion of Bond Counsel, addressed to the Trustee, that the establishment of such accounts or subaccounts will not adversely affect any exclusion of interest on the Series 2021A Bonds from gross income of the Owners thereof for federal income tax purposes.

Moneys deposited into the Project Fund shall be held in the Project Fund and disbursed as hereinafter provided.

(b) *Disbursements from Project Fund.* Except for withdrawals made in accordance with the Tax Agreement, the proceeds of Series 2021A Bonds deposited into the Project Fund shall be paid out from time to time by the Trustee in order to pay, refinance, or reimburse the Borrower for payment made, for costs of the Project (including any expense of planning, financing or other services constituting a cost of the Project), in each case only upon receipt by the Trustee of the following:

1. The Written Request of the Borrower in substantially the form attached hereto as *Exhibit B*:

(a) stating the item number of such Written Request, the amount to be paid, refinanced or reimbursed and that such costs were incurred for or in connection with the Project;

(b) stating that such costs have been incurred by the Borrower and are currently due and payable or have been paid by the Borrower and are reimbursable hereunder and each item thereof is a proper charge against the Project Fund and has not been previously paid or reimbursed, as the case may be, from the Project Fund or from proceeds of any other tax-exempt indebtedness;

(c) stating that such costs are valid costs of the Project and no part thereof was included in any other Written Requests previously filed with the Trustee under the provisions hereof;

(d) stating that the withdrawal and use of the moneys on deposit in the Project Fund for the purpose intended will not cause any of the representations or certifications contained in the Project Certificate to be untrue or result in a violation of any covenant in the Project Certificate;

(e) stating that no event of default has occurred and is continuing under the Loan Agreement; and

(f) stating that attached to such Written Request is a summary description of the projects, and the costs of those projects, for which payment or reimbursement is being requested.

2. Unless requested by the Trustee at the direction of the Issuer, the Borrower shall not be required to deliver the name of the person, firm or corporation to whom each such payment is made or copies of invoices or bills of sale covering all or any of the items for which payment is being requested in the Written Request of the Borrower delivered pursuant to the foregoing subdivision 1; however, if so requested, the Borrower shall deliver such information and/or copies of invoices or bills of sale issued by the manufacturers, suppliers or other sellers of such projects showing the Borrower as the

owner or purchaser thereof and evidencing that the amount of the payment for such projects set forth in such Written Request does not exceed the purchase price thereof.

(c) *Completion Certificate.* The Borrower shall cause to be submitted to the Trustee, within 90 days after the Borrower makes its final drawing of moneys from the Project Fund to pay costs of the Financed Properties, a Completion Certificate signed by an Authorized Officer of the Borrower:

1. stating that the Borrower has completed all draws under the Project Fund that it needs to make relating to the costs of the portions of the Financed Properties to be financed, refinanced or reimbursed with proceeds of the Series 2021 Bonds; and

2. the withdrawal of moneys from the Project Fund and the use of the Financed Properties will not cause any of the representations or certifications contained in the Borrower's Project Certificate to be untrue or result in a violation of any covenant in the Borrower's Project Certificate.

(d) *Disposition of Moneys after Completion; Substitution of Facilities.* On the date on which the Trustee receives the Completion Certificate mentioned in Section 302(c) hereof with respect to the Financed Properties and the Trustee has paid all Written Requests theretofore tendered by the Borrower to the Trustee under the provisions of Section 302(b) with respect to such Financed Properties, any balance of moneys in the Project Fund for such Financed Properties shall, at the option of the Borrower, be (a) applied to pay the costs of other educational facilities of the Borrower located within the jurisdiction of the Issuer, provided that the Borrower shall have received an Opinion of Bond Counsel to the effect that such application will not adversely affect the validity or enforceability of the Series 2021 Bonds in accordance with their terms or any exclusion of interest on the Series 2021A Bonds from gross income of the Owners thereof for federal income tax purposes, (b) withdrawn by the Trustee from the Project Fund and deposited into the Bond Sinking Fund on behalf of and for the benefit of the Borrower and/or (c) applied in any other lawful manner, provided that there shall be delivered to the Trustee and the Issuer an Opinion of Bond Counsel to the effect that such application will not adversely affect the validity of the Series 2021 Bonds or any exemption exclusion of interest on the Series 2021A Bonds from gross income of the Owners thereof for federal income tax purposes. If the Borrower determines not to complete any part of the Financed Properties for which moneys on deposit in the Project Fund for such Financed Properties (including investment earnings thereon) are available, or if the Borrower elects to fund any component of such Financed Properties from other sources, such moneys (including investment earnings thereon) must be used (a) to pay costs of the remaining components of such Financed Properties, provided that the Borrower certifies to the Issuer and the Trustee that such use will not violate the covenants in the Tax Agreement or the Project Certificate, (b) to pay the costs of other educational facilities of the Borrower located within the jurisdiction of the Issuer, provided that the Borrower complies with the provisions set forth in the Loan Agreement, (c) to prepay principal on the Series 2021 Notes and to pay principal on the Series 2021 Bonds upon maturity or redemption prior to maturity in accordance with the payment and redemption provisions of the Loan Agreement and this Indenture and subject to compliance with the Tax Agreement and the

Project Certificate or (d) in any other lawful manner, provided that there shall be delivered to the Trustee and the Issuer an Opinion of Bond Counsel to the effect that such application will not adversely affect the validity or enforceability of the Series 2021 Bonds in accordance with their terms or any exclusion of interest on the Series 2021A Bonds from gross income of the Owners thereof for federal income tax purposes.

(e) *Investment of Project Fund Moneys.* Subject to the provisions of Section 407 of this Indenture, moneys at any time on deposit in the Project Fund shall, by a Written Request of the Borrower, be invested or reinvested by the Trustee in Qualified Investments maturing, redeemable or marketable at such time or times so that the Trustee will be able to pay the costs of the Financed Properties from time to time upon the order of the Issuer and the Borrower as herein provided. The Trustee, the Borrower and the Issuer shall be entitled to rely upon a schedule of anticipated payments of construction and equipment costs approved by the Borrower, in scheduling such investments. Any interest or profit on such investments shall be credited to, and any losses on such investments shall be charged against, the Project Fund. The Trustee shall not be obligated to invest any moneys held by it in the Project Fund except as directed by the Borrower, but shall as soon as practicable inform the Borrower of any amounts that remain uninvested but are eligible for investment in Qualified Investments. The Trustee may sell or present for redemption any obligations so purchased whenever it shall be necessary in order to provide moneys to meet any payment pursuant to this Section 302(e) and the Trustee shall not be liable or responsible for any loss resulting from such investments. Notwithstanding any other provisions of this Section 302(e), all investment earnings shall be subject to the provisions of the Tax Agreement.

“ARTICLE IV REVENUE AND FUNDS” \L 1 **ARTICLE IV**

REVENUES AND FUNDS

Section 401. Source of Payment of Bonds “Section 401. Source of Payment of Bonds” \L 2 . The Bonds herein authorized and all payments to be made by the Issuer hereunder are not general obligations of the Issuer but are limited obligations payable solely from the payments and prepayments on the Notes, from amounts payable under the Loan Agreement and from certain funds and accounts pledged to the Trustee under this Indenture, as provided herein. The Issuer may, from time to time, accept money from the United States of America, from the State of Illinois or any of its political subdivisions or from any department, agency or instrumentality of the foregoing, for the purpose of aiding the Issuer in the payment of principal and interest and premium, if any, on the Bonds. Such funds shall be paid over to the Trustee and the Issuer shall give appropriate notice thereof to the Borrower and the Trustee.

Section 402. Interest Fund “Section 402. Interest Fund” \L 2 . The Trustee shall establish and maintain so long as any of the Bonds are Outstanding a separate Fund to be known as the “Interest Fund—Knox College, Series 2021 Bond Issue” (the “Interest Fund”), within which the Trustee shall establish and maintain two separate accounts to be known as the “Series 2021A Account” and the “Series 2021B Account.” An initial deposit to the credit of the Interest Fund shall be made in accordance with Section 301 hereof. All payments of interest on the Series 2021A Note (other than prepayments), as and when received by the Trustee, shall be

deposited in the Series 2021A Account of the Interest Fund. All payments of interest on the Series 2021B Note (other than prepayments), as and when received by the Trustee, shall be deposited in the Series 2021B Account of the Interest Fund. In addition, there may be deposited into the Interest Fund investment earnings on moneys held in the Funds established under this Indenture, as provided in Section 407 hereof, [moneys transferred from the Series 1996 Trustee and the Series 1999 Trustee pursuant to Section 301 hereof] and moneys transferred from the Cost of Issuance Fund pursuant to Section 404 hereof.

On or before the 1st day of each April and October (or, if such day is not a Business Day, then on or before the first Business Day thereafter), beginning on [April 1, 2022], the Trustee shall deposit in the Series 2021A Account of the Interest Fund, from any moneys received by the Trustee for that purpose, an amount equal to the difference between (a) the amount of interest then payable on the Series 2021A Bonds and (b) the amount of moneys, if any, then on deposit in the Series 2021A Account of the Interest Fund and not allocated to the payment of interest on the Series 2021A Bonds previously due and payable. On or before the 1st day of each April and October (or, if such day is not a Business Day, then on or before the first Business Day thereafter), beginning on [April 1, 2022], the Trustee shall deposit in the Series 2021B Account of the Interest Fund, from any moneys received by the Trustee for that purpose, an amount equal to the difference between (a) the amount of interest then payable on the Series 2021B Bonds and (b) the amount of moneys, if any, then on deposit in the Series 2021B Account of the Interest Fund and not allocated to the payment of interest on the Series 2021B Bonds previously due and payable. Moneys in the Interest Fund shall be used by the Trustee to pay interest on the applicable series of Bonds as they become due. No such deposit need be made, however, if on any such day there are moneys on deposit in the applicable Account of the Interest Fund sufficient to pay the interest then due on such series of Bonds.

Section 403. Bond Sinking Fund “Section 403. Bond Sinking Fund” \ 2 . The Trustee shall establish and maintain so long as any of the Bonds are Outstanding a separate Fund to be known as the “Bond Sinking Fund—Knox College, Series 2021 Bond Issue” (the “Bond Sinking Fund”), within which the Trustee shall establish and maintain two separate accounts to be known as the “Series 2021A Account” and the “Series 2021B Account.” All payments of principal on the Series 2021A Note (other than prepayments) shall be deposited as and when received by the Trustee in the Series 2021A Account of the Bond Sinking Fund and shall be applied by the Trustee to pay principal of the Series 2021A Bonds as such principal becomes due, whether at maturity or by mandatory sinking fund redemption, in accordance with the provisions of Section 501(a) hereof. All payments of principal on the Series 2021B Note (other than prepayments) shall be deposited as and when received by the Trustee in the Series 2021B Account of the Bond Sinking Fund and shall be applied by the Trustee to pay principal of the Series 2021B Bonds as such principal becomes due, whether at maturity or by mandatory sinking fund redemption, in accordance with the provisions of Section 501(a) hereof. In addition, there may be deposited into the Bond Sinking Fund investment earnings on moneys held in the Funds established under this Indenture, as provided in Section 407 hereof.

Section 404. Cost of Issuance Fund “Section 404. Cost of Issuance Fund” \ 2 . The Trustee shall establish and maintain a separate Fund to be known as the “Cost of Issuance Fund—Knox College, Series 2021 Bond Issue” (the “Cost of Issuance Fund”), within which the

Trustee shall establish and maintain two separate accounts to be known as the “Series 2021A Account” and the “Series 2021B Account,” to the credit of which a deposit is to be made as required by Section 301 hereof. Moneys on deposit in the Cost of Issuance Fund shall be applied to pay the fees, costs and expenses of issuing the Series 2021 Bonds, the refunding of all of the Series 1996 Bonds and the Series 1999 Bonds and the refinancing of Taxable Debt, including, without limitation, all printing expenses in connection with this Indenture, the Loan Agreement, the Series 2021 Notes, the Series 2021 Bonds, the Preliminary Official Statement and the Official Statement pertaining to the Series 2021 Bonds; Rating Agency fees; legal fees; the administrative charge of the Issuer; fees of the Issuer’s financial advisor; the initial fees and expenses of the Trustee and any Paying Agent; and all other fees and expenses of the Trustee and any Paying Agent; and all other fees and expenses incurred in connection with the issuance of the Series 2021 Bonds. The costs described above shall be payable upon submission of a Written Request from the Borrower in substantially the form attached hereto as *Exhibit C*, stating that the amount indicated thereon is justly due and owing, has not been the subject of another Written Request which has been paid, and is a proper cost of issuing the Series 2021 Bonds. Any moneys deposited pursuant to Section 301(a) hereof remaining in the Cost of Issuance Fund on the earlier of the date on which all costs of issuance of the Series 2021 Bonds have been paid and [_____, 1, 20__], shall be transferred to the Project Fund prior to the delivery of the Completion Certificate and, after the delivery of such Completion Certificate, to the Interest Fund and applied as provided in Section 402 hereof.

Section 405. Optional Redemption Fund “Section 405. Optional Redemption Fund”
¶ 2 . The Trustee shall establish and maintain so long as any of the Bonds are Outstanding a separate Fund to be known as the “Optional Redemption Fund—Knox College, Series 2021 Bond Issue” (the “Optional Redemption Fund”), within which the Trustee shall establish and maintain two separate accounts to be known as the “Series 2021A Account” and the “Series 2021B Account.” In the event that (a) the Issuer deposits moneys with the Trustee from governmental sources referred to in Section 401 for the purpose of redeeming all or a portion of the Bonds Outstanding, or (b) funds from any source are deposited by the Borrower with the Trustee pursuant to Section 3.2 of the Loan Agreement for the purpose of redeeming Bonds, all such moneys shall be deposited into the applicable Account of the Optional Redemption Fund. Funds on deposit in the Series 2021A Account of the Optional Redemption Fund shall be used, first, to make up any deficiencies existing in the Series 2021A Account of the Interest Fund and the Series 2021A Account of the Bond Sinking Fund (in the order listed) and, secondly, to purchase or redeem Series 2021A Bonds in accordance with the provisions of Article V hereof and this Section 405. Funds on deposit in the Series 2021B Account of the Optional Redemption Fund shall be used, first, to make up any deficiencies existing in the Series 2021B Account of the Interest Fund and the Series 2021B Account of the Bond Sinking Fund (in the order listed) and, secondly, to purchase or redeem Series 2021B Bonds in accordance with the provisions of Article V hereof and this Section 405.

Section 406. Redemption Fund. The Trustee shall establish and maintain a separate Fund to be known as the “Refunded Bonds Redemption Fund—Knox College, Series 2021 Bond Issue” (the “Redemption Fund”), within which the Trustee shall establish and maintain two separate accounts to be known as the “Proceeds Account” and the “Equity Account.” The Trustee shall deposit into the Proceeds Account the amount described in Section 301 and shall

disburse such amount by making wire transfers to PNC Bank, National Association on _____, 2021 (the “Redemption Date”) in accordance with the Closing Memorandum. The Trustee shall deposit into the Equity Account the amount described in Section 301 and shall disburse such amount by making wire transfers to the Borrower and PNC Bank, National Association on the Redemption Date in accordance with the Closing Memorandum. Upon the disbursement of all amounts from the Redemption Fund, the Trustee shall close such Fund without further direction.

Section 407. Investment of Funds “Section 406. Investment of Funds” \ 2 . Subject to the restrictions set forth in this Indenture and in the Tax Agreement, moneys in the Project Fund, the Interest Fund, the Bond Sinking Fund, the Cost of Issuance Fund, the Optional Redemption Fund, and the Redemption Fund shall be invested by the Trustee at the direction of the Borrower (which written direction shall be given by the Borrower) only in Qualified Investments, to the extent and in the manner provided for in Section 2.17 of the Loan Agreement. If the Borrower fails to provide such direction to the Trustee, the Trustee may, but shall not be obligated to, invest such money in a Qualified Investment of the type described in clause (g) of the definition of “Qualified Investments” as defined in Article I hereof. Such Qualified Investments shall mature or be redeemable or marketable on or before the date or dates that moneys therefrom are anticipated to be required. The Trustee is hereby authorized to trade with itself, or with any bank affiliated with it, in the purchase and sale of securities for such investments, and may invest moneys in its own certificates of deposit or time deposits so long as the same constitute Qualified Investments. Notwithstanding anything herein to the contrary, in no case shall any investment be otherwise than in accordance with the investment limitations contained herein and in the Tax Agreement. The Trustee shall not be liable or responsible for any loss resulting from any such investment so long as such investment was made in accordance with the fiduciary duties imposed on the Trustee pursuant to this Indenture. All income derived from the investment of moneys on deposit in the Bond Sinking Fund, the Interest Fund, the Cost of Issuance Fund, the Project Fund, the Optional Redemption Fund, and the Redemption Fund shall, subject to the provisions of Section 409 hereof, be deposited into the Project Fund prior to the delivery of the Completion Certificate and applied to pay costs of the Project in accordance with Section 302 hereof and, after the delivery of the Completion Certificate, into the Bond Sinking Fund or the Interest Fund, at the option of the Borrower.

Moneys in any Fund may be invested only in accordance with the provisions of this Section 407 and the Tax Agreement.

Section 408. Moneys Held in Trust “Section 407. Moneys Held in Trust” \ 2 . All moneys required to be deposited with or paid to the Trustee for the account of any Fund or account under any provisions of this Indenture shall be held by the Trustee in trust, under the terms hereof and shall not be subject to lien or attachment of any creditor of the Issuer or the Borrower.

Section 409. Trust Funds “Section 408. Trust Funds” \ 2 . All moneys and securities received by the Trustee under the provisions of this Indenture shall be trust funds under the terms hereof and shall not be subject to lien or attachment of any creditor of the Issuer or of the Borrower. Such moneys shall be held in trust and applied in accordance with the provisions of this Indenture.

Section 410. Excluded Funds; Transfers to Rebate Fund “Section 409. Excluded Funds; Transfers to Rebate Fund” \ 2 . Notwithstanding any provision of this Indenture, including the Granting Clauses, (a) the funds held, or required to be deposited, in the Rebate Fund shall not be considered a part of the Trust Estate created by this Indenture and (b) the Trustee shall be permitted to transfer moneys on deposit in any of the trust funds established under this Article IV to the Rebate Fund in accordance with the provisions of the Tax Agreement at the written direction of the Borrower.

Section 411. Additional Accounts and Subaccounts “Section 410. Additional Accounts and Subaccounts” \ 2 . The Trustee may, in its discretion, establish such additional accounts within the Interest Fund, the Bond Sinking Fund, the Project Fund, the Optional Redemption Fund, and the Redemption Fund, and subaccounts within any of such accounts, as the Trustee may deem necessary or useful for the purpose of identifying more precisely the sources of payments into and disbursements from such Funds and their respective accounts, or for the purpose of complying with the requirements of the Code relating to arbitrage, but the establishment of any such account or subaccount shall not alter or modify any of the requirements of this Indenture with respect to the deposit or use of moneys in such Funds, or result in commingling of funds not permitted hereunder. In establishing such accounts or subaccounts, the Trustee may at any time request, receive and rely with full acquittance upon an Opinion of Bond Counsel, addressed to the Trustee, to the effect that the establishment of such accounts or subaccounts will not adversely affect any exclusion of interest on the Series 2021A Bonds from gross income of the Owners thereof for federal income tax purposes.

“ARTICLE V PAYMENT AND REDEMPTION OF BONDS” \ 1 ARTICLE V

PAYMENT AND REDEMPTION OF BONDS

Section 501. Payment and Redemption Dates and Prices “Section 501. Payment and Redemption Dates and Prices” \ 2 . (a) *Payment and Redemption of Series 2021 Bonds.* The Trustee shall, on October 1 of each of the years [] through [], apply the moneys then on deposit in the Bond Sinking Fund, in an amount equal to the then applicable Bond Sinking Fund Requirement, to the payment of the Series 2021 Bonds maturing on such dates. The Trustee shall, on October 1, 20[], apply (i) \$[] of the moneys then on deposit in the Bond Sinking Fund to the mandatory sinking fund redemption of the Series 2021 Term Bonds bearing interest at the rate of []% per annum and (ii) \$[] of the moneys then on deposit in the Bond Sinking Fund to the mandatory sinking fund redemption of the Series 2021 Term Bond bearing interest at the rate of []% per annum, in each case, selected by lot in such manner as may be determined by the Trustee to be fair and equitable, at a redemption price of 100% of the principal amount of such Series 2021 Term Bonds being redeemed, plus accrued interest to the redemption date and without premium.

As used herein, the term “Bond Sinking Fund Requirement” shall mean, as of the date of determination thereof and subject to certain credits pursuant to this Section:

DATE
(OCTOBER 1)

AMOUNT OF
BOND SINKING FUND REQUIREMENT (\$)

Moneys on deposit in the Bond Sinking Fund on October 1 of each year shall be applied to the payment of the Series 2021 Bonds as described in Section 403 hereof. Payment of Series 2021 Bonds through the Bond Sinking Fund shall be without premium.

The Issuer shall receive a credit against its obligation to have moneys on deposit in the Bond Sinking Fund in an amount sufficient to pay the Series 2021 Bonds (at maturity or upon mandatory sinking fund redemption) on any date (a) to the extent that the Borrower delivers to the Trustee for cancellation on or prior to any such date one or more Series 2021 Bonds maturing or subject to mandatory sinking fund redemption on such date or (b) to the extent Series 2021 Bonds maturing or subject to mandatory sinking fund redemption on such date are redeemed pursuant to Section 501(b) hereof and, in the case of a Series 2021 Term Bond so cancelled by the Trustee or redeemed pursuant to Section 501(b) hereof, in such order of the mandatory sinking fund installments for such Series 2021 Term Bond as the Borrower shall designate or, if the Borrower does not so designate, in such order of mandatory sinking fund installments as may be determined by the Trustee to be fair and equitable.

(b) *Optional Redemption of Certain Series 2021 Bonds.* The Series 2021 Bonds maturing on or after [October 1, 20__] are subject to redemption prior to maturity in whole or in part, and if in part, then in Authorized Denominations (with a minimum redemption of \$50,000) and by maturities or portions thereof (including mandatory sinking fund redemption installments) designated by the Borrower or, if not so designated, then in the inverse order of their maturities and by lot within a maturity in such manner as shall be determined by the Trustee to be fair and equitable, on any date occurring on or after [October 1, 20__], subject to Section 208, by the Issuer at the direction of the Borrower, out of any moneys received by the Trustee from the Borrower pursuant to Section 3.2 of the Loan Agreement and deposited in the Optional Redemption Fund, at a redemption price equal to 100% (expressed as a percentage of the principal amount of such Series 2021 Bonds to be redeemed) plus accrued interest thereon to the redemption date.

Section 502. Notice of Redemption “Section 502. Notice of Redemption” \l 2 . Unless waived by any Owner of the Bonds, or portions thereof, to be redeemed pursuant to Section 501 hereof, notice of any such redemption identifying the Bonds, or portions thereof, to be redeemed shall be given by the Trustee as Bond Registrar on behalf of the Issuer by mailing a copy of the redemption notice by first class mail, postage prepaid, at least 20 days and not more than 60 days prior to the date fixed for redemption to the 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 Owner to the Trustee; provided that, as long as DTC or its nominee is the Owner of the Series 2021 Bonds, the Bond Registrar may give such notice of redemption by e-mail, facsimile transmission or other electronic delivery method so long as such delivery method is authorized under the Letter of Representations and receipt of such notice is confirmed by DTC. The failure of the Bond Registrar to give notice to a Bondholder, or any defect in such notice, shall not affect the validity of the redemption of any other Bonds as to which proper notice was given.

All notices of redemption shall be dated and shall state:

- (a) the redemption date;
- (b) the redemption price;
- (c) if less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal installment amounts) of the Bonds to be redeemed;
- (d) 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;
- (e) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the designated office of the Trustee; and

(f) the CUSIP number and the bond certificate number of the Bonds to be redeemed.

Prior to the date that any notice of optional redemption (except any notice that refers to Bonds that are the subject of an advance refunding or a current refunding) is first mailed as aforesaid, as a condition precedent to the mailing of such notice, the Borrower shall deposit with the Trustee an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed pursuant to such notice, or such notice shall state that any redemption is conditional upon such funds being deposited with the Trustee on or prior to such redemption date and that failure to so deposit such funds shall not constitute an event of default hereunder. The Trustee shall immediately notify the applicable Owners of the Series 2021 Bonds of the failure to satisfy any such condition and of the resulting cancellation of any such redemption.

Notice of redemption having been given as aforesaid and upon the satisfaction of all conditions described in such notice, if any, 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 Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest, shall no longer be protected by this Indenture and shall not be deemed to be Outstanding under the provisions of this Indenture, and the Owners thereof shall have the right only to receive the redemption price thereof plus accrued interest thereon to the date fixed for redemption.

Section 503. Cancellation “Section 503. Cancellation” \ 2 . All Bonds which have been redeemed in full shall be cancelled and cremated or otherwise destroyed by the Trustee and shall not be reissued and a counterpart of the certificate of cremation or other destruction evidencing such cremation or other destruction shall be furnished by the Trustee to the Issuer and the Borrower; provided, however, that one or more new fully registered Bonds shall be issued for the unredeemed portion of any fully registered Bond without charge to the Owner thereof. Upon the date of final maturity or redemption of all Bonds Outstanding, the Trustee shall destroy any inventory of unissued Bond certificates and evidence of such destruction shall be furnished by the Trustee to the Issuer and the Borrower.

“ARTICLE VI GENERAL COVENANTS” \ 1 **ARTICLE VI**

GENERAL COVENANTS

Section 601. Payment of Principal and Interest “Section 601. Payment of Principal and Interest” \ 2 . The Issuer covenants that it will promptly pay the principal of, premium, if any, and interest on every Bond issued under this Indenture at the place, on the dates and in the manner provided herein and in said Bonds according to the true intent and meaning thereof. The principal, interest, and premium, if any, on the Bonds are payable solely from the payments to be made on the Notes, from amounts payable under the Loan Agreement and from certain funds and accounts pledged to the Trustee under this Indenture, and nothing in the Bonds or in this Indenture should be considered as pledging any other funds or assets of the Issuer. The State of Illinois shall not in any event be liable for the payment of the principal of, premium, if any, or

interest on any of the Bonds or for the performance of any pledge, mortgage, obligation or agreement undertaken by the Issuer. The Bonds do not represent or constitute a debt of the Issuer or of the State of Illinois within the meaning of the provisions of the Constitution or statutes of the State of Illinois or a pledge of the faith and credit of the Issuer or of the State of Illinois or grant to the Owners thereof any right to have the Issuer or the General Assembly of the State of Illinois levy any taxes or appropriate any funds for the payment of the principal thereof or interest thereon.

Section 602. Performance of Covenants; Authorization “Section 602. Performance of Covenants; Authorization” \ 2 . The Issuer covenants that it will faithfully perform on its part at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all proceedings of its members pertaining thereto; provided, however, that except for the matters set forth in any documents hereof relating to payment of the Bonds, the Issuer shall not be obligated to take any action or execute any instrument pursuant to any provision hereof until it shall have been requested to do so by the Borrower or by the Trustee, or shall have received the instrument to be executed and at the option of the Issuer shall have received from the party requesting such action or execution assurance satisfactory to the Issuer that the Issuer shall be reimbursed for its reasonable expenses, including legal counsel fees, incurred or to be incurred in connection with taking such action or executing such instrument. The Issuer represents that it is duly authorized under the Constitution and laws of the State, including particularly the Bond Ordinance, to issue the Bonds authorized hereby and to execute this Indenture, to grant the security interest provided herein and to pledge and assign the Notes and assign the Loan Agreement in the manner and to the extent herein set forth herein, that all action on its part for the issuance of the Bonds and the execution and delivery of this Indenture has been duly and effectively taken and that the Bonds in the hands of the Owners thereof are and will be valid and enforceable obligations of the Issuer according to the import thereof and hereof.

Anything contained in this Indenture to the contrary notwithstanding, it is hereby understood and agreed that none of the covenants of the Issuer contained in this Indenture are intended to or shall create a general or primary obligation of the Issuer.

Section 603. Ownership; Instruments of Further Assurance “Section 603. Ownership; Instruments of Further Assurance” \ 2 . The Issuer represents that it lawfully owns the Series 2021 Notes and that the pledge and assignment thereof and the assignment of the Loan Agreement to the Trustee hereby made are valid and lawful. The Issuer covenants that it will defend its title to the Notes and its interest in the Loan Agreement assigned to the Trustee for the benefit of the Owners of the Bonds against the claims and demands of all persons whomsoever. The Issuer covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such indentures supplemental hereto and such further acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, mortgaging, conveying, pledging, assigning and confirming unto the Trustee the Notes, the Loan Agreement, and all payments thereon and thereunder pledged hereby to the payment of the principal of, premium, if any, and interest on the Bonds; provided, that the Trustee or the Borrower, as the case may be, will cause any necessary security agreements or financing statements to be duly filed and recorded, as the case may be, in the appropriate State

and county offices as required by the provisions of the Uniform Commercial Code or other similar law as adopted in the State, as from time to time amended. To continue the security interest evidenced by such security agreements or financing statements, the Trustee or the Borrower, as the case may be, shall file and record or cause to be filed and recorded such necessary continuation statements or supplements thereto and other instruments from time to time as may be required pursuant to the provisions of the said Uniform Commercial Code or other similar law to fully preserve and protect the security interest of the Trustee in the Trust Estate and to perfect the security interest in the Notes at the Borrower's expense.

Section 604. Recordation of Indenture, Loan Agreement and Other Security Instruments "Section 604. Recordation of Indenture, Loan Agreement and Other Security Instruments" \ 2 . The Issuer covenants not to take any action which would cause this Indenture, the Loan Agreement and all supplements hereto and thereto, as well as such security instruments, financing statements and other instruments as may be required from time to time, not to be kept recorded and filed in such manner and in such places as may be required by law in order fully to preserve and protect the lien hereof and the security of the Owners of the Bonds and the rights of the Trustee hereunder.

Section 605. Rights Under Loan Agreement and the Notes "Section 605. Rights Under Loan Agreement and the Note" \ 2 . The Issuer agrees that the Trustee in its name or in the name of the Issuer may enforce all rights of the Issuer and all obligations of the Borrower under and pursuant to the Loan Agreement and the Notes for and on behalf of the Bondholders, whether or not the Issuer is in default hereunder.

Section 606. Designation of Additional Paying Agents "Section 606. Designation of Additional Paying Agents" \ 2 . The Issuer covenants to cause the necessary arrangements to be made through the Trustee and to be thereafter continued for the designation of alternate Paying Agents, if any, and for the making available of funds hereunder for the payment of such of the Bonds as shall be presented when due at the designated corporate trust office of the Trustee, or its successor in trust hereunder, or at the designated corporate trust office of said alternate Paying Agents.

Section 607. Arbitrage and Tax Covenants "Section 607. Arbitrage and Tax Covenants" \ 2 . Subject to the Borrower's direction of the investment of moneys on deposit in certain Funds pursuant to Section 407 hereof, the Issuer covenants that it will not take any action, or fail to take any action within its control, to the extent permitted by applicable law, with respect to the investment of the proceeds of any Series 2021A Bonds or with respect to the payments derived from the Series 2021A Note and under the Loan Agreement, or any other amounts regardless of the source or where held, which may result in any Series 2021A Bond being treated as an "arbitrage bond" within the meaning of such term as used in Section 148 of the Code. The Issuer further covenants that it will comply with and take all actions required of it by the Tax Agreement. Subject to the Borrower's direction of the investment of moneys on deposit in certain Funds pursuant to Section 407 hereof, the Issuer further covenants that it will not take any action, or fail to take any action within its control, to the extent permitted by applicable law, with respect to the investment of the proceeds of any Series 2021A Bonds, with respect to the payments derived from the Series 2021A Note and under the Loan Agreement, or

with respect to any other amounts, regardless of the source or where held, which may cause the interest on the Series 2021A Bonds to be includible in the gross income of the owners thereof for purposes of federal income taxation. The Issuer shall be deemed to have complied with the requirements of this Section 607 so long as the Issuer acts on the written direction of the Borrower and so long as the Issuer has no reason to believe, without any due investigation on the part of the Issuer, that such direction from the Borrower would cause the Series 2021A Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code or would cause interest on any Series 2021A Bond to be includible in the gross income of the Owners thereof for purposes of federal income taxation. The Borrower covenants that it will not take any action, permit any action to be taken or fail to take any action with respect to investments of any amounts held by the Trustee relating to the Series 2021A Bonds, that may result in any Series 2021A Bond being treated as an “arbitrage bond” within the meaning of such term as used in Section 148 of the Code.

Section 608. List of Bondholders “Section 608. List of Bondholders” \1 2 . To the extent that such information shall be made known to the Issuer under the terms of this Section 608, the Issuer covenants to keep on file at the principal office of the Trustee a list of names and addresses of the Owners of the Bonds. The Trustee shall be under no responsibility with regard to the accuracy of said list. At reasonable times and under reasonable regulations established by the Trustee said list may be inspected and copied by the Borrower or by the Owners (or a designated representative thereof) of 25% or more in principal amount of Bonds then outstanding, such ownership and the Issuer of any such designated representative to be evidenced to the satisfaction of the Trustee.

“ARTICLE VII EVENTS OF DEFAULT AND REMEDIES” \L 1 **ARTICLE VII**

EVENTS OF DEFAULT AND REMEDIES

Section 701. Events of Default “Section 701. Events of Default” \1 2 . Each of the following events is hereby declared an “event of default,” that is to say, if:

- (a) payment of any installment of interest on any of the Bonds shall not be made when the same shall become due and payable; or
- (b) payment of the principal of any of the Bonds shall not be made when the same shall become due and payable, either at maturity or by proceedings for redemption or through failure to fulfill any payment to any Fund hereunder or otherwise; or
- (c) the Issuer shall for any reason be rendered incapable of fulfilling its obligations hereunder in such manner as may be material to the Bondholders; or
- (d) an order or decree shall be entered, with the consent or acquiescence of the Issuer, appointing a receiver or custodian for any of the revenues of the Issuer, or approving a petition filed against the Issuer seeking reorganization of the Issuer under the Federal bankruptcy laws or any other similar law or statute of the United States of America or any state thereof, or if any such order or decree, having been entered without

the consent or acquiescence of the Issuer shall not be vacated or discharged or stayed on appeal within thirty (30) days after the entry thereof; or

(e) any proceeding shall be instituted, with the consent or acquiescence of the Issuer, for the purpose of effecting a composition between the Issuer and its creditors or for the purpose of adjusting the claims of such creditors pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are under any circumstances payable from the revenues and other moneys derived by the Issuer from the Notes or the Loan Agreement; or

(f) the Issuer makes an assignment for the benefit of its creditors, or consents to the appointment of a receiver, custodian or trustee for itself or for the whole or any part of the revenues and other moneys derived by the Issuer from the Notes or the Loan Agreement; or

(g) (i) the Issuer is adjudged insolvent by a court of competent jurisdiction, or (ii) an order, judgment or decree be entered by any court of competent jurisdiction appointing, without the consent of the Issuer, a receiver, custodian or trustee of the Issuer or of the whole or any part of its property and any of the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within thirty (30) days from the date of entry thereof; or

(h) the Issuer shall file a petition or answer seeking reorganization or any arrangement under the Federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof; or

(i) under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Issuer or of the whole or any substantial part of its property, and such custody or control shall not be terminated within thirty (30) days from the date of assumption of such custody or control; or

(j) any event of default as defined in Section 4.1 of the Loan Agreement shall occur and be continuing; or

(k) the Issuer shall default in any material respect in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Indenture or any agreement supplemental hereof on the part of the Issuer to be performed, and such default shall continue for thirty (30) days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer and the Borrower by the Trustee or the Owners of not less than 25% in aggregate principal amount of all Bonds then outstanding; provided, that, if such default cannot with due diligence and dispatch be wholly cured within 30 days but can be wholly cured, the failure of the Issuer to remedy such default within such 30-day period shall not constitute an event of default hereunder if the Issuer shall use commercially reasonable efforts after receipt of such notice commence with due

diligence and dispatch the curing of such default and, having so commenced the curing of such default, shall thereafter prosecute and complete the same with due diligence and dispatch so that such default is cured within 60 days after the original written notice thereof; or

(l) the Issuer or the Trustee fails to perform any of its obligations contained in the Tax Agreement, the effect of which is to cause a Determination of Taxability.

Section 702. Acceleration “Section 702. Acceleration” \ 2 . Upon the occurrence and continuance of any event of default specified in Section 701 hereof the Trustee may, without any action on the part of the Bondholders, and shall upon the written request of the Owners of not less than a majority in principal amount of the Bonds then Outstanding hereunder, exclusive of Bonds then owned by the Issuer or the Borrower, by notice in writing delivered to the Issuer, declare the entire principal amount of the Bonds then Outstanding hereunder and the interest accrued thereon, immediately due and payable, and the said entire principal and interest shall thereupon become and be immediately due and payable, subject, however, to the provisions of Section 709 hereof with respect to waivers of events of defaults.

Section 703. Remedies; Rights of Bondholders “Section 703. Remedies; Rights of Bondholders” \ 2 . Upon the occurrence of an event of default hereunder the Trustee may pursue any available remedy by suit at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Bonds then Outstanding or to enforce any obligations of the Issuer hereunder.

If an event of default shall have occurred, and if requested to do so by the Owners of a majority in aggregate principal amount of Bonds then Outstanding and indemnified as provided in Section 801 hereof, the Trustee shall be obliged to exercise such one or more of the rights and powers conferred by this Article as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Bondholders.

No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Bondholders hereunder or now or hereafter existing at law or in equity or by statute. If the Trustee or the Bondholders elect, as the case may be, to act upon any remedy conferred under this Article and subsequently discontinue or abandon such remedial action, the Trustee or the Bondholders, as the case may be, shall be restored to their previous positions.

No delay or omission to exercise any right or power accruing upon any event of default shall impair any such right or power or shall be construed to be a waiver of any event of default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any event of default hereunder, whether by the Trustee or the Bondholders, shall extend to or shall affect any subsequent event of default or shall impair any rights or remedies consequent thereon.

Section 704. Right of Bondholders to Direct Proceedings “Section 704. Right of Bondholders to Direct Proceedings” \ 2 . The Owners of not less than a majority in aggregate principal amount of Bonds then Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture, including Section 801(k).

Section 705. Application of Moneys “Section 705. Application of Moneys” \ 2 . All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall be deposited in the Bond Sinking Fund and all moneys in the Bond Sinking Fund shall be applied as follows:

(a) Unless the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

FIRST: To the payment of amounts, if any, payable pursuant to the Tax Agreement;

SECOND: To the payment to the Trustee of the reasonable costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses and advances incurred or made by the Trustee;

THIRD: To the payment to the Persons entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege; and

FOURTH: To the payment to the Persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due (other than the Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), in the order of their due dates, and, if the amount available shall not be sufficient to pay in full the Bonds due on any particular date, then to the payment ratably, according to the amount of principal due on such date, to the Persons entitled thereto without any discrimination or privilege.

(b) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied:

FIRST: To the payment of amounts, if any, payable pursuant to the Tax Agreement;

SECOND: To the payment to the Trustee of the cost and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee; and

THIRD: To the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal or interest over the other, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or privilege.

(c) If the principal of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article, then, subject to the provisions of subsection (b) of this Section in the event that the principal of all the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of subsection (a) of this Section.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for such application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an interest payment date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Owner of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 706. Remedies Vested in Trustee “Section 706. Remedies Vested in Trustee”
¶ 2 . All rights of action (including the right to file proof of claims) under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Owners of the Bonds, and any recovery of judgment shall, subject to the provisions of Section 705 hereof, be for the equal benefit of the Owners of the Outstanding Bonds.

Section 707. Rights and Remedies of Bondholders “Section 707. Rights and Remedies of Bondholders”
¶ 2 . No Owner of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust thereof or for the appointment of a receiver or any other remedy hereunder, unless (a) an event of default has occurred of which the Trustee has been notified as provided in subsection (g) of Section 801, or of which by said subsection it is deemed to have notice, (b) the Owners of a majority in aggregate principal amount of Bonds then Outstanding shall have made written

request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers herein granted or to institute such action, suit or proceeding in its own name, and have offered to the Trustee indemnity as provided in Section 801 and (c) the Trustee shall thereafter fail or refuse to exercise the powers herein granted, or to institute such action, suit or proceeding in its, his, her or their own name or names. Such notification, request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture by its, his, her or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the Owners of all Bonds then Outstanding. Nothing in this Indenture contained shall, however, affect or impair the right of any Bondholder to enforce the covenants of the Issuer to pay the principal of and interest on each of the Bonds to the respective Owners thereof at the time, place, from the source and in the manner in said Bonds expressed.

Section 708. Termination of Proceedings “Section 708. Termination of Proceedings”
¶ 2 . In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver, or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer, the Borrower and the Trustee shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 709. Waivers of Events of Default “Section 709. Waivers of Events of Default”
¶ 2 . The Trustee may in its discretion waive any event of default hereunder and its consequences and rescind any declaration of maturity of principal of and interest on the Bonds, and shall do so upon being indemnified to its satisfaction in the manner described in Section 801(k) hereof and upon the written request of the Owners of (a) a majority in aggregate principal amount of all the Bonds then Outstanding in respect of which an event of default with respect to the payment of principal and/or premium, if any, and/or interest exists, or (b) a majority in aggregate principal amount of all Bonds then Outstanding in the case of any other event of default; provided, however, that there shall not be waived (i) any event of default in the payment of the principal of any Outstanding Bonds at the date of maturity specified therein or (ii) any event of default in the payment when due of the interest on any such Bond unless prior to such waiver or rescission, all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds in respect of which such default shall have occurred on overdue installments of interest or all arrears of payments of principal and premium, if any, when due, as the case may be, and all expenses of the Trustee, in connection with such event of default shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the Issuer, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, but no

such waiver or rescission shall extend to any subsequent or other event of default, or impair any right consequent thereon.

Section 710. Borrower's Right of Possession and Use of Its Property "Section 710. University's Right of Possession and Use of Its Property" \ 2 . So long as the Borrower is not in default under the terms and provisions of the Loan Agreement, the Borrower shall be entitled to possess, use and enjoy the properties and appurtenances thereto free of claims of the Issuer, the Trustee and the Bondholders.

Section 711. Cooperation of Authority "Section 711. Cooperation of Authority" \ 2 . In the event of default hereunder, the Issuer shall cooperate with the Trustee and use its best efforts to protect the Bondholders.

"ARTICLE VIII THE TRUSTEE" \ 1 **ARTICLE VIII**

THE TRUSTEE

Section 801. Acceptance of the Trusts "Section 801. Acceptance of the Trusts" \ 2 . The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts as a corporate trustee ordinarily would perform said trusts under a corporate indenture, but no implied covenants or obligations shall be read into this Indenture against the Trustee.

(a) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees and shall be entitled to advice of counsel concerning all matters of trusts hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorney (who may be Bond Counsel or the attorney or attorneys for the Issuer or the Borrower or in-house Counsel of the Trustee). The Trustee shall not be responsible for any loss or damage resulting from any action or non-action in good faith in reliance upon such opinion or advice.

(b) The Trustee shall not be responsible for any recital herein, or in the Bonds (except with respect to the authentication certificate of the Trustee endorsed on the Bonds), or for insuring the property herein conveyed or collecting any insurance moneys, or for the validity of the execution by the Issuer of this Indenture or of any supplements thereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, or for the value or title of the property herein conveyed, or otherwise as to the maintenance of the security hereof, except with respect to the Trustee's obligations under Articles III and IV hereof; and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Issuer or on the part of the Borrower under the Loan Agreement; but the Trustee may require of the Issuer or the Borrower full information and advice as to the performance of the covenants, conditions and agreements aforesaid as to the condition of the property herein conveyed. The Trustee shall have no obligation to perform any of the duties of the Issuer as a secured party under the Loan Agreement, and the Trustee shall not be responsible or liable for

any loss suffered in connection with any investment of funds made by it in accordance with the provisions of this Indenture.

(c) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder. The Trustee may become the Owner of Bonds secured hereby with the same rights which it would have if it was not the Trustee.

(d) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document reasonably believed by it to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Owner of any Bond, shall be conclusive and binding upon all future Owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof.

(e) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate signed on behalf of the Issuer by its Mayor and attested by its Clerk or another Authorized Officer of the Issuer as sufficient evidence of the facts therein contained and, prior to the occurrence of a default of which the Trustee has been notified as provided in subsection (g) of this Section, or of which by said subsection the Trustee is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of the Mayor or another Authorized Officer of the Issuer under its seal to the effect that an ordinance in the form therein set forth has been adopted by the Issuer as conclusive evidence that such ordinance has been duly adopted, and is in full force and effect.

(f) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful misconduct.

(g) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except (i) an event of default under subparagraph (a) or (b) of Section 701 hereof, (ii) failure by the Issuer to cause to be made any of the payments to the Trustee required to be made by Article IV or (iii) any other event of default of which the Trustee shall have actual knowledge, unless the Trustee shall be specifically notified in writing of such default by the Issuer or by the Owners of at least twenty-five percent (25%) in the aggregate principal amount of all Bonds then Outstanding; and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the designated corporate trust office of the Trustee, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no default except as aforesaid.

(h) At any and all reasonable times and upon reasonable prior written notice, the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect any and all of the books, papers and records

of the Issuer pertaining to the Bonds, and to take such copies from and in regard thereto as may be desired.

(i) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(j) Notwithstanding anything elsewhere in this Indenture contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Indenture, any showing, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action by the Trustee, deemed desirable for the authentication of any Bonds, the withdrawal of any cash, the release of any property, or the taking of any other action by the Trustee.

(k) Before taking any action under Sections 703, 704, 706 or this Section 801, the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all reasonable expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from the negligence or willful default in connection with any action so taken.

(l) All moneys received by the Trustee or any Paying Agent shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by this Indenture or by law. Neither the Trustee nor any Paying Agent shall be under any liability for interest on any moneys received hereunder, except as provided herein and in the Tax Agreement (with respect to the continuous investment of funds) and except as may be otherwise agreed upon.

(m) If any event of default under this Indenture shall have occurred and be continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture and shall use the same degree of care as a prudent person would exercise or use in the circumstances in the conduct of such prudent person's own affairs.

Section 802. Notice to Bondholders and Others If Default Occurs “Section 802. Notice to Bondholders and Others If Default Occurs” \ 2 . If a default occurs of which the Trustee is by subsection (g) of Section 801 hereof required to take notice or if notice of default be given as in said subsection (g) provided, then the Trustee shall give written notice thereof by first class mail, postage prepaid, to the Issuer, the Borrower and the Owners of all Bonds then Outstanding. Such notice shall be given immediately, with respect to an event of default described in Section 701(a) or 701(b) hereof and, within five Business Days thereof, with respect to any other event of default of which the Trustee is required by said Section 801(g) hereof to take notice or of which the Trustee is given notice as provided in said Section 801(g).

Section 803. Intervention by the Trustee “Section 803. Intervention by the Trustee” \ 2 . In any judicial proceeding to which the Issuer is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of Owners of the Bonds, the

Trustee may intervene on behalf of Bondholders and, subject to the provisions of Section 801(k), shall do so if requested in writing by the Owners of at least a majority in aggregate principal amount of all Bonds, then Outstanding. The rights and obligations of the Trustee under this Section are subject to the approval of a court of competent jurisdiction.

Section 804. Successor Trustee “Section 804. Successor Trustee” \ 2 . Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, *ipso facto*, shall be and become successor Trustee hereunder and vested with all of the title to the whole property or Trust Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 805. Trustee Eligibility “Section 805. Trustee Eligibility” \ 2 . The Trustee and every such successor trustee or co-trustee appointed under this Article VIII shall (a) be a bank or trust company in good standing and located within the State of Illinois (b) be organized under the laws of the United States of America or any State of Illinois, (c) be authorized to exercise corporate trust powers and to serve as Trustee under the laws of the State of Illinois, (d) be subject to supervision or examination by federal or state authorities, and (e) have a reported combined capital, surplus and undivided profits of not less than \$50,000,000. If at the time the Trustee or any such successor Trustee shall cease to be eligible in accordance with the provision of this Section, it shall resign immediately in the manner provided in Section 806.

Section 806. Resignation and Removal “Section 806. Resignation and Removal” \ 2 . The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving written notice to the Issuer and the Borrower and by first class mail, postage prepaid, to each Owner of Bonds then Outstanding, and such resignation shall take effect upon the appointment of a successor Trustee by the Bondholders or by the Issuer. Such notice to the Issuer and the Borrower may be served personally or sent by first class mail, postage prepaid. In the event that no successor Trustee has been appointed within thirty days of the date of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice, if any, as it deems proper and prescribes, appoint a successor Trustee. The Trustee may be removed at any time, by (a) an instrument or concurrent instruments in writing delivered to the Trustee and to the Issuer and signed by the Owners of a majority in aggregate principal amount of Bonds then Outstanding or (b) the Borrower (so long as no default has occurred and is continuing under the Loan Agreement) by filing with the Issuer and the Trustee (with a copy to be delivered by the then existing Trustee to the Owners of the Bonds) an instrument in writing signed by the Borrower. No resignation or removal of the Trustee shall become effective until a successor Trustee has been appointed and has accepted its appointment under Section 808 hereof.

Section 807. Appointment of Successor Trustee by the Bondholders; Temporary Trustee “Section 807.Appointment of Successor Trustee by the Bondholders; Temporary Trustee” \ 2 . In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by (a) the Owners of a majority in aggregate principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing signed by such Owners or by their attorneys in fact, duly authorized, or (b) the Borrower (so long as no default has occurred and is continuing under the Loan Agreement) by filing with the Issuer and the Trustee (with a copy to be delivered by the then existing Trustee to the Owners of the Bonds) an instrument in writing signed by the Borrower; provided, nevertheless, that in case of such vacancy the Issuer by an instrument executed by an Authorized Officer of the Issuer and attested by its Clerk under its seal, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by the Bondholders or the Borrower in the manner above provided; and any such temporary Trustee so appointed by the Issuer shall immediately and without further act be superseded by the Trustee so appointed by such Bondholders or the Borrower.

Section 808. Concerning Any Successor Trustee “Section 808. Concerning Any Successor Trustee” \ 2 . Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Issuer and the Borrower an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the Written Request of the Issuer or of its successor, execute and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder to its successor. Should any instrument in writing from the Issuer be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article, shall be filed and/or recorded by the successor Trustee in each recording office, if any, where this Indenture shall have been filed and/or recorded.

Section 809. Trustee Protected in Relying upon Resolution, Etc “Section 809. Trustee Protected in Relying upon Resolution, Etc” \ 2 . The resolutions, opinions, certificates and other instruments provided for in this Indenture may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee for the release of property and the withdrawal of cash hereunder.

Section 810. Successor Trustee as Trustee of Funds, Paying Agent and Bond Registrar “Section 810.Successor Trustee as Trustee of Funds, Paying Agent and Bond Registrar” \ 2 . In the event of a change in the office of Trustee, the predecessor Trustee which has resigned or been removed shall cease to be the trustee of the Interest Fund, the Bond Sinking Fund, the Optional Redemption Fund, the Cost of Issuance Fund, the Project Fund, the Redemption Fund, and any

other Funds provided hereunder and Bond Registrar and Paying Agent for principal of, premium, if any, and interest on the Bonds, and the successor Trustee shall become such Trustee, Bond Registrar and Paying Agent.

Section 811. Trust Estate May Be Vested in Separate or Co-Trustee “Section 811. Trust Estate May Be Vested in Separate or Co-Trustee” \ 2 . It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the laws of Illinois) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture or the Loan Agreement, and in particular in case of the enforcement of either on default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the Trust Estate, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate or co-trustee. The following provisions of this Section 811 are adapted to these ends.

In the event that the Trustee appoints an additional individual or institution as a separate or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or co-trustee, but only to the extent necessary to enable the separate or co-trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-trustee shall run to and be enforceable by either of them. Any separate or co-trustee appointed under this Article VIII shall be bound by the same standard of care, duties and obligation as the Trustee under this Indenture, as if such separate or co-trustee was the Trustee.

Should any deed, conveyance or instrument in writing from the Issuer be required by the separate trustee or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to him or it such properties, rights, powers, trusts, duties and obligations, any and all such deeds, conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. In case any separate trustee or co-trustee, or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

Section 812. Fees, Charges and Expenses of Trustee “Section 812. Fees, Charges and Expenses of Trustee” \ 2 . The Trustee shall be entitled to payment and/or reimbursement for reasonable fees for its services rendered hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services. The Trustee shall be entitled to payment and reimbursement for the reasonable fees and charges of the Trustee as Paying Agent and Bond Registrar for the Bonds as hereinabove provided. Upon an event of default, but only upon an event of default, the Trustee shall have a

right of payment prior to payment on account of interest or principal of, or premium, if any, on any Bond for the foregoing advances, fees, costs and expenses incurred.

Section 813. Representations, Warranties and Covenants of the Trustee. All Federal, State and local governmental, public, and regulatory authority approvals, consents, notices, amortizations, registrations, licenses, exemptions, and filings that are required to have been obtained or made by the Trustee with respect to the authorization, execution, delivery, and performance by, or the enforcement against or by, the Trustee of this Indenture have been obtained and are in full force and effect and all conditions of such approvals, consents, notices, authorizations, registrations, licenses, exemptions, and filings have been fully complied with. The Trustee has a combined capital and surplus of at least \$50,000,000 or, alternatively, a liability policy having the type of coverage and in an amount acceptable to the Issuer and the Borrower. The Trustee has an operations group of at least four (4) experienced trust officers, with primary responsibility for municipal bond issues. The Trustee administers at least 25 municipal bond indentures aggregating at least \$25,000,000 under its administration.

“ARTICLE IX SUPPLEMENTAL INDENTURES”\L 1 **ARTICLE IX**

SUPPLEMENTAL INDENTURES

Section 901. Supplemental Indentures Not Requiring Consent of Bondholders “Section 901. Supplemental Indentures Not Requiring Consent of Bondholders” \l 2 . The Issuer and the Trustee may, without the consent of, or notice to, any of the Bondholders, enter into an indenture or indentures supplemental to this Indenture, as shall not be inconsistent with the terms and provisions hereof, for any one or more of the following purposes:

- (a) To cure any ambiguity, formal defect or omission in this Indenture;
- (b) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondholders or the Trustee or either of them;
- (c) To subject to this Indenture additional revenues, properties or collateral;
- (d) To modify, amend or supplement this Indenture or any indenture supplemental hereto in such manner as to permit continued compliance with the arbitrage requirements of the Code, including, without limitation, continued compliance with the Tax Agreement;
- (e) To modify, amend or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification of this Indenture under the Trust Indenture Act of 1939, as then amended, or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of any state of the United States of America;

(f) To modify, amend or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the issuance of coupon Bonds hereunder and to permit the exchange of Bonds from fully registered form to coupon form and vice versa;

(g) To provide for certificated Bonds;

(h) to provide for changes in the components of the Project, to the extent permitted by this Indenture and the Loan Agreement;

(i) to provide for the refunding, advance refunding or provision for payment of all or a portion of one or more series of the Bonds; and

(j) To provide for any other change to this Indenture which, in the judgment of the Trustee, is not prejudicial to the interests of the Bondholders or of the Trustee.

The Issuer and the Trustee may not enter into an indenture or indentures supplemental to this Indenture pursuant to, or for the purposes described in, paragraph (f) of this Section 901 unless they shall have received an Opinion of Bond Counsel to the effect that the issuance of coupon Bonds will not adversely affect the validity of such Bonds or the exclusion from federal gross income of the Owners of the interest paid on the Bonds to the extent otherwise afforded under Section 103(a) of the Code.

Section 902. Supplemental Indentures Requiring Consent of Bondholders; Waivers and Consents by Bondholders “Section 902. Supplemental Indentures Requiring Consent of Bondholders; Waivers and Consents by Bondholders” \1 2 . Exclusive of supplemental indentures covered by Section 901 hereof and subject to the terms and provisions contained in this Section 902, and not otherwise, the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to (i) consent to and approve the execution by the Issuer and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture, or (ii) waive or consent to the taking by the Issuer of any action prohibited, or the omission by the Issuer of the taking of any action required, by any of the provisions of this Indenture or of any indenture supplemental hereto; provided, however, that nothing in this Section 902 or in Section 901 hereof contained shall permit or be construed as permitting, (a) an extension of the stated maturity or reduction in the principal amount of, or reduction in the rate or extension of the time of paying of interest on, or reduction of any premium payable on the payment or redemption of any Bond, without the consent of the Owner of such Bond, or (b) a reduction in the amount of, or extension of the time of, any payment required by any sinking fund applicable to any Bonds without the consent of the Owners of all the Bonds which would be affected by the action to be taken, or (c) the creation of any lien prior to the lien of this Indenture with respect to any particular series of Bonds (or on a parity with such liens), without the consent of the Owners of all the Bonds at the time Outstanding, or (d) a reduction in the aforesaid aggregate principal amount of Bonds, the Owners

of which are required to consent to any such waiver or supplemental indenture, without the consent of the Owners of all the Bonds at the time Outstanding which would be affected by the action to be taken, or (e) a modification of the rights, duties or immunities of the Trustee, without the written consent of the Trustee, or (f) the loss of the exclusion from federal gross income of the Owners of the interest paid on the Bonds held by a non-consenting Bondholder to the extent otherwise afforded under Section 103(a) of the Code.

If at any time the Issuer shall request the Trustee to enter into any such supplemental indenture for any of the purposes of this Section, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, mail notice of the proposed execution of such supplemental indenture to the Owners of the Outstanding Bonds as provided in Section 502 hereof. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the designated corporate trust office of the Trustee for inspection by all Owners of the Bonds. If, within sixty days or such longer period as shall be prescribed by the Issuer following the mailing of such notice the Owners of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture as in this Section permitted and provided, this Indenture shall be deemed to be modified and amended in accordance therewith.

Section 903. Notice to and Consent of Borrower “Section 903. Notice to and Consent of University” \l 2 . Anything herein to the contrary notwithstanding, a waiver, consent or supplemental indenture under this Article IX which affects any rights of the Borrower shall not become effective unless and until the Borrower shall have consented in writing to such waiver or consent or to the execution and delivery of such supplemental indenture. In that regard, the Trustee shall cause notice of such proposed waiver or consent or of the proposed execution and delivery of any such supplemental indenture, together with a copy of such proposed supplemental indenture, if any, to be mailed by first class mail, postage prepaid, to the Borrower at least fifteen days prior to the proposed date of such waiver or consent or of execution and delivery of any such supplemental indenture.

“ARTICLE X AMENDMENTS TO THE LOAN AGREEMENT” \l 1 ARTICLE X

AMENDMENTS TO THE LOAN AGREEMENT

Section 1001. Amendments to Loan Agreement Not Requiring Consent of Bondholders; Waivers “Section 1001. Amendments to Loan Agreement Not Requiring Consent of Bondholders; Waivers” \l 2 . The Issuer and the Trustee may without the consent of or notice to the Bondholders consent to any amendment, change or modification of the Loan Agreement as may be required (a) by the provisions of the Loan Agreement and this Indenture, (b) for the purpose of curing any ambiguity or formal defect or omission, (c) to grant or to confer upon the Issuer or Trustee, for the benefit of the Owners of the Bonds, any additional rights, remedies,

powers or authorities that lawfully may be granted to or conferred upon the Issuer or the Trustee, (d) for the purpose of complying with the arbitrage requirements of the Code and/or with the provisions of the Tax Agreement, (e) to provide for changes in the components of the Project, to the extent permitted by this Indenture and the Loan Agreement, (f) to provide for the refunding, the advance refunding or the provision for payment of all or a portion of one or more series of the Bonds, or (g) in connection with any other change therein which, in the judgment of the Trustee, is not to the prejudice of the Trustee or the Owners of the Bonds. In addition, subject to the terms and provisions contained in Section 1003 hereof, the Trustee may grant such waivers of compliance by the Borrower with the provisions of the Loan Agreement as to the Trustee may seem necessary or desirable to effectuate the purposes of the intent of the Loan Agreement and which, in the opinion of the Trustee, do not have a material adverse effect upon the interests of the Bondholders; provided that the Trustee shall file an original of any and all such waivers that it grants with the Issuer within three Business Days thereof.

Section 1002. Amendments, Etc., to Loan Agreement Requiring Consent of Bondholders “Section 1002. Amendments, Etc., to Loan Agreement Requiring Consent of Bondholders” \ 2 . Except for the amendments, changes or modifications as provided in Section 1001 hereof, neither the Issuer nor the Trustee shall consent to any amendment, change or modification of the Loan Agreement, nor waive compliance by the Borrower with any provision of the Loan Agreement, without the written approval or consent of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding given and procured as in Section 902 provided.

Section 1003. No Amendment May Alter Notes “Section 1003. No Amendment May Alter Note” \ 2 . Under no circumstances shall any amendment to the Loan Agreement alter the payments of principal and premium, if any, and interest on the Notes, without the consent of the Owners of all the Bonds at the time Outstanding.

“ARTICLE XI MISCELLANEOUS” \ 1 **ARTICLE XI**

MISCELLANEOUS

Section 1101. Satisfaction and Discharge “Section 1101. Satisfaction and Discharge” \ 2 . (a) All rights and obligations of the Trustee, the Issuer and the Borrower under the Loan Agreement, the Notes and this Indenture shall terminate and such instruments shall cease to be of further effect, and the Trustee shall cancel the Notes and deliver it to the Borrower, shall execute and deliver all appropriate instruments evidencing and acknowledging the satisfaction of this Indenture, and shall assign and deliver to the Borrower any moneys and investments in all Funds established hereunder (except moneys or investments held by the Trustee in the Rebate Fund or for the payment of principal of, interest on, or premium, if any, on the Bonds) when:

- (i) all fees and expenses of the Trustee and any Paying Agent shall have been paid, or payment thereof shall be provided for, to the satisfaction of the Trustee or such Paying Agent, respectively;

(ii) the Issuer and the Borrower shall have performed all of their covenants and promises in the Loan Agreement, the Series 2021 Notes and this Indenture; and

(iii) all Bonds theretofore authenticated and delivered (a) have become due and payable, or (b) are to be called for redemption under arrangements reasonably satisfactory to the Trustee for the giving of notice of redemption by the Trustee at the expense of the Borrower, or (c) have been delivered to the Trustee cancelled or for cancellation; and, in the case of (a) and (b) above, there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or non-callable Government Obligations, the principal of and the interest on which, or the principal of which, when due, will provide moneys which shall be sufficient to pay when due the principal or redemption price, if applicable, and interest due and to become due on the Bonds on and prior to the redemption date or maturity date thereof, as the case may be, provided that no such deposit shall be made if in the Opinion of Bond Counsel the interest on the Bonds would become subject to inclusion in the federal gross income of the Owners as a result thereof.

(b) Any series of the Bonds or any portion thereof (but only in Authorized Denominations) may be deemed paid and no longer secured by this Indenture if there is deposited with the Trustee either moneys in an amount which shall be sufficient, or non-callable Government Obligations, the principal of and the interest on which, when due, or the principal of which, when due, will provide moneys which will be sufficient, to pay when due the principal or redemption price, if applicable, and interest due and to become due on such portion of the Bonds on and prior to the redemption date or maturity date thereof, as the case may be, provided that no such deposit shall be made if in the Opinion of Bond Counsel the interest on the Bonds would become subject to inclusion in the federal gross income of the Owners thereof as a result thereof.

(c) Any series of the Bonds or portions thereof the payment of which has been provided for in accordance with paragraph (a) or (b) of this Section 1101 shall no longer be deemed Outstanding hereunder or secured hereby. The obligation of the Issuer with respect to such Bonds shall nevertheless continue but the Owners thereof shall thereafter be entitled to payment only from the moneys or Government Obligations deposited with the Trustee to provide for the payment of such Bonds.

(d) In the event of a proposed defeasance of all or a portion of any series of the Bonds in the manner described in subparagraph (a)(iii) or (b) above, (i) the Issuer shall cause to be delivered to the Issuer and the Trustee a report of an independent firm of nationally recognized certified public accountants or verification experts addressed to the Issuer and the Trustee and in form and substance acceptable to the Issuer and the Trustee, verifying the sufficiency of the escrow established to pay such Bonds in full, (ii) the escrow agreement relating thereto shall provide that no substitution of a Government Obligation shall be permitted except with cash or one or more other Government Obligations and upon delivery of a new verification report from an independent firm of nationally recognized certified public accountants or verification experts verifying the sufficiency of the escrow to pay such Bonds in full after giving effect to such substitution, and (iii) the Issuer shall cause to be delivered an Opinion of Bond Counsel

addressed to the Issuer and the Trustee to the effect that such Bonds are no longer Outstanding under this Indenture.

(e) None of the Bonds Outstanding hereunder may be defeased as aforesaid nor may this Indenture be discharged if under any circumstances the interest on such defeased Bonds is thereby made subject to inclusion in the federal gross income of the Owners. In determining the foregoing, the Trustee may rely upon an Opinion of Bond Counsel (which opinion may be based upon a ruling or rulings of the Internal Revenue Service) to the effect that the interest on the Bonds being defeased will not be subject to inclusion in the federal gross income of the Owners, notwithstanding the satisfaction and discharge of this Indenture.

Section 1102. Application of Trust Money “Section 1102. Application of Trust Money” ¶ 2. All moneys and Government Obligations deposited with or held by the Trustee pursuant to Section 1101 hereof shall be held in trust for the Owners of the Bonds with respect to which such deposit was made, and applied by it, in accordance with the provisions of such Bonds and this Indenture, to the payment, either directly or through any Paying Agent, to the persons entitled thereto, of the principal (and premium, if any) and interest on such Bonds.

Section 1103. Consents, Etc., of Bondholders “Section 1103. Consents, Etc., of Bondholders” ¶ 2. Any consent, request, direction, approval, objection or other instrument required by this Indenture to be executed by the Bondholders may be in any number of concurrent writings of similar tenor and may be executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken under such request or other instrument, namely:

(a) The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by affidavit of any witness to such execution; and

(b) The ownership of Bonds shall be proved by the registration books kept pursuant to the provisions of Section 208 hereof.

For all purposes, of this Indenture and of the proceedings for the enforcement hereof, such person shall be deemed to continue to be the Owner of such Bond until the Trustee shall have received notice in writing to the contrary.

Section 1104. Limitation of Rights “Section 1104. Limitation of Rights” ¶ 2. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any person, other than the parties hereto, the Borrower and the Owners of the Bonds, any legal or equitable right, remedy or claim under or in respect to this Indenture or any covenants, conditions and

provisions herein contained, this Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto, the Borrower and the Owners of the Bonds.

Section 1105. Severability “Section 1105. Severability” \ 2 . If any provision of this Indenture shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses or Sections in this Indenture contained, shall not affect the remaining portions of this Indenture, or any part thereof.

Section 1106. Notices “Section 1106. Notices” \ 2 . Except as otherwise specifically provided herein, it shall be sufficient service of any notice, request, complaint, demand or other paper on any party if the same shall be delivered (a) in writing by electronic transmission (including, without limitation, electronic mail and facsimile), by first class mail, postage prepaid, by registered or certified mail, postage prepaid, or by overnight or next day courier, or (b) by telephone (promptly confirmed in writing; provided, however, that such telephone communication shall be between the two parties and shall not include a message left on a voicemail or other answering machine or device), and, in each case, such notice, request, complaint, demand or other paper shall be delivered to the following:

The Issuer:

City of Galesburg
55 W. Tompkins Street
Galesburg, Illinois 61402
Attention: _____
Telephone: (816) 886-5250
Facsimile: () [_____]]
Electronic Mail: _____

The Borrower:

Knox College
2 East South Street
Galesburg, Illinois 61401
Attn: Vice President for Finance and Administrative Services
Telephone: (309) 341-7213
Facsimile: () [_____]]
Electronic Mail: pweisenmenger@knox.edu

The Trustee:

Amalgamated Bank of Chicago
30 North LaSalle Street
Chicago, Illinois 60602
Attn: Corporate Trust Department
Telephone: (312)-822-3266
Facsimile: (312) 267-8704
Electronic Mail: cwalls@aboc.com

Any of the foregoing may, by notice given hereunder to each of the others, designate any further or different addresses to which subsequent notices, certificates, requests or other communication shall be sent hereunder. The Trustee agrees that it shall send or cause to be sent to the Issuer a duplicate copy of all certificates, notices and extraordinary correspondence sent by the Trustee to the Borrower.

Section 1107. Trustee as Paying Agent and Registrar “Section 1107. Trustee as Paying Agent and Registrar” \ 2 . The Trustee is hereby designated and agrees to act as principal Paying Agent and Bond Registrar for and in respect to the Bonds.

Section 1108. Counterparts “Section 1108. Counterparts” \ 2 . This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 1109. Applicable Law “Section 1109. Applicable Law” \ 2 . This Indenture shall be governed exclusively by the applicable laws of the State of Illinois.

Section 1110. Immunity of Officers and Directors “Section 1110. Immunity of Officers and Directors” \ 2 . No recourse shall be had for the payment of the principal of or premium or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in this Indenture against any past, present or future officer, member, agent, employee or director of the Issuer, or any incorporator, officer, member, agent, director, employee or trustee of any successor corporation, as such, either directly or through the Issuer or any successor corporation, under any rule of law or equity, statute or constitution, or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such incorporator, member, agent, employee, officer, director or trustee, as such, is hereby expressly waived and released as a condition of and consideration for the execution of this Indenture and the issuance of such Bonds.

Section 1111. Reimbursement of Authority. The Issuer shall be entitled to payment and reimbursement for reasonable fees for its services rendered hereunder and all advances, counsel fees and other expenses reasonably made or incurred by the Issuer in connection with such services and in connection with entering into this Indenture, including any such fees and expenses incurred in connection with action taken hereunder. The Issuer shall not be obligated to execute any documents or take any other action under or pursuant to this Indenture, the Loan Agreement, the Notes or any other document in connection with the Bonds unless and until

provision for the payment of expenses of the Issuer, including legal counsel fees, shall have been made. Provisions for expenses shall be deemed to have been made upon arrangements reasonably satisfactory to the Issuer for the provision of expenses being agreed upon by the Issuer and the party requesting such execution.

Section 1112. Holidays “Section 1112. Holidays” \1 2 . If any date for the payment of principal or interest on the Bonds, or the taking of any other action required or permitted to be taken hereunder, is not a Business Day then such payment shall be due or such action shall or may be taken, as the case may be, on the first Business Day thereafter, with the same force and effect as if done on the nominal date provided and no interest shall accrue for the period after such nominal date.

Section 1113. Unclaimed Moneys “Section 1113. Unclaimed Moneys” \1 2 . Any moneys deposited with the Trustee by the Issuer in order to redeem or pay the Bonds in accordance with the provisions of this Indenture, and remaining unclaimed by the Owners of any Bond for three years after the date fixed for redemption or of maturity, as the case may be, shall, if the Issuer is not at the time to the knowledge of the Trustee in default with respect to any of the terms and conditions of this Indenture or in the Bonds contained, and the Borrower is not at the time to the knowledge of the Trustee in default with respect to any of the terms and conditions of the Loan Agreement or the Notes, be repaid by the Trustee to the Borrower upon receipt of a Written Request therefor; and thereafter the Owners of the Bonds shall be entitled to look only to the Borrower for payment thereof. Prior to returning such moneys the Trustee shall be entitled to receive an appropriate agreement from the Borrower indemnifying and saving the Trustee harmless from any and all loss, costs, liability and expense suffered or incurred by the Trustee by reason of having returned such moneys.

Section 1114. Captions “Section 1114. Captions” \1 2 . The captions or headings in this Indenture are for convenience only and in no way define, limit or describe the scope and intent of any provisions or sections of this Indenture.

IN WITNESS WHEREOF, the CITY OF GALESBURG, KNOX COUNTY, ILLINOIS, has caused these presents to be signed in its name and on its behalf by its Mayor and attested by its City Clerk and to evidence its acceptance of the trusts hereby created, AMALGAMATED BANK OF CHICAGO has caused these presents to be signed in its name and on its behalf by one of its duly Authorized Officers, all as of the day and year first above written.

“Signatures” \1 4 CITY OF GALESBURG, KNOX
COUNTY, ILLINOIS

By _____
Mayor

[SEAL]

ATTEST:

City Clerk

AMALGAMATED BANK OF CHICAGO, as Trustee

By _____
Authorized Officer

EXHIBIT A

(Form of Series 2021 Bonds)

**UNITED STATES OF AMERICA
STATE OF ILLINOIS**

**CITY OF GALESBURG, KNOX COUNTY, ILLINOIS
[TAXABLE] REVENUE BOND, SERIES 2021 __
(KNOX COLLEGE PROJECT)**

No. R- __ \$ _____

MATURITY DATE: October 1, ____ CUSIP _____

INTEREST RATE _____% DATED DATE: December __, 2021

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

The CITY OF GALESBURG, KNOX COUNTY, ILLINOIS (the “Issuer”), a municipality and home rule unit of government, duly organized and validly existing under the Constitution and the laws of the State of Illinois, for value received, hereby promises to pay in lawful money of the United States of America to the Owner (as defined in the Indenture hereinafter mentioned) specified above, or registered assigns, the principal amount stated above on the maturity date stated above, unless this Series 2021 Bond shall be redeemable and shall have previously been called for redemption and payment of the redemption price made or provided for, but solely from the payments on the Series 2021 Note hereinafter referred to, pledged and assigned for the payment hereof pursuant to the Indenture hereinafter mentioned, from amounts payable under the Loan Agreement hereinafter mentioned and from certain funds and accounts pledged to the Trustee hereinafter referred to pursuant to or in accordance with said Indenture, and not otherwise, upon surrender hereof, and to pay interest on such principal amount in like money, but solely from said sources, from the dated date specified above at the rate of interest specified above, payable on each April 1 and October 1 (or if such date is not a Business Day (as defined in the Indenture hereinafter mentioned), then on the first Business Day thereafter), commencing [April 1, 2022], until payment of such principal amount, or provision therefor, shall have been made upon redemption, at maturity or otherwise and to pay interest on any overdue principal and premium, and, to the extent permitted by law, on any overdue interest, at the interest rate specified above.

This Series 2021 Bond and the issue of which it is a part do not and shall never constitute an indebtedness or obligation, general or moral, or a pledge of the faith and credit of the Issuer, the State of Illinois (the “State”) or any political subdivision thereof, within the purview of any constitutional or statutory limitation or provision, or a charge against the general credit or the

taxing powers, if any, of the Issuer, the State or any political subdivision thereof, and shall never give rise to any pecuniary liability of the Issuer, and neither the Issuer, the State nor any political subdivision thereof shall be liable for the payments of principal of and premium, if any, and interest on this Series 2021 Bond, and this Series 2021 Bond is payable from no other source, but is a special limited obligation of the Issuer, payable solely out of the Trust Estate (as defined in the Indenture) and receipts of the Issuer derived pursuant to the Series 2021 Note and the Loan Agreement (as such terms are hereinafter defined). No owner of this Series 2021 Bond shall have the right to compel any exercise of the taxing power, if any, of the Issuer, the State or any political subdivision thereof to pay this Series 2021 Bond or the interest or premium, if any, thereon.

The principal of and premium, if any, on the Series 2021 Bonds are payable at the designated corporate trust office of Amalgamated Bank of Chicago, as Trustee, in Chicago, Illinois, or at the designated corporate trust office of any successor trustee or additional paying agent appointed under the Indenture. Payment of interest hereon on any interest payment date shall be made to the Owner hereof as shown on the registration books of the Issuer and maintained by the Trustee at the close of business of the Trustee on the Record Date (as defined in the Indenture) for such interest payment date and shall be paid by (a) check or draft of the Trustee mailed on the applicable interest payment date to the Owner at such Owner's address as it appears on such registration books or at such other address as is furnished the Trustee in writing by such Owner, or (b) in the case of an interest payment to any Owner of \$1,000,000 or more in aggregate principal amount of Series 2021 Bonds as of the close of business of the Trustee on the Record Date for a particular interest payment date, by wire transfer to such Owner upon written request from such Owner, which written request shall contain the wire transfer address (which shall be in the continental United States of America) to which such Owner wishes to have such wire directed and which written request is received not less than 15 days prior to such interest payment date, except, in each case, that, if and to the extent that there shall be a default in the payment of the interest due on such interest payment date, such defaulted interest shall be paid to the Owners in whose name any such Series 2021 Bonds are registered at the close of business on the fifth Business Day immediately preceding the date of payment of such defaulted interest. Interest hereon shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

This Series 2021 Bond issued under the Indenture, designated City of Galesburg, Knox County, Illinois [Taxable] Revenue Bonds, Series 2021__ (Knox College Project) (the "Series 2021 Bonds") and limited to \$[00,000,000] in aggregate principal amount. The Series 2021 Bonds are being issued for the purpose of providing funds to Knox College, an Illinois not-for-profit corporation (the "Borrower"), that will be used to (a) finance, refinance or be reimbursed for all or a portion of the costs of the planning, design, acquisition, construction, renovation, improvement, expansion, completion and/or equipping of certain of its educational facilities within the jurisdiction of the Issuer as more fully described in *Exhibit A* to the Loan Agreement (the "Project"), (b) refund all of the outstanding principal amount of the City of Galesburg, Illinois Variable Rate Demand Revenue Bonds, Series 1996 (Knox College Project), currently outstanding in the aggregate principal amount of \$_____ (the "Series 1996 Bonds"), (c) refund all of the outstanding principal amount of the City of Galesburg, Illinois Variable Rate Demand Revenue Bonds, Series 1999 (Knox College Project), currently outstanding in the aggregate

principal amount of \$ _____ (the “Series 1999 Bonds”), (d) refinance certain taxable indebtedness incurred by the Borrower under a loan in the principal amount of \$ _____ from _____, \$ _____ of which is currently outstanding, (e) finance termination payments to PNC Bank, National Association pursuant to Interest Rate Swaps (as defined herein) entered into by the Borrower with respect to its Series 1996 Bonds and Series 1999 Bonds, and (f) pay certain costs relating to the issuance of the Series 2021 Bonds, all through the purchase by the Issuer of the Promissory Note, Series 2021__ (the “Series 2021 Note”) of the Borrower in the principal amount of \$[00,000,000], issued under and secured by the Loan Agreement dated as of December 1, 2021 (the “Loan Agreement”), between the Borrower and the Issuer.

The Series 2021 Bonds are all issued under and equally and ratably secured and entitled to the security of a Trust Indenture dated as of December 1, 2021 (hereinafter referred to as the “Indenture”), duly executed by and between the Issuer and Amalgamated Bank of Chicago, as trustee (the term “Trustee” where used herein referring to said Trustee or its successors in said trust), pursuant to which Indenture the Series 2021 Note is pledged and assigned and the Loan Agreement is assigned by the Issuer to the Trustee as security for the Series 2021 Bonds. Reference is made to the Indenture and to all indentures supplemental thereto for a description of the nature and extent of the security, the rights, duties and obligations of the Issuer and the Trustee, and the rights of the Owners of the Series 2021 Bonds, to all the provisions of which the Owner hereof by the acceptance of this Series 2021 Bond assents.

This Series 2021 Bond is transferable by the Owner hereof in person or by his attorney duly authorized in writing at the designated corporate trust office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture and upon surrender and cancellation of this Series 2021 Bond. Upon such transfer, a new registered Series 2021 Bond of the same maturity of an Authorized Denomination (as defined in the Indenture), for the same aggregate principal amount, will be issued to the transferee in exchange therefor.

The Issuer and the Trustee may deem and treat the Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and premium, if any, hereon and interest due hereon and for all other purposes.

The Series 2021 Bonds are issuable as registered Bonds without coupons in any Authorized Denomination.

The Series 2021 Bonds mature on October 1 of each of the years [_____] through [_____] . The Series 2021 Term Bonds maturing on (a) October 1, 20[_____] and bearing interest at the rate of [_____] % per annum and (b) October 1, 20[_____] and bearing interest at the rate of [_____] % per annum, are each subject to mandatory sinking fund redemption prior to maturity on October 1, 20[_____] , as provided in the Indenture, in each case, selected by lot in such manner as may be determined by the Trustee to be fair and equitable, at a redemption price of 100% of the principal amount of such Series 2021 Bonds being redeemed, plus accrued interest to the redemption date and without premium.

The Issuer shall receive a credit against its obligation to have moneys on deposit in the Bond Sinking Fund in an amount sufficient to pay the Series 2021 Bonds (at maturity or upon mandatory sinking fund redemption) on any date (a) to the extent that the Borrower delivers to the Trustee for cancellation on or prior to any such date one or more Series 2021 Bonds maturing or subject to mandatory sinking fund redemption on such date or (b) to the extent Series 2021 Bonds maturing or subject to mandatory sinking fund redemption on such date are redeemed pursuant to the following paragraph and, in the case of a Series 2021 Term Bond that is so cancelled by the Trustee or redeemed pursuant to the following paragraph, in such order of the mandatory sinking fund installments for such Series 2021 Term Bond as the Borrower shall designate or, if the Borrower does not so designate, in such order of mandatory sinking fund installments as may be determined by the Trustee to be fair and equitable.

Any of the Series 2021 Bonds maturing on or after [October 1, 20__] as may be Outstanding (as defined in the Indenture) are subject to redemption by the Issuer at the direction of the Borrower prior to maturity, out of moneys received by the Trustee pursuant to the Loan Agreement and deposited in the Optional Redemption Fund established under the Indenture, in whole or in part, and if in part, then in units of \$5,000 or any integral multiple thereof (with a minimum redemption of \$50,000) and by maturities or portions thereof (including mandatory sinking fund redemption installments) as the Borrower shall designate or, if no such designation is made, in the inverse order of their maturities (less than all of such Series 2021 Bonds of a single maturity to be selected by lot in such manner as may be determined by the Trustee to be fair and equitable), on any date occurring on or after [October 1, 20__] at the redemption prices equal to 100% (expressed as percentages of the principal amount of Series 2021 Bonds being redeemed) plus accrued interest to the redemption date.

In the event any of the Series 2021 Bonds are called for redemption as aforesaid, notice thereof identifying the Series 2021 Bonds, or portions thereof, to be redeemed will be given by the Trustee as Bond Registrar on behalf of the Issuer by mailing a copy of the redemption notice by first class mail, postage prepaid, at least 20 days and not more than 60 days prior to the date fixed for redemption to the Owner of each Series 2021 Bond to be redeemed at the address shown on the registration books; provided, however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of the redemption of Series 2021 Bonds for which notice was properly given; and provided further that, as long as DTC or its nominee is the Owner of the Series 2021 Bonds, the Trustee as Bond Registrar may give such notice of redemption by e-mail, facsimile transmission or other electronic delivery method so long as such delivery method is authorized under the Letter of Representations and receipt of such notice is confirmed by DTC. All Series 2021 Bonds so called for redemption will cease to bear interest on the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time and shall not be deemed to be Outstanding under the provisions of the Indenture.

Prior to the date that any notice of optional redemption (except any notice that refers to Bonds that are the subject of an advance refunding or a current refunding) is first mailed as aforesaid, as a condition precedent to the mailing of such notice, the Borrower shall deposit with the Trustee an amount of money sufficient to pay the redemption price of all the Series 2021 Bonds or portions of Series 2021 Bonds which are to be redeemed pursuant to such notice, or

such notice shall state that any redemption is conditional upon such funds being deposited with the Trustee on or prior to such redemption date and that failure to so deposit such funds shall not constitute an event of default under the Indenture. The Trustee shall immediately notify the applicable Owners of the Series 2021 Bonds of the failure to satisfy any such condition and of the resulting cancellation of any such redemption.

This Series 2021 Bond is payable solely from the payments to be made on the Series 2021 Note pledged and assigned for its payment in accordance with the Indenture and from other sources described heretofore.

The Owner of this Series 2021 Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Series 2021 Bonds issued under the Indenture and then Outstanding may become or may be declared due and payable before the stated maturity thereof together with interest accrued thereon. Modifications or alterations of the Indenture, or of any supplements thereto, may be made only to the extent and in the circumstances permitted by the Indenture.

No recourse shall be had for the payment of the principal of or premium, if any, or interest on any of the Series 2021 Bonds or for any claim based thereon or upon any obligation, covenant or agreement in the Indenture contained, against any past, present or future officer, member, agent, employee or director of the Issuer, or any incorporator, officer, member agent, director, employee or trustee of any successor corporation, under any rule of law or equity, statute or constitution, or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such incorporator, member, agent, employee, officer, director or trustee, as such, is hereby expressly waived and released as a condition of and consideration for the execution of the Indenture and the issuance of the Series 2021 Bonds.

If any date for the payment of principal or interest or premium, if any, on this Series 2021 Bond, or the taking of any other action required or permitted to be taken under the Indenture is not a Business Day, then such payment shall be due or such action shall or may be taken, as the case may be, on the first Business Day thereafter with the same force and effect as if done on the nominal date provided in this Series 2021 Bond.

It is hereby certified that all conditions, acts and things required to exist, happen and be performed under the Indenture precedent to and in the issuance of this Series 2021 Bond exist, have happened and have been performed, and that the issuance, authentication and delivery of this Series 2021 Bond have been duly authorized by an ordinance of the Issuer duly adopted.

This Series 2021 Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the certificate of authentication hereon shall have been duly executed by the Trustee.

IN WITNESS WHEREOF the CITY OF GALESBURG, KNOX COUNTY, ILLINOIS, has caused this Series 2021 Bond to be executed in its name and on its behalf by the manual or facsimile signature of its Mayor and its corporate seal to be hereunto affixed manually or by facsimile and attested to by the manual or facsimile signature of its City Clerk.

CITY OF GALESBURG, KNOX COUNTY, ILLINOIS

By _____
Mayor

[SEAL]

ATTEST:

City Clerk

(Form of Certificate of Authentication)

CERTIFICATE OF AUTHENTICATION

This Series 2021 Bond is one of the Series 2021 Bonds described in the within mentioned Indenture.

AMALGAMATED BANK OF CHICAGO, as Trustee

By _____
Authorized Officer

Date of Authentication: _____

(Form of Assignment)

ASSIGNMENT

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	—	as tenants in common	UNIF GIFT MIN ACT-
TEN ENT	—	as tenants by the entireties	_____ Custodian _____
JT TEN	—	as joint tenants with right of survivorship and not as tenants in common	(Cust) _____ (Minor) _____
			under Uniform Gifts to Minors Act of _____
			(State)

Additional abbreviations may also be used though not in the above list.

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

(Name and Address of Assignee)

the within Series 2021 Bond of the City of Galesburg, Knox County, Illinois and does hereby irrevocably constitute and appoint

_____ to transfer the said Series 2021 Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature Guaranteed: _____

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

EXHIBIT B

FORM OF PROJECT FUND DISBURSEMENT WRITTEN REQUEST

Amalgamated Bank of Chicago

[
]
[
]

Attention: Corporate Trust Department

This Project Fund Disbursement Written Request (the or this “Written Request”) is submitted pursuant to the provisions of Section 302(b) of that certain Trust Indenture dated as of December 1, 2021 (the “Indenture”), between the City of Galesburg, Knox County, Illinois (the “Issuer”), and Amalgamated Bank of Chicago, as trustee (the “Trustee”). Capitalized terms used herein, but not defined herein, have the meanings set forth in the Indenture, except where the context otherwise requires.

Knox College (the “Borrower”) hereby requests that on _____, _____, the Trustee pay from funds held in the Project Fund the amount specified in paragraph (d) below. In support of this Written Request, the Borrower states as follows:

- (a) This Written Request is requisition number _____ (_____);
- (b) The amount to be paid or reimbursed is \$_____;
- (c) The amount referred to in paragraph (b) above has been made or incurred by the Borrower for or in connection with the Project and constitutes costs of the Project;
- (d) Payment should be made from the Project Fund;
- (e) Such costs have been incurred by the Borrower and are currently due and payable or have been paid by the Borrower and are reimbursable under the Indenture;
- (f) Each item of such costs is a proper charge against the Project Fund and has not heretofore been paid or reimbursed from the Project Fund or from the proceeds of any other tax-exempt indebtedness;
- (g) Such costs are valid costs of the Project, and no part thereof was included in any other Written Requests previously filed with the Trustee under the provisions of the Indenture;
- (h) The withdrawal and use of the moneys on deposit in the Project Fund for the purpose intended, as described in this Written Request, will not cause any of the representations or certifications contained in the Project Certificate to be untrue or result in a violation of any covenant in the Project Certificate;

(i) No event of default has occurred and is continuing under the Loan Agreement; and

(j) Attached to this Written Request is a summary description of the projects, and the costs of those projects, for which payment or reimbursement is being requested [and, if requested by the Trustee at the direction of the Issuer, the name of the person, firm or corporation to whom each such payment is made and/or copies of invoices or bills of sale covering all or any of the projects for which payment is being requested in this Written Request issued by the manufacturers, suppliers or other sellers of such projects showing the Borrower as the owner or purchaser thereof and evidencing that the amount of the payment for such projects set forth in this Written Request does not exceed the purchase price thereof].

Dated: _____

KNOX COLLEGE

By _____
Its _____

EXHIBIT C

**FORM OF COST OF ISSUANCE FUND
DISBURSEMENT WRITTEN REQUEST**

Amalgamated Bank of Chicago

[_____]

[_____]

Attention: Corporate Trust Department

Re: City of Galesburg, Knox County, Illinois Revenue Bonds, Series 2021A (Knox College Project) and City of Galesburg, Knox County, Illinois Taxable Revenue Bonds, Series 2021B (Knox College Project) (the "Bonds")

Pursuant to the Trust Indenture dated as of December 1, 2021 (the "Indenture"), between the City of Galesburg, Knox County, Illinois, and Amalgamated Bank of Chicago, as trustee, Knox College requests that you pay from funds on deposit in the Cost of Issuance Fund established under the Indenture the following costs incurred in connection with the issuance and sale of the Bonds:

(List payee(s), brief description of service(s) (i.e., legal fees, accounting services, etc.) and amounts to be paid.)

_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
TOTAL:	\$ _____

The aforementioned amounts are justly due and owing, have not been the subject of another Written Request which has been paid and are proper costs and expenses of issuing the Bonds.

Dated: _____

KNOX COLLEGE

By: _____
Its: _____

EXHIBIT C

GILMORE & BELL, P.C.
DRAFT 2 – OCTOBER 22, 2021
FOR DISCUSSION PURPOSES ONLY

BOND PURCHASE AGREEMENT

Dated November __, 2021

CITY OF GALESBURG, KNOX COUNTY, ILLINOIS

**[\$*PRINCIPAL-A*]
REVENUE BONDS,
SERIES 2021A
(KNOX COLLEGE PROJECT)**

**[\$*PRINCIPAL-B*]
TAXABLE REVENUE BONDS,
SERIES 2021B
(KNOX COLLEGE PROJECT)**

City of Galesburg, Knox County, Illinois
Galesburg, Illinois

Knox College
Galesburg, Illinois

Ladies and Gentlemen:

The undersigned, Stifel, Nicolaus & Company, Incorporated (the “Representative”), acting not as fiduciary or agent for the Issuer or the Borrower (as such terms are defined below), but acting for and on behalf of itself and Siebert Williams Shank & Co., LLC (together with the Representative, the “Underwriters” and each an “Underwriter”), hereby offers to purchase, upon the terms and conditions hereinafter specified, (a) \$[*Principal-A*] aggregate principal amount of Revenue Bonds, Series 2021A (Knox College Project) (the “Series 2021A Bonds”) and (b) \$[*Principal-B*] aggregate principal amount of Taxable Revenue Bonds, Series 2021B (Knox College Project) (the “Series 2021B Bonds” and, together with the Series 2021A Bonds, the “Bonds”) to be issued by the City of Galesburg, Knox County, Illinois (the “Issuer”). The Bonds are described in Schedule I attached hereto, and otherwise have terms as more fully described in the Official Statement relating to the Bonds, dated November __, 2021 (the “Official Statement”). If and when accepted by all of you, this document shall constitute our Bond Purchase Agreement. This offer is made subject to acceptance by the Issuer and agreement of the Borrower at or prior to 5:00 p.m., Galesburg, Illinois, time on November __, 2021, and upon such acceptance this Bond Purchase Agreement shall be in full force and effect in accordance with its terms and shall be binding upon all of the Issuer, the Borrower, and the Underwriters. If not so accepted, this Bond Purchase Agreement will be subject to withdrawal by the Underwriters upon notice delivered by the Representative to the Issuer and the Borrower at any time prior to the acceptance hereof by the Issuer and the Borrower.

1. Background. The Bonds are being issued under the home rule powers of the Issuer and an authorizing ordinance adopted by the governing body of the Issuer (the “Bond Ordinance”). The Bonds are to be issued by the Issuer pursuant to, and will be secured as provided in the Trust Indenture (the “Indenture”) dated as of December 1, 2021, between the Issuer and Amalgamated Bank of Chicago, as trustee (the “Trustee”). The proceeds of the Series 2021A Bonds will be loaned by the Issuer to Knox College, an Illinois not-for-profit corporation (the “Borrower”), to (i) finance, refinance or reimburse all or a portion of the costs of the planning, design, acquisition, construction, renovation, improvement, expansion, completion and/or equipping of certain educational facilities located within the jurisdiction of the Issuer, (ii) refund all of the outstanding principal amount of the Issuer’s Variable Rate Demand Revenue

Bonds, Series 1996 (Knox College Project) (the “Series 1996 Bonds”), (iii) refund all of the outstanding principal amount of the Issuer’s Variable Rate Demand Revenue Bonds, Series 1999 (Knox College Project) (the “Series 1999 Bonds”), (iv) refinance certain taxable indebtedness incurred by the Borrower from PNC Bank, National Association, and (v) pay certain costs relating to the issuance of the Series 2021A Bonds. The proceeds of the Series 2021B Bonds will be loaned by the Issuer to the Borrower to (i) finance termination payments to PNC Bank, National Association pursuant to certain interest rate swaps entered into by the Borrower with respect to the Series 1996 Bonds and Series 1999 Bonds, and (ii) pay certain costs relating to the issuance of the Series 2021B Bonds. The Borrower will be obligated to make loan repayments at times and in amounts sufficient to repay the Bonds pursuant to a Loan Agreement (the “Loan Agreement”) dated as of December 1, 2021 between the Issuer and the Borrower, and the proceeds of the Bonds will be loaned by the Issuer to the Borrower for purposes described above, as further provided in the Loan Agreement and the Indenture.

The Bonds will be subject to such terms and provisions, including provisions with respect to the optional and mandatory redemption thereof, as are set forth in the Indenture.

2. The Issuer’s Representations, Covenants and Warranties. The Issuer makes the following covenants, warranties and representations:

(a) The Issuer is a municipality and home rule unit of government duly organized and validly existing under the Constitution and laws of the State of Illinois and is authorized, pursuant to its home rule powers, to issue the Bonds for the purposes described above and as otherwise set forth in the Official Statement.

(b) The Issuer has taken or will have taken prior to the Closing Date, all necessary action and has complied with all provisions of the Constitution and laws of the State of Illinois, required to make this Bond Purchase Agreement, the Loan Agreement, the Indenture and the Bonds the valid obligations they purport to be; and, when executed and delivered by the parties thereto, this Bond Purchase Agreement, the Loan Agreement, and the Indenture will constitute valid and binding agreements of the Issuer and be enforceable in accordance with their respective terms, except as enforceability may be subject to the exercise of judicial discretion in accordance with general equitable principles and to applicable bankruptcy, insolvency, reorganization, moratorium and other laws for the relief of debtors heretofore or hereafter enacted to the extent that the same may be constitutionally applied.

(c) When delivered to and paid for by the purchasers thereof in accordance with the terms of this Bond Purchase Agreement and the Indenture, the Bonds will constitute the valid and binding obligations of the Issuer enforceable in accordance with their terms, except as enforceability may be subject to the exercise of judicial discretion in accordance with general equitable principles and to applicable bankruptcy, insolvency, reorganization, moratorium and other laws for the relief of debtors heretofore or hereafter enacted to the extent that the same may be constitutionally applied, and will be entitled to the benefits of the Indenture.

(d) The Issuer has duly authorized by adoption of the Bond Ordinance all necessary action to be taken by it for the execution and delivery of the Loan Agreement, the Indenture, the Bonds and this Bond Purchase Agreement.

(e) Except as may be required under applicable securities laws of any jurisdiction, no consent, approval, authorization or other action by any governmental or regulatory authority having

jurisdiction over the Issuer that has not been obtained is or will be required for the issuance and sale of the Bonds.

(f) The execution and delivery by the Issuer of this Bond Purchase Agreement, the Loan Agreement, the Indenture and the Bonds, and compliance with the terms thereof and of the Bond Ordinance do not and will not conflict with, or result in a violation or breach of, or constitute a default under, any other agreement or instrument to which the Issuer is a party or by which it is bound, or any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over the Issuer or any of its activities or properties.

(g) Except as is specifically disclosed in the Official Statement, there is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency or body pending or, to the best knowledge of the Issuer, threatened against or affecting the Issuer, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated hereby and by the Bond Ordinance, or which, in any way, challenges the validity of the Bonds, the Bond Ordinance, the Loan Agreement, the Indenture or this Bond Purchase Agreement, or any agreement or instrument to which the Issuer is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby and by the Bond Ordinance.

3. The Borrower's Representations, Covenants and Warranties. The Borrower makes the following covenants, warranties and representations:

(a) The Borrower is an Illinois not-for-profit corporation validly formed under the laws of the State of Illinois, is duly authorized to conduct its business in the State of Illinois, with full power and authority to own its properties and conduct its operations as currently being conducted.

(b) The Borrower has full power and authority to execute and deliver the Loan Agreement, the Continuing Disclosure Agreement dated as of December 1, 2021 (the "Continuing Disclosure Agreement"), and this Bond Purchase Agreement (the Indenture, the Loan Agreement, the Continuing Disclosure Agreement, and this Bond Purchase Agreement are referred to herein collectively as the "Bond Documents") and to carry out the terms thereof. The Bond Documents, when executed and delivered by the respective parties thereto, will have been duly and validly authorized, executed and delivered by the Borrower, will be in full force and effect and will be valid and binding instruments of the Borrower, enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights.

(c) The consummation of the transactions herein contemplated and carrying out of the terms hereof will not result in violation of any provision of, or a default under, the articles of incorporation or bylaws of the Borrower or any indenture, mortgage, deed of trust, indebtedness, agreement, judgment, decree, order, statute, rule or regulation to which the Borrower is a party or by which it or its property is bound, other than violations or defaults which would not have a material and adverse effect on the operations or financial position of the Borrower or the ability of the Borrower to perform its obligations under the Loan Agreement or this Bond Purchase Agreement, or on the legality, validity or enforceability of the Loan Agreement or this Bond Purchase Agreement; provided, however, that the representations and warranties in this paragraph

shall not apply to the qualification of the Bonds under state securities or “Blue Sky” laws or the law of any jurisdiction outside the United States.

(d) No approval, authorization, consent or other order of any public board or body not obtained as of the date hereof (other than the registration under and compliance with the securities or “Blue Sky” laws of any state) is legally required for the transactions contemplated hereby.

(e) The Borrower is not in violation of any provision of, or in default under, its articles of incorporation or bylaws or any indenture, mortgage, deed of trust, indebtedness, agreement, instrument, judgment, decree, order, statute, rule or regulation to which it is a party or by which it or its property is bound, other than violations and defaults which would not have a material and adverse effect on the operations or financial position of the Borrower and which would have no material and adverse effect on the transactions contemplated hereby. There is no provision of any indenture, mortgage, deed of trust, indebtedness, agreement, instrument, judgment, decree, order, statute, rule or regulation that materially adversely affects the operations, properties, assets, liabilities or condition (financial or other) of the Borrower.

(f) There are no legal or governmental proceedings pending or, to the best of the Borrower’s knowledge, threatened or contemplated by governmental authorities or threatened by others, to which the Borrower is or may become a party or to which any property of the Borrower is or may become subject, other than ordinary routine litigation incident to the kind of business conducted by the Borrower which, if determined adversely to the Borrower, would not individually or in the aggregate have a material adverse effect on the operations or financial position of the Borrower.

(g) Neither the Preliminary Official Statement dated November ___, 2021 relating to the Bonds (the “Preliminary Official Statement”), the Official Statement, nor any amendment or supplement thereto, does or will contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading; provided, however, that the Borrower makes no representations, warranties or agreements as to information contained in the Preliminary Official Statement or Official Statement or any such amendment or supplement in reliance upon and in conformity with written information furnished by the Issuer or the Underwriters for use in the preparation thereof and the information under the headings “THE BONDS – Book Entry System,” “TAX EXEMPTION” and “UNDERWRITING”.

(h) Subsequent to the respective dates as of which the information referred to in paragraph (g) was given and prior to the Closing Date hereinafter mentioned, (1) there has not been and will not have been any material adverse change in the operations of the Borrower, or the financial position of the Borrower, (2) no loss or damage (whether or not insured) to the property of the Borrower, has been or will have been sustained which materially and adversely affects the Borrower, and (3) no legal or governmental proceedings affecting the transactions contemplated by this Bond Purchase Agreement have been or will have been instituted or threatened which are material and adverse.

(i) The information supplied or to be supplied by the Borrower that has been or is to be relied upon by bond counsel with respect to the tax-exempt status of interest on the Series 2021A Bonds is and shall be correct and complete.

(j) The Borrower is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), and is not a “private foundation” as defined in Section 509(a) of the Code. No action before any court or administrative body is pending or, to the knowledge of the Borrower, threatened whereby the status of the Borrower as such an organization is nor might be affected. The operation and use of the facilities financed or refinanced with proceeds of the Bonds, as contemplated in the Loan Agreement, will not constitute an “unrelated trade or business” as defined in Section 513(a) of the Code.

(k) The Borrower is a corporation organized and operated exclusively for charitable purposes and not for pecuniary profit, and no part of the net earnings of the Borrower inures to the benefit of any person, private stockholder or individual within the meaning of Section 3(a)(4) of the Securities Act of 1933, as amended (the “Securities Act”).

(l) The Continuing Disclosure Agreement will be the Borrower’s first continuing disclosure undertaking pursuant to Securities and Exchange Commission Rule 15c2-12 (“Rule 15c2-12”).

4. Purchase, Sale and Delivery of the Bonds. On the basis of the representations and warranties and subject to the terms and conditions set forth herein, we agree to purchase, and the Issuer agrees to sell to us, the total principal amount of the (a) Series 2021A Bonds at a purchase price of \$_____ (representing the original principal amount thereof, plus original issue premium of \$_____, and less an underwriting discount of \$_____) and (b) Series 2021B Bonds at a purchase price of \$_____ (representing the original principal amount thereof, plus original issue premium of \$_____, and less an underwriting discount of \$_____). Payment for the Bonds shall be made to the Issuer or its order in Federal Funds at the offices of the Trustee, no later than 11:00 a.m. prevailing time on December __, 2021, or at such later time or date as may be agreed upon by an appropriate officer of the Issuer and us against delivery of the Bonds to us. The date and time of such payment and delivery are herein called the “Closing Date”. The Bonds will be delivered in definitive (which may include typewritten) form, in the denominations and registered in the names requested by us before the Closing Date, and the Bonds shall be made available to us for inspection in the office of the Trustee prior to the Closing Date. Delivery of the definitive Bonds shall be made through the facilities of DTC’s book-entry-only system in New York, New York, or at such other location as may be designated by the Representative prior to the Closing. The Bonds will be delivered as fully-registered bonds, bearing CUSIP numbers, with a single bond for each maturity of each series of the Bonds (or, if so provided in Schedule I, for each separate interest rate within a maturity), and registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds. Unless otherwise requested by the Representative, the Bonds will be delivered under DTC’s FAST delivery system.

5. Official Statement.

(a) The Borrower agrees to deliver to the Underwriters, at such addresses as the Underwriters shall reasonably request as necessary to comply with Paragraph (b)(4) of Rule 15c2-12 and all applicable rules of the Municipal Securities Rulemaking Board. The Borrower agrees to deliver such Official Statements within seven business days after the execution hereof. In connection with the offering and sale of the Bonds, the Issuer and the Borrower authorize the use by the Underwriters of copies of the Official Statement, together with copies of Bond Ordinance, the Indenture, the Loan Agreement, and the other documents described therein. The Issuer and the Borrower hereby ratify and consent to the use by the Underwriters of the Preliminary Official Statement, in connection with the public offering of the Bonds, but the Issuer makes no

representation as to whether it has conducted any independent investigation of the statements and information contained in or incorporated by reference therein except as set forth herein. The Preliminary Official Statement was “deemed final” by the Issuer (but only with respect to the information under the headings “THE ISSUER” and “LITIGATION – The Issuer”) and the Borrower as of its date within the meaning of paragraph (b)(1) of Rule 15c2-12, except for the omission or preliminary nature of the following information: the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, mandatory sinking fund amounts, delivery dates, ratings and other terms of the Bonds depending on such matters. You each (i) further represent that your governing body has approved the content of the Preliminary Official Statement and the Official Statement, and (ii) confirm that you do not object to the distribution of the Official Statement in electronic form. The Representative agrees that it shall, until the final Official Statement is available, send or cause to be sent no later than the next business day, by first class mail or other equally prompt means, to any potential customer, on request, one or more copies of the Preliminary Official Statement, as most recently supplemented or amended. The Representative agrees from the time the final Official Statement becomes available, until the earlier of (i) ninety (90) days from the “end of the underwriting period” (as defined in Rule 15c2-12), or (ii) the time when the final Official Statement is available to any person from the Municipal Securities Rulemaking Board, but in no case less than twenty-five (25) days following the “end of the underwriting period”, the Representative shall send or cause to be sent no later than the next business day, by first class mail or other equally prompt means to any potential customer, on request, at least one copy of the final Official Statement.

(b) During the time from the date of this Bond Purchase Agreement to and including the date which is 90 days following the “end of the underwriting period”, (i) except to the extent required by clause (ii) hereof, the Issuer and the Borrower will not adopt any amendment of or supplement to the Official Statement to which, after having been furnished with a copy, the Representative shall object in writing or which shall be disapproved by Underwriters’ counsel and (ii) if any event or fact relating to or affecting the Issuer or the Borrower shall occur or be discovered as a result of which it is necessary, in the opinion of bond counsel or Underwriters’ counsel, to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances existing at the time it is delivered to a purchaser of the Bonds, the Borrower shall forthwith prepare and furnish to the Underwriters copies in a sufficient quantity to comply with Rule 15c2-12 and Municipal Securities Rulemaking Board Rules G-32 and G-36, of an amendment of or supplement to the Official Statement (in form and substance satisfactory to bond counsel and Underwriters’ counsel), which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances existing at the time the Official Statement is delivered to such purchaser, not misleading. The expense of preparing such amendment or supplement shall be paid by the Borrower. For the purposes of this Section 5, the Issuer and the Borrower shall furnish such information with respect to themselves as the Underwriters may from time to time request.

6. Conditions of Purchase Obligation of Underwriters. Our obligation to purchase and pay for the Bonds is subject to the following conditions:

(a) *Borrower’s Representation and Warranties.* The representations and warranties of the Borrower shall be true and correct as of the date hereof and the Closing Date.

(b) *Borrower's Obligations.* At the Closing Date, the Borrower shall have performed all of its obligations hereunder theretofore to have been performed.

(c) *Opinions.* At the Closing Date, there shall be delivered to us and dated as of the Closing Date:

i. one or more opinions of bond counsel, in form and substance satisfactory to us, covering the tax-exempt status of interest on the Bonds and related matters substantially in the form attached to the Official Statement as Appendix D, along with a supplemental opinion of bond counsel substantially in the form attached hereto as Exhibit B.

ii. an opinion of counsel to the Borrower, addressed to us, to the Issuer, and to the Trustee, substantially in the form attached hereto as Exhibit C.

iii. an opinion of our counsel, addressed to us in form and substance satisfactory to us.

iv. one or more opinions of counsel to the Issuer, addressed to us and to the Trustee, in form and substance satisfactory to us and to the Trustee.

In rendering the above opinions, counsel may rely upon customary certificates and other customary matters.

(d) *Basic Documents.* The Bond Documents, in substantially the forms existing on the date hereof, with such changes therein as may be mutually agreed upon by the parties thereto and us, and all instruments contemplated thereby, shall have been duly authorized, executed and delivered by the respective parties thereto and shall be in full force and effect on the Closing Date.

(e) *Authorizing Resolutions.* All proceedings and related matters in connection with the authorization, issue, sale and delivery of the Bonds shall have been satisfactory to bond counsel, and such counsel shall have been furnished with such papers and information as they may have reasonably requested to enable them to pass upon the matters referred to in this Section 6.

(f) *Closing Certificates.* The Borrower shall have furnished or caused to be furnished to us on the Closing Date a certificate satisfactory to us which shall include certifications as to the accuracy of all representations, warranties and covenants of the Borrower, contained herein as of the date hereof and as of the Closing Date and as to the performance by the Borrower of all of its obligations hereunder to be performed at or prior to the Closing Date. The Issuer shall have furnished or caused to be furnished to us on the Closing Date a certificate satisfactory to us which shall include certifications as to the accuracy of all representations, warranties and covenants of the Issuer, contained herein as of the date hereof and as of the Closing Date and as to the performance by the Issuer of all of its obligations hereunder to be performed at or prior to the Closing Date.

(g) *Ratings.* The Underwriters shall have received confirmation of the rating on the Bonds from S&P Global Ratings.

(h) *Blanket Letter of Representations.* The Underwriters shall have received a copy of the Blanket Letter of Representations to DTC of the Issuer.

(i) *Securities Exemption.* The offer and sale of the Bonds and underlying securities shall be exempt from registration under the Securities Act; and the Indenture shall be exempt from qualification under the Trust Indenture Act of 1939, as amended (the “Trust Indenture Act”).

(j) *Official Statement.* We shall have been provided with such quantities of the Official Statement at such time or times as shall be necessary for us to comply with any applicable provision of law or regulation, including Rule 15c2-12.

(k) *Articles of Incorporation, etc.* The Borrower shall have delivered to us a copy of its Articles of Incorporation certified by an officer of the Borrower, a Certificate of Good Standing for the Borrower issued by the Secretary of State for the State of Illinois and a copy of the Borrower’s Bylaws certified by an officer of the Borrower.

(l) *Arbitrage Certifications.* The Borrower shall have delivered its Tax Certificate and Agreement dated as of the Closing Date (the “Tax Certificate”), including an agreement of the Borrower therein to the effect that the Borrower shall not intentionally take or omit to take any action that, under existing law, may adversely affect the exclusion from gross income for federal income tax purposes, or the exemption from any applicable state tax, of the interest on the Series 2021A Bonds. The Issuer shall have executed and delivered a certificate dated the Closing Date setting forth the Issuer’s expectations, on the basis of facts, estimates and circumstances described therein (and in a certificate of the Borrower incorporated therein), as of the Closing Date, regarding the amount and use of the proceeds of the Bonds and otherwise satisfying the requirements of the regulations promulgated or proposed under the Code.

(m) *Public Approval.* The Issuer shall have furnished evidence satisfactory to bond counsel and Underwriters’ counsel of compliance with the public hearing and public official approval requirements of Section 147(f) of the Code.

(n) *Form 8038.* The Issuer shall have executed and delivered Internal Revenue Service Form 8038 (Information Return for Private Activity Bond Issues under Section 149(e)) dated the Closing Date.

(o) *Closing Certificate of the Trustee.* The Trustee shall deliver a closing certificate to the effect that it is empowered by all relevant laws and regulations and by its charter and by-laws to execute and deliver the Indenture.

(p) *Exempt Status.* The Borrower shall have provided to the Underwriters a determination letter from the Internal Revenue Service or other evidence satisfactory to the Underwriters that the Borrower is an organization exempt from tax under Section 501(c)(3) of the Code and is not a “private foundation” under Section 509(a) of the Code.

(q) *Other Actions and Documents.* There shall have been taken such other actions and there shall have been delivered such other documents, opinions, showings and certificates not listed above, as may be reasonably requested by the Underwriters, Underwriters’ counsel or bond counsel in order to effectuate the transactions herein contemplated, and the Underwriters shall have received executed counterparts of all documents, certificates and opinions referred to herein.

All such opinions, certificates, letters and documents will be in compliance with the provisions hereof only if they are in all material respects satisfactory to us, as to which we shall act reasonably.

If any condition of our obligation hereunder to be satisfied prior to the Closing Date is not so satisfied, this Bond Purchase Agreement may be terminated by us by notice in writing to the Borrower and the Issuer.

We may waive in writing compliance by the Borrower or the Issuer with any one or more of the foregoing conditions or extend the time for their performance.

7. Indemnification. The Borrower hereby agrees to indemnify and hold harmless the Issuer and the Underwriters, and their respective directors, officers, members, employees, agencies and representatives, as well as any person who controls the Issuer or the Underwriters, within the meaning of the Securities Act, the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or any applicable state securities law (singularly, the "Indemnified Party", and collectively, the "Indemnified Parties") from and against any and all losses, claims, damages and liabilities, joint or several, to which the Indemnified Parties may become subject under federal laws or regulations or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement made by Borrower of any material fact contained in the Official Statement or any amendment or supplement thereto (other than information under the caption "UNDERWRITING"), or arise out of or are based upon the omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading and will reimburse the Indemnified Parties in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the Borrower will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in any such document in reliance upon and in conformity with any information furnished in writing by the Issuer or Underwriters or information contained in the Official Statement under the heading "LITIGATION – The Issuer".

If any action or proceeding shall be brought or asserted against any Indemnified Party for which indemnity may be sought against the Borrower, such Indemnified Party shall promptly notify the Borrower in writing, and the Borrower shall assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Party (provided that such approval by the Underwriters shall not be unreasonably withheld), and the payment of all expenses. If any Indemnified Party is advised in a written opinion of counsel that there may be legal defenses available to an Indemnified Party which are adverse to or in conflict with those available to the Borrower or that the defense of such Indemnified Party should be handled by separate counsel, the Borrower shall not have the right to assume the defense of such Indemnified Party, but shall be responsible for the reasonable fees and expenses of counsel retained by such Indemnified Party in assuming its own defense, and provided also that, if the Borrower shall have failed to assume the defense of such action or to retain counsel reasonably satisfactory to the Underwriters within a reasonable time after notice of the commencement of such action, the reasonable fees and expenses of counsel retained by the Indemnified Party shall be paid by the Borrower. Notwithstanding the foregoing, any one or more of the Indemnified Parties shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless the employment of such counsel has been specifically authorized, in writing, by the Borrower or unless the provisions of the immediately preceding sentence are applicable. The Borrower shall not be liable for the costs of more than one counsel or for any settlement of any such action affected without its written consent, but if settled with the written consent of the Borrower or if there

be a final judgment for the plaintiff in any such action with or without consent, the Borrower agrees to indemnify and hold harmless the Indemnified Party from and against any loss, liability or expense by reason of such settlement or judgment.

8. Offering by Underwriters. We shall offer the Bonds for sale in transactions exempt from registration under the applicable securities laws in the states in which the Bonds will be reoffered, or in compliance with such registration requirements, as may be further set forth in the Official Statement. Concessions from the offering price may be allowed to selected dealers and special purchasers. The initial offering price and concessions set forth in the Official Statement may vary after the initial offering. The Bonds may be offered at prices other than the par value thereof. The Borrower hereby confirms and the Issuer hereby consents to the authority and use by the Underwriters of the Official Statement.

The Borrower represents, warrants, certifies, ratifies and confirms that the Official Statement, as of its date, was in final form, within the meaning of Rule 15c2-12.

9. State Registrations. The Issuer and the Borrower shall cooperate with the Underwriters in the qualification of the Bonds for offering and sale and the determination of their eligibility for investment under the laws of such jurisdictions, to the extent applicable, as the Underwriters may request; provided that the Issuer and the Borrower shall not be required to qualify as a foreign corporation in, or submit to the general jurisdiction of, any other state or to file any general or special consents to service of process under the laws of any jurisdiction.

10. Representations, Warranties and Agreements to Survive Delivery. The representations, warranties, indemnities, agreements and other statements of the Borrower and the Underwriters or their officers set forth in or made pursuant to this Bond Purchase Agreement will remain operative and in full force and effect and will survive delivery of and payment for the Bonds, provided, however, that representations made herein speak only as of the date hereof.

11. Payment of Costs and Expenses. All costs and expenses incident to the execution and performance of this Bond Purchase Agreement and to the sale and delivery of the Bonds to the Underwriters, including, but not limited to, the fees and expenses of the Issuer in connection with the issuance of the Bonds, the fees and expenses of counsel to the Borrower, the fees and expenses of bond counsel, the fees and expenses of counsel to the Underwriters, the fees and expenses of counsel to the Issuer, all costs and expenses with respect to the examination of, and registration of the Bonds under, the securities or "Blue Sky" laws of the various jurisdictions in which the Bonds are to be offered or sold, and the costs and expenses of preparing, printing and distributing the Preliminary Official Statement and the Official Statement, the Bonds, this Bond Purchase Agreement, the Indenture, the Loan Agreement, and related documents, shall be payable by the Borrower. Notwithstanding anything else contained in this Section 11 to the contrary, issuance costs (including underwriting discount) financed by the Series 2021A Bonds shall not exceed 2.00% of the proceeds of the Bonds.

12. Termination of Agreement. The Underwriters shall have the right to cancel their obligation to purchase the Bonds and to terminate this Bond Purchase Agreement by written notice to the Issuer if, between the date hereof to and including the Closing Date, in the Representative's sole and reasonable judgment any of the following events shall occur (each a "Termination Event"):

(a) the market price or marketability of the Bonds, or the ability of the Underwriters to enforce contracts for the sale of the Bonds shall be materially adversely affected by any of the following events:

- i. legislation shall have been enacted by the Congress of the United States of America or the legislature of the State or shall have been favorably reported out of committee of either body or be pending in committee of either body, or shall have been recommended to the Congress for passage by the President of the United States of America or a member of the President's Cabinet, or a decision shall have been rendered by a court of the United States of America or the State or the Tax Court of the United States of America, or a ruling, resolution, regulation or temporary regulation, release or announcement shall have been made or shall have been proposed to be made by the Treasury Department of the United States of America or the Internal Revenue Service, or other federal or state authority with appropriate jurisdiction, with respect to federal or state taxation upon interest received on obligations of the general character of the Series 2021A Bonds; or
 - ii. there shall have occurred (1) an outbreak or escalation of hostilities or the declaration by the United States of America of a national emergency or war or (2) any other calamity or crisis in the financial markets of the United States of America or elsewhere; or
 - iii. a general suspension of trading on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction; or
 - iv. legislation shall have been enacted by the Congress of the United States of America or shall have been favorably reported out of committee or be pending in committee, or shall have been recommended to the Congress for passage by the President of the United States of America or a member of the President's Cabinet, or a decision by a court of the United States of America shall be rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that any obligations of the general character of the Bonds or any comparable securities of the Issuer, are not exempt from the registration, qualification or other requirements of the Securities Act or the Trust Indenture Act or otherwise, or would be in violation of any provision of the federal securities laws; or
 - v. except as disclosed in or contemplated by the Official Statement, any material adverse change in the affairs of the Issuer or the Borrower shall have occurred; or
 - vi. any negative rating change on the Bonds or other obligations which are secured by a pledge or application of the Trust Estate on a parity with the Bonds; or
- (b) any event or circumstance shall exist that either makes untrue or incorrect in any material respect any statement or information in the Official Statement (other than any statement provided by the Underwriters) or is not reflected in the Official Statement but should be reflected therein in order to make the statements therein, in the light of the circumstances under which they were made, not misleading and, in either such event, the Issuer or the Borrower refuses to permit the Official Statement to be supplemented to supply such statement or information, or the effect of the Official Statement as so supplemented is to materially adversely affect the market price or marketability of the Bonds or the ability of the Underwriters to enforce contracts for the sale of the Bonds; or

- (c) a general banking moratorium shall have been declared by federal or State authorities having jurisdiction and be in force; or
- (d) a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred; or
- (e) any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a charge to the net capital requirements of, underwriters shall have been established by the New York Stock Exchange, the Securities and Exchange Commission, any other federal or State agency or the Congress of the United States of America, or by Executive Order; or
- (f) a decision by a court of the United States of America shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds, including the underlying obligations as contemplated by this Bond Purchase Agreement or by the Official Statement, or any document relating to the issuance, offering or sale of the Securities, is or would be in violation of any provision of the federal securities laws at the Closing Date, including the Securities Act, the Exchange Act and the Trust Indenture Act.

Upon the occurrence of a Termination Event and the termination of this Bond Purchase Agreement by the Underwriters, all obligations of the Issuer and the Underwriters under this Bond Purchase Agreement shall terminate, without further liability.

13. Notices and Governing Law. All communications hereunder shall be in writing and, except as otherwise provided, shall be delivered at, or mailed or telecopied to, the following addresses: if to the Representative, to Stifel, Nicolaus & Company, Incorporated, at One Financial Plaza, 501 North Broadway, St. Louis, Missouri 63102, Attention: Anne Noble, Managing Director, if to the Borrower addressed to Knox College, 2 East South Street, Galesburg, Illinois 61401-4999, Attention: Vice President for Finance and Administrative Services, and if to the Issuer, addressed to it at City of Galesburg, Knox County, Illinois, 55 W. Tompkins Street, Galesburg, Illinois 61402-1387, Attention: Mayor.

This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Illinois. Venue for any action under this Bond Purchase Agreement to which the Issuer is a party shall lie within the district courts of the State of Illinois, and the parties hereto consent to the jurisdiction and venue of any such court and hereby waive any argument that venue in such forums is not convenient.

14. Parties in Interest. This Bond Purchase Agreement shall be binding upon and shall inure to the benefit of the Underwriters, the Borrower and the Issuer, and, to the extent expressed, any person controlling the Issuer, the Underwriters, the Borrower and their respective executors, administrators, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Bond Purchase Agreement. The term "successors and assigns" shall not include any purchaser, as such purchaser, from the Underwriters of the Bonds.

15. Time. Time shall be of the essence of this Bond Purchase Agreement.

16. Counterparts; Electronic Transactions. This Bond Purchase Agreement may be executed in any number of counterparts. The transactions described herein may be conducted and this Bond Purchase Agreement and related documents may be signed, sent, received and stored electronically. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

17. Establishment of the Issue Price of the Series 2021A Bonds.

(a) The Representative, on behalf of the Underwriters, agrees to assist the Issuer in establishing the issue price of the Series 2021A Bonds and shall execute and deliver to the Issuer at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the Issuer and bond counsel, to accurately reflect, as applicable, the sales price or the initial offering price to the public of the Series 2021A Bonds.

(b) Except as set forth in Schedule A to Exhibit A attached hereto, the Issuer will treat the first price at which 10% of each maturity of the Series 2021A Bonds (the “10% test”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Bond Purchase Agreement, the Representative shall report to the Issuer the price or prices at which the Underwriters have sold to the public each maturity of Series 2021A Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Series 2021A Bonds, the Representative agrees to promptly report to the Issuer the prices at which Series 2021A Bonds of that maturity have been sold by the Underwriters to the public. Unless the hold-the-offering-price rule (described below) applies, that reporting obligation shall continue, whether or not the Closing has occurred, until the 10% test has been satisfied as to the Series 2021A Bonds of that maturity or until all Series 2021A Bonds of that maturity have been sold to the public.

(c) The Representative confirms that the Underwriters have offered the Series 2021A Bonds to the public on or before the date of this Bond Purchase Agreement at the offering price (the “initial offering price”), or at the corresponding yield, set forth in Schedule A to Exhibit A attached hereto, except as otherwise set forth therein. Schedule A also sets forth, as of the date of this Bond Purchase Agreement, the maturities, if any, of the Series 2021A Bonds for which the 10% test has not been satisfied and for which the Issuer and the Representative, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply, which will allow the Issuer to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Series 2021A Bonds, the Underwriters will neither offer nor sell unsold Series 2021A Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(i) the close of the fifth (5th) business day after the sale date; or

(ii) the date on which the Underwriters have sold at least 10% of that maturity of the Series 2021A Bonds to the public at a price that is no higher than the initial offering price to the public.

The Representative shall promptly advise the Issuer when the Underwriters have sold 10% of that maturity of the Series 2021A Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

(d) The Representative confirms that:

(i) any agreement among underwriters, any selling group agreement and each third party distribution agreement (to which the Representative is a party) relating to the initial sale of the Series 2021A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group and each broker dealer that is a party to such third party distribution agreement, as applicable:

(A) (1) to report the prices at which it sells to the public the unsold Series 2021A Bonds of each maturity allocated to it until either all Series 2021A Bonds of that maturity allocated to it have been sold or it is notified by the Representative that the 10% test has been satisfied as to the Series 2021A Bonds of that maturity and (2) to comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative and as set forth in the related pricing wires,

(B) to promptly notify the Representative of any sales of Series 2021A Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Series 2021A Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the Underwriters, dealer or broker dealer, the Representative shall assume that each order submitted by the Underwriters, dealer or broker dealer is a sale to the public.

(ii) any agreement among underwriters or any selling group agreement relating to the initial sale of the Series 2021A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Series 2021A Bonds to the public to require each broker dealer that is a party to such third party distribution agreement to (A) report the prices at which it sells to the public the unsold Series 2021A Bonds of each maturity allocated to it until either all Series 2021A Bonds of that maturity allocated to it have been sold or it is notified by the Representative or such Underwriter that the 10% test has been satisfied as to the Series 2021A Bonds of that maturity and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative or an Underwriter and as set forth in the related pricing wires.

The Issuer acknowledges that, in making the representations set forth in this Section, the Representative will rely on (i) the agreement of each Underwriter to comply with the requirements for establishing the issue price of the Series 2021A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2021A Bonds, as set forth in an agreement

among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Series 2021A Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Series 2021A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2021A Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Series 2021A Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing the issue price of the Series 2021A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2021A Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Issuer further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing the issue price of the Series 2021A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2021A Bonds, and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement.

(e) The Underwriters acknowledge that sales of any Series 2021A Bonds to any person that is a related party to the Underwriters shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “public” means any person other than an underwriter or a related party,

(ii) “underwriter” means (a) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2021A Bonds to the public and (b) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (a) to participate in the initial sale of the Series 2021A Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2021A Bonds to the public),

(iii) a purchaser of any of the Series 2021A Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date of execution of this Bond Purchase Agreement by all parties.

18. No Advisory or Fiduciary Role. Each of the Issuer and the Borrower acknowledges and agrees that: (i) the primary role of the Underwriter is to purchase securities for resale to investors in an arms-length commercial transaction among the Issuer, the Borrower and the Underwriters and that the

Underwriters have financial and other interests that differ from those of the Issuer and the Borrower, (ii) the Underwriters are not acting as municipal advisors, financial advisors or fiduciaries to the Issuer, the Borrower or any other person or entity and have not assumed any advisory or fiduciary responsibility to the Issuer or the Borrower with respect to the transaction contemplated hereby and the discussions, undertakings and proceedings leading thereto (irrespective of whether the Underwriters have provided other services or are currently providing other services to the Issuer on other matters), (iii) the only obligations the Underwriters have to the Issuer and the Borrower with respect to the transaction contemplated hereby expressly are set forth in this Bond Purchase Agreement, and (iv) each of the Issuer and the Borrower has consulted its own respective legal, accounting, tax, financial and other advisors, as applicable, to the extent either has deemed appropriate in connection with the transaction contemplated herein.

19. Rule 15c2-12 and Related Matters. Each of the parties hereto agrees to reasonably cooperate with each other in order to carry out and comply with certain requirements of Rule 15c2-12. The Underwriters have obtained and reviewed the Official Statement and, on the basis of such review, each Underwriter states that it has no reason to believe that the key representations contained therein are not truthful and complete (and in reaching such conclusion the Underwriters have relied upon (a) the accuracy and completeness of the financial, operating and other information of the Borrower included in the Official Statement (including the appendices thereto); (b) the accuracy and completeness of the discussion under the heading "TAX EXEMPTION" in the Official Statement; and (c) the accuracy of all the other information furnished by the Issuer or the Borrower).

20. Tax Exempt Bonds. The Issuer and the Borrower acknowledge the Issuer intends to issue the Series 2021A Bonds on a tax exempt basis and further acknowledges the Issuer's and the Borrower's continuing covenants and responsibilities regarding tax exemption that will be contained in the Bond Documents, including the Tax Certificate, the Closing Certificate of the Issuer and the Bond Ordinance. The Issuer acknowledges that the services provided by the Underwriters are not intended to be construed as legal or accounting advice with respect to the issuance of the Series 2021A Bonds.

To the extent that the Underwriter provided the Issuer and bond counsel with certain computations that show a bond yield, issue price, weighted average maturity and certain other information with respect to the Series 2021A Bonds, these computations are made using software licensed to the Underwriters by a third party vendor, DBC, and are provided for informational purposes only. The Underwriters express no view regarding the legal sufficiency of any such computations or the correctness of any legal interpretation made by bond counsel.

21. No Recourse for Tax Matters. No recourse shall be had against the Underwriters for loss, damage, liability, cost or expense (whether direct, indirect or consequential) of the Issuer or the Borrower arising out of or in defending, prosecuting, negotiating or responding to any inquiry, questionnaire, audit, suit, action, or other proceeding brought or received from the Internal Revenue Service in connection with the Series 2021A Bonds or otherwise relating to the tax treatment of interest on the Series 2021A Bonds except for a loss, damage, liability, cost or expense directly attributable to representations, actions or omissions made by the Underwriters recklessly or in bad faith.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

If the foregoing is in accordance with your understanding of our agreement, kindly sign and return to us the enclosed duplicate copies hereof, whereupon it will become a binding agreement among the Issuer, the Borrower and the Underwriters in accordance with its terms.

Very truly yours,

**STIFEL, NICOLAUS & COMPANY,
INCORPORATED**, as Representative

By: _____
Anne Noble, Managing Director

Accepted and agreed to at ____: ____ ____ .m. this ____ day of November, 2021.

**CITY OF GALESBURG, KNOX COUNTY,
ILLINOIS**

By: _____
Peter Schwartzman, Mayor

Accepted and agreed to at ____: ____ ____ .m. this ____ day of November, 2021.

KNOX COLLEGE

By: _____

Paul Eisenmenger
Vice President for Finance and
Administrative Services

SCHEDULE I

**[\$*Principal-A*]
CITY OF GALESBURG, KNOX COUNTY, ILLINOIS
REVENUE BONDS, SERIES 2021A
(KNOX COLLEGE PROJECT)**

**[\$*Principal-B*]
CITY OF GALESBURG, KNOX COUNTY, ILLINOIS
TAXABLE REVENUE BONDS, SERIES 2021B
(KNOX COLLEGE PROJECT)**

Optional Redemption. The Bonds are subject to redemption prior to maturity, at the option of the Borrower, on or after October 1, 20___, in whole or in part on any Business Day, as to any maturity or maturities selected by the Borrower at a redemption price of 100% of the principal amount of the outstanding Bonds to be prepaid, plus accrued interest on such Bonds to the redemption date.

**EXHIBIT A
TO
BOND PURCHASE AGREEMENT
FORM OF ISSUE PRICE CERTIFICATE**

**EXHIBIT B
TO
BOND PURCHASE AGREEMENT
FORM OF SUPPLEMENTAL BOND COUNSEL OPINION**

**EXHIBIT C
TO
BOND PURCHASE AGREEMENT
FORM OF BORROWER COUNSEL OPINION**

EXHIBIT D

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER __, 2021

**NEW ISSUE
BOOK-ENTRY ONLY**

**S&P RATING: “___”
See “RATING” herein**

In the opinion of Ice Miller LLP, Chicago, Illinois, Bond Counsel, under existing federal statutes, decisions, regulations and rulings, interest on the Series 2021A Bonds, as defined herein, is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and is not included as an item of tax preference in computing the alternative minimum tax. Such exclusion is conditioned upon continuing compliance by the Issuer and the College with the Tax Covenants, all as defined herein. See “TAX EXEMPTION” herein and Appendix D hereto. Interest on the Bonds is not exempt from State of Illinois income taxes.

CITY OF GALESBURG, KNOX COUNTY, ILLINOIS



\$37,230,000*
Revenue Bonds, Series 2021A
(Knox College Project)

\$4,815,000*
Taxable Revenue Bonds, Series 2021B
(Knox College Project)

Dated: Date of Delivery

Maturities: See inside cover page

The \$37,230,000* aggregate principal amount of Revenue Bonds, Series 2021A (Knox College Project) and \$4,815,000* aggregate principal amount of Taxable Revenue Bonds, Series 2021B (Knox College Project) (collectively, the “Bonds”) are being issued under the provisions of a Trust Indenture dated as of December 1, 2021 (the “Indenture”), between the City of Galesburg, Knox County, Illinois (the “Issuer”) and Amalgamated Bank of Chicago, as trustee (the “Trustee”). The proceeds of the Bonds will be loaned to Knox College, an Illinois not-for-profit corporation (the “College”), pursuant to a Loan Agreement dated as of December 1, 2021 (the “Loan Agreement”) between the Issuer and the College, to provide funds for the purposes described herein.

The Bonds are issuable in authorized denominations of \$5,000 or any integral multiple thereof. Interest on the Bonds is to be paid by the Trustee to the registered owners of the Bonds, on each April 1 and October 1, commencing April 1, 2022, at the rates set forth on the inside front cover. Principal of the Bonds is due on October 1 in the years and in the principal amounts set forth on the inside front cover.

The Bonds will be registered in the name of Cede & Co., as nominee for the Depository Trust Company, New York, New York (“DTC”). Purchases of beneficial interests in the Bonds will be made in book-entry form. DTC will act as securities depository for the Bonds. For further details, see “THE BONDS – Book Entry Only System” herein.

The Bonds are subject to optional and mandatory redemption prior to maturity, as described herein. See “THE BONDS – Redemption Prior to Maturity” herein.

THE BONDS ARE SUBJECT TO CERTAIN RISKS. SEE “BONDHOLDERS’ RISKS” HEREIN.

THE BONDS REPRESENT LIMITED OBLIGATIONS OF THE ISSUER. THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS SHALL BE PAYABLE SOLELY FROM THE REVENUES DERIVED FROM THE SERIES 2021 NOTES AND THE LOAN AGREEMENT AND ARE NOT OTHERWISE AN OBLIGATION OF THE ISSUER. THE BONDS AND THE INTEREST THEREON SHALL NEVER CONSTITUTE AN INDEBTEDNESS OF THE ISSUER OR THE STATE OF ILLINOIS WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION, AND SHALL NOT CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER OR THE STATE OF ILLINOIS OR A CHARGE AGAINST THE GENERAL CREDIT OF THE ISSUER OR THE STATE OF ILLINOIS OR THE TAXING POWERS OF THE ISSUER OR THE STATE OF ILLINOIS.

The Bonds are offered when, as and if issued and received by the Underwriters, subject to prior sale, withdrawal or modification of the offer without notice, and the approval as to legality by Ice Miller LLP, Chicago, Illinois, Bond Counsel. Certain legal matters will be passed upon for the Issuer by Katten Muchin Rosenman LLP, Chicago, Illinois, for the College by Schiff Hardin LLP, Chicago, Illinois, and for the Underwriters by Gilmore & Bell, P.C., Edwardsville, Illinois. Longhouse Capital Advisors, LLC, Chicago, Illinois, serves as Municipal Advisor to the College. It is anticipated that delivery of the Bonds in book entry form will be made through the facilities of DTC in New York, New York on or about December __, 2021.

STIFEL

SIEBERT WILLIAMS SHANK & CO., LLC

The date of this Official Statement is November __, 2021.

* Preliminary; subject to change

CITY OF GALESBURG, KNOX COUNTY, ILLINOIS

MATURITY SCHEDULE*

\$37,230,000*

**Revenue Bonds, Series 2021A
(Knox College Project)**

\$4,125,000* Serial Bonds

<u>Maturity (October 1)*</u>	<u>Principal*</u>	<u>Interest</u>	<u>Price</u>	<u>CUSIP**</u>
2025	\$505,000	%	%	
2026	530,000			
2027	560,000			
2028	585,000			
2029	615,000			
2030	650,000			
2031	680,000			
\$3,865,000*	. ___% Term Bonds due October 1, 2036*, Price ___ . ___%		CUSIP _____	**
\$4,720,000*	. ___% Term Bonds due October 1, 2041*, Price ___ . ___%		CUSIP _____	**
\$24,520,000*	. ___% Term Bonds due October 1, 2046*, Price ___ . ___%		CUSIP _____	**

\$4,815,000*

**Taxable Revenue Bonds, Series 2021B
(Knox College Project)**

Serial Bonds

<u>Maturity (October 1)*</u>	<u>Principal*</u>	<u>Interest</u>	<u>Price</u>	<u>CUSIP**</u>
2022	\$ 400,000	%	%	
2023	410,000			
2024	4,005,000			

* Preliminary; subject to change

** CUSIP numbers shown above have been assigned by a separate organization not affiliated with the Issuer or the Underwriters. Neither the Issuer nor the Underwriters has selected nor is responsible for selecting the CUSIP numbers assigned to the Bonds nor do they make any representation as to the correctness of such CUSIP numbers on the Bonds or as indicated above.

REGARDING USE OF THIS OFFICIAL STATEMENT

NO DEALER, BROKER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORIZED BY THE ISSUER, THE COLLEGE OR THE UNDERWRITERS TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS OFFICIAL STATEMENT, AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY ANY OF THE FOREGOING. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY OF THE SECURITIES OFFERED HEREBY BY ANY PERSON IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. THE INFORMATION SET FORTH HEREIN HAS BEEN OBTAINED FROM THE COLLEGE, DTC AND FROM OTHER SOURCES WHICH ARE BELIEVED TO BE RELIABLE BUT IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS BY, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION BY, THE UNDERWRITERS OR THE ISSUER. THE INFORMATION AND EXPRESSIONS OF OPINION CONTAINED HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE OF THE BONDS MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE ISSUER, DTC OR THE COLLEGE SINCE THE DATE HEREOF.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COLLEGE AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS.

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS OFFICIAL STATEMENT CONSTITUTE "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE UNITED STATES SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AND THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE TERMINOLOGY USED SUCH AS "PLAN," "EXPECT," "ESTIMATE," "ANTICIPATE," "PROJECTED," "BUDGET," "MAY," "BELIEVE," "WILL" OR OTHER SIMILAR WORDS OF SIMILAR IMPORT.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. NEITHER THE COLLEGE NOR ANY OTHER PARTY PLANS TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN THEIR EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES UPON WHICH SUCH STATEMENTS ARE BASED, OCCUR.

THE INFORMATION CONTAINED HEREIN UNDER THE HEADINGS "THE ISSUER" AND "LITIGATION – THE ISSUER" HAS BEEN FURNISHED BY THE ISSUER. ALL OTHER INFORMATION CONTAINED HEREIN HAS BEEN OBTAINED FROM THE COLLEGE. THE ISSUER HAS NOT OTHERWISE PARTICIPATED IN THE PREPARATION OF THIS OFFICIAL STATEMENT AND HAS NOT OTHERWISE VERIFIED THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN OTHER THAN THE INFORMATION CONTAINED IN THE AFOREMENTIONED SECTIONS. NO REPRESENTATION, WARRANTY OR GUARANTEE IS MADE BY THE UNDERWRITERS AS TO THE ACCURACY OR COMPLETENESS OF ANY INFORMATION IN THIS OFFICIAL STATEMENT, AND NOTHING CONTAINED IN THIS OFFICIAL STATEMENT IS OR SHALL BE RELIED UPON AS A PROMISE OR REPRESENTATION BY THE UNDERWRITERS.

THE INFORMATION AVAILABLE AT WEBSITES REFERENCED IN THIS OFFICIAL STATEMENT HAS NOT BEEN REVIEWED FOR ACCURACY AND COMPLETENESS. SUCH INFORMATION HAS NOT BEEN PROVIDED IN CONNECTION WITH THE OFFERING OF THE BONDS AND IS NOT A PART OF THIS OFFICIAL STATEMENT.

TABLE OF CONTENTS

INTRODUCTION	1		
Authorization.....	1	Certain Risks relating to Direct Purchase Bonds, Other Lender Debt and Swaps.....	18
Source of Payment.....	1	Certain Matters Relating to Enforceability of Security Interest in Gross Revenues.....	19
Redemption of the Bonds	2	Enforceability of Remedies and Bankruptcy Proceedings	19
Risks of Investment.....	2	Acceleration of Maturity	20
Additional Indebtedness	2	Lack of Secondary Market	20
Definitions and Summaries of Legal Documents	2	Limitation or Delay of Remedies	20
THE ISSUER	3	Bond Rating.....	21
Organization and Powers.....	3	Amendment of the Indenture and the Loan Agreement	21
No Recourse to the Issuer.....	3	Additional Indebtedness	21
THE COLLEGE	3	Forward-Looking Statements	21
THE FINANCING	3	TAX EXEMPTION	21
General	3	Opinion of Bond Counsel.....	21
2021 Project.....	3	Amortizable Bond Premium.....	22
Refunding of the Refunded Bonds	4	Original Issue Discount.....	22
Refinancing of Taxable Debt.....	4	LITIGATION	23
Swap Termination Payments	4	The Issuer	23
ESTIMATED SOURCES AND USES OF FUNDS	4	The College	23
THE BONDS	4	CERTAIN LEGAL MATTERS	23
Description of the Bonds	4	MUNICIPAL ADVISOR	23
Book-Entry Only System	5	RELATIONSHIPS AMONG THE PARTIES	24
Redemption Prior to Maturity.....	7	UNDERWRITING	24
Additional Indebtedness	9	CONTINUING DISCLOSURE REQUIREMENTS	24
SECURITY FOR THE BONDS	9	RATING	25
Special, Limited Obligations	9	FINANCIAL STATEMENTS	25
The Indenture	10	APPENDIX A – CERTAIN INFORMATION REGARDING KNOX COLLEGE	
The Loan Agreement.....	10	APPENDIX B – AUDITED FINANCIAL STATEMENTS	
Unconditional Obligation of College; Security Interest in Gross Revenues; No Mortgage.....	10	APPENDIX C – SUMMARIES OF CERTAIN PRINCIPAL DOCUMENTS	
Maintenance of Tuition	11	APPENDIX D – FORM OF BOND COUNSEL OPINION	
ESTIMATED DEBT SERVICE PAYMENTS	12	APPENDIX E – FORM OF CONTINUING DISCLOSURE AGREEMENT	
BONDHOLDERS’ RISKS	13		
General	13		
Unconditional Obligation of College; No Mortgage; Security Interests of Other Indebtedness	13		
Exemption from Ad Valorem Property Taxes.....	14		
COVID-19 Pandemic	14		
Factors Affecting the Financial Performance of the College.....	14		
Cybersecurity Risks.....	16		
Tax-Exempt Status of the College.....	17		
Damage or Destruction to College’s Facilities; Natural Disasters and Climate Change.....	18		
Pensions and Other Postemployment Benefit.....	18		

OFFICIAL STATEMENT

CITY OF GALESBURG, KNOX COUNTY, ILLINOIS

\$37,230,000*
Revenue Bonds, Series 2021A
(Knox College Project)

\$4,815,000*
Taxable Revenue Bonds, Series 2021B
(Knox College Project)

INTRODUCTION

This Official Statement, which includes the cover page and appendices attached hereto, sets forth certain information relating to the issuance and sale by the City of Galesburg, Knox County, Illinois (the “Issuer”) of its \$37,230,000* aggregate principal amount of Revenue Bonds, Series 2021A (Knox College Project) (the “Series 2021A Bonds”) and \$4,815,000* aggregate principal amount of Taxable Revenue Bonds, Series 2021B (Knox College Project) (the “Series 2021B Bonds” and, together with the Series 2021A Bonds, the “Bonds”). The proceeds of the Bonds will be loaned to Knox College, an Illinois not-for-profit corporation (the “College”), pursuant to the provisions of a Loan Agreement dated as of December 1, 2021 (the “Loan Agreement”), between the Issuer and the College. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Indenture (as defined below) or the Loan Agreement, some of which are set forth in APPENDIX C – “SUMMARIES OF CERTAIN PRINCIPAL DOCUMENTS,” attached hereto.

As more specifically described under “THE FINANCING” herein, the Bonds are being issued for the purpose of providing funds to (i) finance, refinance or reimburse all or a portion of the costs of the planning, design, acquisition, construction, renovation, improvement, expansion, completion and/or equipping of certain educational facilities located within the jurisdiction of the Issuer (the “2021 Project”) (ii) currently refund all of the outstanding principal amount of the Issuer’s Variable Rate Demand Revenue Bonds, Series 1996 (Knox College Project), currently outstanding in the aggregate principal amount of \$_____ (the “Series 1996 Bonds”), (iii) currently refund all of the outstanding principal amount of the Issuer’s Variable Rate Demand Revenue Bonds, Series 1999 (Knox College Project), currently outstanding in the aggregate principal amount of \$_____ (the “Series 1999 Bonds” and, together with the Series 1996 Bonds, the “Refunded Bonds”), (iv) refinance certain taxable indebtedness incurred by the College under a loan from PNC Bank, National Association, \$_____ of which is currently outstanding (the “Taxable Debt”), (v) finance termination payments to PNC Bank, National Association pursuant to certain interest rate swaps entered into by the College with respect to the Series 1996 Bonds and Series 1999 Bonds (the “Swap Termination Payments”), and (vi) pay certain costs relating to the issuance of the Bonds. See “THE FINANCING” and “ESTIMATED SOURCES AND USES OF FUNDS” herein.

Authorization

The Bonds are being issued under the home rule powers of the Issuer and an authorizing ordinance adopted by the Issuer (the “Bond Ordinance”). The Bonds will be issued pursuant to and secured by a Trust Indenture dated as of December 1, 2021 (the “Indenture”), between the Issuer and Amalgamated Bank of Chicago, as trustee (the “Trustee”).

Source of Payment

The Bonds offered hereby are special, limited obligations of the Issuer, payable from payments to be made by the College under promissory notes issued by the College to the Issuer (the “Series 2021 Notes”) and the Loan Agreement and pledged under the Indenture, and from certain other funds held by the Trustee under the Indenture. Under the Loan Agreement the College is obligated to make payments which are designed to be

* Preliminary; subject to change

sufficient, in the aggregate, together with other funds available for such purpose, to pay when due the principal of and interest on, the Bonds.

THE BONDS ARE ISSUED PURSUANT TO AND IN FULL COMPLIANCE WITH THE CONSTITUTION AND LAWS OF THE STATE OF ILLINOIS AND PURSUANT TO A BOND ORDINANCE DULY ADOPTED BY THE ISSUER WHICH ALSO AUTHORIZES THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT AND THE INDENTURE. THE BONDS REPRESENT LIMITED OBLIGATIONS OF THE ISSUER. THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS SHALL BE PAYABLE SOLELY FROM THE REVENUES DERIVED FROM THE SERIES 2021 NOTES AND THE LOAN AGREEMENT AND ARE NOT OTHERWISE AN OBLIGATION OF THE ISSUER. THE BONDS AND THE INTEREST THEREON SHALL NEVER CONSTITUTE AN INDEBTEDNESS OF THE ISSUER OR THE STATE OF ILLINOIS WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION, AND SHALL NOT CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF ISSUER OR THE STATE OF ILLINOIS OR A CHARGE AGAINST THE GENERAL CREDIT OF THE ISSUER OR THE STATE OF ILLINOIS OR THE TAXING POWERS OF THE ISSUER OR THE STATE OF ILLINOIS.

The College has an unconditional obligation to pay debt service on the Bonds and will pledge and grant a security interest in its Gross Revenues (defined herein) as security for the Bonds. The Bonds will be secured on a parity basis with a line of credit provide by PNC Bank, National Association in the maximum principal amount of \$5,000,000 (the “Line of Credit”).

Redemption of the Bonds

The Bonds are subject to optional and mandatory redemption as described in “THE BONDS – Redemption Prior to Maturity” and APPENDIX C – “SUMMARIES OF CERTAIN PRINCIPAL DOCUMENTS.”

Risks of Investment

Payment of the principal of and interest on the Bonds is dependent upon revenues to be derived from the operations of the College. CERTAIN RISKS ASSOCIATED WITH AN INVESTMENT IN THE BONDS ARE DISCUSSED UNDER “BONDHOLDERS’ RISKS” HEREIN.

Additional Indebtedness

The College may incur additional indebtedness under the circumstances described in the Loan Agreement, and such additional indebtedness may be secured on a parity basis with the Bonds if conditions set forth in the Loan Agreement are satisfied. See “BONDHOLDERS’ RISKS – Additional Indebtedness,” “BONDHOLDERS’ RISKS – Unconditional Obligation of College; No Mortgage; Security Interests of Other Indebtedness” herein and “APPENDIX A – RESULTS OF OPERATIONS – Outstanding Long-Term Indebtedness” in this Official Statement. See “SUMMARIES OF CERTAIN PRINCIPAL DOCUMENTS – Additional Indebtedness” in APPENDIX C attached hereto.

Definitions and Summaries of Legal Documents

Definitions of certain words and terms used in this Official Statement are set forth in the Indenture and the Loan Agreement. Summaries of the Indenture and the Loan Agreement are included in this Official Statement as APPENDIX C. Such summaries do not purport to be comprehensive or definitive. All references herein to the specified documents are qualified in their entirety by reference to the definitive forms of such documents, copies of which may be obtained from Stifel, Nicolaus & Company, Incorporated at 501 North Broadway, St. Louis, Missouri 63102.

THE ISSUER

Organization and Powers

The Issuer is a municipality and home rule unit of government, duly organized and validly existing under the Constitution and the laws of the State. The Issuer is authorized under its home rule powers and the Bond Ordinance to issue the Bonds under the Indenture and to loan the proceeds thereof to the College to finance and refinance the costs of projects and to refund revenue bonds previously issued for such purposes, as described herein.

No Recourse to the Issuer

The Bonds and the interest thereon are special, limited obligations of the Issuer payable solely out of loan payments derived by the Issuer under the Loan Agreement and the Series 2021 Notes and are secured by a pledge and assignment of the loan payments and other funds as provided in the Indenture. The Bonds shall not constitute a debt or liability of the Issuer, the State or any political subdivision thereof or a loan of credit extended to or a charge against the general credit or taxing power of any of them, within the meaning of any constitutional or statutory provision, and shall not constitute a pledge of the full faith and credit of the Issuer, the State or of any political subdivision thereof, but shall be payable solely from the funds provided for in the Loan Agreement and the Indenture. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the Issuer, the State or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment. The Issuer shall not in any event be liable for the payment of the principal of, premium, if any, or interest on the Bonds. No owner of the Bonds shall have the right to compel any exercise of the taxing power of the Issuer, the State of Illinois, or any political subdivision thereof to pay the principal of, premium, if any, or interest on the Bonds.

EXCEPT FOR INFORMATION CONCERNING THE ISSUER IN THE SECTIONS HEREOF CAPTIONED “THE ISSUER” AND “LITIGATION - THE ISSUER,” NONE OF THE INFORMATION IN THIS OFFICIAL STATEMENT HAS BEEN SUPPLIED OR VERIFIED BY THE ISSUER, AND THE ISSUER MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

THE COLLEGE

The College was founded in 1837 and has operated continuously since its founding. The College is a four-year, national liberal arts college located in the heart of the Midwest, dedicated to the pursuit of academic excellence and social engagement. The College is an Illinois not-for-profit corporation and a tax-exempt organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). The College offers 60 courses of study and is located in Galesburg, Illinois. See “APPENDIX A – CERTAIN INFORMATION REGARDING KNOX COLLEGE” attached hereto for more information regarding the College.

THE FINANCING

General

The Bonds are being issued for the purpose of providing funds to (i) finance, refinance or reimburse all or a portion of the costs of the 2021 Project, (ii) refund the Series 1996 Bonds, (iii) refund the Series 1999 Bonds, (iv) refinance the Taxable Debt, (v) finance the Swap Termination Payments, and (vi) pay certain costs relating to the issuance of the Bonds.

2021 Project

The projects to be financed with a portion of the proceeds of the Series 2021A Bonds will consist of approximately \$5 million of miscellaneous capital improvements, including (i) updated laboratory facilities in

the Umbeck Science and Math Center, (ii) structural upgrades to the library, and (iii) renovations of student residential spaces.

Refunding of the Refunded Bonds

The College will use a portion of the proceeds of the Series 2021A Bonds to redeem all Refunded Bonds in the outstanding principal amount of \$_____, on or about _____, 2021 at a redemption price equal to 100% of the principal amount of the Refunded Bonds plus accrued and unpaid interest thereon to the redemption date.

Refinancing of Taxable Debt

The College will use a portion of the proceeds of the Series 2021A Bonds to refinance the Taxable Debt in the outstanding principal amount of \$_____ on or about _____, 2021. Proceeds of the Taxable Debt were used to finance renovations to the College’s Umbrick Science and Mathematics Center over the past two years.

Swap Termination Payments

The College will use a portion of the proceeds of the Series 2021B Bonds to pay certain terminations fees associated with interest rate swaps entered into by the College with respect to the Series 1996 Bonds and Series 1999 Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated proceeds of the Bonds are expected to be applied as follows:

Sources:	Series 2021A Bonds	Series 2021B Bonds	Total
Principal Amount	\$ _____	\$ _____	\$ _____
Net Premium/(Discount)	_____	_____	_____
Total Sources	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>
Uses:			
Refund the Refunded Bonds	\$ _____	\$ _____	\$ _____
2021 Project			
Refinance Taxable Debt			
Swap Termination Payments			
Costs of Issuance			
Total Uses	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>

THE BONDS

Description of the Bonds

The Bonds are issuable only as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. Interest on the Bonds is to be computed based on a year of 360 days consisting of twelve 30-day months. The Record Date for the Bonds shall be the fifteenth day (whether or not a Business Day) of the calendar month next preceding the month in which an interest payment on the Bonds is due. The Bonds will initially be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), who shall act as securities depository for the Bonds. So long as DTC or Cede & Co. is the registered owner of the Bonds, payments of principal, redemption price, purchase price and interest with respect to the Bonds are to be made directly to DTC by the Trustee, or its successors, as Trustee. Disbursements of such payments to DTC Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of DTC Participants as more fully described herein.

Interest on the Bonds is payable on each April 1 and October 1, commencing April 1, 2022.

THE BONDS ARE ISSUED PURSUANT TO AND IN FULL COMPLIANCE WITH THE CONSTITUTION AND LAWS OF THE STATE OF ILLINOIS AND PURSUANT TO A BOND ORDINANCE DULY ADOPTED BY THE ISSUER WHICH ALSO AUTHORIZES THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT AND THE INDENTURE. THE BONDS REPRESENT LIMITED OBLIGATIONS OF THE ISSUER. THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS SHALL BE PAYABLE SOLELY FROM THE REVENUES DERIVED FROM THE SERIES 2021 NOTES AND THE LOAN AGREEMENT AND ARE NOT OTHERWISE AN OBLIGATION OF THE ISSUER. THE BONDS AND THE INTEREST THEREON SHALL NEVER CONSTITUTE AN INDEBTEDNESS OF THE ISSUER OR THE STATE OF ILLINOIS WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION, AND SHALL NOT CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF ISSUER OR THE STATE OF ILLINOIS OR A CHARGE AGAINST THE GENERAL CREDIT OF THE ISSUER OR THE STATE OF ILLINOIS OR THE TAXING POWERS OF THE ISSUER OR THE STATE OF ILLINOIS.

Book-Entry Only System

The information under this heading has been furnished by DTC. None of the Issuer, the College or the Underwriters make any representations as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of each series of the Bonds, each in the aggregate principal amount of such maturity and series, and will be deposited with or on behalf of DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of

their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or Trustee, on any payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, the Issuer or the College, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor Bonds depository). In that event, Bond certificates will be printed and delivered to DTC.

THE ABOVE INFORMATION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE ISSUER, THE COLLEGE AND THE UNDERWRITERS BELIEVE TO BE RELIABLE, BUT NONE OF THE ISSUER, THE COLLEGE OR THE UNDERWRITERS TAKES RESPONSIBILITY FOR THE ACCURACY THEREOF.

THE ISSUER, THE COLLEGE, THE UNDERWRITERS AND THE TRUSTEE WILL HAVE NO RESPONSIBILITY OR OBLIGATION TO SUCH DIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEE WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DIRECT PARTICIPANTS, OR THE INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDHOLDERS OR REGISTERED OWNERS OF THE BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS.

None of the Issuer, the College, the Underwriters or the Trustee shall have any responsibility or obligation with respect to: (i) the accuracy of the records of DTC or any Direct or Indirect Participant with respect to any beneficial ownership interests of the Bonds; (ii) the delivery to any Direct or Indirect Participant, or Beneficial Owner of the Bonds or other person, other than DTC, of any notice with respect to the Bonds; (iii) the payment to any Direct or Indirect Participant, or Beneficial Owner of the Bonds or other person, other than DTC, of any amount with respect to the principal of, premium, if any, or interest on, the Bonds; (iv) any consent given by DTC as Registered Owner; or (v) the selection by DTC or any Direct or Indirect Participant of any Beneficial Owners to receive payment if the Bonds are redeemed in part.

Redemption Prior to Maturity

Optional Redemption. The Bonds maturing on or after October 1, 20__ are subject to redemption prior to maturity in whole or in part, and if in part, then in Authorized Denominations (with a minimum redemption of \$50,000) and by maturities or portions thereof (including mandatory sinking fund redemption installments) designated by the College or, if not so designated, then in the inverse order of their maturities and by lot within a maturity in such manner as shall be determined by the Trustee to be fair and equitable, on any date occurring on or after October 1, 20__, by the Issuer at the direction of the College, out of any moneys received by the Trustee from the College pursuant to the Loan Agreement and deposited in the Optional Redemption Fund, at a redemption price equal to 100% (expressed as a percentage of the principal amount of such Bonds to be redeemed) plus accrued interest thereon to the redemption date.

Mandatory Sinking Fund Redemption. The Series 2021A Bonds maturing in the years 2036*, 2041* and 2046* (collectively, the “Term Bonds”) are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date and without premium. The Trustee shall apply the moneys then on deposit in the Bond Sinking Fund, in an amount equal to the then applicable Bond Sinking Fund Requirement, to the payment of the Term Bonds maturing on such dates as follows:

Term Bonds Maturing on October 1, 2036*

<u>Date</u> <u>(October 1)*</u>	<u>Amount*</u>
2032	\$715,000
2033	740,000
2034	770,000
2035	805,000
2036	835,000

* Preliminary; subject to change

Term Bonds Maturing on October 1, 2041*

Date (October 1)*	<u>Amount*</u>
2037	\$ 870,000
2038	905,000
2039	945,000
2040	980,000
2041	1,020,000

Term Bonds Maturing on October 1, 2046*

Date (October 1)*	<u>Amount*</u>
2042	\$ 1,065,000
2043	1,105,000
2044	1,150,000
2045	1,200,000
2046	20,000,000

The Issuer shall receive a credit against its obligation to have moneys on deposit in the Bond Sinking Fund in an amount sufficient to pay the Bonds (at maturity or upon mandatory sinking fund redemption) on any date (a) to the extent that the College delivers to the Trustee for cancellation on or prior to any such date one or more Bonds maturing or subject to mandatory sinking fund redemption on such date or (b) to the extent Bonds maturing or subject to mandatory sinking fund redemption on such date are redeemed pursuant to the Indenture and, in the case of a Term Bond so cancelled by the Trustee or redeemed pursuant to the Indenture, in such order of the mandatory sinking fund installments for such Term Bond as the College shall designate or, if the College does not so designate, in such order of mandatory sinking fund installments as may be determined by the Trustee to be fair and equitable.

Notice and Effect of Redemption. Unless waived by any Owner of the Bonds, or portions thereof, to be redeemed pursuant to the Indenture, notice of any such redemption identifying the Bonds, or portions thereof, to be redeemed shall be given by the Trustee as Bond Registrar on behalf of the Issuer by mailing a copy of the redemption notice by first class mail, postage prepaid, at least 20 days and not more than 60 days prior to the date fixed for redemption to the 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 Owner to the Trustee; provided that, as long as DTC or its nominee is the Owner of the Bonds, the Bond Registrar may give such notice of redemption by e-mail, facsimile transmission or other electronic delivery method so long as such delivery method is authorized under the Letter of Representations and receipt of such notice is confirmed by DTC. The failure of the Bond Registrar to give notice to a Bondholder, or any defect in such notice, shall not affect the validity of the redemption of any other Bonds as to which proper notice was given.

All notices of redemption shall be dated and shall state (a) the redemption date, (b) the redemption price, (c) if less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal installment amounts) of the Bonds to be redeemed, (d) 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, (e) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the designated office of the Trustee and (f) the CUSIP number and the bond certificate number of the Bonds to be redeemed.

* Preliminary; subject to change

Prior to the date that any notice of optional redemption (except any notice that refers to Bonds that are the subject of an advance refunding or a current refunding) is first mailed as aforesaid, as a condition precedent to the mailing of such notice, the College shall deposit with the Trustee an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed pursuant to such notice, or such notice shall state that any redemption is conditional upon such funds being deposited with the Trustee on or prior to such redemption date and that failure to so deposit such funds shall not constitute an event of default under the Indenture. The Trustee shall immediately notify the applicable Owners of the Bonds of the failure to satisfy any such condition and of the resulting cancellation of any such redemption.

Notice of redemption having been given as aforesaid and upon the satisfaction of all conditions described in such notice, if any, 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 Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest, shall no longer be protected by the Indenture and shall not be deemed to be Outstanding under the provisions of the Indenture, and the Owners thereof shall have the right only to receive the redemption price thereof plus accrued interest thereon to the date fixed for redemption.

Additional Indebtedness

The College may incur additional Indebtedness in accordance with the provisions of the Loan Agreement. Under the Loan Agreement, additional Indebtedness in the future may be designated as Parity Obligations and share on a parity basis with the Bonds and the Line of Credit in the security interest in the College's Gross Revenues. Designation of Indebtedness as Parity Obligations under the Loan Agreement requires, among other requirements, demonstration that the College has satisfied the requirements of the Loan Agreement for the incurrence of such Indebtedness.

The Loan Agreement establishes certain tests and requirements for incurrence of certain categories of Indebtedness. The College may incur certain Long-Term Indebtedness up to an aggregate principal amount outstanding at any one time not to exceed an amount equal to the maximum principal amount of Long Term Indebtedness that could be incurred such that after giving effect to the incurrence of such Long-Term Indebtedness, the ratio of (i) Total Cash and Investments to (ii) Funded Indebtedness is greater than or equal to 2.0.

See APPENDIX C – “SUMMARIES OF CERTAIN PRINCIPAL DOCUMENTS – Additional Indebtedness” and “– Parity Obligations.”

SECURITY FOR THE BONDS

Special, Limited Obligations

The Bonds are special, limited obligations of the Issuer payable solely from the revenues derived from the Series 2021 Notes, the Loan Agreement and any other moneys available therefor under the Indenture.

THE BONDS ARE ISSUED PURSUANT TO AND IN FULL COMPLIANCE WITH THE CONSTITUTION AND LAWS OF THE STATE OF ILLINOIS AND PURSUANT TO A BOND ORDINANCE DULY ADOPTED BY THE ISSUER WHICH ALSO AUTHORIZES THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT AND THE INDENTURE. THE BONDS REPRESENT LIMITED OBLIGATIONS OF THE ISSUER. THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS SHALL BE PAYABLE SOLELY FROM THE REVENUES DERIVED FROM THE SERIES 2021 NOTES AND THE LOAN AGREEMENT AND ARE NOT OTHERWISE AN OBLIGATION OF THE ISSUER. THE BONDS AND THE INTEREST THEREON SHALL NEVER CONSTITUTE AN INDEBTEDNESS OF THE ISSUER OR THE STATE OF ILLINOIS WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION, AND SHALL NOT CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF ISSUER OR THE STATE OF ILLINOIS OR A CHARGE

AGAINST THE GENERAL CREDIT OF THE ISSUER OR THE STATE OF ILLINOIS OR THE TAXING POWERS OF THE ISSUER OR THE STATE OF ILLINOIS.

The Indenture

The Bonds will be issued and secured under the Indenture, under which the Issuer will assign and pledge to the Trustee (1) the Series 2021 Notes, which have been endorsed by the Issuer to the order of the Trustee, and all sums payable in respect of the indebtedness evidenced thereby, (2) all right, title and interest of the Issuer (a) in, to and under the Loan Agreement (except its Unassigned Rights), and all extensions and renewals of the term thereof, if any; (b) in and to the amounts payable to the Issuer under the Loan Agreement (excluding Unassigned Rights); and (c) to do any and all other things which the Issuer is or may become entitled to do under the Loan Agreement; provided, however, that the assignment made pursuant to this clause shall not impair or diminish any obligations of the Issuer under the Loan Agreement or alter the rights, duties and obligations of the Trustee under the remaining terms of this Indenture, (3) all right, title and interest of the Issuer in and to all moneys and securities from time to time held by the Trustee under the terms of the Indenture and all other property, if any, pledged to the Trustee as security under the Indenture, and (4) any and all property, rights and interests of every kind or description which, from time to time hereafter, may be sold, transferred, conveyed, assigned, pledged, mortgaged or delivered to the Trustee as additional security under the Indenture; the Trustee is authorized to receive all such property at any time and to hold and apply it subject to the terms of the Indenture. See “BONDHOLDERS’ RISKS” herein and APPENDIX C – “SUMMARIES OF CERTAIN PRINCIPAL DOCUMENTS.”

The Loan Agreement

The Loan Agreement imposes certain restrictions on the College for the benefit of the Bondholders. See APPENDIX C – “SUMMARIES OF CERTAIN PRINCIPAL DOCUMENTS – SUMMARY OF THE LOAN AGREEMENT” attached hereto. The Loan Agreement requires the College to make designated payments to the Trustee for deposit to the Interest Fund and the Bond Sinking Fund in amounts sufficient to pay the principal of and interest on the Bonds when due. The Loan Agreement also contains covenants of the College with respect to, among other things, the maintenance of its corporate existence, the maintenance and use of its property, compliance with laws and regulations, payment of taxes, maintenance of insurance, and restrictions as to incurrence of additional indebtedness. See “BONDHOLDERS’ RISKS” herein and APPENDIX C – “SUMMARIES OF CERTAIN PRINCIPAL DOCUMENTS.”

As further described herein, under the Loan Agreement the College has agreed that it will not incur, create or permit to be created or remain, and will at its sole cost and expense promptly discharge any Lien in or on any of its Property, except for Permitted Encumbrances. See “SECURITY FOR THE BONDS” herein. See APPENDIX C – “SUMMARIES OF CERTAIN PRINCIPAL DOCUMENTS” for the definitions of “Lien” and “Permitted Encumbrances” as defined in the Loan Agreement.

Unconditional Obligation of College; Security Interest in Gross Revenues; No Mortgage

The obligations of the College to make payments or cause the same to be made under the Loan Agreement and the Series 2021 Notes shall be complete and unconditional and the amount, manner and time of making such payments shall not be decreased, abated, postponed or delayed for any cause or by reason of the happening or nonhappening of any event, irrespective of any defense or any right of set-off, recoupment or counterclaim which the College may otherwise have against the Issuer, the Trustee or any Bondholder for any cause whatsoever. Pursuant to the Loan Agreement, the College will grant a security interest in its Gross Revenues as security on a parity basis for the Bonds, the Line of Credit and such future indebtedness as may be designated as Parity Obligations under the Loan Agreement. The Bonds are not secured by a mortgage on or security interest in other real or personal property of the College, and no reserve fund has been established for the Bonds. See “BONDHOLDERS’ RISKS – Enforceability of Remedies and Bankruptcy Proceedings,” “BONDHOLDERS’ RISKS – Certain Matters Relating to Enforceability of Security Interest in Gross

Revenues,” and “BONDHOLDERS’ RISKS – Unconditional Obligation of College; No Mortgage; Security Interests of Other Indebtedness” herein.

“Gross Revenues” as pledged under and defined in the Loan Agreement, means all receipts, revenues, rents, income and other money received by the College from any source and all rights to receive the same (including, without limitation, tuition and fee revenues, other operating revenues and nonoperating revenues determined in accordance with generally accepted accounting principles), whether in the form of accounts receivable, contract rights, general intangibles, chattel paper, instruments or other rights, and all proceeds thereof, and any insurance thereon, whether now existing or hereafter coming into existence and whether now owned or held or hereafter acquired by the College; provided, however, that gifts, grants, bequests, donations and contributions heretofore or hereafter made, designated at the time of making thereof by the donor or maker as being for certain specific purposes inconsistent with their use for payment of the Parity Obligations, and the income derived therefrom, to the extent required by such designation, shall be excluded from Gross Revenues.

INCLUDE PARITY PROVISIONS RELATING TO PNC LINE OF CREDIT

Maintenance of Tuition

Pursuant to the Loan Agreement, the College covenants and agrees to charge such Tuition for its educational facilities and services, and to exercise such skill and diligence with respect to all of its facilities and services, as to generate gross revenues therefrom which will be available and sufficient in amount to [* (a) pay costs of the operation and maintenance of the College*], and (b) make all payments on the Series 2021 Notes and under the Loan Agreement when due in accordance with their terms.

[Remainder of page intentionally blank.]

ESTIMATED DEBT SERVICE PAYMENTS

The following table sets forth, for each fiscal year of the College ending June 30, expected debt service payments in each such fiscal year for the payment of principal at maturity and interest for the Bonds after giving effect to the refunding of the Refunded Bonds and the refinancing of the Taxable Debt. As of the issue date of the Bonds, the Bonds will be the only outstanding Long-Term Indebtedness of the College, except for the Line of Credit and certain lease obligations.

Fiscal Year (June 30)	Series 2021A Bonds*		Series 2021B Bonds*		Total
	Principal	Interest	Principal	Interest	
2022					
2023			\$ 400,000		
2024			410,000		
2025			4,005,000		
2026	\$ 505,000				
2027	530,000				
2028	560,000				
2029	585,000				
2030	615,000				
2031	650,000				
2032	680,000				
2033	715,000				
2034	740,000				
2035	770,000				
2036	805,000				
2037	835,000				
2038	870,000				
2039	905,000				
2040	945,000				
2041	980,000				
2042	1,020,000				
2043	1,065,000				
2044	1,105,000				
2045	1,150,000				
2046	1,200,000				
2047	<u>20,000,000</u>				
Total	<u>\$37,230,000</u>		<u>\$4,815,000</u>		

* Preliminary; subject to change

BONDHOLDERS' RISKS

No person should purchase any Bond without carefully reviewing this entire Official Statement, including, without limitation, the following information which summarizes some, but not all, of the risks associated with such purchase.

The Bonds will be payable solely from payments made by the College under the Series 2021 Notes, the Loan Agreement and from certain other funds pledged under the Indenture. No person should purchase any Bond without carefully reviewing the following information which summarizes some, but not all of, the risks associated with a purchase of the Bonds.

The following is a discussion of certain risks that could affect payments to be made by the College with respect to the Bonds. Such discussion is not, and is not intended to be, exhaustive and should be read in conjunction with all other parts of this Official Statement and should not be considered as a complete description of all risks that could affect such payments. Prospective purchasers of the Bonds should analyze carefully the information contained in this Official Statement, including the Appendices hereto.

This section discusses some of these risks, but it is not intended to be a comprehensive listing of all risks associated with the operation of the College or the payment of the Bonds.

General

The Bonds are limited obligations of the Issuer payable by the Issuer solely from payments to be made by the College pursuant to the Loan Agreement and certain other funds held by the Trustee under the Indenture. No representation or assurance can be given that the College will realize revenues or other funds in amounts sufficient to make such payments under the Loan Agreement with respect to the Bonds, its other outstanding indebtedness or indebtedness the College may incur in the future. The realization of future revenues and funds is dependent upon, among other things, government regulations, the capabilities of the management of the College and future changes in economic and other conditions that are unpredictable and cannot be determined at this time.

Unconditional Obligation of College; No Mortgage; Security Interests of Other Indebtedness

The College has an unconditional obligation to pay debt service on the Bonds, and pursuant to the Loan Agreement the College will grant a security interest in its Gross Revenues as security on a parity basis for the Bonds, the Line of Credit and such future indebtedness as may be designated as Parity Obligations under the Loan Agreement. The Bonds are not secured by a mortgage on or security interest in other real or personal property of the College, and no reserve fund has been established for the Bonds. See “BONDHOLDERS’ RISKS – Enforceability of Remedies and Bankruptcy Proceedings,” and “BONDHOLDERS’ RISKS – Certain Matters Relating to Enforceability of Security Interest in Gross Revenues” herein.

Upon the occurrence of an event of default under the Loan Agreement or the Indenture, the Issuer and/or the Trustee may exercise remedies to collect loan payments and certain other remedies, including acceleration of the Bonds. See “SUMMARIES OF CERTAIN PRINCIPAL DOCUMENTS – SUMMARY OF THE LOAN AGREEMENT – Events of Default” and “- Remedies” and “- SUMMARY OF THE INDENTURE – Events of Default” and “- Remedies; Rights of Bondholders” in APPENDIX C for the events of default and remedies under the Indenture and the Loan Agreement.

The Loan Agreement permits the incurrence in the future of other indebtedness by the College. Such other indebtedness may be secured by a security interest in Gross Revenues on a parity basis with the security interest therein for the Bonds, and may be secured by other assets of the College to the extent Permitted Encumbrances. See “BONDHOLDERS’ RISKS – Enforceability of Remedies and Bankruptcy Proceedings” herein, and “APPENDIX A – RESULTS OF OPERATIONS – Outstanding Long-Term Indebtedness” in this Official Statement.

Exemption from Ad Valorem Property Taxes

Under current Illinois law, the College's campus is generally exempt from local ad valorem property taxes to the extent they are used for the College's exempt purposes. There can be no assurances however, that future legislation will not subject such facilities to ad valorem property taxes or other similar payments or fees in lieu of property taxes. Moreover, no assurances can be given that the effect of any such prospective property tax payments by the College would not be either adverse or material.

COVID-19 Pandemic

In early 2020 the COVID-19 respiratory disease global pandemic began having substantial disruptive and negative impacts on public health, education, business, government and other social structures, interaction and ways of life, travel, financial markets and economies generally, with potential, directly or indirectly, to adversely impact finances and operations of the College. Although response efforts in the years 2020 and 2021 to date, including emergency and stimulus funding made available by governments, accelerated vaccine availability, and institutional responses, have helped address some of the potential adverse impacts of the pandemic, the possibility of existing and future adverse impacts remains.

Adverse impacts may include, without limitation: (i) limiting the ability of the College to conduct its operations, (ii) limiting the ability of students to stay on campus, stay in campus housing and other facilities, and attend classes, (iii) limiting the availability of personnel and other service providers to continue providing services for the College, (iv) increasing costs of operations (e.g., additional technology expenses), (v) reducing tuition, federal funding, student housing or other revenues (including potential present refunds), decreasing cash and liquid assets, and reducing endowment and other investment values, (vi) adversely affecting funding availability for the College and students, (vii) decreasing present or future enrollment, and (viii) other impacts more direct to the College or indirect as a consequence of the impacts listed in the paragraph above, any of which may adversely affect the secondary market, if any, for and value of the Bonds.

Developments and the directives of federal, state and local governments and officials may provide guidance or mandates to the College to implement additional precautions and procedures relating to COVID-19. The full impact of COVID-19 and the scope of any adverse impact (which may be material) on College finances and operations cannot be fully determined at this time.

See "OPERATIONS - Impact of COVID-19" in APPENDIX A.

Factors Affecting the Financial Performance of the College

One or more of the following factors or events, or the occurrence of other unanticipated factors or events, could adversely affect the College's operations and financial performance to an extent that cannot be determined at this time.

General Factors. There are a number of factors affecting educational institutions in general, including the College, that could have an adverse effect on the College's ability to collect revenues, sufficient to make the payments required under the Loan Agreement. These factors include, but are not limited to, the continued availability to the College of revenues from a variety of sources sufficient to meet obligations such as the College's operating expenses, debt service on other debt and extraordinary costs or expenses which may occur from time to time. Revenues and expenses of the College will be affected by future events and conditions relating generally to, among other things: the ability to attract a sufficient number of students with sufficient resources to pay the tuition charged by the College during the time that the Bonds remain outstanding; demographic changes that may affect the number of students who will be attracted to and enroll; the ability of the College to attract highly qualified members to the governing board and administration of the College; the ability of the governing board and administration of the College to direct, manage and operate the College; the College's ability to control expenses; the College's ability to maintain or increase rates for tuition

and other fees without adversely affecting enrollment; the ability of the College to attract and retain quality faculty members for its educational programs; the ability of the College to maintain, or increase its endowment and other investments; the results of investments of the College's endowment and other funds; the increasing costs of compliance with federal or State laws and regulations, including, without limitation, laws and regulations concerning environmental quality, work safety and accommodating persons with disabilities; and the effects of any unionization of the College's work force with consequent impacts on wage scales and operating costs. No assurances can be given that sources of revenues will be adequate to meet the expenses of the College. Future revenues and expenses of the College will be subject to conditions which may differ from current conditions to an extent that cannot be determined at this time.

Student Enrollment and Tuition Rates. The adequacy of College revenues will depend on maintaining enrollment levels as well as being able to charge sufficient rates for tuition. The College competes with other private and public colleges and universities. There can be no assurance that the College can continue to enroll a sufficient number of students to generate revenues sufficient to pay the debt service on the Bonds and its other indebtedness.

Eligibility for and Reliance on Financial Aid and Other Federal Sources. A substantial percentage of the students at the College receive some form of scholarship, tuition discount, federal loans, military tuition assistance or other financial aid, including many of whom are primarily dependent upon such financial aid to pay tuition and other costs of their education. The tuition discounts/scholarships are important in maintaining enrollment, but can also adversely affect revenues. Significant changes in the availability of federal financial aid programs through changes in such programs or eligibility of the College to participate in such programs and other forms of student aid could also adversely affect the ability of students to attend the College and could have an adverse impact on the financial condition of the College and its ability to meet debt service on the Bonds.

Accreditation. A failure on the part of the College to maintain its accreditations may result in a loss of the ability of students to receive federal financial aid to attend the College, resulting in reduced number of students attending the College and a reduction in revenues and could have a material adverse effect on the financial condition of the College. See "OPERATIONS - Accreditations" in APPENDIX A attached hereto.

Endowment Fund. The College plans its budget to include some spending from its endowment fund each year based on the fair market value of such fund. Such fair market value is subject to market volatility. While the College invests pursuant to an investment plan, the earnings on and value of such investments are dependent upon a variety of economic conditions that cannot be predicted, including market fluctuations that could have an adverse effect on the fair market value of the endowment fund. See "RESULTS OF OPERATIONS - Endowment" in APPENDIX A.

Changes in Administration. Future changes in the trustees or key administration personnel could affect the capability of the administration to effectively manage the College.

Reduced Giving. The College derives income from unrestricted gifts and donations which supplement operating revenues to finance its operations and capital needs. There can be no assurance that this nonoperating revenue will not decrease, adversely affecting the financial condition of the College.

Environmental Matters. Legislative, regulatory, administrative or enforcement action involving environmental controls could adversely affect the operation of the facilities of the College. For example, if property of the College is determined to be contaminated by hazardous materials, the College could be liable for significant clean-up costs even if it were not responsible for the contamination.

Inability to Control Costs. The College may be unable to control increases in operating costs, including salaries, wages and fringe benefits, supplies and other expenses, without being able to obtain corresponding increases in revenues. In addition, employee strikes and other adverse labor actions could result in a substantial increase in expenditures without a corresponding increase in revenues.

General and Professional Liability Claims. In recent years, the number of general and professional liability suits and the dollar amounts of damage awards had increased nationwide, resulting in substantial increases in insurance premiums. Litigation may also arise against the College from its corporate and business activities, such as its status as an employer. While the College maintains general and professional liability insurance coverage, the College is unable to predict the availability or cost of such insurance in the future. In addition, it is possible that certain types of liability awards may not be covered by insurance as in effect at the relevant times.

Employment Matters. Employee strikes and other adverse labor actions or difficulty in employing professors or other employees at current rates could result in a substantial increase in expenditures without a corresponding increase in revenues.

Changes in Federal, State or Local Legislation. Adoption of federal, state or local legislation or regulations could have an adverse effect on the future operating or financial performance of the College.

Changes in Federal and State Law. From time to time, there are legislative proposals that, if enacted, could adversely affect the federal and state tax matters referred to herein, adversely affect the marketability or market value of the Bonds, or otherwise prevent holders of the Series 2021A Bonds from realizing the full benefit of the tax exemption of interest on the Series 2021A Bonds. No prediction is made concerning future events. The opinions expressed by Bond Counsel in connection with the issuance of the Bonds are based upon existing law. Purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed legislation, regulatory actions, or litigation.

Regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2021A Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Series 2021A Bonds. Prospective purchasers of the Series 2021A Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

Cybersecurity Risks

The College relies on its information systems to provide security for processing, transmission and storage of confidential and other credit information. It is possible that the College's security measures will not prevent improper or unauthorized access or disclosure of personally identifiable information resulting from cyber-attacks. Security breaches, including electronic break-ins, computer viruses, attacks by hackers and similar breaches can create disruptions or shutdowns of the College and the services it provides, or the unauthorized disclosure of confidential and other credit information. If personal or otherwise protected information is improperly accessed, tampered with or distributed, the College may incur significant costs to remediate possible injury to the affected persons, and the College may be subject to sanctions and civil penalties if it is found to be in violation of federal or state laws or regulations. Any failure to maintain proper functionality and security of information systems could interrupt the College's operations, delay receipt of revenues, damage its reputation, subject it to liability claims or regulatory penalties and could have a material adverse effect on its operations, financial condition and results of operations.

Tax-Exempt Status of the College

The Internal Revenue Service (the “IRS”) has determined that the College is an organization described in Section 501(c)(3) of the Code and therefore is exempt from federal income taxation. In addition, the College is generally exempt from ad valorem property taxation as described under the heading “BONDHOLDERS’ RISKS – Exemption from Ad Valorem Taxes Property Taxes” herein. As a charitable organization, the College is subject to a number of requirements affecting its operations. The IRS has indicated that it is giving greater scrutiny to certain tax-exempt organizations, including colleges and universities.

The failure of the College to remain qualified as a tax-exempt organization could affect the amount of funds available to pay debt service on the Bonds. Such failure, as well as failure to comply with certain legal requirements (see “TAX EXEMPTION” herein), could cause the inclusion of interest on the Series 2021A Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2021A Bonds.

The possible modification or repeal of certain existing federal income tax laws or property tax laws or other loss by the College of the present advantages of such laws, or any legislation imposing additional conditions on tax-exempt organizations, could adversely impact the financial position of the College.

The Code imposes a number of requirements that must be satisfied for interest with respect to state and local obligations, such as the Series 2021A Bonds, to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of bond proceeds, limitations on the investment of bond proceeds prior to expenditure, limitations on the use of the assets financed with the Series 2021A Bonds, a requirement that certain arbitrage earned on investment of bond proceeds be paid periodically to the United States, and a requirement that the issuer file an information report with the IRS. The College has covenanted in certain documents referred to herein that it will comply with such requirements with respect to the Series 2021A Bonds. Failure to comply with any of these covenants by the College may result in the treatment of the interest received with respect to certain of the Series 2021A Bonds as included in federal gross income, retroactive to the date of their delivery.

The federal tax-exempt status of the Series 2021A Bonds depends upon the College maintaining its status as an organization described in Section 501(c)(3) of the Code. The maintenance of such status is contingent on compliance with general rules promulgated in the Code and related regulations regarding the organization and operation of tax-exempt entities, including their operation for charitable and educational purposes and their avoidance of transactions which may cause their assets to inure to the benefit of private individuals.

In lieu of revocation of exempt status, the IRS may impose a penalty in the form of excise taxes on certain “excess benefit transactions” involving 501(c)(3) organizations and “disqualified persons.” An excess benefit transaction is one in which a disqualified person or entity receives more than fair market value from the exempt organization or pays the exempt organization less than fair market value for property or services, or shares the net revenues of the tax-exempt entity. A disqualified person is a person (or an entity) who is in a position to exercise substantial influence over the affairs of the exempt organization during the five years preceding an excess benefit transaction. The statute imposes excise taxes on the disqualified person and any “organization manager” who knowingly participates in an excess benefit transaction.

The IRS has provided guidance on a number of topics relating to tax-exempt organizations, including the importance of the payment of fair market value for goods and services, the implementation of the Intermediate Sanctions regulations, and the issues surrounding joint ventures and partnerships between tax-exempt and for profit entities. The IRS has stressed the importance of ensuring that in relationships with for-profit entities or individuals, the exchange of consideration is consistent with fair market value for the goods or services provided. Areas of particular focus include leasing arrangements and the compensation paid to executives. Generally, payments must be consistent with what would be paid in an arms’ length transaction,

and should be supported by market data or an independent evaluation of reasonableness. Failure to ensure that payments are reasonable could result in the imposition of sanctions and/or the revocation of the organization's exempt status. The imposition of sanctions on the College could adversely impact the College's ability to pay the amounts due on the Bonds. The College may also be subject to an action to revoke its exempt status, thereby jeopardizing the tax-exempt status of the Series 2021A Bonds.

In addition, the IRS has increasingly focused on relationships between exempt organizations and for-profit entities. Generally, the factors considered are whether the joint venture will be operated in furtherance of the exempt organization's purpose, whether ownership interests are proportionate to each party's investment, whether distributions to parties in the venture are consistent with their ownership interests and whether the exempt organization obtains access to capital and expertise that is not otherwise available.

Tax-exempt organizations are required to file Form 990 annually with the IRS. The Form 990 requires detailed public disclosure of compensation practices, corporate governance, loans to management and others, joint ventures and other types of transactions, political campaign activities, and other areas the IRS deems to be compliance risk areas. Form 990 also contains a separate schedule requiring detailed reporting of information relating to tax-exempt bonds, including compliance with the arbitrage rules and rules limiting private use of bond-financed facilities, including compliance with the safe harbor guidance in connection with management contracts and research contracts. Form 990 makes available a wealth of detailed information on compliance risk areas to the IRS and other stakeholders, including state attorneys general, unions, plaintiff's class action attorneys, public watchdog groups, and others.

Damage or Destruction to College's Facilities; Natural Disasters and Climate Change

Although the College will be required to maintain certain insurance as set forth in the Loan Agreement, there can be no assurance that the College will not suffer losses for which insurance cannot be or has not been obtained or that the amount of any such loss will not exceed the coverage of such insurance policies. Occurrence of natural disasters, such as storms, tornadoes, earthquakes, floods or droughts, some of which could be amplified by climate change, could damage the facilities of the College, interrupt services, or otherwise impair operations and the ability of the College to produce revenues, and may impact the regions in which the College operates. For a further description of the insurance provisions required by the Loan Agreement, see "SUMMARY OF CERTAIN PRINCIPAL DOCUMENTS – SUMMARY OF THE LOAN AGREEMENT – Insurance" in APPENDIX C attached hereto.

Pensions and Other Postemployment Benefits

The College may contribute to certain pension and retirement plans on behalf of its employees and provide certain other postemployment benefits (e.g., health insurance) as part of the total compensation offered to attract and retain the services of qualified employees. Future required contribution increases may require the College to increase its revenues, reduce its expenditures, or some combination thereof, which may impact the College's operations or limit the College's ability to generate additional revenues in the future.

Certain Risks relating to Direct Purchase Bonds, Other Lender Debt and Swaps

The College has and may in the future enter into loans or credit arrangements pursuant to which debt may be subject to mandatory tender, purchase or redemption prior to maturity at the direction of the applicable bank or other lender in certain circumstances including as a result of the bank's or other lender's determination not to hold or support such debt beyond the effective term of the bank's or other lender's commitment. If the College and the applicable bank or other lender do not agree to a renewal or extension of the commitment to support or hold the applicable debt, the College will need to refinance such debt. No assurance can be given that the College will be successful in renewing or extending the commitment or in refinancing such debt.

The College has and may in the future enter into agreements with banks or other lenders (e.g., continuing covenant agreements, loan agreements and security agreements) that contain certain covenants, including financial covenants and other affirmative and negative covenants, rights and remedies that are not included in the Loan Agreement for the Bonds. These additional covenants, rights and remedies may be solely for the benefit of the applicable bank or other lenders, and the owners of the Bonds are not entitled to rely on such covenants. The covenants contained in the agreements may be waived or amended with the consent of the applicable bank or other lenders and without the necessity of obtaining the consent of any other party, including the Trustee or any owners of the Bonds, and the remedies for covenant violations under the agreements are controlled by the applicable bank or other lenders. The agreements with banks and other lenders may be amended, terminated or otherwise modified in the future.

Interest rate swaps may involve counterparty payment risk. Further, certain swap arrangements may not be terminable except upon the payment of potentially significant termination fees by the borrowing party. In some cases, negative mark-to-market valuation of certain swap arrangements must be booked on a borrower's balance sheet. These factors may have a material adverse impact on institutions involved in such financial arrangements.

Certain Matters Relating to Enforceability of Security Interest in Gross Revenues

The effectiveness of the security interest in the Gross Revenues of the College granted in the Loan Agreement may be limited by a number of factors, including: (i) the absence of an express provision permitting assignment of receivables owed to the College under their contracts, and present or future prohibitions against assignment contained in any applicable governmental statutes or regulations; (ii) certain judicial decisions which cast doubt upon the right of the Trustee, in the event of the bankruptcy the College, to collect and retain accounts receivable from governmental programs; (iii) commingling of the proceeds of Gross Revenues with other moneys not subject to the security interest in the Gross Revenues; (iv) statutory liens; (v) rights arising in favor of the United States of America or any agency thereof; (vi) constructive trusts, equitable or other rights impressed or conferred by a federal or state court in the exercise of its equitable jurisdiction; (vii) federal bankruptcy laws or state insolvency laws which may affect the enforceability of the security interest in the Gross Revenues of the College which are earned by the College within 90 days, preceding or, in certain circumstances with respect to related corporations, within one year preceding and after any effectual institution of bankruptcy proceedings by or against the College; (viii) rights of third parties in Gross Revenues converted to cash and not in the possession of the Trustee; and (ix) claims that might arise if appropriate financing or continuation statements are not filed or other documents are not executed in accordance with the Uniform Commercial Code of the State of Illinois, as applicable, as from time to time in effect. ***DISCUSS PARITY PROVISIONS RELATING TO PNC LINE OF CREDIT***

Enforceability of Remedies and Bankruptcy Proceedings

The practical realization of any rights of the Trustee following a default on the Bonds will depend upon the exercise of various remedies specified in the Indenture, the Loan Agreement and the Bonds or otherwise available under applicable law. The remedies available to the holders of the Bonds, in certain respects, may require judicial action, which is often subject to discretion and delay. Under existing law, including specifically the federal bankruptcy code, certain of the remedies specified in the Indenture or the Loan Agreement may not be readily available or may be limited. A court may decide not to order the specific performance of the covenants contained in the Indenture or the Loan Agreement.

The ability of the Trustee to exercise rights under the Loan Agreement and the Indenture may be limited by bankruptcy, insolvency, reorganization or other similar laws or equitable principles related to or affecting the enforcement of creditors' rights generally. In the event the College becomes a debtor under the United States Bankruptcy Code, 11 U.S.C. §§10 *et seq.* (the "Bankruptcy Code"), payments under the Loan Agreement may be stayed or under certain circumstances subject to avoidance and the interests of the Trustee with respect to payments on the Bonds may not extend to payments acquired after the commencement of such a bankruptcy case. Furthermore, if the bankruptcy court concludes that the Trustee has "adequate protection,"

it may enter orders affecting the security of the Trustee, if any, including orders providing for the substitution, subordination and sale of the security of the Trustee. In addition, a reorganization plan may be adopted even though it has not been accepted by the Trustee if the Trustee is provided with the benefit of its original lien or the “indubitable equivalent.” Thus, in the event of the bankruptcy of the College, the amount realized by the Trustee may depend on the bankruptcy court’s interpretation of “indubitable equivalent” and “adequate protection” under the then existing circumstances. The bankruptcy court may also have the power to invalidate certain provisions of the Loan Agreement and the Indenture that make bankruptcy and related proceedings by the College an event of default thereunder. In the event of bankruptcy of the College, transfers of property by the College, including the payment of debt, on or after the date which is 90 days (or, in some circumstances, one year) prior to the commencement of the case in bankruptcy court, may be subject to avoidance or recovery as preferential transfers.

All legal opinions with respect to the enforceability of the Indenture and other financing documents will be expressly subject to a qualification that enforceability thereof may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the rights of creditors generally, and by general principles of equity and public policy.

The obligations of the College to make payments on the Bonds may also not be enforceable to the extent such payments are requested to be made from any assets which are donor-restricted or which are subject to a direct, express or charitable trust which does not permit the use of such assets for such payment. Due to the absence of clear legal precedent in this area, the extent to which the assets of the College constitute assets which are so restricted or subject to such trusts cannot now be determined. The amount of such assets could be substantial.

Acceleration of Maturity

An event of default under the Indenture or the Loan Agreement may result in an acceleration of the maturity of the Bonds and, in turn, the early prepayment of the Bonds. In such event, an owner whose Bonds are accelerated may not have the opportunity to hold such Bonds for a time period consistent with such owner’s original investment intentions. No assurance can be given that funds will be available from the College to pay the Bonds in the event of an acceleration.

Lack of Secondary Market

Subject to prevailing market conditions, the Underwriters intend, but are not obligated, to make a market in the Bonds. There is presently no secondary market for the Bonds and no assurance that a secondary market will develop or be maintained. Consequently, investors may find it difficult to resell the Bonds at an acceptable price.

Limitation or Delay of Remedies

The remedies available to the Trustee or the owners of the Bonds upon an event of default under the Indenture and the Loan Agreement are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically the Bankruptcy Code, the remedies provided in the Indenture and the Loan Agreement may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds and the delivery of the Indenture and the Loan Agreement will be qualified as to the enforceability of the various legal instruments by limitations imposed by general principles of equity and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Bond Rating

There can be no assurance that the rating assigned to the Bonds at the time of issuance will not be lowered or withdrawn at any time, the effect of which could adversely affect the market price for, and marketability of, the Bonds. See “RATING” herein.

Amendment of the Indenture and the Loan Agreement

Certain amendments to the Indenture and the Loan Agreement may be made without the consent of the owners of the Bonds issued thereunder and certain other amendments to the Indenture and the Loan Agreement may be made with the consent of the owners of a majority in aggregate principal amount of the Bonds. Certain amendments require the consent of the owners of all the Bonds. See “SUMMARIES OF CERTAIN PRINCIPAL DOCUMENTS – Supplemental Indentures Not Requiring Consent of Bondholders,” “– Supplemental Indentures Requiring Consent of Bondholders; Waivers and Consents of Bondholders” “- Amendments to Loan Agreement Not Requiring Consent of Bondholders” and “- Amendments, etc., to Loan Agreement Requiring Consent of Bondholders” in APPENDIX C.

Additional Indebtedness

Subsequent to the issuance of the Bonds, the Indenture and the Loan Agreement contain provisions permitting the College to issue additional indebtedness subject to certain restrictions as set forth in the Indenture and the Loan Agreement. See APPENDIX C – “SUMMARIES OF CERTAIN PRINCIPAL DOCUMENTS.” Future borrowing by the College could weaken the financial condition of the College and diminish the College’s ability to make timely debt service payments on the Bonds. See “BONDHOLDERS’ RISKS – Unconditional Obligation of College; No Mortgage; Security Interests of Other Indebtedness.” See “APPENDIX C – SUMMARIES OF CERTAIN PRINCIPAL DOCUMENTS – SUMMARY OF THE INDENTURE – Events of Default” and “- Remedies; Right of Bondholders”, and “ – SUMMARY OF THE LOAN AGREEMENT – Events of Default” and “ – Remedies” for a description of the remedies upon an event of default under the Indenture and the Loan Agreement.

Forward-Looking Statements

This official statement contains statements relating to future results that are “forward-looking statements”. When used in this Official Statement, the words plan, expect, estimate, anticipate, projected, budget, may, will, believe and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty and risks that could cause actual results to differ, and potentially materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward-looking statements and actual results, which differences could be material.

TAX EXEMPTION

Opinion of Bond Counsel

In the opinion of Ice Miller LLP, Chicago, Illinois, Bond Counsel, under existing federal statutes, decisions, regulations, and rulings, interest on the Series 2021A Bonds is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Code and is not a specific preference item for purposes of the federal alternative minimum tax. This opinion is conditioned on continuing compliance by the Issuer and the College with the Tax Covenants (hereinafter defined). Failure to comply with the Tax Covenants could cause interest on the Series 2021A Bonds to lose the exclusion from gross income for federal income tax purposes retroactive to the date of issuance of the Series 2021A Bonds. See Appendix D hereto for the form of approving opinion of Bond Counsel. Interest on the Bonds is not exempt from State of Illinois income taxes.

The Code imposes certain requirements which must be met subsequent to the issuance of the Series 2021A Bonds as a condition to the exclusion from gross income of interest on the Series 2021A Bonds for federal income tax purposes. The Issuer and the College will covenant not to take any action nor fail to take any action, within their respective power and control, with respect to the Series 2021A Bonds that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Series 2021A Bonds pursuant to Section 103 of the Code (collectively, the “Tax Covenants”). The Indenture, the Loan Agreement, and certain certificates and agreements to be delivered on the date of delivery of the Series 2021A Bonds establish procedures under which compliance with the requirements of the Code can be met. It is not an event of default under the Indenture if interest on the Series 2021A Bonds is not excludable from gross income for federal income tax purposes or otherwise pursuant to any provision of the Code which is not in effect on the date of issuance of the Series 2021A Bonds.

Although Bond Counsel will render an opinion on the federal tax matters described above, the accrual or receipt of interest on the Series 2021A Bonds may otherwise affect a Bondholder's federal or state tax liability. The nature and extent of these other tax consequences will depend upon such Bondholder's particular tax status and such Bondholder's other items of income or deduction. Taxpayers who may be affected by such other tax consequences include, without limitation, financial institutions, certain insurance companies, "S" corporations, certain foreign corporations, individual recipients of Social Security or railroad retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Series 2021A Bonds. Bond Counsel expresses no opinion regarding any other such tax consequences. Prospective purchasers of the Series 2021A Bonds should consult their own tax advisors with regard to other tax consequences of owning the Series 2021A Bonds.

Amortizable Bond Premium

The initial offering prices of the Series 2021A Bonds maturing on _____ (collectively, the “Premium Bonds”) are greater than the principal amount payable at maturity or call date. As a result, the Premium Bonds will be considered to be issued with amortizable bond premium (the “Bond Premium”). An owner who acquires a Premium Bond in the initial offering will be required to adjust the owner’s basis in the Premium Bond downward as a result of the amortization of the Bond Premium, pursuant to Section 1016(a)(5) of the Code. Such adjusted tax basis will be used to determine taxable gain or loss upon the disposition of the Premium Bonds (including sale, redemption, or payment at maturity or call). The amount of amortizable Bond Premium will be computed on the basis of the owner’s yield to maturity, with compounding at the end of each accrual period. Rules for determining (i) the amount of amortizable Bond Premium and (ii) the amount amortizable in a particular year are set forth in Section 171(b) of the Code. No income tax deduction for the amount of amortizable Bond Premium will be allowed pursuant to Section 171(a)(2) of the Code, but amortization of Bond Premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining other tax consequences of owning the Premium Bonds. Owners of the Premium Bonds should consult their tax advisors with respect to the precise determination for federal income tax purposes of the treatment of Bond Premium upon the sale or other disposition of Premium Bonds and with respect to the State and local tax consequences of owning and disposing of Premium Bonds.

Special rules governing the treatment of Bond Premium, which are applicable to dealers in tax-exempt securities are found at Section 75 of the Code. Dealers in tax-exempt securities are urged to consult their own tax advisors concerning treatment of Bond Premium.

Original Issue Discount

The issue price for original issue discount (as further discussed below) and market discount for each maturity of the Series 2021A Bonds is the price at which a substantial amount of such maturity of the Series 2021A Bonds is first sold to the public (excluding bond houses and brokers and similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The issue price of a maturity of the Series 2021A Bonds may be different from the price set forth, or the price corresponding to the

yield set forth, on the inside cover page hereof. If the initial offering prices of a maturity of the Series 2021A Bonds (collectively, the “Discount Bonds”) are less than the principal amounts payable at maturity or call date, the Discount Bonds will be considered to be issued with original issue discount. The difference between the initial public offering price of the Discount Bonds (or portions thereof) (the “Issue Price for such maturity”), and the amount payable at maturity of the Discount Bonds will be treated as “original issue discount.” A taxpayer who purchases a Discount Bond in the initial public offering at the Issue Price for such maturity, or a portion thereof, and who holds such Discount Bond to maturity may treat the full amount of original issue discount as interest which is excludable from the gross income of the owner of that Discount Bond for federal income tax purposes and will not, under present federal income tax law, realize taxable capital gain upon payment of the Discount Bond at maturity.

LITIGATION

The Issuer

There is not now pending or, to the knowledge of the Issuer, threatened, any litigation against the Issuer which seeks to restrain or enjoin the issuance or delivery of the Bonds, or questioning or affecting the validity of the Bonds or the proceedings or authority under which the Bonds are to be issued. There is not now pending or, to the knowledge of the Issuer, threatened, any litigation against the Issuer which in any manner questions the right of the Issuer to enter into the Indenture or to secure the Bonds in the manner provided in the Indenture.

The College

There is not now pending or, to the knowledge of the College, threatened, any litigation against the College which seeks to restrain or enjoin the issuance or delivery of the Bonds, or questioning or affecting the validity of the Bonds or the proceedings or authority under which the Bonds are to be issued. There is not now pending or, to the knowledge of the College, threatened, any litigation against the College which in any manner questions the right of the College to enter into the Loan Agreement and carry out the transactions described therein, or would in any manner challenge or adversely affect the corporate existence of the College or the status of the College as an Illinois not-for-profit corporation and an organization described in Section 501(c)(3) of the Code.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance, sale and delivery of the Bonds and with regard to the tax status of interest thereon under existing law are subject to the approving opinion of Ice Miller LLP, Chicago, Illinois, Bond Counsel. Ice Miller LLP was not requested to participate and did not participate in the preparation of this Official Statement except as hereinafter noted, and has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained herein, except that, in its capacity as bond counsel, such firm has reviewed the information under the headings “INTRODUCTION–Authorization” and “INTRODUCTION–Source of Payment,” “THE ISSUER,” “THE BONDS,” “SECURITY FOR THE BONDS,” and “TAX EXEMPTION” herein and the information contained in APPENDICES C and D hereto insofar as such portions summarize certain provisions of, or provide forms of, certain documents relating to the Bonds, and certain tax matters relating to the Bonds. Certain legal matters will be passed upon for the Issuer by Katten Muchin Rosenman LLP, Chicago, Illinois, for the College by Schiff Hardin LLP, Chicago, Illinois, and for the Underwriters by Gilmore & Bell, P.C., Edwardsville, Illinois.

MUNICIPAL ADVISOR

Longhouse Capital Advisors, LLC, Chicago, Illinois (the “Municipal Advisor”), has been retained by the College to provide certain financial advisory services in connection with the issuance of the Bonds. The Municipal Advisor has not been retained to prepare the Official Statement. The Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of the information set forth in this

Official Statement. The Municipal Advisor is not a public accounting firm and has not been engaged by the College to compile, review, examine or audit any information in this Official Statement in accordance with accounting standards. The Municipal Advisor is a municipal advisor registered with the Securities Exchange Commission and the Municipal Securities Rulemaking Board in accordance with applicable federal securities laws and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Bonds. A portion of the fees to be paid to the Municipal Advisor for services provided in connection with the issuance of the Bonds is contingent upon the closing of the Bonds.

RELATIONSHIPS AMONG THE PARTIES

In connection with the issuance of the Bonds, Ice Miller LLP is acting as Bond Counsel, Gilmore & Bell, P.C. is acting as counsel to the Underwriters, Katten Muchin Rosenman LLP is acting as counsel to the Issuer and Schiff Hardin LLP is acting as counsel to the College. In other transactions not related to the Bonds, each of these attorneys or law firms may have acted, or be acting, and/or may have represented, or be representing, the Underwriters, the Issuer, the College or their affiliates in capacities different from those described under “CERTAIN LEGAL MATTERS.” There are and will be no limitations imposed as a result of the issuance of the Bonds on the ability of any of these firms or attorneys to represent any of these parties, or to act as bond counsel, in any present or future transactions. Furthermore, the Underwriters, the Issuer, the College and their affiliates are not limited in engaging in future business transactions together or in any combination with each other. Potential purchasers of the Bonds should not assume that the Underwriters, the Issuer and the College, or their respective counsel, or Bond Counsel, have not previously engaged in, are not presently engaged in, or will not after the issuance of the Bonds engage in, other transactions with each other or with any affiliates of any of them, and no assurance can be given that there are or will be no past, present or future relationships or transactions between or among any of these parties or these attorneys or law firms.

UNDERWRITING

The Bonds are being purchased by the Underwriters pursuant to a bond purchase agreement entered into by and among the Issuer, the Underwriters and the College. The Underwriters have agreed to purchase (a) the Series 2021A Bonds at an aggregate purchase price of \$ _____ (which is equal to the aggregate principal amount of the Series 2021A Bonds, plus net original issue premium/discount of \$ _____ and less an underwriters’ discount of \$ _____), and (b) the Series 2021B Bonds at an aggregate purchase price of \$ _____ (which is equal to the aggregate principal amount of the Series 2021B Bonds, plus net original issue premium/discount of \$ _____ and less an underwriters’ discount of \$ _____). The bond purchase agreement provides that the Underwriters will purchase all the Bonds, if any are purchased, and requires the College to indemnify the Underwriters and the Issuer against losses, claims and liabilities arising out of any untrue statement of a material fact contained in this Official Statement or the omission herefrom of any material fact in connection with the transactions contemplated by this Official Statement. The initial public offering price for the Bonds may be changed, from time to time, by the Underwriters.

The Underwriters may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into unit investment trusts) and others at prices lower than the offering price set forth on the cover page.

CONTINUING DISCLOSURE REQUIREMENTS

The College has undertaken all responsibilities for any continuing disclosure to holders of the Bonds, and the Issuer has no responsibility or liability to the holders or any other person with respect to such disclosures. The College will enter into a Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) with the Trustee (together with any successor dissemination agent, the “Dissemination Agent”). The College will covenant in the Continuing Disclosure Agreement for the benefit of the Owners and Beneficial Owners of the Bonds to provide annually certain financial information and operating data relating to the College (the “Annual Report”) and to provide notices of the occurrence of certain enumerated events. (There is no other obligated person under the Continuing Disclosure Agreement.)

The Annual Report is to be filed by the College no later than 180 days after the close of each fiscal year, commencing with the fiscal year ending June 30, 2022, with the Municipal Securities Rulemaking Board, at its internet repository named “Electronic Municipal Market Access” (“EMMA”). The notices of events, if any, are also to be filed with EMMA. The specific nature of the information to be contained in the Annual Report or the notices of events, and the manner in which such materials are to be filed, are summarized in “APPENDIX E — FORM OF CONTINUING DISCLOSURE AGREEMENT.” These covenants have been made in order to assist the Underwriters in complying with SEC Rule 15c2-12(b)(5) (the “Rule”).

The College is solely responsible for providing the Annual Report and any event notices. The Issuer shall have no responsibility or liability to the holders of the Bonds or any other person for the making, monitoring or content of any disclosures made by or on behalf of the College.

The Continuing Disclosure Agreement will be the first undertaking of the College under the Rule.

RATING

S&P Global Ratings (“S&P”) has assigned a long-term rating of “_____” with a _____ outlook to the Bonds. An explanation of the significance of such rating may be obtained from S&P. Such rating reflects only the view of such organization. Such rating is not a recommendation to buy, sell or hold the Bonds and there is no assurance that such rating will continue for any given period of time or that such rating will not be suspended, revised downward or withdrawn entirely by S&P if in its judgment circumstances so warrant. Any downward revision or withdrawal of the rating given to the Bonds may have an adverse effect on the marketability or market price of the Bonds. Neither the Issuer nor the College has undertaken any responsibility to bring to the attention of the owners of the Bonds any proposed suspension, revision or withdrawal of the rating on the Bonds, except in connection with the reporting of certain events by the College as provided in the Continuing Disclosure Agreement, or to oppose any such proposed suspension, revision or withdrawal.

FINANCIAL STATEMENTS

The financial statements of the College as of and for the years ended June 30, 2020 and 2021, attached hereto as a part of APPENDIX B – “AUDITED FINANCIAL STATEMENTS,” have been audited by Sikich LLP, certified public accountants, as stated in their report appearing in APPENDIX B. Sikich LLP, the College’s independent auditor has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Sikich LLP also has not performed any procedures relating to this Official Statement.

[Remainder of page intentionally blank.]

MISCELLANEOUS

Any statements in this Official Statement, including the Appendices hereto, involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. The attached APPENDICES A, B, C, D and E are integral parts of this Official Statement and must be read together with all of the foregoing statement.

The summaries or descriptions of provisions of the Bonds, the Indenture and the Loan Agreement and all references to other materials not purporting to be quoted in full, are only brief outlines of certain provisions thereof and do not purport to summarize or describe all the provisions thereof. Reference is hereby made to such instruments, documents and other materials for the complete provisions thereof.

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bonds nor any error in the printing of such numbers shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for any Bonds.

Except for the information concerning the Issuer under the captions "THE ISSUER," and "LITIGATION – The Issuer," none of the information in this Official Statement has been supplied or verified by the Issuer, and no representation or warranty is made by or on behalf of the Issuer, express or implied, as to the accuracy or completeness of such information. The College has reviewed the information contained herein which relates to it and has approved all such information for use within this Official Statement.

The execution and delivery of this Official Statement has been duly authorized by the College.

KNOX COLLEGE

By: _____
Vice President of Finance and Administrative Services

APPENDIX A

CERTAIN INFORMATION REGARDING KNOX COLLEGE

APPENDIX A

CERTAIN INFORMATION CONCERNING KNOX COLLEGE

TABLE OF CONTENTS

	<u>Page</u>
HISTORY AND BACKGROUND	1
The College.....	1
History	1
Statement of Mission	2
Accreditation and Tax Status.....	3
The Campus.....	3
Corporate Structure and Governance.....	4
Committees.....	6
ADMINISTRATION	6
College Facilities Generally.....	7
Student Housing.....	9
OPERATIONS	9
Academic Programs.....	9
History of Student Enrollment.....	9
Enrollment Profile	10
Tuition Charges	10
Financial Assistance	10
Geographic Demographics of Student Population.....	11
Scholastic Measures.....	11
Retention and Graduation Rates	12
Discussion of Recent Enrollment Trends	12
Impact of COVID-19.....	14
Faculty	16
Employees	16
Athletics.....	17
Competition	17
Risk Management and Insurance.....	17
Strategic Initiatives	18
RESULTS OF OPERATIONS	19
Financial Records	19
Budget Development and Oversight.....	19
Endowment.....	20
Cash and Unrestricted Investments.....	20
Total Cash and Investments to Long-Term Indebtedness.....	21
Fundraising Activities.....	21
Statement of Financial Position	23
Statement of Unrestricted Activities and Changes in Net Assets	24
Management Discussion of Financial Results	25
Outstanding Long-Term Indebtedness.....	27
Financial Covenants for the Bonds.....	27
Retirement Programs	27
Continuing Disclosure	27
Litigation	27

KNOX COLLEGE ORGANIZATION AND OPERATIONS

HISTORY AND BACKGROUND

The College

Knox College (“Knox” or the “College”) is an independent, four-year, residential baccalaureate institution of approximately 1,140 students from over 40 states and nearly 50 countries. Knox currently offers 60 courses of study with a student-faculty ratio of 11:1. As the Prairie Fire, Knox fields 18 varsity sports in the Division III Midwest Conference.

The College’s enduring hallmarks, dating from its founding in 1837 by abolitionists, are academic rigor; student access without regard to gender, race or financial circumstances; a social justice ethos and a supportive, richly elaborated student culture that inspires high affinity and loyal, active alumni devotion. The word alumni use most often in describing their Knox experience is “transformational.”

Knox’s location, midway between Chicago and St. Louis, affords both urban proximity and a small-town setting conducive to a close-knit campus and local community engagement. Its academic attractions include strengths in creative writing, history and the sciences. Experiential education and immersion terms across disciplines are well established and pre-professional and cooperative programs provide additional paths to post-graduate success.

The College has a strong commitment to internationalism, including its piloting of a Peace Corps Preparatory Program that is now a model for other American institutions. Knox is a broad-minded campus notable for its passionate student activism, but also for its kindness and warmth. Accolades from the New York Times and Washington Monthly cite Knox’s effectiveness in launching engaged graduates, encouraging public service and promoting social mobility. Knox is one of the most diverse liberal arts colleges in the country with approximately 40% domestic students of color and almost 30% identify as LGBTQ+. A member of the American Talent Initiative, Knox is among the most successful colleges in retaining and graduating students who are first-generation to college. The College ranks in the top four percent of liberal-arts college producers of PhDs.

The past decade has seen notable gains in the College’s endowment which was approximately \$211 million at the end of fiscal year 2021. The Knox 2018 strategic plan, launched in 2013, moved the College towards greater curricular differentiation in the admissions marketplace - including the addition of a Bachelor of Science degree, new majors in business and data science and the creation of five new minors linking arts-and-sciences study to career paths. In 2021, Knox again expanded the number of majors and minors to meet student interest and high demand in the marketplace. The College now offers a major in journalism, a major and minor in public policy, a minor in Spanish translation and interpretation, and a minor in art museum studies.

Recent years also saw the renovation of historic Alumni Hall (1890) as a new gateway to the campus, the construction of the Whitcomb Art Center (for art and art history) and the re-imagined core of the Umbeck Science-Mathematics Center. With the redevelopment of Seminary Street as an independent shopping district, the campus is now more deeply integrated into the life of the City of Galesburg, Illinois (the “City” or “Galesburg”). The City with a population of 30,197 is the seat of Knox County, a railroad hub three hours from Chicago and “home to the largest number of historic houses in Illinois.”

History

The paired foundations of Knox and the City had their origin in the Oneida Institute that Presbyterian minister George Washington Gale organized in Whitesboro, New York in 1827. The Institute

was “a short-lived but highly influential school that was a national leader in the [then] emerging anti-slavery movement,” leading the struggle for immediate emancipation in the United States. It enrolled black and white male students on an equal basis, the first American college to do so. Oneida would plant the seeds not only for Knox but also for Bates College, Case Western University, and Oberlin College.

In 1836, Gale’s attention turned to the west. He released his “Circular & Plan,” formally announcing the incorporation of a “Prairie College,” as Knox was first known. Gale stated his intention to open the college to women, which he would do with the construction of a coordinate Female Seminary in 1844.

The Plan’s subscribers, who became Galesburg’s first settlers, organized the town around Gale’s philosophy and vision for the college - town and gown grew up together rather than in tandem. The College’s 1837 chartering launched classes in a cabin, even as Galesburg’s new residents organized the state’s first anti-slavery society and the proto-feminist Female Moral Reform Society, all undeterred by the Panic of 1837. Not only did residents believe that slavery was wrong, but many were willing to put themselves on the line by breaking the laws of the time: Gale was indicted in 1843 for harboring runaway slaves.

Galesburg became a hub for the commercial railroad that arrived in 1854 and a haven for the Underground Railroad. A national, and soon, international enrollment gave Knox and Galesburg a cosmopolitanism that persists to this day. By 1857, Knox had the wherewithal to hire a Swedish-born, New York-trained architect to design the present-day “Old Main” as its signature campus landmark. Its distinctive style made it a fit setting for the fifth Lincoln-Douglas debate. When Knox awarded its first honorary doctorate to presidential candidate Abraham Lincoln in 1860, it was the first academic honor of any kind for the self-educated Lincoln.

In the latter half of the nineteenth century, a succession of nationally celebrated faculty members established Knox’s reputation for academic excellence. But it was student initiative - and occasionally rebellion - that lay the groundwork for the ethos of undergraduate activism, creative expression and self-determination that still define Knox today. The co-founder of The Knox Student newspaper, S. S. McClure ‘82, headed to New York after graduation. There he enlisted Knox classmates to publish McClure’s Magazine, which inaugurated investigative journalism and ushered in the Progressive Era. Missionaries and Muckrakers is accordingly the title of the College’s standard history. Ellen Browning Scripps, founder of Scripps College and the Scripps Institution of Oceanography, graduated in 1859. Dorothea Tanning, Surrealist painter, was a Galesburg native in the class of 1934.

Twentieth- and 21st-century Knox benefited from several long-serving presidents with professional experience at pre-eminent colleges and universities. President Inman Fox (1974-82) tripled Knox’s endowment. John McCall, completed the \$24 million Sesquicentennial Capital Development Program. Two presidents from non-traditional backgrounds proved highly impactful. Rick Nahm was the University of Pennsylvania’s chief advancement officer when he came to Knox as president in 1993. He grew Knox’s endowment and enrollment and collaborated with the local Carl Sandburg College and the Galesburg school district to establish the George Washington Gale Scholars Program, which supports academically promising first-generation and low-income youth through mentoring, community service and college scholarships. Roger Taylor ‘63 returned to Knox as president in 2002 after practicing law in Chicago at Kirkland & Ellis for 30 years. During his ten-year appointment, enrollment increased from 1,000 to more than 1,400; athletic and residential facilities were expanded and renovated; and the curriculum was revised to meet the needs of contemporary students. In her decade of leadership, Teresa Amott helped to set the terms of Knox’s strategic plan, in renewing the College’s physical plant and sustaining a diverse, inclusive community that allows each Knox student to pursue an individual path.

Statement of Mission

Knox is a community of individuals from diverse backgrounds challenging each other to explore, understand and improve ourselves, our society and our world. The commitment to put learning to use to

accomplish both personal and social goals dates back to the founding of the College in 1837. Knox takes particular pride in the College's early commitment to increase access to all qualified students of varied backgrounds, races and conditions, regardless of financial means.

Today, Knox continues to expand its historic mission and the tradition of active liberal arts learning. Knox provides an environment where students and faculty work closely together and where teaching is characterized by inviting and expecting students to pursue fundamental questions in order to reach their own reflective but independent judgments. The mission is carried out through:

- **Curriculum:** combining inquiry in traditional as well as newer disciplines with the integrative perspective of interdisciplinary work; building from basic skills of writing, reading, calculating and critical analysis to opportunities for sophisticated student research and creative expression.
- **Character of Learning Environment:** encouraging the critical exchange of ideas, challenging students with high expectations and persistent demands for rigorous thinking within a supportive and egalitarian environment, characterized by an informality and openness that mirrors Knox's Midwestern surroundings.
- **Residential Campus Culture:** encouraging the personal, cultural and intellectual growth of students in a reflective, inclusive, and engaged campus community through supportive residential opportunities, numerous student organizations, a wide array of creative activities and cultural programming, and opportunities for intercollegiate and recreational sports.
- **Community:** reaffirming and extending Knox's ongoing commitment to a diverse community of students, faculty and staff with each new hiring and admission.

Knox's mission aims throughout to foster a lifelong love of learning and a sense of competence, confidence and proportion that will enable students and faculty to live with purpose and to contribute to the well-being of others.

Accreditation and Tax Status

The College is accredited by the Institutional Actions Council of the Higher Learning Commission (the "Higher Learning Commission"), the Illinois State Board of Education, and the American Chemical Society. The Higher Learning Commission's most recent comprehensive evaluation occurred in the 2020/2021 academic year and the next comprehensive evaluation is scheduled for the 2029/2030 academic year. The College is an Illinois chartered corporation and is exempt from Federal tax under Section 501(c)(3) of the Internal Revenue Code.

The Campus

The College sits on an 82-acre campus in Galesburg. Knox has modern academic facilities and resources – 65 buildings, including 10 academic and administrative buildings and 32 residential facilities. The College sits in the heart of the City and is surrounded by municipal offices, small businesses, and residential neighborhoods.

Open green spaces throughout the campus provide many opportunities for outdoor activities, gatherings, and recreation. Many on-campus residential options allow students to create a residential experience that best suits their interests and needs. Residential options include traditional double-occupancy rooms, suites, apartments, townhomes, theme housing, and fraternities.

Corporate Structure and Governance

The College is governed by The Board of Trustees of Knox College (the “Board”). The Board shall not exceed 43 elected members, including the President of the College, who shall be a voting Trustee *ex officio*, during his or her term of office. Of this maximum amount, no more than 37 shall be General Trustees, and no more than 4 shall be Alumni Trustees; Emeritus Trustees and Honorary Trustees, however, shall not be included in this amount. The immediate past Chair of the Alumni Council shall be a voting Trustee, *ex officio*, following his or her term as Chair of the Alumni Council, and shall serve as a member of the Advancement Committee.

The officers of the Board are elected annually by the Board. The officers’ terms of service are four years. The members of the Board serve in a voluntary capacity and receive no remuneration for service rendered in such capacity. The members of the Board are listed below.

<u>Name</u>	<u>Board Role</u>	<u>Residence</u>	<u>Occupation</u>	<u>Start of Term</u>
Tony Etz ⁽¹⁾	Chair	Los Angeles, CA	Agent, Creative Artists Agency	2016
Barbara A. Baird ⁽¹⁾	Vice Chair	Ithaca, NY	Horace White Professor of Chemistry and Chemical Biology, Cornell University	2017
Joseph C. Bastian ⁽¹⁾	Member, Chair, Committee on Trustees	Chapel Hill, NC	Retired, Owner/CEO-Panera Bread Franchisee	2013
Patrick St. Aubyn Lyn ⁽¹⁾	Member, Chair, Committee on Finance	Arlington, MA	Head of North American Commercial, Newton Investment Management North America LLC.	2013
Keith Maskus ⁽¹⁾	Member, Chair, Committee on Academic Affairs	Boulder, CO	Arts and Sciences Professor of Distinction in Economics, University of Colorado	2014
Susan C. Plomin ⁽¹⁾	Member, Chair, Committee on Campus Life and Athletics	Park City, UT	Volunteer	2018
Tino Schuler ⁽¹⁾	Member, Chair, Committee on Admission and Financial Aid	Jacksonville, FL	Founder, Schuler Educational Consulting	2018
Dan Spaulding ⁽¹⁾	Member, Chair, Committee on Advancement	Seattle, WA	Chief People Officer, Zillow Group	2016
R. Kyle Winning ⁽¹⁾	Member, Chair, Committee on Facilities and Infrastructure	Little Rock, AR	Real Estate Investor	2012
Douglas L. Bayer	Member	Bellevue, WA	Retired, Microsoft Corporation	2008
Nyerere Billups, Sr.	Member	Chicago, IL	Director, Portfolio Program Management Operations for AbbVie, Inc.	2020

Susan A. Blew	Member	Berkeley, CA	Retired, Senior Executive and Technology Consultant	2020
Michael Chubrich	Member	Portsmouth, NH and Naples, FL	Attorney	2020
George Cole	Member	Redwood City, CA	Senior Medical Director, Oncology Clinical Development	2021
Carol Bovard Craig	Member	Merritt Island, FL	Founder/CEO, Craig Technologies	2015
Mark Draper	Member	Mankato, MN	President, River City Electric Co.	2021
Don Harmon	Member	Oak Park, IL	Illinois State Senator from the 39th Legislative District and Senate President	2018
John Lawler	Member	Bingham Farms, MI	CFO, Ford Motor Company	2017
Keith Lee	Member	New York, NY	CEO and co-founder of Feenix Venture Partners	2018
Helen Lin	Member	New York, NY	Startup venture in the CRM analytics space	2020
Robert Long	Member	Miami Beach, FL	Founder and Co-Chair, Littler Mendelson's Business Restructuring Practice Group	2018
James Mason	Member	Colorado Springs, CO	Retired, Colonel, US Army, and Parsons Corporation	2021
David S. Mitchell	Member	Chicago, IL	Fund Manager, William Blair & Company, LLC	2019
Laurence Msall	Member	Inverness, IL	President, Civic Federation, Chicago	2017
James R. Potter	Member	Springfield, IL	Co-founder Londrigan Potter Randle P.C.	2019
Julie K. Rademaker	Member	Chicago, IL	Partner, Barack Ferrazzano Kirschbaum & Nagelberg LLP	2019
Laura Rosene	Member	Arlington, OH	Self-employed, HR Consultant	2013
David A. Schultz	Member	New York, NY	Floyd Abrams Clinical Lecturer, Yale Law School and Senior Counsel at Ballard Spahr, LLP	2020
Janice Vyn Sharry	Member	Dallas, TX	Partner, Haynes & Boone LLP	2013
Anthony Tedeschi	Member	Golden, CO	Retired, CEO, Tenet Healthcare, Detroit Market	2021
Juliana Tioanda	Member	Bellevue, WA	Chief of Staff / Sr. Director Business Strategy, Microsoft	2020
Frederick Veague	Member	Batavia, IL	Chief Technology Officer, IFS North America	2021
Adam Vitale	Member	Galesburg, IL	President, G & M Distributors, Inc.	2016
Gerald F. Vovis	Member	Cheshire, CT	President and CEO, Vovis Industries	2010

Scott L. Westerman	Member	St. Louis, MO	Executive Vice President and General Manager, Southern Glazer’s Wine and Spirits	2020
Susan Haerr Zucker	Member	Chicago, IL	Retired, Vice President and General Counsel, City Real Estate Incorporated	2015
Akwasi Asabere ⁽²⁾	Member	Eden Prairie, MN	Head of Business Development & Strategic Partnerships; Health Systems, BioPharma, & Payers, Helix Opco LLC	2021
Celinda Davis ⁽³⁾	Member	LaCross, WI	Academic Advisor, University of Wisconsin-LaCrosse	2018
Martin Glickman ⁽²⁾	Member	Chicago, IL	Wealth Management Advisor, Northwestern Mutual	2021
Gwen Lexow ⁽²⁾	Member	Portland, ME	Director of Title IX and Civil Rights Compliance and lecturer in social sciences, Bates College	2020
Amy Ragnini Olson ⁽²⁾	Member	Elmwood Park, IL	Executive Vice President of Marketing and Sales, Bank Financial	2019

- (1) Member of Executive Committee
- (2) Alumni Trustee
- (3) Alumni Trustee - recent graduate

Committees

In addition to an Executive Committee the standing committees of the Board are the Committee on Academic Affairs; Committee on Admission and Financial Aid; Committee on Advancement; Committee on Campus Life and Athletics; Committee on Facilities and Infrastructure; Committee on Finance and three subcommittees on Audit, Budget, and Investments; and Committee on Trustees.

ADMINISTRATION

The Board delegates authority for the management and daily operations of the College to the President and officers of the College listed below.

C. Andrew “Andy” McGadney, Ed.D., President, is the 20th president of Knox. He joined the College in July 2021. A native of Connecticut, Dr. McGadney earned his BA at Wesleyan University, majoring in Sociology and African American Studies. He later earned a Master of Public Administration and Policy from Columbia University and an EdD in Higher Education Management from the University of Pennsylvania, writing his dissertation on “Crisis Management at Small Liberal Arts Colleges: Perspectives on Presidential Decision Making.” Prior to his appointment at Knox, he served as Vice President and Dean of Student Advancement at Colby College, following three years as Colby’s Vice President and Secretary of the College, a role that made him the principal liaison to the Board of Trustees. While at Colby, Dr. McGadney provided strategic vision in realizing the College’s signature initiative, DavisConnects, funded with a \$25 million donor gift. DavisConnects is a global liberal arts model that affords every Colby student a set of integrated research, internship, and global experiences designed to enhance the academic experience and prepare students for post-graduate success. Dr. McGadney was also responsible for implementing a series of complex strategic initiatives that emerged through the College’s planning process and promoted, facilitated, and supported governance practices across the College. Previously, he was Vice President for University Advancement at Clark University in Worcester, MA, a Colleges that Change Lives institution.

In that role, Dr. McGadney led fundraising efforts and instituted new infrastructure to plan, launch, and execute a \$125 million comprehensive campaign. He also led efforts to improve student and alumni affinity at Clark. He began his early work in higher education as Director of Development and a Major Gift Officer at his alma mater, Wesleyan, on whose Board of Trustees he has served since 2018. He has also served on several community boards, including Big Brothers/Big Sisters.

Heather Bumps, Vice President for Strategic Initiatives, joined Knox in July 2021. In her role, she assists in the conceptualization of strategic goals, manages major initiatives that support the strategic direction of the College, and contributes to the day-to-day operation of projects that directly advance the Knox mission. Most recently, Ms. Bumps served as the chief of staff and presidential engagement liaison in the Office of College Advancement at Colby College. She has also held positions at Johns Hopkins University and Bates College. Heather received her B.A. from Bates College and an MBA from Thomas College.

Paul Eisenmenger, Vice President for Finance & Administrative Services and Chief Financial Officer, has more than 15 years of experience in higher education, serving in leadership positions in finance at Lewis University, Valparaiso University, and Trinity International University. Prior to joining academia, Mr. Eisenmenger held accounting and marketing positions in private industry for 16 years. He received his MBA from DePaul University and is registered as a CPA in the State of Illinois. He has held adjunct faculty positions at Columbia College and Trinity International University.

Michael A. Schneider, Provost and Dean of the College, served as interim dean of the College in 2017-2018, as associate dean for four years, director of the Eleanor Stellyes Center for Global Studies for eight years, and twice served as resident director for the ACM/GLCA Japan Study off-campus program in Tokyo. A member of the Knox faculty since 1992, Mr. Schneider has served as chair of the history department as well as chair of the Asian Studies and international studies programs. He currently also serves as the Interim Vice President for Student Development while the search for the new Vice President is underway.

Paul Steenis, Vice President for Enrollment and Dean of Admission, oversees enrollment for the College. He graduated from Knox with a B.A. in philosophy and economics and business administration. Mr. Steenis has worked at Knox for more than 25 years starting as an admission counselor shortly after his graduation.

Lisa Van Riper, Vice President for Communications, joined Knox in November 2020 as Executive Director of Communications. In her role, she leads communications strategy and implementation in collaboration with partners across campus and with the Communications team. Prior to joining Knox, she held communications leadership positions at University of Richmond, and in the consumer packaged goods and services and public service sectors.

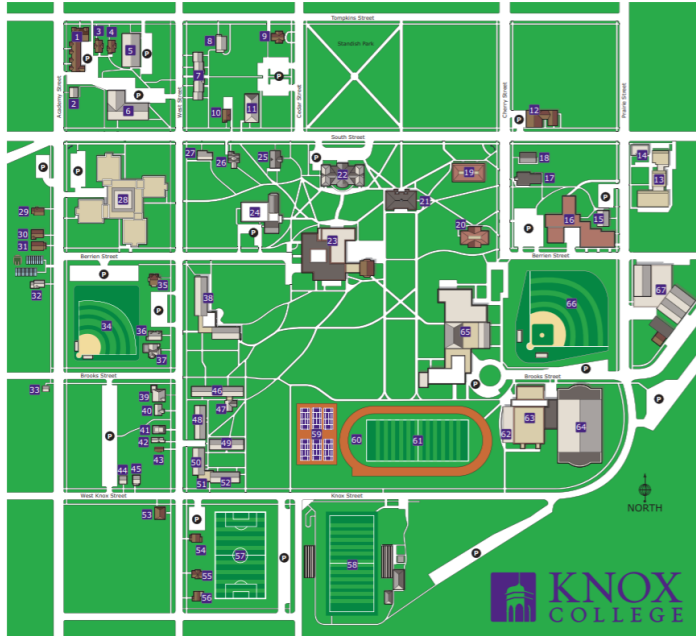
Peggy Ware, Executive Assistant to the President and Secretary of the College, joined Knox in 2015 as a member of the President's staff. She is responsible for operations in the Office of the President and provides support to the President for the Board. Ms. Ware is a retired U.S. Navy veteran with 26 years of service. Over the course of her career, she was stationed in Iraq, Guam, England, and the United States. Her final posting was as an executive assistant at Naval Provisional Detainee Battalion FIVE, Camp Bucca, Iraq.

College Facilities Generally

The Galesburg campus includes over one million square feet of facilities to support the teaching, learning, research, living, and working of approximately 1,500 students, faculty, and staff. Campus facilities include the recently completed observatory on the roof of the Umbeck Science-Mathematics Center that is home to a new 17-inch Planewave Astrograph telescope. Athletic facilities include an approximately 13,000

square foot modern fitness center, fieldhouse, gymnasium, tennis courts, natural and artificial turf fields, and outdoor track and field facility. The College also owns 10 acres of zoned industrial land in Galesburg, just south of the campus, along with two historic homes, Gale House and Ingersoll House, a guest house and the President's residence respectively, located several blocks north of the campus.

A 735-acre ecological field station, Green Oaks, in Knox County approximately 20 miles from campus, as well a 27-acre natural savannah, Potters Woods in Bureau County, serve as critical research resources for faculty and students.



TOP: Ingersoll House
BOTTOM: Green Oaks

Student Housing

The College's campus includes 32 residential facilities, including traditional residence halls and suites, apartments, theme houses, townhomes, and fraternities. The base charge per student for a double occupancy room and full meal plan for 2021-22 is \$10,221.

As a result of the COVID-19 pandemic, the College granted more than usual off-campus housing requests for students in the current year due to heightened health concerns. In addition, the College is holding a small number of beds unoccupied for use as isolation spaces for students who may test positive for COVID-19.

The following table shows occupancy statistics over the last five Fall semesters:

<u>Fall</u>	<u>Beds Available</u>	<u>Occupied</u>	<u>% Occupied</u>
2017	1,142	1,069	93.60%
2018	1,116	1,030	92.30
2019	1,080	1,008	93.30
2020	1,093	783	71.60
2021	1,093	994	90.94

OPERATIONS

Academic Programs

The academic program of the College is organized around 19 academic departments listed below. Departments offer multiple majors, minors, pre-professional programs and support cooperative programs with institutions including Washington University in St. Louis, Missouri; Columbia University in New York, New York; Rensselaer Polytechnic Institute in Troy, New York; the University of Illinois at Champaign-Urbana, Illinois; Rush School of Nursing and the Illinois College of Optometry in Chicago, Illinois among others. In addition, the College offers experiential and immersion learning opportunities including internships, civic engagement, study-abroad, research, immersion terms and short-term immersion programs. The College provides each student with a \$2,000 grant during their third or fourth year, known as the Power of Experience Grant, to fund an experiential learning opportunity.

Anthropology and Sociology	History
Art and Art History	Mathematics
Biology	Modern Languages and Literatures
Chemistry	Music
Classics	Philosophy
Computer Science	Physics and Astronomy
Economics	Political Science and International Relations
Educational Studies	Psychology
English	Theatre
Environmental Studies	

History of Student Enrollment

The following table sets forth the College's fall term degree-seeking enrollment for each of the last five years:

<u>Year (Fall Term)</u>	<u>Degree-Seeking Enrollment</u>
2017-18	1,341
2018-19	1,318
2019-20	1,229
2020-21	1,130
2021-22	1,140

Enrollment Profile

The following table sets forth the College’s first-time applications (first year and transfer) for admission, the acceptance rate (the percentage of those students who were accepted as compared to the total number that apply for admission), and matriculation rate (the percentage of those students who enroll as a percentage of those accepted) for the last five academic years:

<u>Academic Year</u>	<u>Applicants</u>	<u>Acceptances</u>	<u>Percent Accepted</u>	<u>Enrollment</u>	<u>Percent Matriculated</u>
2017-18	3,353	2,389	71.2%	384	16.1%
2018-19	2,824	2,090	74.0	380	18.2
2019-20	3,485	2,369	68.0	343	14.5
2020-21	3,192	2,254	70.6	302	13.4
2021-22	3,122	2,202	70.5	291	13.2

Tuition Charges

The College meets the costs of its educational programs primarily through tuition and fees, as further supported by gifts and grants. The following table sets forth the base tuition rate for the past five academic years:

<u>Academic Year</u>	<u>Full-Time⁽¹⁾</u>	<u>Percentage Increase</u>	<u>Part-Time (per Credit Hour)</u>
2017-18	\$44,191	-	\$4,209
2018-19	45,783	3.5%	4,360
2019-20	47,385	3.4	4,513
2020-21	49,185	3.7	4,684
2021-22	50,784	3.1	4,837

⁽¹⁾ Tuition is based on 3 ½ credit hours per term.

Financial Assistance

Approximately 95% of the College’s students receive some form of financial assistance awarded through a combination of grants, loans, and part-time work. Institutional financial aid is funded through endowment income and gifts.

The College has consistently been rated as “financially responsible” by the Department of Education and works diligently and proactively to ensure continued access to all federal financial aid programs on behalf of its students. The College’s financial responsibility composite score for its most recently completed fiscal year was 3.0, twice the 1.5 score threshold to be considered financially responsible by the Department of Education.

The following table shows the College's student financial assistance programs for all students for the last five fiscal years (in thousands):

Student Financial Assistance Programs	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<i>College Funded Grants</i>					
Scholarships	\$18,968	\$21,887	\$24,132	\$25,775	\$25,084
<i>Institutional Loan Program</i>					
Henry Strong Loan	191	235	314	398	324
<i>Illinois Financial Aid</i>					
State Financial Aid	2,259	1,589	1,480	1,377	1,172
<i>Federal Financial Aid</i>					
Supplemental Educational Opportunity Grants	173	193	225	184	231
Work Study Program	146	164	137	178	188
Perkins	3,565	3,517	2,962	2,431	1,798
Pell Grant	1,935	2,001	2,070	1,892	1,836
Direct Loan Program	7,554	7,478	7,702	6,722	6,276
Total Federal Financial Aid	<u>13,373</u>	<u>13,353</u>	<u>13,096</u>	<u>11,407</u>	<u>10,329</u>
Grand Total of Financial Aid	<u>\$34,791</u>	<u>\$37,064</u>	<u>\$39,022</u>	<u>\$38,957</u>	<u>\$36,909</u>

Geographic Demographics of Student Population

Students from 45 states and territories and 49 countries are represented on campus. The following table summarizes the origin of students for the academic year 2021-22:

	<u>Number of Students</u>	<u>Percent</u>
Illinois	451	39.6%
Other Out-of-State	508	44.6
International	<u>181</u>	<u>15.8</u>
Total	<u>1,140</u>	<u>100.0%</u>

Scholastic Measures

The following table shows the scholastic measures for incoming first year students for student who provided test scores and grade point average over the past five academic years:

<u>Academic Year</u>	<u>Mean ACT Scores of Matriculants⁽¹⁾</u>	<u>Mean SAT Scores of Matriculants⁽¹⁾</u>	<u>Median Grade Point Average⁽²⁾</u>	<u>Top Quartile HS Graduating Class (%)</u>
2017-18	26	1267	3.38	33%
2018-19	27	1225	3.37	30
2019-20	27	1244	3.44	28
2020-21	26	1199	3.44	27
2021-22	27	1268	3.42	23

⁽¹⁾ The national mean ACT composite score generally ranges from 20.8 to 21.0 annually. The national mean SAT score ranges from 1050 to 1060 annually.

⁽²⁾ Unweighted high school grade point average on a 4.0 scale.

Retention and Graduation Rates

The following table indicates the first-year retention and six-year graduation rates for the past five academic years:

<u>Academic Year</u>	<u>First-Year Retention (%)</u>	<u>6-Year Graduation Rate (%)</u>
2017-18	87%	76%
2018-19	81	75
2019-20	81	74
2020-21	82	70
2021-22	83	74

Discussion of Recent Enrollment Trends

Overview

Knox is finding new and innovative ways to attract and retain students for whom the unique, experience-based liberal arts education the College provides is the best fit. External pressures such as the increases in tuition discounting and the perceived value of a liberal arts education have created challenges which Knox has met with a variety of initiatives as outlined below. Knox's small size, long-standing system of shared governance, and commitment to the mission and sustainability of the College have provided Knox the flexibility and nimbleness to address challenges and demand in the market in real-time and with relatively modest financial investments.

As noted below many of the initiatives were instituted at or just before the COVID-19 pandemic hit, therefore the full impact of many of these initiatives may not be reflected in enrollments until FY22 or beyond. While Knox's enrollment declined between Fall 2019 and Fall 2020, this downward trend was seen throughout the country in undergraduate enrollments and directly related to the COVID-19 pandemic. The College's one percent enrollment increase from Fall 2020 to Fall 2021 contracts the national decline of nearly five percent of undergraduate enrollments this fall. The strategies below as well the ability of the College to quickly address unexpected disruptions in operations and the delivery of the academic program have combined to put Knox on a positive enrollment trajectory in future years.

New or Enhanced Degrees, Majors, and Cooperative Programs

- A **Bachelor of Science Degree** (begun in 2018) to help signal the College's commitment to students

wishing to pursue graduate studies and careers in the sciences. Coupled with this commitment, Knox invested \$12.8 million in upgrades to its primary science facility, the Umbeck Science-Mathematics Center over the last three years.

- A **Business Major** was initiated in 2018 and has quickly become the College's top major in terms of enrollment. As part of the major, Knox created "immersive experiences" for students, such as the opportunity to spend an entire term in a business incubator class - teams of students collaborate to design and create a business, including the development of a product, a business plan, and marketing plan. These immersive experiences have been so successful and in such demand that Knox is scaling up the program for other majors, as well.
- The College continues to roll out new experiential learning opportunities funded by donors and grants to supplement an existing **The Power of Experience Grant**, (launched in 2016) which provides each student a \$2,000 grant in their junior or senior year. The long-term goal is to reduce and ultimately eliminate the financial barriers that prevent all students from taking advantage of the wide variety of experiential learning opportunities available.
- A new **Data Science Major** (launched in 2019) has nine majors and will continue to grow as underclass students declare majors.
- A **Journalism Major** (launched in 2021) builds on the strength of the strong journalism minor that has been offered for many years. The new major emphasizes strategic communications.
- Expanded **Health Professions Advising** supports improved outcomes for students interested in graduate-level work and careers in health science fields. This support targets historically underrepresented groups in these professions.
- A cooperative program, begun in 2005 with **George Washington University School of Medicine and Health Sciences**, providing guaranteed admission to the Medical School for selected Knox sophomores who meet certain criteria.
- A **3-2 engineering program partnership** with Washington University, Columbia University, Rensselaer Polytechnic, and the University of Illinois. In this program, Knox students obtain both a BA and an engineering degree in 5 years. Coupled with the new Bachelor of Science degree programs, these programs have attracted increased interest from high-achieving science students.

Improvements to Student Life Programs in Support of Student Retention

- Increased the number of student mental health counselors and the availability of such counselors to students.
- Enhanced services for students with learning differences.
- Expanded online tutoring to supplement in-person tutoring.
- Increased structure and support for the First Year Experience including the addition of a new assistant dean for the First Year Experience.
- Renewed focus on diversity, equity, and inclusion including new staff support, campus-wide trainings, and new programming.

Staffing of Enrollment Effort

- Reorganized and expanded staffing within the admission office to support new efforts to:
 - engage independent educational consultants and other influencers of college-bound students and their parents;
 - develop a transfer recruitment program;
 - reimagine the campus visit experience for prospective students; and
 - evaluate recruitment and communication strategies with a dedicated analyst position.
- Added two new international admission recruiters in 2021 with significant prior experience with international admission. These hires will help leverage the College's current partnership with India's Next Genius Scholarship program.
- Established new partnerships with Sunrise International and Study International to expand the reach of Knox's international recruitment efforts. Sunrise will assist the College in increasing its presence

- inside China, including the establishment of effective online visibility behind the Chinese firewall.
- Hired two new Communications staff members - a senior content creator and a digital marketing specialist - who will be focused on supporting the recruitment of students and are part of an increased focus on admission-related communications by the College-wide Communications Office.

Student Recruitment Strategies

- Build deeper and broader relationships with independent educational consultants (IECs). IECs have significant influence on the colleges their clients consider. Programming, communication, and relationship-building with IECs will help Knox to expand its reach into new markets.
- Expand transfer student recruitment activities, especially with local community colleges and nationally through Phi Theta Kappa, the official honor society of community colleges with over 250,000 current student members at almost 1,300 community college campuses in 11 nations.
- Knox is an original member of the Colleges That Change Lives non-profit organization. Together with 44-member schools, Knox participates in joint recruitment events in 26 cities across the country annually.

Marketing/Website

- Knox is expanding its presence in the digital realm, rebuilding its website to emphasize the vitality and strength of its academic programs and showcase benefits and outcomes.
- Knox, with the assistance of professional communications consultants, is updating its messaging platform.
- All communications and resources will focus on flexibility and functionality while also allowing for a more visually engaging experience.

Financial Aid

- A new initiative to increase access and affordability for Illinois students through enhanced financial aid packages is expected to increase applications, enrollment, and tuition and fee revenue. Modeling conducted in partnership with Human Capital Research Corp. suggests an enrollment increase of 20 to 25 additional Illinois students annually which will result in an increase in net revenue in excess of \$400,000.

Impact of COVID 19

The following is a summary of the College's response to the COVID-19 pandemic and the various governmental measures taken to protect public health during the pandemic.

Academic Year 2019-2020

When the Governor of the State of Illinois declared a state of disaster due to COVID-19 and issued an executive order requiring all Illinoisans to stay in their homes to prevent the further spread of COVID-19, the second (Winter) academic term at Knox had just concluded and students were on Spring break. To comply with the series of orders from the State of Illinois issued to mitigate the spread of COVID-19, Knox took the following actions:

- Suspended in-person instruction for the third (Spring) term, choosing instead to deliver its curriculum to students through rapid implementation of online learning. The faculty successfully pivoted to virtual instruction, allowing students to complete the third term, and with that, the 2019-2020 academic year.

- Closed on-campus residential facilities and disbursed room assignments to accommodate a limited number of students who remained on campus due to travel restrictions related to the pandemic.
- Implemented several employment-related adjustments to facilitate remote work where possible, and introduced other risk mitigation measures for on-campus workers deemed essential.
- Aggressively introduced several cost reduction and control measures including:
 - Furloughed employees in non-essential positions as a result of the move to remote instruction
 - Suspended hiring for all non-essential positions
 - Suspended faculty and staff salary increases for those not contractually required
 - Suspended the College's employer contributions to the defined contribution retirement plan for faculty and staff
 - Suspended all non-essential travel for faculty and staff
 - Moved majority of non-student support and non-essential staff to remote work

Academic Year 2020-2021

The College began the 2020-2021 academic year in September 2020 with hybrid course offerings (both remote and on-campus curriculum delivery), allowing students with health concerns or who were in isolation or quarantine to continue with their studies. Numerous safety protocols were introduced including:

- Beginning-of-term COVID-19 testing for all arriving students, as well as faculty and staff.
- A vigorous, comprehensive communications strategy to provide information about health and mitigation measures.
- An increase of staffing in Health Services
- Mask requirements for students, faculty, and staff.
- Social distancing in classrooms, residential, non-residential, and outdoor spaces.
- Plexiglass installation in student-facing spaces including dining service and mail service.
- Enhanced cleaning and disinfection protocols.
- Check-in procedures for all contractors and visitors to campus.
- Installation of HEPA filters in HVAC systems.
- Purchase and placement of portable air purification units in areas with limited ventilation.
- Set-up of outdoor classrooms for use when weather conditions permitted.

Fall term classes concluded as scheduled just prior to the Thanksgiving 2020 holiday. With the dispersion of students over the winter break, to take further measures to protect the health and safety of the campus community, Knox began the Winter term remotely and transitioned students back to campus after five weeks. Students were again tested upon return to campus, and the preventative measures noted above continued throughout the remainder of the academic year. The College took further measures to prevent the spread of the virus on campus by limiting students' travel; the break typically afforded to students between the completion of the Winter term and the start of the Spring term was canceled. The Spring term began immediately following the conclusion of the Winter term to keep students on campus.

Academic Year 2021-2022

Knox began the Fall 2021 term as scheduled with a return to on-campus learning. Many of the mitigation strategies and policies introduced the previous academic year remained in place. A significant new health and wellness policy was introduced, with the College requiring vaccinations of all students, faculty, and staff (with both health and religious exemption requests allowable for review). Those allowed an exemption are required to be tested twice a week. A mandate for masking when indoors is also in place.

Since students began arriving on campus in early August 2021 the College has tested all students upon arrival, tested the entire community (all faculty, staff, and students) the week of September 20, 2021,

and all unvaccinated members of the community who have an approved health or religious exemption (approximately five percent, or 70 individuals) twice per week. Tests are available for any member of the College community throughout the week. Since August 8, 2021 the College has identified 12 total COVID-19 cases through testing indicating that the strict safety measures, including the vaccination requirement, has been effective.

The College’s Fiscal 2022 Operating Budget reflects the College’s plan to carefully navigate the unprecedented challenges the COVID-19 pandemic continues to present while maintaining the College’s financial stability.

HEERF Funding Summary

Knox has received federal financial support designated for its students as well as to offset the financial impact the COVID-19 pandemic has had on operations. The table below summarizes the financial support the College has received from the Higher Education Emergency Relief Fund (“HEERF”):

<u>Program</u>	<u>Fiscal Year Recognition</u>	<u>Total Award</u>	<u>Allocated to Students</u>	<u>Allocated to the College</u>
HEERF I	2020/2021	\$1,328,070	\$ 664,035	\$ 664,035
HEERF II	2020/2021	1,982,465	664,035	1,318,430
HEERF III	2021/2022	3,491,027	1,745,514	1,745,513

Going Forward

Global, national, regional, and local actions taken to mitigate the spread of the coronavirus and variants thereof are likely to continue to impact the operations of Knox. It is not possible to predict how long the conditions associated with the coronavirus will last and what the complete financial impact will be to the College. The COVID-19 health situation, along with available information on vaccination efficacy, government policy, and restrictions (both national and local), and the economic impact of the pandemic continue to evolve.

Faculty

The following table sets forth the College’s faculty, tenured faculty, and faculty with terminal degrees for the last four years and for the current year:

	<u>Faculty</u>		<u>Tenured Faculty</u>		<u>Terminal Degrees</u>	
	<u>Full-time</u>	<u>Part-time</u>	<u>Number</u>	<u>Percent⁽¹⁾</u>	<u>Number</u>	<u>Percent</u>
2017	110	30	75	68%	133	95%
2018	112	24	81	72	131	96
2019	108	15	90	83	114	93
2020	97	12	65	67	106	97
2021	95	28	67	71	92	97

⁽¹⁾ Percent of full-time faculty.

Employees

The College employs 442 full-time and part-time employees equivalent to 390 full-time equivalents (“FTE”) employees. For the 2021-22 academic year, a 1% wage pool was provided to employees not part of the collective bargaining unit. The College provides a variety of benefits to its employees, including

health insurance, dental insurance, long-term disability insurance, life insurance, retirement plan, tuition reimbursement, and customary vacation, holidays, and sick days.

At present, 75 of the College’s employees are members of a union. The members of the SEIU Local 73 provide dining, maintenance, and custodial services to the College. The College’s contract with the union expires on August 31, 2022. The College has never experienced a work stoppage or slowdown as a result of union activity.

Athletics

The Knox Prairie Fire competes in eighteen intercollegiate sports in the NCAA Division III, and sixteen in the Midwest Conference. Knox also competes in two sports in the St. Louis Intercollegiate Athletic Conference. As a Division III school, the College does not offer athletic scholarships. Women’s sports include basketball, cross country, golf, soccer, softball, swimming and diving, track and field, and volleyball. Men’s sports include baseball, basketball, cross country, football, golf, soccer, swimming and diving, and track and field. The College does not sponsor any non-NCAA varsity sports.

Competition

Historically the College’s primary competition has been leading liberal colleges of the Midwest including the following who join Knox as members of the Associated Colleges of the Midwest (ACM) and/or the Associated Colleges of Illinois (ACI).

Fall 2021 Comparative Private Institution Tuition Rates

<u>College</u>	<u>Tuition</u>	<u>Fees</u>	<u>Room & Board</u>	<u>Total</u>
Beloit College	\$54,184	\$496	\$10,028	\$64,708
Carleton College	59,850	372	15,375	75,597
Grinnell College	58,156	492	14,350	72,998
Knox	50,784	792	10,221	61,797
Lake Forest	50,100	902	11,498	62,500
Lawrence University	52,101	300	11,184	63,585
Ripon College	47,800	300	9,090	57,190
St. Olaf College	52,670	0	12,000	64,670

Risk Management and Insurance

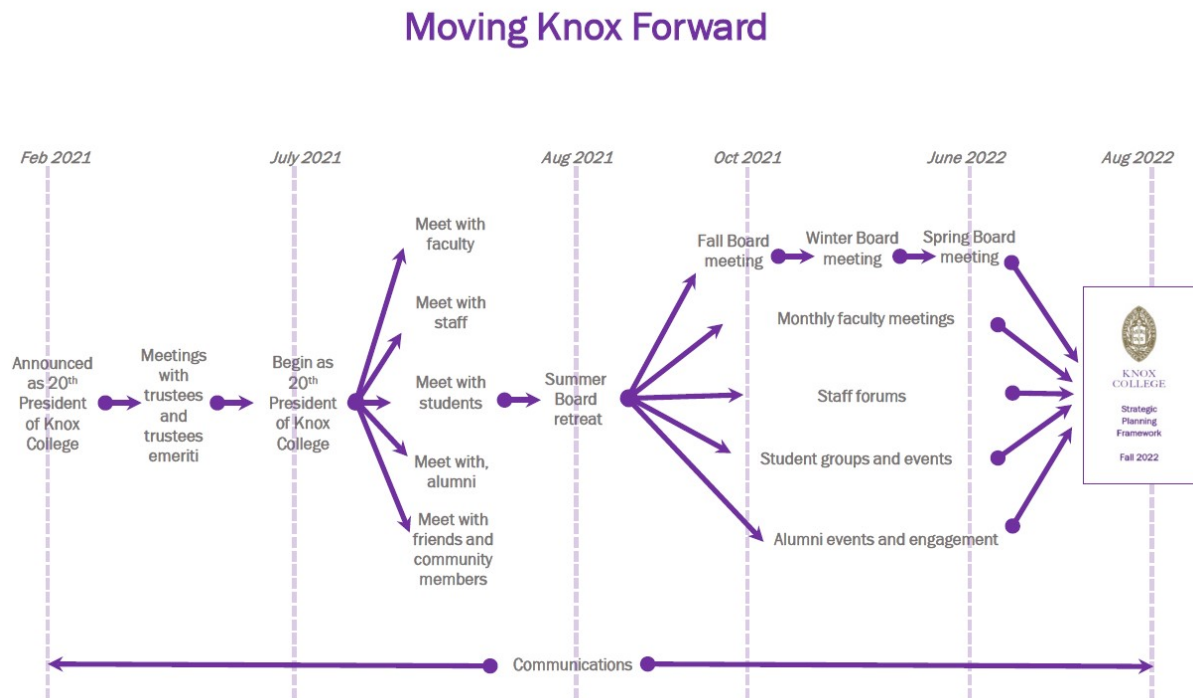
Under the Loan Agreement, the College agrees to maintain insurance coverage by financially sound and reputable insurance companies or associations, provided that such insurance is commercially available at reasonable costs, and/or to maintain self-insurance programs, in such forms and amounts and against such hazards as are customary for institutions of similar size and scope of activities.

The College maintains property insurance with a current aggregate coverage limit of approximately \$297,947,820 and is covered by a primary commercial general liability policy providing a limit of \$1,000,000 per occurrence and \$3,000,000 in the aggregate annually. In addition, the College presently carries an umbrella liability policy that provides additional coverage in the amount of \$25,000,000 per occurrence and in the aggregate annually above the per occurrence limits of the underlying commercial general liability policy. The College also maintains property, boiler, automobile, and workers’ compensation coverage.

Strategic Initiatives

With the arrival of the new President C. Andrew McGadney on campus in July 2021, a review of the current strategic plan was initiated. Over the first two months, President McGadney met with members of the Knox community and key stakeholders to identify strategic priorities. At their retreat in August 2021 the Board selected from a group of 14 strategic priorities, five to focus on in the near term.

Work will continue over the course of the 2021-2022 year with the Board and the members of the Knox community to build out the initiatives, programs, and opportunities within each priority. A plan for Moving Knox Forward will be presented at the meeting of the Board in the late summer/early fall of 2022. The chart below outlines the process for information gathering and vetting over the course of the planning process.



The College’s current Strategic Plan – the “Knox College Strategic Plan 2022” was finalized in late 2020. The Plan’s three strategic goals are laid out in the paragraphs below.

Goal One: Advance Knox’s Distinctive Approach to Liberal Learning

- Identify new areas for study and new degree programs of strategic value while embracing our foundation in the liberal arts and sciences. Extend the use of the campus through the entire year by developing new programs for when Knox is not in session, such as summer camps and residencies. Explore the viability of summer programs for alumni and/or enrichment programs for high school students that build on the College’s strengths.
- Expand the number and variety of distinctive immersive experiences, both faculty-created and student-initiated, including research opportunities, study away, internships, and civic engagement.
- Expand and enhance the College’s comprehensive career services program to attract, engage, and prepare Knox students and alumni for career achievement and satisfaction.
- Complete a thorough review and assessment of the academic calendar to weigh the costs and educational benefits of the current 3-3-3 calendar against alternative organizations of the academic year.

Goal Two: Engage Our Diverse, Vibrant Campus Community

- Make a Knox education affordable to students of all financial means.
- Expand and deepen the College’s comprehensive retention plan to better address the academic, financial, wellness, and social needs of our students from admission to graduation.
- Actively examine and remedy the ways that racism and other forms of injustice exist and persist within our campus community.
- Develop and support programs that enable campus community members with diverse identities, viewpoints, and life histories to undertake respectful and meaningful dialogue.
- Enhance campus approaches to recruitment and retention of faculty and staff to enable the College to effectively compete for and retain the diverse workforce of the future and become a “great place to work” by achieving competitive compensation and professional development for all categories of faculty and staff.
- Create a Galesburg community advisory board to provide counsel and feedback on campus-community matters and enhance relationships with our community partners. Identify shared goals and avenues for collaboration. Increase programming that strengthens relationships between students, faculty, staff, and members of the Galesburg community.

Goal Three: Ensure a Knox Education for Generations to Come

- Grow the College’s revenues through enhanced fundraising, new revenue streams, improvements in retention, and growth of the endowment.
- Identify and implement changes to the operational model used to deliver a Knox education, including potential changes in program offerings, strategic partnerships, pricing strategies, year-round campus utilization, and other innovations. Reimagine our cost structure to be more consistent with projected revenue streams based on current and anticipated market conditions, identifying ways to provide a distinctive Knox education at a more competitive net price to our students.
- Continue progress toward a 21st-century campus that embodies contemporary approaches to teaching and learning and advances sustainability and accessibility of campus facilities.

RESULTS OF OPERATIONS

Financial Records

The College maintains its financial records on the basis of a fiscal year ending June 30 and follows the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Budget Development and Oversight

The Vice President for Finance and Administrative Services is responsible for preparing the College’s annual operating budget and has broad responsibility for monitoring the College’s budget status and resources. These responsibilities include extensive interaction with both the President and officers of the College, the Committee on Finance and the Budget Subcommittee of the Board, as well as the full Board. The participation of these constituent groups allows for the interaction necessary to ensure that the resources of the College are being applied to the strategic initiatives and priorities of the College.

The timetable for development of the annual operating budget lies with the Vice President for Finance and Administrative Services. Informed by the groups mentioned above, a preliminary operating budget for the upcoming fiscal year is prepared and presented to the Board at the February meeting. This preliminary budget identifies a framework of the administration’s assumptions concerning fall enrollment projections and retention, unrestricted contribution income, and the anticipated endowment draw to be

budgeted. An initial analysis of operating expenses, based on current fiscal year projections, and planned capital projects is also incorporated into this preliminary budget. A final operating budget for the upcoming fiscal year is prepared and presented to the Board for approval at its June meeting. Assessment of actual results versus budget for the fiscal year completed is presented at the October meeting of the Board.

Endowment

The Board oversees the management of the College’s endowment. At the February meeting, the Board approves the endowment draw for the upcoming fiscal year. Additionally, the Board policies and procedures includes an Investment Policy Statement for the endowment assets and any other supplemental investments. The policy articulates the responsibilities of the Investment Subcommittee of the Committee on Finance of the Board as well as the specific roles of the Board, supporting administrative staff, and the investment advisor (currently T. Rowe Price). Until July 2017, the Investment Subcommittee itself managed the investment portfolio of the College. (led by a long-serving Board member whose expertise and dedication were exceptional). Anticipating his retirement, the College decided to move to the “outsourced chief investment officer (CIO) model,” and undertook a thorough RFP process. As a result of that process, T. Rowe Price was selected to serve in the CIO capacity.

The following table sets forth the value of the College’s endowment fund and the endowment draw at each of the last five fiscal years (in thousands):

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020⁽¹⁾</u>	<u>2021</u>
Without Donor Restriction	\$24,298	\$25,543	\$24,067	\$19,699	\$44,166
With Donor Restriction	<u>118,948</u>	<u>134,541</u>	<u>146,107</u>	<u>151,932</u>	<u>166,970</u>
TOTAL	<u>\$143,246</u>	<u>\$160,084</u>	<u>\$170,174</u>	<u>\$171,631</u>	<u>\$211,136</u>
Budgeted Endowment Draw	\$7,253	\$7,046	\$7,538	\$8,231	\$9,113
Actual Endowment Draw	\$7,841	\$8,045	\$10,915	\$12,305	\$9,629
Actual Draw % on FYE	5.5%	5.0%	6.4%	7.2%	4.6%
Endowment Balance					

⁽¹⁾ The larger draw percentage (relative to other years) from the endowment for the fiscal year ending 2020 was largely attributable to the COVID-19 pandemic. As a result of students not returning to campus for the Spring 2020 term, slightly less than one-third of the annual auxiliary revenues from room and board charges were not realized.

The Board is cognizant that the endowment spending rate needs to be monitored so as to not become excessive relative to what can be prudently expected from market investment returns over time.

Cash and Unrestricted Investments

The following table sets forth the value of the College’s unrestricted cash position and investments without restrictions (in thousands):

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Unrestricted Cash	\$ 2,955	\$ 2,832	\$ 2,373	\$ 6,854	\$13,102
Investments Without Restriction	<u>24,298</u>	<u>25,543</u>	<u>24,067</u>	<u>19,699</u>	<u>44,166⁽¹⁾</u>
TOTAL	<u>\$27,253</u>	<u>\$28,375</u>	<u>\$26,440</u>	<u>\$26,553</u>	<u>\$57,268</u>

⁽¹⁾ The increase from 2020 is due to (1) profitable market trend on the return in investments, and (2) the College’s petition to the Attorney General to release the restrictions on ten scholarship endowments. In December 2020, six of the ten scholarship endowments were approved by a judge and reclassified from with donor restriction to without donor

restriction. The remaining four scholarship endowments were not reclassified from with donor restriction to without donor restriction; however, the donor restrictions were relaxed.

Total Cash and Investments to Long Term Debt

Under the Loan Agreement, the College is permitted to incur Long-Term Indebtedness up to an aggregate principal amount outstanding at any one time not to exceed an amount equal to the maximum principal amount of Long-Term Indebtedness that could be incurred such that after giving effect to the incurrence of such Long-Term Indebtedness, the ratio of (i) Total Cash and Investments to (ii) Funded Indebtedness is greater than or equal to 2.0. See APPENDIX C – “SUMMARIES OF CERTAIN PRINCIPAL DOCUMENTS – SUMMARY OF THE LOAN AGREEMENT – Additional Indebtedness” attached hereto.

The following table sets forth the ratio of the College’s Total Cash and Investments to its Long-Term Indebtedness for fiscal years 2017 through 2021 (in thousands). The ratio of Total Cash and Investments to Long-Term Indebtedness should be read in conjunction with the audited financial statements and related notes set forth in Appendix B.

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Cash	\$ 5,756	\$ 6,275	\$ 4,375	\$ 8,045	\$ 13,743
Investments	<u>133,456</u>	<u>149,102</u>	<u>160,872</u>	<u>161,057</u>	<u>191,357</u>
TOTAL	\$139,212	\$155,378	\$165,247	\$169,102	\$205,100
 Long-Term Indebtedness	 \$24,538	 \$24,553	 \$32,634	 \$38,399	 \$35,258
 Total Cash and Investments to Long-Term Indebtedness	 5.67	 6.33	 5.06	 4.40	 5.82

The Board has adopted investment and spending policies for the College’s endowment funds that aim to provide a predictable stream of funding while maintaining the purchasing power of the assets. The College has an investment policy that provides the guidelines to T. Rowe Price to oversee our endowment account. The endowment at T. Rowe Price consists of 65% equities (including domestic and global) and 35% fixed income. The College’s total return for the 1, 3, 5-year period ended June 30, 2021, was 28.38%, 15.89%, and 55.42% respectively. T. Rowe Price took over the portfolio as of 9/29/2017, so the 10-year period is not available from the College’s current 3rd party broker.

Fundraising Activities

Overview

The College’s fundraising efforts over the past decade have been focused on the annual fund, which supports the operations of the college, with between \$4 million and \$6 million annually. In addition to annual giving the College has engaged in fundraising for a number of signature capital projects including the renovation of Alumni Hall as a gateway to the campus. Alumni Hall now houses the Offices of Admission, Student Financial Services, the Bastian Family Center for Career Success, the Kleine Center for Community Service, the Stellyes Center for Global Studies, the Vovis Center for Research and Advanced Study, as well as the Office of the President and numerous modern classroom, meeting, and study spaces. The Whitcomb Art Center, a donor funded project completed in 2017, is home to art and art history and features new studio, seminar, and classroom spaces. The College’s primary science facility, the Umbeck Science-Mathematics also saw a major renovation to the building’s core and systems including an expanded atrium, the new Amott Science Commons, which houses reference materials and offers a full range of technology-rich study areas as well as six new classrooms featuring high-tech and flexible spaces for teaching and learning.

While focused on the annual fund and capital project the College also continues to raise money to endow faculty teaching positions, scholarship and aid funds, research and experiential learning funds for students and faculty.

Near-term goals

The process to identify a new Vice President for Advancement is currently underway. The new Vice President will be an experienced advancement professional with proven ability to build systems and lead staff in a high-performing, data-informed, research driven operation. While this search is in process the President has appointed three members of the staff to serve as a leadership team, reporting directly to the President. As the College prepares for a comprehensive campaign through the identification of campaign counsel and feasibility study, the current staff continue to focus on increasing annual giving and participation.

Current staffing

The Advancement department currently employs fifteen staff members including five in advancement services (operations), five in alumni engagement and annual fund giving, three major gift officers, and two in grants and donor relations.

Contributions

The following table sets forth amounts (in thousands) of the College’s gifts received in hand in the following fiscal years. Contributions to the annual fund generally provide approximately \$3.1 million in unrestricted operating funds.

<u>Fiscal Year</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Grand Total</u>
2017	\$4,345	\$2,964	\$7,364	\$14,673
2018	5,956	3,046	4,818	13,820
2019	9,154	1,893	4,192	15,239
2020	7,055	2,095	2,706	11,856
2021	5,474	3,813	2,084	11,371

Statement of Financial Position

The following table summarizes the Statement of Financial Position for the College for the fiscal years ended June 30, 2017, through June 30, 2021:

Knox College
Statement of Financial Position
(Fiscal Year Ended June 30)
(in thousands)

<u>Fiscal Year</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
ASSETS					
Cash and cash equivalents	\$ 5,756	\$6,275	\$ 4,375	\$ 8,045	\$ 13,743
Investments	133,456	149,102	160,872	161,057	191,357 ⁽¹⁾
Plant facilities, net	54,950	54,609	63,960	66,184	64,592
Other assets	<u>21,343</u>	<u>23,823</u>	<u>22,513</u>	<u>22,543</u>	<u>24,630</u>
Total assets	<u>\$215,505</u>	<u>\$233,809</u>	<u>\$251,720</u>	<u>\$257,829</u>	<u>\$294,322</u>
LIABILITIES					
Current liabilities	\$ 13,331	\$ 13,572	\$ 9,848	\$ 4,370	\$ 3,771
Bonds payable, net	24,700	24,700	24,700	24,700	24,700
Loss on interest rate swaps	5,248	3,749	5,189	7,181	5,342
Other liabilities	<u>6,251</u>	<u>5,957</u>	<u>14,681</u>	<u>21,800</u>	<u>16,460</u>
Total liabilities	\$ 49,530	\$ 47,978	\$ 54,418	\$ 58,051	\$ 50,273
NET ASSETS					
Without donor restrictions	\$ 30,615	\$ 41,872	\$ 42,433	\$ 38,500	\$ 67,265 ⁽¹⁾
With donor restrictions	<u>135,360</u>	<u>143,959</u>	<u>154,869</u>	<u>161,278</u>	<u>176,785⁽¹⁾</u>
Total net assets	<u>\$165,975</u>	<u>\$185,831</u>	<u>\$197,302</u>	<u>\$199,778</u>	<u>\$244,050</u>
Total liabilities and net assets	<u>\$215,505</u>	<u>\$233,809</u>	<u>\$251,720</u>	<u>\$257,829</u>	<u>\$294,323</u>

⁽¹⁾ The increase from 2020 is due to (1) profitable market trend on the return in investments, and (2) the College's petition to the Attorney General to release the restrictions on ten scholarship endowments. In December 2020, six of the ten scholarship endowments were approved by the judge and reclassified from with donor restriction to without donor restriction. The remaining four scholarship endowments were not reclassified from with donor restriction to without donor restriction; however, the donor restrictions were relaxed.

Source: College's audited financial statements for fiscal years 2017 through 2021.

[Remainder of page intentionally blank.]

Statement of Unrestricted Activities and Changes in Net Assets

The following table summarizes the Statement of Unrestricted Activities and Changes in Net Assets for the College for the fiscal years ended June 30, 2017, through June 30, 2021:

Knox College Statement of Unrestricted Activities (Fiscal Year Ended June 30) (in thousands)

<u>Fiscal Year</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
OPERATING ACTIVITIES:					
Revenue, gains and other support:					
Student revenues	\$22,014	\$21,930	\$20,894	\$18,685	\$17,951
Auxiliary enterprises	10,307	11,176	10,652	7,665	6,602
Private gifts, grants and contracts	4,345	5,957	9,154	7,055	5,474
Government grants and contracts	245	227	208	143	291
Investment income, net	1,403	2,779	1,227	1,406	10,277
Other revenues	990	872	588	634	445
Net assets released from restrictions	<u>11,040</u>	<u>17,943</u>	<u>10,987</u>	<u>11,441</u>	<u>16,455</u>
Total operating revenue, gains and other support	\$50,344	\$60,884	\$53,710	\$47,029	\$57,495
Expenses:					
Instruction	\$17,536	\$18,243	\$17,700	\$16,218	\$17,100
Academic support	4,292	4,230	4,367	4,238	3,851
Student services	8,458	9,250	9,019	9,449	8,691
Auxiliary enterprises	8,541	8,395	8,918	8,718	7,421
Management and general	7,953	7,385	7,663	6,370	5,860
Fundraising	<u>3,469</u>	<u>3,536</u>	<u>3,329</u>	<u>3,251</u>	<u>3,054</u>
Total operating expenses	\$50,249	\$51,039	\$50,996	\$48,244	\$45,977
Change in net assets from operating activities	\$95	\$9,845	\$2,714	\$(1,215)	\$11,518
Nonoperating activities:					
Gain (loss) on interest rate swap	\$ 2,407	\$ 1,499	\$(1,441)	\$(1,991)	\$ 1,839
Change in Postretirement benefits	18	(87)	(712)	(726)	918
Net assets released from restrictions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>14,490⁽¹⁾</u>
Change in net assets nonoperating activities	\$2,425	\$1,412	\$(2,153)	\$(2,717)	\$17,247
Change in net assets	\$2,520	\$11,256	\$561	\$(3,932)	\$28,765
Net assets at beginning of year	\$ 28,095	\$30,615	\$41,871	\$42,432	\$38,500
Net assets at end of year	<u>\$30,615</u>	<u>\$41,871</u>	<u>\$42,432</u>	<u>\$38,500</u>	<u>\$67,265</u>

Source: College's audited financial statements for fiscal years 2017 through 2021.

⁽¹⁾ In October 2020, the College started the process to petition the Attorney General to release restrictions on ten scholarship endowments. In December 2020, six of the ten scholarship endowments were approved by a judge and reclassified from with donor restriction to without donor restriction.

Management’s Discussion of Financial Results

The preliminary audit results for FY21 came in notably better than budget (deficit of \$1.61 million vs. the budgeted deficit of \$3.7 million). The stronger than expected operating results for the year were driven by fall 2020 degree-seeking enrollment coming in 80 students better than budget (1,130 actual vs. 1,050 budgeted). As a result, total student revenue (tuition, fees, room and board, net of the tuition discount) finished at just over \$24.8 million (a favorable variance of \$1.6 million vs. a budgeted revenue figure of \$23.2 million).

Cost savings were also achieved in both personnel and non-personnel categories. Personnel costs were lower than budget by roughly \$700,000 (\$24.7 million actual vs. \$25.4 million budget). While the College carefully evaluated filling open positions throughout the year, the majority of savings were achieved in both health insurance costs and unemployment benefit costs. In terms of non-personnel expenses, pre-audit actuals ended slightly better than budget (\$12.9 million vs. \$13.2 million respectively). The \$300,000 was largely attributable to savings in travel expenses (the budget had called for some resumption of travel, but these costs were never reintroduced as expected during the fiscal year). Debt service costs were also modestly lower than budget.

The framework for the fiscal year 2022 budget was presented to the Board at its February 2021, meeting. Approval of the final budget occurred at the June 2021 meeting of the Board. Assumptions included in the development of the fiscal year 2022 budget included:

Revenues:

- Fall 2021 degree seeking enrollment of 1,115 students;
- Total student revenue of \$26.2 million;
- Room and board revenues reflecting on-site learning for all three academic terms;
- A Board approved endowment draw of 6.5%, and
- Revenues from the annual fund (Knox Fund) holding flat at fiscal year 2021 levels.

Expenses

- A salary/wage pool increase of 1%;
- A partial reinstatement of the College match to the 403(b) plan;
- An increase in the cost of dining operations particularly in the cost of food;
- Some resumption of study abroad programs (suspended in fiscal year 2021); and
- A release of travel restrictions allowing admissions and advancement personnel to reengage with face-to-face prospective students and donor interaction.

With the above framework, fiscal year 2022 began on solid footing with fall degree seeking headcount (1,140) coming in favorably relative to both the budgeted headcount (1,115) and fall 2020’s number (1,130). In fact, the 1,140 headcount for fall 2021 represents the first year-over-year increase in the number of fall term degree-seeking students since fiscal year 2014. The table below shows the fall-term year-to-date impact this increase in enrolled students has on actual student revenue vs. budgeted revenue.

Fall Term 2021 (FY22)	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Tuition and Fees	\$20,001,750	\$18,874,720	\$1,127,030
Discount %	68.4%	68.2%	-0.2%
Discount \$	<u>(13,685,720)</u>	<u>(12,868,670)</u>	<u>(817,050)</u>
Net Tuition Revenue	\$ 6,316,030	\$ 6,006,050	\$ 309,980
Room & Board	<u>3,273,540</u>	<u>3,089,270</u>	<u>184,270</u>
Student Revenue	\$ 9,589,570	\$ 9,095,320	\$ 494,250

While only three months into the new fiscal year, assuming term-to-term retention rates hold at recent levels, the favorable enrollment from the fall term has the potential to reduce the operating deficit in

an amount that approaches \$750,000. Through the first quarter of the fiscal year, no unusual variances have occurred on the expense side of the ledger. However, inflationary pressures observed in the broader economy are likely to be seen in the Knox supply chain (especially with construction materials, and the cost of food in the dining operation). Still, holding costs to budgeted levels remains quite viable. Finally, the College received notice that a \$2 million unrestricted bequest would likely be arriving in fiscal year 2022. Considering all above factors the College anticipates a close to balanced fiscal year 2022 operating budget.

In taking a broader view of the annual operating budget, initiatives to reduce the structural deficit have included:

- Focused efforts to increase student retention;
- Ongoing evaluation of all new position requests for both faculty and staff;
- Investment in the replacement of the underground steam lines in two phases (summer of both 2019 and 2020) resulting in cost saving in utilities (gas and water) and extending the life of the central boiler system;
- New benefits consultants and evaluating options through an analytical framework including stop-loss coverage pricing, and more aggressive negotiation of rates;
- Improved management of cash flows resulting in savings on interest expense. The College has not had a balance on the line of credit since December 2019, or for the past 21 months.
- Summer credit courses were offered for the first time in summer 2021.

On July 1, 2021, Knox welcomed Dr. McGadney as its 20th President. Dr. McGadney brings to Knox substantial experience in fundraising, strategic planning, student success initiatives, and institutional governance. One of President McGadney's first acts upon arriving at Knox was to begin updating the College's existing Strategic Plan 2022 (See Strategic Plan" section above), with a new effort entitled "Moving Knox Forward".

As an early indication of the importance being placed on the College's strategic planning effort, a new position, Vice President of Strategic Initiatives, has also been created. This position will focus on the coordination and implementation of the strategic initiatives being pursued. The planning effort engages the Board and stakeholders across the institution on a regular basis and the strategic planning framework that will result from these efforts will be presented to the Board for endorsement in late summer/early fall of 2022.

Among other initiatives, the strategic plan will address the capital needs of the College and will lead to the launch of a comprehensive campaign. Approximately \$5 million of Bond proceeds are targeted for capital improvements and renovations to the campus facilities. Identification and prioritization of the capital projects to be funded is currently underway and the Board will make a final determination on the projects later in fiscal year 2022.

Moving forward, the operating priorities of the administration include: 1) driving demand for a Knox education through new recruiting and enrollment strategies; 2) continuing to develop Knox's dynamic and rigorous academic program with a focus on using natural opportunities (retirements, etc.) to realign positions and resources on supporting the disciplines and programs with the greatest growth and potential for expansion; 3) complete the strategic planning framework that will guide the strategic direction of the College over the next three to five years; 4) build momentum and confidence by introducing a variety of high-impact, low cost initiatives; 5) put the right people in the right places to move on priorities with pace and vision; 6) enhance multi-year financial modeling and create a path to eliminating the structural deficit; 7) conduct reviews and assessments of areas, departments, and programs to identify strengths, capacity and talent, gaps and needs; 8) build on relationships within the local community with a focus on creating opportunities for shared success; and 9) plan for a comprehensive fundraising campaign.

Outstanding Long-Term Indebtedness

Except for the Bonds, the Line of Credit and the capital lease obligations described below, the College will have no other Long-Term Indebtedness outstanding at the time of issuance of the Bonds.

As of June 30, 2021, the College had approximately \$220,265 of capital lease obligations outstanding, as further described in its audited financial statements. See Note 11 “Capital Lease Obligation” in “APPENDIX B - AUDITED FINANCIAL STATEMENTS” herein. Such capital lease obligations will remain outstanding following issuance of the Bonds.

Financial Covenants for Bonds

Under the Loan Agreement, the College covenants and agrees to operate all its educational facilities upon a revenue-producing basis and to fix, charge and collect such reasonable tuition fees, student fees, rates, other fees, rentals and charges for the use and occupancy of its educational facilities or any part thereof, and for any other facilities operated by the College, so that there shall inure to the College gross cash receipts in each fiscal year of the College that, together with other money legally available to the College, are sufficient (as determined in accordance with GAAP) to pay the following costs (without priority of any one clause over another): (a) currently all of the College’s expenses, payable during that fiscal year, for its operation, including those expenses incurred in carrying out its educational purposes, and for the operation, maintenance and repair of all its educational facilities and any other facilities operated by the College; (b) all Loan Payments and Additional Payments under this Loan Agreement due in that fiscal year; and (c) all other Indebtedness and other obligations of the College due in such fiscal year as the same become due and payable. See APPENDIX C – “SUMMARIES OF CERTAIN PRINCIPAL DOCUMENTS – SUMMARY OF THE LOAN AGREEMENT –Rate Covenant” attached hereto.

Retirement Programs

Academic and certain other employees of the College are participants in a 403(b) retirement plan sponsored by the Teachers Insurance and Annuity Association. Under this plan, the employees are eligible to participate and are fully vested after completion of two years of service and attainment of certain age requirements, as defined in the plan. Beginning in September 2020, the College match for the 403(b) plan was suspended. During the fiscal year ended June 30, 2016, the College initiated a 457b retirement plan sponsored by the Teachers Insurance and Annuity Association. This plan is open to certain employees as defined by the Board. Contributions to the defined contribution plan totaled \$0 and \$18,050 for the years ended June 30, 2020, and 2019, respectively. Beginning in April 2020 this benefit was suspended. See Note 16 “Retirement Plan” in “APPENDIX B - AUDITED FINANCIAL STATEMENTS” herein.

Continuing Disclosure

The College relied on certain exemptions from continuing disclosure requirements in connection with the issuance of the Series 1996 Bonds and Series 1999 Bonds, and therefore did not enter into a continuing disclosure undertaking with respect to such bonds. The Continuing Disclosure Agreement for the Bonds will be the first undertaking of the College under SEC Rule 15c2-12(b)(5).

Litigation

The College has been named in a concussion protocol litigation matter. The matter was filed in US District Court, Ninth District (Eastern Division) and is James Luke v NCAA and Knox College in Case No. 1:20-cv-407. The matter is currently pending but stayed. The matter is one of many cases brought against institutions of higher learning throughout the United States that participated in intercollegiate football programs. The matter is covered insurance, and the insurance company has assumed the defense of the case. The College does not believe that the case constitutes a material financial risk.

APPENDIX B

AUDITED FINANCIAL STATEMENTS

APPENDIX C

SUMMARIES OF CERTAIN PRINCIPAL DOCUMENTS

APPENDIX D

FORM OF BOND COUNSEL OPINION

APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

Dated as of December 1, 2021

Between

KNOX COLLEGE

And

AMALGAMATED BANK OF CHICAGO

Relating to:

City of Galesburg, Knox County, Illinois

**[\$[Principal-A]
Revenue Bonds
Series 2021A
(Knox College Project)**

**[\$[Principal-B]
Taxable Revenue Bonds
Series 2021B
(Knox College Project)**

CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** dated as of December 1, 2021 (this “*Continuing Disclosure Agreement*”), is executed and delivered by **KNOX COLLEGE** (the “*College*”) and **AMALGAMATED BANK OF CHICAGO**, as dissemination agent (the “*Dissemination Agent*”).

RECITALS

1. This Continuing Disclosure Agreement is executed and delivered in connection with the issuance by the **City of Galesburg, Knox County, Illinois** (the “*Issuer*”) of (a) **\$(Principal-A) Revenue Bonds, Series 2021A (Knox College Project)** (the “*Series 2021A Bonds*”) and (b) **\$(Principal-B) Taxable Revenue Bonds, Series 2021B (Knox College Project)** (the “*Series 2021B Bonds*”) and, together with the Series 2021A Bonds, the “*Bonds*”), pursuant to a Trust Indenture dated as of December 1, 2021 (the “*Indenture*”), between the Issuer and Amalgamated Bank of Chicago, as Trustee (the “*Trustee*”). The proceeds of the Bonds are being loaned by the Issuer to the College pursuant to a Loan Agreement dated as of December 1, 2021, between the Issuer and the College (the “*Loan Agreement*”).

2. The College and the Dissemination Agent are entering into this Continuing Disclosure Agreement for the benefit of the Beneficial Owners (defined below) of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the “*Rule*”). The College is the only “*obligated person*” (as defined by the Rule) with responsibility for continuing disclosure, and the Issuer has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Continuing Disclosure Agreement, and has no liability to any person, including any Beneficial Owner of the Bonds, with respect to the Rule.

In consideration of the mutual covenants and agreements herein, the College and the Dissemination Agent covenant and agree as follows:

Section 1. Definitions.

In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Continuing Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“*Annual Report*” means any Annual Report filed by the College pursuant to, and as described in, **Section 2** of this Continuing Disclosure Agreement.

“*Beneficial Owner*” means any Owner of any Bonds and any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“*Business Day*” means a day other than (a) a Saturday, Sunday or legal holiday, (b) a day on which banks located in any city in which the principal corporate trust office or designated payment office of the Trustee or the Dissemination Agent is located are required or authorized by law to remain closed, or (c) a day on which the Securities Depository or the New York Stock Exchange is closed.

“College” means **Knox College**, an Illinois not-for-profit corporation, and its successors and assigns.

“Dissemination Agent” means **Amalgamated Bank of Chicago**, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the College.

“EMMA” means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org.

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; *provided however*, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Fiscal Year” means the **12-month** period beginning on **July 1** and ending on **June 30** or any other **12-month** period selected by College as the Fiscal Year of the College for financial reporting purposes.

“Issuer” means the **City of Galesburg, Knox County, Illinois**, and its successors and assigns or any body, agency or instrumentality of the State of Illinois succeeding to or charged with the powers, duties and functions of the Issuer.

“MSRB” means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the Rule.

“Participating Underwriter” means any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“Reportable Events” means any of the events listed in **Section 3(a)** of this Continuing Disclosure Agreement.

Section 2. Provision of Annual Reports.

- (a) The College shall, or shall cause the Dissemination Agent to, not later than 180 days after the end of the College’s Fiscal Year, commencing with the Fiscal Year ending June 30, 2022, file with the MSRB, through EMMA, the following financial information and operating data (the “Annual Report”):
 - (1) The audited financial statements of the College for the prior Fiscal Year prepared in accordance with accounting principles generally accepted in the United States. If audited financial statements are not available by the time the Annual Report is required to be filed pursuant to this Section, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement relating to the Bonds, and the audited financial statements shall be filed in the same manner as the Annual Report promptly after they become available.

- (2) Updates as of the end of the Fiscal Year of certain financial information and operating data contained in the final Official Statement related to the Bonds, as described in **Exhibit A**, in substantially the same format contained in the final Official Statement with such adjustments to formatting or presentation determined to be reasonable by the College.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the College is an “obligated person” (as defined by the Rule), which have been filed with the MSRB and are available through EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB on EMMA. The College shall clearly identify each such other document so included by reference.

In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Section; provided that the audited financial statements of the College may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the College’s Fiscal Year changes, it shall give notice of such change in the same manner as for a Reportable Event under **Section 3(d)**.

- (b) Not later than the date specified in subsection (a) for providing the Annual Report to the MSRB, the College shall either (1) provide the Annual Report to the Dissemination Agent, with written instructions to file the Annual Report as specified in subsection (a), or (2) provide written notice to the Dissemination Agent that the College has filed the Annual Report with the MSRB (or will do so prior to the deadline specified in subsection (a)).
- (c) If the Dissemination Agent has not received either an Annual Report with filing instructions or a written notice from the College that it has filed an Annual Report with the MSRB by the date required in subsection (a), the Dissemination Agent shall send a notice to the MSRB in substantially the form attached as **Exhibit B**.
- (d) The Dissemination Agent shall, (1) notify the College each year, not later than **30** days prior to the date for providing the Annual Report to the MSRB, of the date on which its Annual Report must be provided to the Dissemination Agent or the MSRB, and (2) unless the College has filed the Annual Report with the MSRB, promptly following receipt of the Annual Report and instructions required in subsection (a) above, file the Annual Report with the MSRB and file a report with the College, the Issuer and (if the Dissemination Agent is not the Trustee) the Trustee certifying that the Annual Report has been filed pursuant to this Continuing Disclosure Agreement, stating the date it was filed.
- (e) The Annual Report shall be filed with the MSRB in such manner and format as is prescribed by the MSRB.

Section 3. Reporting of Reportable Events.

- (a) No later than **10 Business Days** after the occurrence of any of the following events, the College shall give, or cause to be given, to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Bonds (“*Reportable Events*”):
- (1) principal and interest payment delinquencies;
 - (2) non-payment related defaults, if material;
 - (3) unscheduled draws on debt service reserves reflecting financial difficulties;
 - (4) unscheduled draws on credit enhancements reflecting financial difficulties;
 - (5) substitution of credit or liquidity providers, or their failure to perform;
 - (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
 - (7) modifications to rights of bondholders, if material;
 - (8) bond calls, if material, and tender offers;
 - (9) defeasances;
 - (10) release, substitution or sale of property securing repayment of the Bonds, if material;
 - (11) rating changes;
 - (12) bankruptcy, insolvency, receivership or similar event of the obligated person;
 - (13) the consummation of a merger, consolidation, or acquisition involving the obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
 - (14) appointment of a successor or additional trustee or the change of name of the trustee, if material;
 - (15) incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
 - (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.
- (b) The Dissemination Agent shall, promptly after obtaining actual knowledge of the occurrence of any event that it believes may constitute a Reportable Event, contact the Vice President for Finance and Administrative Services of the College or his or her designee or such other person as the College shall designate in writing to the Dissemination Agent from time to time, inform such person of the event, and request that the College promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (d). If in response to a request under this subsection (b), the College determines that the event does not constitute a Reportable Event, the College shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (d).

- (c) Whenever the College obtains knowledge of the occurrence of a Reportable Event, because of a notice from the Dissemination Agent pursuant to subsection (b) or otherwise, the College shall promptly notify and instruct the Dissemination Agent in writing to report the occurrence pursuant to subsection (d).
- (d) If the Dissemination Agent receives written instructions from the College to report the occurrence of a Reportable Event, the Dissemination Agent shall promptly file a notice of such occurrence with the MSRB, with a copy to the College.

Section 4. Termination of Reporting Obligation.

The College's obligations under this Continuing Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the College's obligations under this Continuing Disclosure Agreement are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing Disclosure Agreement in the same manner as if it were the College, and the College shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the College shall give notice of such termination or substitution in the same manner as for a Reportable Event under **Section 3(d)**.

Section 5. Dissemination Agent.

The College may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign as dissemination agent hereunder at any time upon **30** days prior written notice to the College. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report) prepared by the College pursuant to this Continuing Disclosure Agreement. The initial Dissemination Agent is Amalgamated Bank of Chicago.

Section 6. Amendment; Waiver.

Notwithstanding any other provision of this Continuing Disclosure Agreement, the College and the Dissemination Agent may amend this Continuing Disclosure Agreement and any provision of this Continuing Disclosure Agreement may be waived, provided that Bond Counsel or other counsel experienced in federal securities law matters provides the College and the Dissemination Agent with its written opinion that the undertaking of the College contained herein, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to this Continuing Disclosure Agreement.

If a provision of this Continuing Disclosure Agreement is amended or waived, the College shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the College. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (1) notice of such change shall be given in the same manner as for a Reportable Event under **Section 3(d)**, and (2) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Additional Information.

Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the College from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Reportable Event, in addition to that required by this Continuing Disclosure Agreement. If the College chooses to include any information in any Annual Report or notice of occurrence of a Reportable Event, in addition to that specifically required by this Continuing Disclosure Agreement, the College shall have no obligation under this Continuing Disclosure Agreement to update such information or include it in any future Annual Report as the case may be, or notice of occurrence of a Reportable Event.

Section 8. Default.

If there is a failure of the College or the Dissemination Agent to comply with any provision of this Continuing Disclosure Agreement, the Trustee may (and, at the request of any Participating Underwriter or the Owners of at least **25%** aggregate principal amount of Outstanding Bonds, shall) take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the College or the Dissemination Agent, as the case may be, to comply with its obligations under this Continuing Disclosure Agreement. A default under this Continuing Disclosure Agreement shall not be deemed an event of default under the Indenture or the Loan Agreement, and the sole remedy under this Continuing Disclosure Agreement if there is any failure of the College or the Dissemination Agent to comply with this Continuing Disclosure Agreement shall be an action to compel performance.

Section 9. Duties and Liabilities of Dissemination Agent.

The Dissemination Agent shall have only such duties as are specifically set forth in this Continuing Disclosure Agreement, and the College agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the College under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The College shall pay the fees, charges and expenses of the Dissemination Agent in connection with its administration of this Continuing Disclosure Agreement.

Section 10. Notices.

Any notices or communications to or among any of the parties to this Continuing Disclosure Agreement may be given by registered or certified mail, return receipt requested, or by facsimile or by e-mail, receipt confirmed by telephone, or delivered in person or by overnight courier, and will be deemed given on the second day following the date on which the notice or communication is so mailed, as follows:

IN WITNESS WHEREOF, the College and the Dissemination Agent have caused this Continuing Disclosure Agreement to be executed as of the day and year first above written.

KNOX COLLEGE

By: _____
Title: Vice President for Finance and
Administrative Services

AMALGAMATED BANK OF CHICAGO,
as Dissemination Agent

By: _____
Title: Authorized Officer

**EXHIBIT A
TO CONTINUING DISCLOSURE AGREEMENT**

**FINANCIAL INFORMATION AND OPERATING DATA TO BE
INCLUDED IN ANNUAL REPORT**

The financial information and operating data contained in the following sections and tables contained in Appendix A of the final Official Statement relating to the Bonds:

[*TO BE INSERTED*]

EXHIBIT B

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Galesburg, Knox County, Illinois

Name of Bond Issue: \$[Principal-A] Revenue Bonds, Series 2021A (Knox College Project) and \$[Principal-B] Taxable Revenue Bonds, Series 2021B (Knox College Project)

Name of Obligated Person: Knox College

Date of Issuance: December __, 2021

NOTICE IS HEREBY GIVEN that Knox College has not filed an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement dated as of December 1, 2021, between Knox College and Amalgamated Bank of Chicago, as Dissemination Agent. [The Obligated Person has informed the Dissemination Agent that the Obligated Person anticipates that the Annual Report will be filed by _____.]

Dated: _____, ____.

AMALGAMATED BANK OF CHICAGO, as
Dissemination Agent on behalf of **KNOX COLLEGE**

cc: Knox College

EXHIBIT E

§ _____
CITY OF GALESBURG, KNOX COUNTY, ILLINOIS
REVENUE BONDS, SERIES 2021A
(KNOX COLLEGE PROJECT)

TAX EXEMPTION CERTIFICATE AND AGREEMENT

Certain terms that are used in this Certificate shall have the same definition as in the Internal Revenue Code of 1986, as amended and in effect on the date of this Certificate (the “Code”), and in the Income Tax Regulations (the “Regulations”) issued under the Code.

I certify that I am the Vice President for Finance and Administrative Services of Knox College, an Illinois not-for-profit corporation (the “Borrower”); that we have all authority necessary to execute this Certificate on behalf of the Borrower; and we certify for and on behalf of the Borrower that:

1. In General

1.1. I have read or have been advised by our counsel and by Bond Counsel with respect to the Certificate of the Issuer Re: Arbitrage issued on the same date as this Certificate (the “Arbitrage Certificate”) executed on behalf of the City of Galesburg, Knox County, Illinois (the “Issuer”), and the facts recited in the Arbitrage Certificate (except those facts that are solely within the knowledge of the Issuer or its officers, as to which we make no certifications) are true and correct as of the date of this Certificate.

1.2. I am familiar with the City of Galesburg, Knox County, Illinois Revenue Bonds, Series 2021A (Knox College Project), in the amount of \$_____, dated the date of this Certificate (the “Series 2021A Bonds”), being issued and sold by the Issuer for the purpose of (i) financing or reimbursing the Borrower for the costs of the acquisition, construction, renovation and equipping of certain educational facilities of the Borrower (the “Project”), (ii) refunding and redeeming all of the Issuer’s outstanding Variable Rate Demand Revenue Bonds, Series 1996 (Knox College Project) (the “Series 1996 Bonds”), which were originally issued in the aggregate principal amount of \$19,700,000 to finance or refinance (a) all or a portion of the costs of the acquisition, construction, renovation, and equipping of the educational facilities of the Borrower located in the City of Galesburg (the “Prior 1996 Project”), (b) the payment of a bank loan issued for the purpose of refunding \$2,900,000 Illinois Educational Facilities Authority Revenue Bonds, Knox College, Series 1993, \$2,740,000 of which was then outstanding, (c) the payment of bank loans issued for the purpose of prepaying the Borrower’s Secured Notes in the principal amounts of \$1,429,576 and \$1,762,117, respectively, of which \$1,370,000 and \$1,115,291, respectively, was then outstanding, issued to the Illinois Educational Facilities Authority to secure loans made from a portion of the proceeds of the Adjustable Rate Demand Revenue Bonds, Series 1985 (University Pooled Financing Program) issued by the Illinois Educational Facilities Authority, (d) capitalized interest on the Series 1996 Bonds and (e) all or a portion of the costs of issuance of the Series 1996 Bonds and the payment of the above-described bank loans, (iii) refunding and redeeming all of the Issuer’s outstanding Variable Rate Demand Revenue Bonds, Series 1999 (Knox College Project) (the “Series 1999 Bonds”), which were originally issued in the aggregate principal amount of \$5,000,000 to finance or refinance (a) all or a portion of the costs of the

acquisition, construction, renovation and equipping of the educational facilities of the Borrower located in the City of Galesburg (the “Prior 1999 Project”), (b) certain Series 1999 Project costs financed under the Fifth Amended and Restated Revolving Loan Credit Agreement, dated as of July 1, 1999 and (c) all or a portion of the costs of issuance of the Series 1999 Bonds and the payment of the above-described bank loans, (iv) refinance certain taxable indebtedness incurred by the Corporation under a loan from PNC Bank, National Association, \$10,659,067.46 of which is currently outstanding (the “Taxable Loan”), and (v) paying certain costs of issuance in connection with the authorization and issuance of the Series 2021A Bonds (collectively, the “Financing Purposes”), all as permitted under Section 6 of Article VII of the 1970 Constitution of the State of Illinois, as supplemented and amended (collectively, the “Act”). The portion of the Taxable Loan to be paid off with proceeds from the Series 2021A Bonds is referred to hereinafter as the “Tax-Exempt Refinanced Taxable Loan.” The proceeds of the Tax-Exempt Refinanced Taxable Loan were used solely and exclusively to finance certain routine capital expenditures of the Borrower, including supplies and materials, equipment, and remodels, repairs and renovations. As of the date hereof, all proceeds received from the Series 1996 Bonds and the Series 1999 Bonds (including investment earnings thereon) have been fully expended. The Prior 1996 Project, the Prior 1999 Project and the Project constituted the “Total Financed Property.”

Simultaneously with the issuance of the Series 2021A Bonds and pursuant to the Indenture (as defined herein), the Issuer will issue its \$_____ Taxable Revenue Bonds, Series 2021B (Knox College Project) (the “Series 2021B Bonds” and together with the Series 2021A Bonds, the “Bonds”), for the purpose of (i) financing certain swap termination payments and (ii) paying certain costs of issuance in connection with the authorization and issuance of the Series 2021B Bonds.

1.3. One purpose of executing this Certificate is to set forth various facts regarding the Series 2021A Bonds and to establish the expectations of the Issuer and the Borrower as to future events regarding the Series 2021A Bonds and the use of the proceeds of the Series 2021A Bonds. To the extent such facts do not relate directly to the Issuer, the Issuer is reasonably and prudently relying upon the certifications of Stifel, Nicolaus & Company, Incorporated (the “Representative”) and Siebert Williams Shank & Co., LLC (collectively, the “Underwriters”) and other parties, if applicable, and the covenants and certifications of the Borrower. The certifications and representations made herein and the Borrower’s compliance with the covenants contained herein are intended, and may be relied on, as a certification of an officer of the Issuer given in good faith as described in Regulations Section 1.148-2(b)(2) for all purposes of this Certificate and for purposes of the Information Return for Tax-Exempt Private Activity Bond Issues, Form 8038, to be filed with the Internal Revenue Service (“IRS”) with respect to the Series 2021A Bonds (“Form 8038”).

1.4. The execution and delivery of the Arbitrage Certificate by the Issuer and the Borrower will be treated by the Issuer and the Borrower as the establishment of written procedures (i) to ensure that to the extent the Series 2021A Bonds become nonqualified bonds, it is identified and remediated in accordance with the requirements of the Code and Regulations, including the remediation provisions of Regulations Section 1.141-12 and 1.145-1 and 2 and other applicable regulation, and (ii) to monitor compliance with the arbitrage, yield restriction and rebate requirements of Section 148 of the Code. By executing this Certificate, the Borrower

agrees that the Issuer may rely upon the Borrower's compliance with the covenants and procedures described in this Certificate, including all Exhibits hereto, for purposes of maintaining the tax-exempt status of interest on the Series 2021A Bonds and complying with the requirements of Form 8038. Attached hereto as Exhibit J are tax compliance procedures that are being adopted by the Borrower with respect to any tax-exempt bond issue relating to the Borrower's facilities.

1.5. In the Arbitrage Certificate, the Issuer has elected to apply the multipurpose rules of Section 1.148-9(h) of the Regulations to allocate the investments and proceeds of the Series 2021A Bonds used for the refunding of the Series 1996 Bonds and the Series 1999 Bonds (the "Refunding Proceeds") and investments and proceeds of the Series 2021A Bonds used to finance the Project (the "New Money Proceeds"). The Issuer will allocate the costs of issuance and other common costs on a pro rata basis between the Refunding Proceeds and the New Money Proceeds. The estimated Refunding Proceeds is \$ _____ and the New Money Proceeds is \$ _____.

1.6. I have been authorized by Borrower's Board of Trustees to participate in the issuance and sale of the Series 2021A Bonds and, with others, am responsible for the Borrower's participation in the issuance and sale of the Series 2021A Bonds, the refunding of all of the Series 1996 Bonds and the Series 1999 Bonds and the financing of the Project and in the transactions and events related thereto.

1.7. The Series 2021A Bonds are being issued pursuant to that certain Trust Indenture, dated as of December 1, 2021 (the "Indenture"), between the Issuer and Amalgamated Bank of Chicago, as Trustee (the "Trustee"). The proceeds of the Series 2021A Bonds are to be loaned (the "Loan") by the Issuer to the Borrower under the terms and provisions of that certain Loan Agreement, dated as of December 1, 2021 (the "Loan Agreement"), between the Issuer and the Borrower, by the Issuer causing those proceeds to be disbursed under the terms and provisions of the Indenture and the Loan Agreement for application as needed to pay for the financing of the Project and the refunding of the Series 1996 Bonds and the Series 1999 Bonds and the other purposes identified in paragraph 1.2 above.

1.8. The proceeds of the Series 2021A Bonds will be deposited and applied by Trustee under the Indenture between the Issuer and the Trustee.

1.9. The Total Financed Property is described more specifically in Exhibit A of this Certificate.

1.10. This Certificate is executed and delivered in order to induce: (i) the Issuer to issue and sell the Series 2021A Bonds and to lend the proceeds thereof to the Borrower; (ii) the prospective owners of the Series 2021A Bonds (and any other owner who may purchase the Series 2021A Bonds at any time hereafter) to purchase the Series 2021A Bonds; and (iii) Ice Miller LLP to render its opinion concerning the exclusion from gross income of the interest on the Series 2021A Bonds for federal income tax purposes. In consideration of the Loan by the Issuer and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower certifies, represents and warrants that this Certificate

constitutes a legally valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms.

2. Sources and Uses of Funds

2.1. The estimated costs of financing the Financing Purposes are listed in Exhibit B attached to this Certificate and made a part of this Certificate.

2.2. “Net Proceeds” equals the sum of the authorized face amount of the Series 2021A Bonds, plus investment earnings thereon. The proceeds derived from the issuance of the Series 2021A Bonds, plus investment earnings thereon, will be used, and will not exceed the amount necessary to finance and reimburse the costs of the Project, refund the Series 1996 Bonds and the Series 1999 Bonds and pay a portion of the costs of issuance with respect to the Series 2021A Bonds.

2.3. The Borrower represents that the Taxable Loan was incurred solely and exclusively to finance capital expenditures and working capital of the Borrower. The proceeds of Tax-Exempt Refinanced Taxable Loan were used to finance certain routine capital expenditures of the Borrower on and after _____, 2021, including supplies and materials, equipment, and remodels, repairs and renovations.

The Borrower represents that, as of the Closing Date, no money or property of any kind (including cash) is on deposit in any fund or account, regardless of where held or the source thereof, with respect to the Taxable Loan, any of the obligations of the Borrower relating to the foregoing, or was legally required or otherwise restricted to pay the obligations of the Borrower under any of the foregoing. No moneys or properties were returned to the Borrower once deposited under the loan agreement or trust indenture for the Taxable Loan or pledged to secure or made available to pay debt service on the Taxable Loan, any of the obligations of the Borrower with respect to the Taxable Loan or the obligations of the Borrower under any credit enhancement or liquidity device relating to either of the foregoing.

At the time the Taxable Loan was incurred, the Borrower reasonably expected to spend at least 85 percent of the proceeds received from the incurrence of the Taxable Loan (including the investment earnings thereon) for the purposes for which the Taxable Loan was incurred, within three years of the date the Taxable Loan was incurred. Not more than 50 percent of the proceeds received from the incurrence of the Taxable Loan (including investment earnings thereon) were invested in investments having a yield that was substantially guaranteed for four years or more.

3. Disbursement of Funds and Schedule of Expenditures

3.1. There will be no accrued interest on the Series 2021A Bonds. The New Money Proceeds shall be deposited into the Project Fund to be disbursed as needed to finance or reimburse costs relating to the Project and to be disbursed for the payment of costs of issuance. The Refunding Proceeds shall be disbursed for refunding the Series 1996 Bonds and the Series 1999 Bonds on _____, 2021, as provided in the Indenture.

3.2. The proceeds of the Series 2021A Bonds in the Project Fund are expected to be expended at the times shown in Exhibit C.

3.3. The proceeds in the Project Fund allocable to costs related to the Project (the “Project Costs”) will be disbursed to the Borrower as needed to pay for the Project Costs. The amounts on deposit from time to time, if any, in the Project Fund shall be invested, and a total of the investment earnings shown in Exhibit B is estimated to be derived from those investments, which estimate is based on the estimated draw schedule for the Project, as set forth on Exhibit C attached to this Certificate and made part of this Certificate. The schedule of expenditures is subject to continuing review and adjustment.

4. Temporary Construction Period

4.1. The Borrower has entered into, or will enter into within six months after the date of the issue of the Series 2021A Bonds, a substantial binding obligation to expend at least 5% of the New Money Proceeds of the Series 2021A Bonds.

4.2. Work on the Project will proceed with due diligence to completion.

4.3. It is estimated that the Project will be substantially completed and ready for occupancy and use on or prior to December __, 2024, which date is not later than three years from the date of issue of the Series 2021A Bonds.

4.4. Any moneys, allocable to Project Costs, remaining in the Project Fund after the earlier of December __, 2024, or the date the Project is completed shall be yield restricted under section 148(a) of the Code and shall be used to pay remaining costs of the Project or be applied directly or indirectly to the redemption of the Series 2021A Bonds or to the payment of the principal of the Series 2021A Bonds at the earliest practicable date on which the Series 2021A Bonds can be redeemed at 100% of the principal amount thereof, without premium.

4.5. The Borrower expects to use moneys in the Project Fund to pay costs of issuance of the Series 2021A Bonds, but, such expenditures will not exceed 2% of the principal amount of the Series 2021A Bonds, as more fully shown on Exhibit B.

4.6. None of the New Money Proceeds of the Series 2021A Bonds (including investment earnings thereon) will be used to reimburse the Borrower for expenditures (other than preliminary or planning expenditures) paid prior to the date of closing. None of the Refunding Proceeds of the Series 2021A Bonds were used to reimburse the Borrower, the Issuer or any related person to the Borrower or the Issuer for an expenditure paid prior to the date that the Taxable Loan was made.

5. Qualified 501(c)(3) Bonds

5.1. Since the date of the first issue of the Series 1996 Bonds and the Series 1999 Bonds and until the earlier of the last day of the reasonably expected economic life of the Total Financed Property or the latest maturity date of the Series 2021A Bonds (the “Combined Measurement Period”), the Borrower has owned and operated and will continue to own and operate the Total Financed Property, which constitutes all of the property to be financed or refinanced by the Net Proceeds of the Series 2021A Bonds (including investment earnings thereon). The Borrower is an Illinois not-for-profit corporation, which is recognized as exempt from federal income tax under Section 501(c)(3) of the Code. No more than 5% of the proceeds

received from the sale of the Series 2021A Bonds (including investment earnings thereon), less costs of issuance described in paragraph 10.1, is to be used for any trade or business carried on by any person who is not an “exempt person” engaged in exempt activities. An “exempt person” is a governmental unit or an organization described in section 501(c)(3) of the Code and is exempt from tax under section 501(a), but only with respect to a trade or business that is not an unrelated trade or business determined by applying section 513(a) of the Code to that organization. Further, during the Combined Measurement Period, no more than 5% of the Net Proceeds of the Series 2021A Bonds (including investment earnings thereon), the Series 1996 Bonds, or the Series 1999 Bonds, less costs of issuance described in paragraph 10.1, is or will be (under the terms of the issue or any underlying arrangement) directly or indirectly (a) secured by an interest in property used or to be used in a trade or business carried on by a person who is not an “exempt person” or payments in respect of that property, or (b) to be derived from payments (whether to the Borrower or the Issuer) in respect of property, or borrowed money, used or to be used for a trade or business carried on by a person who is not an “exempt person.” The Borrower reasonably expects, on the date hereof, that the Total Financed Property has and will be used for its exempt purposes and has and will meet the ownership test under section 145(a)(1) of the Code and will not meet the private business test described in this paragraph 5.1 for the Combined Measurement Period.

5.2. The Borrower is not a private foundation and is not an organization described in section 509(a) of the Code, and it will make the filings and take the actions necessary to maintain its status as an “exempt person” under the Code.

5.3. During the Combined Measurement Period, the assets comprising the Total Financed Property to be financed and refinanced from Series 2021A proceeds have not been used and will not be used by any person whose relationship with the Borrower is such that any item of property comprising the Total Financed Property would be considered used in the trade or business of a nonexempt person under Revenue Procedure 2017-13 as the Revenue Procedure may be modified or superseded, or any other provision of the Code or the Regulations, to the extent that use would cause the limits described in paragraph 5.1 to be exceeded.

5.4. The Borrower is aware of the provisions of section 150(b) of the Code relating to change in use of the Total Financed Property and covenants to comply with the provisions of section 150(b) of the Code.

5.5. The Borrower understands that the federal tax-exempt status of interest on the Series 2021A Bonds is dependent upon the Total Financed Property being owned, operated and used by an exempt person (as defined above) for “exempt purposes,” as described in section 513 of the Code.

5.6. (a) The Borrower covenants that the Borrower intends to continue to use the Total Financed Property throughout the term of the Series 2021A Bonds for its exempt purposes and not for an unrelated trade or business (as defined in section 513 of the Code). If the use of any portion of the Total Financed Property changes and that portion is used in the trade or business of any person other than an “exempt person” but continues to be owned by a 501(c)(3) organization, then the owner of that portion of the Total Financed Property shall be treated as engaged in an unrelated trade or business (as defined in section 513 of the Code) with respect to

that portion of the Total Financed Property. The amount of gross income attributable to that portion of the Project for any period shall be not less than the fair rental value of that portion of the Project for the period. The Borrower understands that if use of any portion of the Total Financed Property changes as described in the preceding sentence, no deduction shall be allowed for the interest expense incurred on the Series 2021A Bonds that accrues during the period beginning on the date that portion of the Total Financed Property is used as described above and ending on the date that portion of the Total Financed Property is no longer used in that manner.

(b) The Borrower understands that if any portion of the Total Financed Property ceases to be owned by a state or local governmental unit or a 501(c)(3) organization, then no deduction shall be allowed for interest on the Series 2021A Bonds that accrues during the period that portion of the Total Financed Property is not so owned and ending on the date that portion of the Total Financed Property is once again owned by a 501(c)(3) organization or a state or local governmental unit.

5.7. None of the proceeds of the Series 2021A Bonds will be used to finance working capital.

6. Funds and Accounts

6.1. Other than any funds and/or accounts created under the Indenture, no “sinking fund” (within the meaning of Regulations section 1.148-1(c)(2)), bond fund, debt service fund, redemption fund, reserve fund, replacement fund, or any similar fund or account has been or will be created or established from which the principal of, premium, if any, or interest on the Series 2021A Bonds will be paid.

6.2. The Borrower understands that any insurance proceeds or condemnation proceeds paid with respect to the Total Financed Property and paid after the temporary acquisition period referred to in Section 4 may not be invested at a “yield” that is higher than the “yield” on the Series 2021A Bonds, unless that investment yields only interest that is excludable from gross income for federal income tax purposes under section 103(a) of the Code and not subject to alternative minimum tax.

6.3. Any funds created under the Indenture are intended to be used primarily to achieve a proper matching of revenues and debt service within each bond year and are “bona fide debt service funds” within the meaning of Regulations section 1.148-1(b). Any money deposited in such funds will be spent within a twelve-month period beginning on the date of deposit (and any amount received from investment of money held in such fund will be spent within a one-year period beginning on the date of receipt), except for a reasonable carryover amount (not to exceed the greater of the earnings on such fund for the immediately preceding bond year or one-twelfth of the debt service on the Series 2021A Bonds for the immediately preceding bond year).

7. Pledged Funds

7.1. Except for funds or accounts created under the Indenture as described in Part 6 above, there are no other funds or accounts established by the Borrower (i) which are reasonably expected to be used to pay debt service on the Series 2021A Bonds or which are pledged as collateral to secure repayment of the debt service on the Series 2021A Bonds, (ii) for which there

is reasonable assurance that amounts therein will be available to pay debt service on the Series 2021A Bonds, or (iii) for which the Borrower has agreed to maintain a particular balance for the direct or indirect benefit of the owners of the Series 2021A Bonds.

7.2. None of the Net Proceeds of the Series 2021A Bonds (including investment earnings thereon) is expected to be used directly or indirectly to replace funds which were or are to be used directly or indirectly to acquire securities or obligations (other than an obligation described in Section 103(a) of the Code) which are expected to produce a “yield” which is higher than the Yield (as such term is hereinafter defined).

7.3. The Borrower anticipates that it may receive certain Restricted Gifts, as defined below, during the term of the Series 2021A Bonds, which, if received, will be used either for the construction of the Total Financed Property or to pay debt service on the Series 2021A Bonds. The Borrower agrees that after completion of the Total Financed Property it will apply Restricted Gifts, at least annually, to prepay the Series 2021A Bonds. “Restricted Gifts” means those pledges, gifts or grants which are, by their terms, and remain restricted to use on the Total Financed Property and therefore constitute “replacement proceeds” under the Code and Regulations. The Borrower does not reasonably expect that the amount of Restricted Gifts will be substantial.

8. Arbitrage Compliance; Yield

8.1. (a) The Borrower agrees to comply with the Rebate Compliance Memorandum attached to this Certificate as Exhibit D, and incorporates and ratifies the covenants, representations, and warranties described the Rebate Compliance Memorandum and in the Arbitrage Certificate.

(b) The Borrower further agrees to comply with the yield restriction requirements under Section 148(a) of the Code with respect to the Series 2021A Bonds and make any necessary yield reduction payment, in a timely manner, as permitted under Regulation Section 1.148-5(c) and acknowledges that any Series 2021A Bond proceeds that are unspent after _____, 2021 will be subject to a separate yield restriction calculation and the Borrower may need to make a yield reduction payment relating to such unspent Series 2021A Bond proceeds even if there is no rebate liability owing with respect to the Series 2021A Bonds.

(c)(i) Neither the Borrower nor any related person to the Borrower has entered into or expect to enter into any hedge (e.g., interest rate swap, interest rate cap, futures contract, forward contract or option) with respect to the Series 2021A Bonds. The Borrower acknowledges that any future hedge could affect the calculation of the yield on Series 2021A Bonds under the Regulations and that the Internal Revenue Service could recalculate the yield on Series 2021A Bonds if the failure to account for such hedge fails to clearly reflect the economic substance of the transaction.

(c)(ii) In addition, the Borrower hereby certifies and covenants that (i) no elections to pay the penalty in lieu of rebate under Section 148(f)(4)(C)(viii) of the Code were made with respect to the Series 1996 Bonds and the Series 1999 Bonds and (ii) all

rebate payments due and owing with respect to the Series 1996 Bonds and the Series 1999 Bonds will be made in a timely manner in accordance with the Code and Regulations and acknowledges that a final payment with respect to the Series 1996 Bonds and the Series 1999 Bonds may be due and owing no later than 60 days after the date that the Series 1996 Bonds and the Series 1999 Bonds are fully discharged.

8.2. The Borrower covenants that no device is employed in connection with the issuance of the Series 2021A Bonds to obtain a material financial advantage (based on arbitrage) apart from the savings attributable to lower interest rates and debt restructuring.

8.3. The terms “yield” and “issue price” are defined in the Code and Regulations. The Representative has certified, inter alia, in the Issue Price Certificate set forth as or referenced in Exhibit I, which is attached hereto, that the first offering price at which it sold at least ten percent of each maturity of the Series 2021A Bonds is as shown on Schedule A to the Issue Price Certificate.

For purposes of establishing the issue price of the Series 2021A Bonds, as evidenced in the Issue Price Certificate attached as Exhibit I, the General Rule (as defined below) has been satisfied for the Series 2021A Bonds (the “General Rule Bonds”) and the issue price of such Series 2021A Bonds shall be the first price at which at least 10% of such maturities were sold to the Public (as defined below).

For purposes of this section, the following terms have the following meanings:

“General Rule” means the rule set forth in Treasury Regulations Section 1.148-1(f)(2)(i) which provides that except as otherwise provided in the Special Rule, the issue price for each maturity of the Series 2021A Bonds issued for money is the first price at which at least 10% of such maturity is sold to the Public.

“Public” is defined for purposes of this section as any person other than a Regulated Underwriter or a Related Party to a Regulated Underwriter.

“Regulated Underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the Representative) to participate in the initial sale of the Series 2021A Bonds to the Public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2021A Bonds to the public (for example, a third-party distribution agreement between a national lead underwriter and a regional firm under which the regional firm participates in the initial sale of the Series 2021A Bonds to the Public).

“Related Party” is defined for purposes of this section as any two or more persons who have greater than 50% common ownership, directly or indirectly.

“Special Rule” means the rule set forth in Treasury Regulations Section 1.148-1(f)(2)(ii) which provides that the Issuer may treat the initial offering price to the Public as of the sale date as the issue price of each maturity of the Series 2021A Bonds if (A) the Regulated Underwriters offered such Series 2021A Bonds to the Public for purchase at a specified initial offering price on or before the sale date and the lead Regulated Underwriter provides, on or before the issue

date a certification to that effect to the Issuer, together with reasonable supporting documentation for that certification and (B) each Regulated Underwriter agrees in writing that it will neither offer nor sell such Series 2021A Bonds to any person at a price that is higher than the initial offering price to the Public during the period starting on the sale date and ending on the earlier of (1) the close of the fifth business day after the sale date or (2) the date on which the Regulated Underwriters have sold a substantial amount of the Series 2021A Bonds of such maturity to the Public at a price that is no higher than the initial offering price to the Public.

Based on the representations of the Representative as to the first offering price at which it sold at least ten percent of such maturity of the Series 2021A Bonds, the Issuer will treat the yield on the Series 2021A Bonds as _____%, which yield is calculated on an actuarial basis which treats, as the price for the Series 2021A Bonds, the prices set forth in Schedule A to Exhibit I hereto.

9. Prohibited Facilities; Other Representations and Covenants

9.1. As provided in Section 147(e) of the Code, no portion of the proceeds of the Series 2021A Bonds will be used to finance or refinance any of the following facilities: any private airplane, skybox, or other private luxury box, a facility primarily used for gambling, or a store whose principal business is the sale of alcoholic beverages for consumption off premises.

9.2. As provided in Section 145(d)(2)(A) of the Code, the first use of the Prior 1996 Project financed with the Series 1996 Bonds, the Prior 1999 Project financed with the Series 1999 Bonds and the Project financed with New Money Proceeds of the Series 2021A Bonds commenced with each issue, respectively.

9.3. At least 95% of the (i) expenditures financed with the proceeds of the Series 1996 Bonds relating to the Prior 1996 Project, (ii) expenditures financed with the proceeds of the Series 1999 Bonds relating to the Prior 1999 Project, and (iii) expenditures financed with the New Money Proceeds of the Series 2021A Bonds relating to the Project were used to pay capital expenditures after August 5, 1997.

9.4. The Series 1996 Bonds, the Series 1999 Bonds, and the Series 2021A Bonds, considered separately, are not “hedge bonds” under Section 149(g) of the Code.

10. Compliance with Section 147(g) of the Code

10.1. As shown in Exhibit B, issuance costs financed from the proceeds of the Series 2021A Bonds will not exceed two percent (2%) of the proceeds or face amount of the Series 2021A Bonds.

11. Limitations on Maturity

11.1. The weighted average maturity of the Series 2021A Bonds (determined by taking into account the “issue price” of the Series 2021A Bonds) is _____ years, as computed on Exhibit F to this Certificate. The average maturity of the Series 2021A Bonds is a weighted average computation determined as follows:

(a) The issue price of each maturity is multiplied by the number of years that such maturity is outstanding;

(b) The products obtained as a result of each multiplication described in paragraph (a) above are added together; and

(c) The sum obtained in paragraph (b) above is divided by the aggregate issue price of the Series 2021A Bonds.

11.2. The “reasonably expected economic life” of the Total Financed Property financed and refinanced with the proceeds of the Series 2021A Bonds is not less than ____ years, as computed on Exhibit F of this Certificate. A list of the assets comprising the Total Financed Property to be financed and refinanced with the proceeds of the Series 2021A Bonds and their “reasonably expected economic lives” also appears on Exhibit F.

11.3. The average maturity of the Series 2021A Bonds will not exceed 120 percent of the “reasonably expected economic life” of the assets in the Total Financed Property (including any facilities substituted at any time for facilities acquired initially with the proceeds of the Bond) to be financed and refinanced with the proceeds of the Series 2021A Bonds, as determined by taking into account the respective costs of those assets, as those terms are described in under section 147(b) of the Code.

12. Public Approval and Official Action

12.1. A public hearing was held on November 1, 2021 by the Issuer. The time and location of the public hearing provided a reasonable opportunity for persons of differing views to appear and be heard, and a reasonable opportunity to be heard was afforded to all persons present at the hearing. Notice of the public hearing, which was published on October 15, 2021 in the *Galesburg Register-Mail*, a newspaper of general circulation in the jurisdiction where the Project is located, contained (a) a general, functional description of the type and use of the Project, (b) the maximum aggregate face amount of the Series 2021A Bonds to be issued, (c) the name of the Borrower, and (d) the location of the Project by street address or, if none, by a general description designed to inform readers of the specific location.

12.2. The Series 2021A Bonds have been approved after the public hearing by the City Council of the Issuer.

12.3. The certifications of the Borrower in the preceding paragraphs 12.1 and 12.2 rely on and are based solely upon the certificate of the Mayor of the Issuer, included in the Transcript of Bond Proceedings, concerning conduct of the public hearing.

13. Administrative and Other Fees

13.1. The Borrower expects to pay the Issuer a fee of \$_____ for issuing the Series 2021A Bonds. The Issuer will not receive any other fee, except as stated herein, in connection with the “acquired purpose obligation.”

14. Miscellaneous

14.1. The Total Financed Property is not expected to be sold or otherwise disposed of, in whole or in part, prior to the maturity of the Series 2021A Bonds.

14.2. The Series 2021A Bonds are not issued as part of a larger issue where that larger issue contains any other obligations the interest on which is excluded from gross income under any provision of federal law.

14.3. Attached to this Certificate as Exhibit E is a copy of the Information Return for Private Activity Bonds of the Issuer on Form 8038 executed by the Issuer. The Borrower has reviewed the provisions of the Form 8038 and certifies that the information with respect to the Borrower is accurate.

14.4. The Series 2021A Bonds are not and will not be “federally guaranteed” (as defined in section 149(b) of the Code).

14.5. The Series 2021A Bonds are not being issued sooner than is reasonably necessary for the financing of the Project nor will they remain outstanding longer than is reasonably necessary. The Borrower further covenants that (i) not more than fifty percent (50%) of the proceeds received from the sale of the Series 2021A Bonds will be invested at a substantially guaranteed yield for four (4) years or more and reasonably expects that eighty-five percent (85%) of such proceeds will be used to pay costs of the Project within three (3) years of the date hereof and (ii) the Series 2021A Bonds meet the requirements in (i) above.

14.6. The Borrower intends interest on the Series 2021A Bonds to be excludable from gross income for federal tax purposes within the meaning of section 103 of the Code; and the Borrower will not commit, perform, or cause to be committed or performed any act that will adversely affect the exclusion from gross income of the interest on the Series 2021A Bonds, or fail or refuse to commit or perform any act, the result of which failure or refusal will adversely affect the exclusion. On the basis of the preceding and to the best of the Borrower’s knowledge, we certify that the proceeds of the Series 2021A Bonds will be used in a manner that would cause interest on the Series 2021A Bonds to qualify for the exclusion from gross income under section 103 of the Code.

14.7. The Borrower covenants that:

(a) the Borrower will not make any use of the proceeds of the Series 2021A Bonds or any moneys, securities, or other obligations on deposit to the credit of the Borrower or otherwise that may be deemed by the Internal Revenue Service to be proceeds of the Series 2021A Bonds under section 148 of the Code that would cause the Series 2021A Bonds to be “arbitrage bonds” within the meaning of section 148;

(b) the Borrower will not: (i) take any action, (ii) fail to take any action, or (iii) make any use of the proceeds of the Series 2021A Bonds that would cause the interest on the Series 2021A Bonds to be or to become includable in gross income for federal income tax purposes in the hands of the holders; and

(c) in the event of an examination by the Internal Revenue Service of the exemption from federal income taxation of interest on the Series 2021A Bonds or the deductibility of interest on the Series 2021A Bonds as interest expense to financial institutions, the Borrower will direct the Issuer's response to such examination and reimburse the Issuer for all costs and expenses in making such response.

14.8. The Borrower has discussed this Certificate and the provisions of the Code and the applicable Regulations with those professionals that the Borrower has deemed necessary. The Borrower has been given an opportunity to ask questions of Ice Miller LLP, Bond Counsel, about the certifications contained above and the information needed to complete those certifications, and the Borrower has discussed those certifications with Bond Counsel. Based on all of these discussions, the Borrower is satisfied that: (a) the Borrower understands the certifications that we have made in this Certificate; (b) the Borrower understands the basis for the exclusion from gross income of the interest payable on the Series 2021A Bonds, including the requirements for continuing the exclusion after the date of issue of the Series 2021A Bonds; (c) the Borrower has provided Bond Counsel with all information necessary or desirable to complete this Certificate; and (d) to the best of our knowledge, information, and belief, we believe all of the certifications contained in this Certificate to be true and accurate.

14.9. To the best of the Borrower's knowledge, information, and belief, there are no other facts, estimates, or circumstances that would materially change any of the preceding certifications. The representations contained in this Certificate are made for the benefit of the Issuer, the Underwriters, Bond Counsel, and others and may be relied upon by the Issuer, the Underwriters, Bond Counsel, and others in determining whether the Series 2021A Bonds constitute "arbitrage bonds" within the meaning of section 148 of the Code and whether the interest on the Series 2021A Bonds is subject to income taxation by the United States or the State of Illinois under existing statutes, regulations, and decisions.

15. Binding Agreement

15.1. This Certificate is executed and delivered in order to induce the Issuer to issue and sell the Series 2021A Bonds and to lend the proceeds of that sale to the Borrower and in order to induce the owners of the Series 2021A Bonds (and any other owner who may purchase a Series 2021A Bond at any later time) to purchase the Series 2021A Bonds, and in consideration of the loan and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged. The Borrower certifies, represents, and warrants that this Certificate constitutes a legally valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms.

15.2. The Borrower waives acceptance of this Certificate by the Issuer, the Underwriters, the owners of the Series 2021A Bonds, and any subsequent owner of the Series 2021A Bonds.

16. Remedial Actions

16.1. The Borrower hereby (i) acknowledges that the disposition and certain uses of the Prior Projects may require remediation in accordance with Regulations Section 1.141-12 or other

applicable regulation, (ii) covenants to track the use and disposition of all of the Project as required by the Code and Regulations and to comply with the remediation requirements of Regulations Section 1.141-12 or other applicable regulation and (iii) acknowledges that the Issuer will rely on the establishment of the covenants set forth in this Section 16.1, and the Borrower's compliance with those covenants as the establishment by the Issuer and the Borrower of written procedures to comply with the remediation requirements of the Code and the Regulations.

WITNESS my manual signature this ____ day of December, 2021, being the date of issuance and delivery of the Series 2021A Bonds in exchange for the proceeds thereof.

KNOX COLLEGE

By: _____
Its: Vice President for Finance and Administrative
Services

Attachments:

- Exhibit A - Description of Total Financed Property
- Exhibit B - Bond Sources and Uses
- Exhibit C - Draw Schedule For Project
- Exhibit D - Rebate Compliance Memorandum
- Exhibit E - Form 8038
- Exhibit F - Average Maturity of the Series 2021A Bonds
- Exhibit G - Evidence of Economic Life of the Project
- Exhibit H - Reserved
- Exhibit I - Issue Price Certificate
- Exhibit J - Tax Compliance Procedures

EXHIBIT A

DESCRIPTION OF TOTAL FINANCED PROPERTY

The Prior 1996 Project

The Prior 1996 Project consisted of the acquisition, construction, equipping and renovation of athletic and recreational facilities, the auxiliary gym, the Center for Fine Arts, Science-Math Center, residence halls, and other college buildings and general campus improvements and equipment.

The Prior 1999 Project

The Prior 1999 Project consisted of acquiring, constructing, renovating and equipping certain educational facilities of the Borrower.

The Project

The Project consists of the planning, design, acquisition, construction, renovation, improvement, expansion, completion and/or equipping of certain educational facilities of the Borrower located on land owned by the Borrower at its main campus in the City of Galesburg, Knox County, Illinois, having a street address of 2 East South Street, Galesburg, Illinois, and generally bordered on the north by Tompkins Street, on the east, more or less, by Depot and Kellogg Streets, on the south, more or less, by First Street, railroad tracks, and Knox Street, and on the west, more or less, by Academy Street.

EXHIBIT B
SERIES 2021A BONDS
SOURCES AND USES OF FUNDS

Sources of Funds

Par Amount of Series 2021A Bonds
[Net] Original Issue [Premium]/[Discount]
Total

Uses of Funds

Uses
Project Costs
Redemption of Series 1996 Bonds
Redemption of Series 1999 Bonds
Refinance the Tax-Exempt Refinanced Taxable Loan
Swap Termination Payment
Costs of Issuance⁽¹⁾
Total Uses

⁽¹⁾Costs of Issuance funded with Series 2021A Bond proceeds is limited to 2% of proceeds of the Series 2021A Bonds.

EXHIBIT C

DRAW SCHEDULE FOR PROJECT

[All proceeds of the Series 2021A Bonds will be disbursed at closing.]

EXHIBIT D

MEMORANDUM ON COMPLIANCE WITH REBATE REQUIREMENT

TO: Knox College, an Illinois not-for-profit corporation, the Borrower

FROM: Ice Miller LLP, Bond Counsel

DATE: December __, 2021

RE: The City of Galesburg, Knox County, Illinois, Revenue Bonds, Series 2021A
(Knox College Project)

The Borrower has covenanted to comply with the rebate requirement of section 148(f) of the Code to the extent necessary to preserve the exclusion from gross income of interest on the Bonds for federal tax purposes. This Memorandum describes the actions that must be taken by the Borrower to comply with the rebate requirement of section 148(f) of the Code and the Regulations. This is not an exhaustive discussion of the rules relating to the rebate calculation and the procedures that must be followed to compute the Rebate Amount and the Yield on the Bonds. The Borrower must employ a Rebate Calculator to perform these computations.

This Memorandum is based on the Code and the Regulations as existing and in effect on the date of this Memorandum, but it is the Borrower's responsibility to contact a Rebate Calculator before computing any Rebate Amount to determine the status of the Code and the Regulations applicable to the Bonds at that time.

Ice Miller LLP has served as Bond Counsel to the Issuer for the Bonds and on the Date of Delivery of the Bonds delivered an approving opinion relating to the validity and the exclusion from gross income of interest on the Bonds. Although that employment did not include any obligation to monitor compliance with the federal tax requirements found in the Code, including the rebate requirement in section 148(f) of the Code, after the delivery of the Bonds, the Firm would be happy to make arrangements with the Borrower to assist it with that compliance, including compliance with the rebate requirement.

Capitalized terms used in this Memorandum are defined below.

DEFINITIONS

As used in this Memorandum:

“*Bond Counsel*” means an attorney or firm of attorneys approved by the Borrower, the Purchaser, and the Issuer that is nationally recognized in the area of municipal law and matters relating to the exclusion of interest on state and local government bonds from gross income under federal tax law, including particularly compliance with section 148(f) of the Code.

“*Bond Year*” means the one-year (or shorter) period beginning on the day after the expiration of the preceding Bond Year. The first Bond Year shall begin on the Date of Delivery and ends on December __, 2022 and the final Bond Year shall end on the date of maturity of the Bonds or their earlier redemption in whole.

“*Bonds*” means the City of Galesburg, Knox County, Illinois, Revenue Bonds, Series 2021A (Knox College Project).

“*Borrower*” means Knox College, an Illinois not-for-profit corporation.

“*Code*” means the Internal Revenue Code of 1986, as amended and in effect on the Date of Delivery.

“*Computation Date*” means (i) any date that is not later than five years after the Date of Delivery, (ii) any date that is prior to the Final Computation Date and not later than five years after the previous computation date for which an installment payment was made and (iii) the Final Computation Date.

“*Date of Delivery*” means December __, 2021.

“*Final Computation Date*” means the date the Bonds are discharged; except that, if the Bonds are retired within three years from the Date of Delivery, the Final Computation Date need not occur before the end of eight months after the Date of Delivery or during the period in which the Borrower reasonably expect that any of the spending exceptions to rebate under section 1.148-7 of the Regulations will apply to the Bonds.

“*Gross Proceeds*” means any Proceeds of the Bonds, and any replacement proceeds of the Bonds (as defined in section 1.148-1(c) of the Regulations).

“*Issuer*” means the City of Galesburg, Knox County, Illinois.

“*New Money Proceeds*” means investments and proceeds of the Bonds used to finance the Project.

“*Proceeds*” of the Bonds means:

(a) any amounts actually or constructively received from the sale or disposition of the Bonds (including amounts used to pay Purchaser’s fee or compensation and accrued interest other than pre-issuance accrued interest);

(b) any amount received from the sale of a right associated with the Bonds and described in section 1.148-4(b)(4) of the Regulations in a transaction separate and apart from the original sale of the Bonds;

(c) any amount actually or constructively received from the investment of Proceeds;
and

(d) any transferred proceeds.

“Prior 1996 Bonds” means the Variable Rate Demand Revenue Bonds, Series 1996 (Knox College Project).

“Prior 1999 Bonds” means the Variable Rate Demand Revenue Bonds, Series 1999 (Knox College Project).

“Prior Bonds” means the Prior 1996 Bonds and the Prior 1999 Bonds.

“Prior Projects” means all property financed, refinanced or reimbursed with proceeds of the Prior Bonds.

“Project” means the financing or reimbursing the Borrower for the costs of the acquisition, construction, renovation and equipping of certain educational facilities of the Borrower

“Rebate Amount” means the amount that is computed for each Computation Date as required by this Memorandum, section 148(f) of the Code, and the Regulations to be paid to the United States of America as provided in this Memorandum by the Borrower or a person acting on behalf of the Borrower, reduced by the computation date credit permitted by the Regulations.

“Rebate Calculator” means Bond Counsel, or a nationally recognized firm of accountants experienced in calculating the Yield and the Rebate Amount. The Rebate Calculator must be satisfactory to the Borrower, the Purchaser and the Issuer.

“Rebate Instructions” means any instructions provided by the Rebate Calculator to the Purchaser in order to comply with the provisions of this Memorandum and Section 410 of the Indenture.

“Rebate Payment” means the payment made by the Borrower to the United States of America within sixty days after each Computation Date.

“Regulations” means Treasury Regulations sections 1.148-1 through -11, 1.149(b)-1, 1.149(d)-1, 1.149(e)-1, 1.149(g)-1, and 1.150-1 through -2.

“Tax-exempt Bond” is defined in section 1.150-1 of the Regulations.

“Purchaser” means the purchaser of the Bonds from the Issuer.

“Yield” means the yield on the Bonds computed in accordance with the Code and the Regulations.

INVESTMENTS

Funds and Accounts. The following funds, as applicable, are subject to the rebate requirement, unless the Bonds qualify for an exception to the rebate requirement or unless the particular fund or account is eligible for an exception to the rebate requirement:

Rebate Fund
Project Fund

Exceptions. The Borrower will not have to compute the Rebate Amount if all of the Gross Proceeds of the Bonds is spent on or before December __, 2023, except for amounts held in a bona fide debt service fund as described in the next paragraph (the “six month exception”). The Bonds will qualify for the six month exception if the portion of unspent Proceeds at the end of the initial six month period does not exceed the lesser of 5% of the Proceeds of the Bonds or \$100,000, and this remainder is fully spent within one year of the Date of Delivery.

Any fund used to pay principal and interest on the Bonds will not be subject to the rebate requirement (i) in any Bond Year that it is a bona fide debt service fund and earnings on amounts in such fund do not exceed \$100,000, or (ii) if the average annual debt service on the Bonds is not greater than \$2,500,000. A bona fide debt service fund is a fund used primarily to achieve a proper matching of revenues and debt service within each Bond Year. In order to be a bona fide debt service fund and qualify for this exception, such funds must be depleted at least once each Bond Year except for a reasonable carryover amount which may not exceed the greater of (i) the immediately preceding Bond Year’s earnings on such fund, or (ii) one-twelfth of debt service for the immediately preceding Bond Year.

The Borrower reasonably expect that at least 75% of the Available Construction Proceeds of the New Money Proceeds of the Bonds will be used for Construction Expenditures (as those terms are defined in Regulations section 1.148-7(i) and (g), respectively) for property owned by a governmental or 501(c)(3) organization. The Bond swill qualify for the exception to the Rebate Requirement in section 148(f)(4)(C) of the Code if the Borrower spends all of the Available Construction Proceeds of the New Money Proceeds of the Bonds within two years, as follows:

<u>Minimum Spent</u>	<u>Date</u>
10%	June __, 2022
45%	December __, 2022
75%	June __, 2023
100%	December __, 2023

except that for the last spend down requirement a reasonable retainage (within the meaning of Regulations section 1.148-7(h)) not to exceed five percent (5%) of the Available Construction Proceeds, which will be considered spent as of December __, 2023 as long as such reasonable retainage is spent on or before May __, 2024. “Available Construction Proceeds” means an amount equal to (i) the Construction Portion (defined below) plus (ii) investment earnings on the Construction Portion plus (iii) earnings on the amounts in clause (ii), reduced by (iv) the amount of the Construction Portion expended for costs of issuance. The Borrower hereby elects to

calculate Available Construction Proceeds, for purposes of measuring compliance with the 2 year exception to its rebate compliance obligation, based upon the projected interest earnings shown on Exhibit C hereof. If the Borrower fails to spend all of the Available Construction Proceeds in accordance with this schedule, it shall cause to be paid, from time to time as necessary, the rebate obligation which is owed on such amount from the date the Bonds were issued.

The Borrower elects to treat the New Money Proceeds of the Bonds as a construction issue (the "Construction Portion") for purposes of this paragraph. The Construction Portion represents the Project Fund deposits, allocable to costs related to the Project, plus allocable costs of issuance. All of the construction expenditures and the capitalized interest to be financed (or reimbursed) from the New Money Proceeds of the Bonds is included in the Construction Portion. Thus, the Construction Portion shall be treated as a separate issue and the definition of Available Construction Proceeds above shall include only the amounts allocable to the Construction Portion.

The Borrower shall treat the portion of the proceeds of the Bonds used to refund the Prior Bonds as a separate issue (the "Refunding Portion"), and represents for rebate purposes that all of the gross proceeds of the Refunding Portion will be expended for the qualified purposes for which the Bonds were issued on the Closing Date.

If *all* of the Gross Proceeds are invested in Tax-Exempt Bonds, the Rebate Amount need not be computed as of that Computation Date.

The Borrower should contact Bond Counsel if any other funds or accounts are at any time pledged or available to pay debt service on the Bonds.

Investment Procedures. Proceeds should be invested at market interest rates. The Borrower should invest as much of the Proceeds as possible, obtain at least three bids for each investment to be made and select the bid that provides the best return to the Borrower. The Borrower should keep records of the bids asked for and received, including the name of the bidder, a description of the investment and the price offered. The Borrower may invest in the securities permitted by this Agreement and Illinois law. Investment decisions should be made without regard to whether the return on the investments is higher or lower than the Yield on the Bonds.

In general, the fair market value of an investment is the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's-length transaction. The fair market value may not include brokerage commissions, administrative expenses, or similar expenses. Fair market value generally is determined on the date on which a contract to purchase or sell the nonpurpose investment becomes binding, i.e., the trade date rather than the settlement date. The fair market value of a United States Treasury obligation that is purchased directly from the United States Treasury is its purchase price. See Regulations sections 1.148-5(d)(6)(ii) and (iii) for rules relating to certificates of deposit and guaranteed investment contracts.

YIELD

Yield. The Bonds bear interest at a fixed rate. The Yield was computed in accordance with the Regulations based on information provided by the Borrower and the Purchaser as to the terms and the issue price of the Bonds. The Yield shall be the Yield on the Bonds for the purposes of any yield restriction of Gross Proceeds of the Bonds.

REBATE COMPUTATION AND PAYMENT

Computation of the Rebate Amount. The Rebate Amount, if any, shall be computed as of each Computation Date within 60 days of the Computation Date. The Borrower shall, within fourteen (14) days prior to each Computation Date, after prior notice to the Issuer and the Purchaser, employ a Rebate Calculator to compute the Rebate Amount and shall, as soon as possible after the Computation Date, provide the Rebate Calculator with the information necessary to compute the Rebate Amount. The Rebate Amount as computed by the Rebate Calculator shall be reduced by the computation date credit permitted by the Regulations. All computations of the Rebate Amount shall treat Rebate Amounts previously paid to the United States Treasury as amounts on deposit in the Rebate Fund (as defined in the Indenture). The costs and all expenses of the Rebate Calculator are the sole responsibility of the Borrower.

In addition, in accordance with Section 148(f)(4)(B)(iv) of the Code, the Rebate Calculator shall calculate and the Borrower shall pay to the Purchaser for payment to the United States of America such penalty amount (if any) required under such Section with respect to nonpurpose investments allocable to the construction subaccount of the Project Fund which are not spent in accordance with the schedule required by Section 148(f)(4)(B)(iv) of the Code and set forth in the Certificate as to Arbitrage, dated the Closing Date, executed by the Issuer and the Borrower.

The Issuer shall be entitled conclusively to rely on the calculations and directions of the Rebate Calculator made pursuant to this Certificate and shall not be responsible for any loss or damage resulting from any action taken or omitted to be taken in reliance upon those calculations and directions.

Rebate Payment. Not later than sixty days after each installment Computation Date, the Borrower or a person acting on behalf of the Borrower shall remit to the United States of America at least 90% (or such greater percentage that the Borrower may direct in writing to the Purchaser to pay) of the Rebate Amount determined as of that Computation Date (less any portion of the Rebate Amount previously paid to the United States of America).

- (a) Not later than the latest of:
 - (i) the date sixty days after the final Computation Date; or
 - (ii) the date eight months after the Date of Delivery;
 - (iii) the date sixty days after the earlier of (a) the date the Borrower no longer reasonably expects the six-month exception described above to apply to the Bonds or (b) twelve months after the Date of Delivery; or

- (iv) the date sixty days after the earlier of (a) the date the Issuer no longer reasonably expects the two year rebate exception to apply to the Bonds or (b) the date 36 months after the Date of Delivery,

the Borrower should remit to the United States of America the Rebate Amount computed as of the final Computation Date (less any portion of the Rebate Amount previously paid to the United States of America) plus the income attributable to the Rebate Amount as determined by the Rebate Calculator.

Each payment should be made to:

Internal Revenue Service Center
Ogden, Utah 84201

Each payment should be accompanied by the Form 8038-T.

Upon computation of the Rebate Amount on each Computation Date, other than the final Computation Date, and after payment of the Rebate Payment to the United States of America, the Rebate Payment shall be reduced by the Rebate Payment as of the date of the payment, and the reduced amount shall be carried forward by the Borrower in the calculations of the Rebate Payment on subsequent Computation Dates.

Not later than sixty days after each Computation Date, the Borrower should inform the Purchaser and the Issuer of the then existing Rebate Amount and the amounts remitted to the United States of America with respect to that Computation Date.

MAINTENANCE OF RECORDS

Investment Records. The Borrower must maintain, throughout the term of the Bonds and until six years after the date of retirement of the Bonds for each investment, or shall obtain from the Purchaser, for each investment, records sufficient to establish:

- (1) the date of purchase of or, if later, the date on which the investment is allocated to the Gross Proceeds of the Bonds;
- (2) the rate of interest on each investment;
- (3) any accrued interest on each investment as of the date described in item (1);
- (4) the date on which each investment was sold or otherwise disposed of or, if earlier, the date of retirement of the Bonds;
- (5) the fair market value as of the date described in item (1) of each investment, together with a computation of the fair market value and a description of the basis (including documentation sufficient to establish the basis) upon which fair market value was determined; and
- (6) any accrued interest paid by a transferee of an investment.

Records of Funds and Accounts. The Borrower should also keep records of all transactions involving the funds described above and of all investments in an orderly and accurate fashion, including the information described above, so that the information can be readily input into a computer to perform the rebate computation. A sample input form is attached as Appendix A showing a typical method of formatting the information for the rebate computation. The Borrower can reduce their costs of computing the Rebate Amount by providing the information in the form requested by the Rebate Calculator. The attached form is an example but the Rebate Calculator ultimately selected should provide a form compatible with its system.

Rebate Records. The Borrower or a person acting on behalf of the Borrower shall, throughout the term of the Bonds and until six years after the retirement date of the Bonds, (1) keep and maintain records pertaining to the Rebate Amount and the amount and time of all payments to the United States of America under this Memorandum, and (2) retain copies of the Form 8038-T and Form 8038 filed with respect to the Bonds and the statement of the Borrower submitted with each payment to the United States of America.

AMENDMENTS

The Borrower has covenanted to comply with the rebate requirement of section 148(f) of the Code to the extent necessary to maintain the exclusion from gross income of interest on the Bonds. To that end, this Memorandum may be amended from time to time for the purpose of more accurately providing procedures and rules consistent with the provisions of the Regulations, as the Regulations are amended and finalized. However, the Borrower shall obtain from Ice Miller LLP or other nationally recognized Bond Counsel an opinion satisfactory to the Purchaser and the Borrower to the effect that the amendment and compliance by the Borrower with this Memorandum in amended form will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

Appendix A - Sample Input Form

Appendix A-1

LISTING OF INVESTMENTS FOR FUND/ACCOUNT

<u>Investment Number</u>	<u>Description/Maturity Date</u>	<u>Rate</u>	<u>Amount</u>
1.	_____	_____	\$ _____
2.	_____	_____	\$ _____
3.	_____	_____	\$ _____
4.	_____	_____	\$ _____
5.	_____	_____	\$ _____
6.	_____	_____	\$ _____
7.	_____	_____	\$ _____
8.	_____	_____	\$ _____
9.	_____	_____	\$ _____
10.	_____	_____	\$ _____
11.	_____	_____	\$ _____
12.	_____	_____	\$ _____
13.	_____	_____	\$ _____
14.	_____	_____	\$ _____
15.	_____	_____	\$ _____
16.	_____	_____	\$ _____
17.	_____	_____	\$ _____
18.	_____	_____	\$ _____

*TAX-EXEMPT INVESTMENTS SHOULD NOT BE SHOWN

Appendix A-2

LISTING OF INVESTMENT TRANSACTIONS FOR FUND/ACCOUNT

<u>Date</u>	<u>Investment #/Description</u>	<u>Purchase \$</u>	<u>Earnings</u>	<u>Sale/Maturity</u>
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____

*TAX-EXEMPT INVESTMENTS SHOULD NOT BE SHOWN

EXHIBIT E

FORM 8038

(Attached)

EXHIBIT F

AVERAGE MATURITY

The Average Maturity of the Series 2021A Bonds is _____ years.

120% of the “reasonably expected economic life” of the Total Financed Property is not less than _____ years, as shown on the attached Exhibit F.

EXHIBIT G

PART I

120% OF THE AVERAGE REASONABLY EXPECTED WEIGHTED ECONOMIC LIFE IN YEARS OF PROJECT¹

(A)	(B)	(C)	(D)
<u>Description</u>	<u>Original Cost (\$)</u>	<u>Original Economic Life²</u>	<u>(B) x (C)</u>
The Project	\$		\$
TOTALS	\$		\$

1. Includes the cost of all facilities or other property financed, directly or indirectly, in whole or in part, from original Bond proceeds and investment earnings on such proceeds on deposit in the Project Fund excluding amounts expected to be used for capitalized interest.
2. Facilities given an original economic life of 40 years (see also Rev. Proc. 62-21, 1962-2 C.B. 418) or longer include only property that constitutes a building or an integral part thereof, which integral part (i) is not removable without damage to such part or the building of which it is a part and (ii) is not to be used with respect to, or designated to permit or facilitate the operation of, any particular piece of equipment or non-real property.

120% of the average reasonable expected economic life of the Project
(Total of Column (D) ÷ Total of Column (B) X 120%) at least 40 years

**120% OF THE AVERAGE WEIGHTED REMAINING ECONOMIC LIFE IN YEARS OF THE
PRIOR 1996 PROJECT**

<u>(A)</u>	<u>(B)</u>	<u>(C)</u>	<u>(D)</u>	<u>(E)</u>	<u>(F)</u>
<u>Description</u> ¹	<u>Placed in Service</u> <u>Date</u> ²	<u>Original Costs (\$)</u>	<u>Original</u> <u>Economic Life in</u> <u>Years</u> ³	<u>Remaining</u> <u>Economic Life in</u> <u>Years</u> ⁴	<u>(C) x (E)</u>
The Prior 1996 Project	__/__/1996	\$			\$
TOTALS		\$			\$

1. Includes costs of all facilities or other property constituting the Prior 1996 Project that was actually financed with proceeds received from the sale of the Series 1996 Bonds used for new money purposes (including investment earnings thereon).
2. Placed in service date assumes, for simplicity purposes, that all assets were placed in service on the date of issuance of _____, 1996.
3. Facilities given an original economic life of 40 years (see also Rev. Proc. 62-21, 1962-2 C.B.418) include only property that constitutes a building or an integral part thereof, which integral part (i) is not removable without damage to such part of the building of which it is a part and (ii) is not to be used with respect to, or designed to permit or facilitate the operation of, any particular piece of equipment or non-real property.
4. The remaining economic life in years for each asset was computed by subtracting the period of years between the placed in service date of such asset and the date hereof (approximately, ___ years).

120% of the Average Weighted Remaining Economic Life of Prior 1996 Project
(Total of Column (F) ÷ total of Column (B) X 120%).

EXHIBIT F

PART II

**120% OF THE AVERAGE WEIGHTED REMAINING ECONOMIC LIFE IN YEARS OF THE
PRIOR 1999 PROJECT**

<u>(A)</u>	<u>(B)</u>	<u>(C)</u>	<u>(D)</u>	<u>(E)</u>	<u>(F)</u>
<u>Description</u> ¹	<u>Placed in Service</u> <u>Date</u> ²	<u>Original Costs (\$)</u>	<u>Original</u> <u>Economic Life in</u> <u>Years</u> ³	<u>Remaining</u> <u>Economic Life in</u> <u>Years</u> ⁴	<u>(C) x (E)</u>
The Prior 1999 Project	__/__/1999	\$			\$
TOTALS		\$			\$

1. Includes costs of all facilities or other property constituting the Prior 1999 Project that was actually financed with proceeds received from the sale of the Series 1999 Bonds used for new money purposes (including investment earnings thereon).
2. Placed in service date assumes, for simplicity purposes, that all assets were placed in service on the date of issuance of _____, 1999.
3. Facilities given an original economic life of 40 years (see also Rev. Proc. 62-21, 1962-2 C.B.418) include only property that constitutes a building or an integral part thereof, which integral part (i) is not removable without damage to such part of the building of which it is a part and (ii) is not to be used with respect to, or designed to permit or facilitate the operation of, any particular piece of equipment or non-real property.
4. The remaining economic life in years for each asset was computed subtracting the period of years between the placed in service date of such asset and the date hereof (approximately, ___years).

120% of the Average Weighted Remaining Economic Life of Prior 1999 Project
(Total of Column (F) ÷ total of Column (C) X 120%).

**EXHIBIT F
PART III**

**120% OF THE AVERAGE REASONABLY EXPECTED WEIGHTED REMAINING
ECONOMIC LIFE IN YEARS OF THE TOTAL FINANCED PROPERTY¹**

	(A)	(B)	(C)
<u>Description</u>	<u>Amount Deemed Financed</u>	120% of Average Weighted Remaining <u>Economic Life in Years</u>	<u>Product of (A) x (B)</u>
The Prior 1996 Project			
The Prior 1999 Project			
The Project			
TOTALS	\$		\$

120% of the Average Weighted Remaining Economic Life of the Financed Property as of December __, 2021 (total of Column (C) ÷ Column (A)) at least 30.808 years.

EXHIBIT H
RESERVED

EXHIBIT I
ISSUE PRICE CERTIFICATE

EXHIBIT J

TAX COMPLIANCE PROCEDURES

December __, 2021

The following procedures (the “Procedures”) are adopted by the Borrower to ensure that tax-exempt obligations issued for the benefit of the Borrower (the “Borrower Obligations”), the interest on which is excludable from gross income under Section 103(a) of the Internal Revenue Code of 1986, as amended (the “Code”), satisfy and will continue to satisfy all requirements of the Code and the regulations thereunder (the “Regulations”).

The Procedures supplement, but do not replace, any other procedures of the Borrower. The Procedures may be supplemented or amended at any time and from time to time by the Issuer, with the advice of nationally recognized bond counsel, but without any notice to or consent from any Purchaser, any bondholder or any other person. Noncompliance with the Procedures is permitted, with the advice of nationally recognized bond counsel, but without any notice to or consent from any Purchaser, any bondholder or any other person, if (i) compliance would impose unreasonable burdens on the Issuer and (ii) noncompliance would not cause any Borrower Obligations to fail to satisfy all requirements of the Code and the Regulations.

General

1. The Vice President for Finance and Administrative Services of the Borrower (the “Compliance Officer”) shall be primarily responsible for monitoring compliance with the Code and the Regulations.
2. The Compliance Officer may delegate any such responsibility to any officer, employee, attorney or agent of the Borrower, if, such officer’s employee’s, attorney’s or agent’s discharge of such responsibility is under the supervision of the Compliance Officer.
3. The Compliance Officer and any such officers, employees, attorneys or agents shall be provided training and educational resources necessary to ensure compliance with the Code and the Regulations.

Issuance

4. Upon issuance of any Borrower Obligations, the Compliance Officer shall obtain, review and retain a copy of any tax or arbitrage certificates or agreements of the Borrower and Issuer with respect to the Borrower Obligations (the “Tax Certificates”).
5. The Compliance Officer shall cause an Internal Revenue Service Information Return (e.g., Form 8038) for any Borrower Obligations (an “Information Return”) to be filed with the Internal Revenue Service not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Borrower Obligations are issued.

Post Issuance

6. The Compliance Officer shall monitor the yield on the investment of Borrower Obligation proceeds (including compliance with any yield restrictions or temporary periods).

7. The Compliance Officer shall monitor the timely expenditure of Borrower Obligation proceeds.

8. The Compliance Officer shall monitor the proper use of Borrower Obligation proceeds and any facilities financed thereby.

9. The Compliance Officer shall, on or before each anniversary of the date of issuance of any Borrower Obligations, determine whether the Issuer has paid all amounts required to be rebated to the United States under Section 148(f) of the Code and Section 1.148-3 of the Regulations.

10. The Compliance Officer shall, on or before each anniversary of the date of issuance of any Borrower Obligations, determine whether Issuer has made all yield reduction payments required to be made to the United States under Section 1.148-5(c) of the Regulations.

11. The Compliance Officer shall monitor the investment, expenditure and use of Borrower Obligations proceeds, to ensure timely identification of any violations of federal tax requirements and timely correction of any identified violations through remedial actions described in Section 1.141-12 of the Regulations or other applicable regulation or through the Tax Exempt Bonds Voluntary Closing Agreement Program described in Notice 2008-31.

12. The Compliance Officer shall monitor use of Borrower Obligation proceeds, and any facilities financed or refinanced thereby, to ensure that (i) no facilities financed or refinanced by the Borrower Obligations will be sold prior to the earlier of the (a) the useful life of the facility or (B) the maturity date of the Borrower Obligations and (ii) not more than 3% of the Borrower Obligation proceeds, considered separately, or any facilities financed thereby, are:

- (a) used by any nongovernmental person;
- (b) leased to any nongovernmental person;
- (c) subjected to any management, service or incentive payment contract with any nongovernmental person, under which such nongovernmental person provides services involving all, any portion or any function of such facilities, unless such contract satisfies the conditions under which it would not result in private business use set forth in Revenue Procedure 97-13 (1997-1 C.B. 623), as amended from time to time;
- (d) subjected to any agreement by any nongovernmental person to sponsor research, unless such agreement satisfies the conditions under which it would not result in private business use set forth in Revenue Procedure 2007-47 (2007 29 I.R.B. 108), as amended from time to time;
- (e) used in an unrelated trade or business under Section 513(a) of the Code; or

(f) subjected to any other arrangement that conveys special legal entitlements for beneficial use thereof that are comparable to special legal entitlements described in subparagraph (a), (b), (c), (d) or (e) above.

13. The Compliance Officer shall monitor the use of Borrower Obligation proceeds to ensure that costs of issuance financed by each Borrower Obligation does not exceed 2% of the proceeds of sale of each Borrower Obligation (the “2% COI Limit”).

Record Retention

15. The following documents shall be maintained, on paper or by electronic means (e.g., CD, disks, tapes), for the life of any Borrower Obligations, plus 3 years:

- Tax Compliance Certificate
- Certificate of the Issuer Re: Arbitrage
- Information Return
- Audited Financial statements
- Borrower Obligation transcripts, official statements and other offering documents
- Minutes and resolutions authorizing the issuance of the Borrower Obligations
- Certifications of the issue price of the Borrower Obligations
- Any formal elections for the Borrower Obligations (e.g., election to employ an accounting methodology other than specific tracing)
- Appraisals, demand surveys or feasibility studies for Borrower Obligation financed property, if any
- Documents related to government grants associated with construction, renovation or purchase of Borrower Obligation financed facilities, if any
- Purchaser statements for the Borrower Obligations, if any
- Reports of any IRS examinations of the Issuer or the Borrower Obligations
- Documentation of allocations of investments and investment earnings to the Borrower Obligations
- Documentation for investments of the Borrower Obligation proceeds related to;
 - o Investment contracts (e.g., guaranteed investment contracts)
 - o Credit enhancement transactions (e.g., bond insurance contracts)
 - o Financial derivatives (swaps, caps, etc.)
 - o Bidding of financial products

- The following arbitrage related documents for the Borrower Obligations:
 - o Computations of Borrower Obligation yield
 - o Computation of rebate and yield reduction payments
 - o Form 8038 T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate
 - o Form 8038 R, Request for Recovery of Overpayments Under Arbitrage Rebate Provisions
- Documentation of any allocations of Borrower Obligation proceeds to expenditures (e.g., allocation of Borrower Obligation proceeds to expenditures for the construction, renovation or purchase of facilities)
- Documentation of any allocations of Borrower Obligation proceeds to issuance costs
- Copies of requisitions, draw schedules, draw requests, invoices, bills and cancelled checks related to Borrower Obligation proceeds spent during the construction period
- Copies of all contracts entered into for the construction, renovation or purchase of Borrower Obligation financed facilities
- Records of expenditure reimbursements incurred prior to issuing the Borrower Obligations for facilities financed with Borrower Obligation proceeds
- A list or schedule of all Borrower Obligation financed facilities or equipment
- Documentation that tracks the purchase and sale of Borrower Obligation financed assets
- Records of trade or business activities by third parties allocated to Borrower Obligation financed facilities, if any
- Copies of the following agreements when entered into with respect to Borrower Obligation financed property:
 - o Management and other service agreements
 - o Research contracts
 - o Naming rights contracts
 - o Ownership documentation (e.g., deeds, mortgages)
 - o Leases
 - o Subleases
 - o Leasehold improvement contracts
 - o Joint venture arrangements
 - o Limited liability corporation arrangements
 - o Partnership arrangements
 - o Take contracts, take or pay contracts, or requirements contracts

CERTIFICATE OF THE ISSUER RE: ARBITRAGE

In re: Bonds: The City of Galesburg, Knox County, Illinois Revenue Bonds, Series 2021A (Knox College) in the aggregate principal amount of \$_____

Issuer: The City of Galesburg, Knox County, Illinois

Borrower: Knox College, an Illinois not-for-profit corporation

Purchaser: Stifel, Nicolaus & Company, Incorporated, on behalf of itself and as representative of Siebert Williams Shank & Co., LLC

Indenture: Trust Indenture, dated as of December 1, 2021, between the Issuer and the Borrower and Amalgamated Bank of Chicago, as Trustee (the "Trustee")

Date: December __, 2021

The undersigned certify that they are the Mayor and Clerk or Deputy Clerk, respectively, of the Issuer, and further certify:

1. We are charged with the responsibility for executing and delivering the Bonds. We are familiar with the facts stated herein. We are authorized to execute this certification ("Certificate") on behalf of the Issuer.

2. This certification is executed for the purpose of setting forth the facts and estimates upon which the Issuer bases its reasonable expectations that the Bonds are not arbitrage bonds under Section 148 of the Internal Revenue Code of 1986, as amended and in effect on the issue date of the Bonds (the "Code") and Treasury Regulations Sections 1.148-0 through -11, 1.149(b)-1, 1.149(d)-1, 1.149(g)-1, and 1.150-1 through -2 to the extent applicable on the date of this certificate (the "Regulations").

3. This Certificate, and the facts, estimates, and circumstances in Paragraphs 4 through 18 of this Certificate, are being provided on behalf of the Issuer in reliance solely and conclusively upon (i) the representations made to the Issuer by the Borrower in the Tax Exemption Certificate and Agreement of the Borrower, dated December __, 2021, including any and all exhibits and attachments thereto, all as attached hereto (the "Tax Exemption Certificate"); and (ii) the representations and warranties by the Borrower as set forth in the Loan Agreement, dated as of December 1, 2021 (collectively, the "Borrower's Representations"). Based solely and conclusively on the Borrower's Representations, it is the Issuer's understanding that this Certificate is based on facts, expectations, estimates, and circumstances in existence on the date of this Certificate, which is the date on which the Bonds have been physically delivered to the Purchaser. Based solely and conclusively on the Borrower's Representations, and to the best of our knowledge, information, and belief, there appears to be no other facts, estimates, expectations, or circumstances that would materially change the facts, estimates, and circumstances set forth herein. While the Issuer has not been made aware of any fact, estimates, expectations, or circumstances that would cause it to question the accuracy or reliability of the Borrower's Representations, the Issuer has made no investigation of such matters and the Issuer

is not and shall not be under any obligation to perform any such investigation. Accordingly, subject to Paragraph 19 hereof and based solely and conclusively on the Borrower's Representations, to the best of our knowledge, information, and belief, the facts, estimates, and circumstances as set forth in Paragraphs 4 through 18 of this Certificate are reasonable.

4. The Issuer expects to sell the Bonds to the Purchaser for \$_____ and will receive no accrued interest (the "Sale Proceeds").

5. The Sale Proceeds will be lent to the Borrower by the Issuer pursuant to the Loan Agreement between the Issuer and the Borrower in order to (i) finance or reimburse the Borrower for the costs of the acquisition, construction, renovation and equipping of certain educational facilities of the Borrower described in the Loan Agreement (the "Project") (ii) refund all of the Issuer's outstanding Variable Rate Demand Revenue Bonds, Series 1996 (Knox College Project) (the "Series 1996 Bonds"), (iii) refund all of the Issuer's outstanding Variable Rate Demand Revenue Bonds, Series 1999 (Knox College Project) (the "Series 1999 Bonds"), (iv) refinance certain taxable indebtedness incurred by the Borrower under a loan from PNC Bank, National Association, (v) finance termination payments to PNC Bank, National Association pursuant to interest rate swaps entered into by the Borrower with respect to its Series 1996 Bonds and Series 1999 Bonds, (vi) pay certain expenses incurred in connection with the authorization and issuance of the Bonds and to become due on the Bonds, all as permitted under the Act (as defined in the Indenture). As of the date hereof, all proceeds of the Series 1996 Bonds and the Series 1999 Bonds (including investment earnings thereon) were fully expended. The Sale Proceeds of the Bonds will be deposited in the manner provided in the Indenture. The Issuer hereby elects to apply the multipurpose rules of Section 1.148-9(h) of the Regulations to allocate the investments and proceeds of the Bonds used for the refunding of the outstanding Series 1996 Bonds and the Series 1999 Bonds (the "Refunded Bonds") and investments and proceeds of the Bonds used to finance the Project. An amount of Sale Proceeds equal to \$_____ (the "Refunding Proceeds") will be used to refund all of the Refunded Bonds an amount of Net Proceeds equal to \$_____ (the "New Money Proceeds") will be used to finance the Project and finance the costs of issuance.

6. Attached as Exhibit B to the Tax Exemption Certificate is a statement of the expected sources (including Bond proceeds, accrued interest, if any, investment earnings and Borrower's equity contributions, if any) and uses (including the Project costs, refunding of the Refunded Bonds and payment of the costs of issuance of the Bonds).

7. The Issuer expects that the New Money Proceeds will be expended for the financing of the Project, including expenses of issuance within 36 months. The Issuer expects that the Refunding Proceeds of the Bonds will be fully expended within 90 days for the cost of currently refunding the Refunded Bonds.

8. The Issuer expects that the New Money Proceeds, plus income earned on the investment of New Money Proceeds and income earned on the investment of investment income will not exceed the amounts necessary to finance the Project and pay issuance costs, as set forth in Exhibit B to the Tax Exemption Certificate. The Issuer expects that the Refunding Proceeds will not exceed the amount necessary to refund the Refunded Bonds.

9. Other than the revenues expected to be derived from the Loan Agreement, the Issuer has received or expects to receive, directly or indirectly, from the Borrower in the form of application fees, commitment fees or in any other form the moneys listed in Section 13.1 of the Tax Exemption Certificate.

10. The Issuer expects that the New Money Proceeds will be used no later than June ____, 2022 to finance the Project and the Refunding Proceeds will be used no later than December ____, 2021 to refund the Refunded Bonds.

11. The Issuer expects that the New Money Proceeds may be invested during a temporary period not expected to exceed 36 months in investments at an unrestricted yield. In order to be permitted to do so, the Issuer expects the following:

Time Test. The Borrower has or will have entered into substantial binding obligations with third persons for the expansion, renovation, rehabilitation and improvement of the Project, within six months from the date of this Certificate, under which the Borrower is obligated to expend at least 5% of the New Money Proceeds of the Bonds. (See attached Exhibit C to the Tax Exemption Certificate)

Expenditure Test. The Issuer expects the New Money Proceeds will be expended for the Project, and may possibly include issuance expenses and interest on the Bonds during construction and equipping of the Project, if any, and to repay interim indebtedness, if any, in such amounts and during such periods, and for such purposes as reflected on Exhibit B and Exhibit C to the Tax Exemption Certificate.

Due Diligence Test. The Issuer expects that work on the Project and the allocation of the New Money Proceeds to expenditures will proceed with due diligence to completion.

12. The Issuer does not expect that the Project will be sold or otherwise disposed of, in whole or in part, prior to the maturity of the Bonds (other than as provided in the Indenture).

13. The Issuer does not expect that any “gross proceeds” of the Bonds (as defined in Section 148(f)(6)(B) of the Code) or any other funds and accounts held by the Purchaser with respect to the Bonds will be invested for longer than the temporary period with respect thereto described in the Tax Exemption Certificate of the Borrower.

14. The Issuer has not knowingly taken any action which has the effect of:

a. Enabling the Issuer to exploit the difference between tax-exempt and taxable interest rates to obtain a material financial advantage; or

b. Overburdening the tax-exempt bond market.

15. The Issuer is not knowingly issuing more bonds, issuing the Bonds earlier, or allowing the Bonds to remain outstanding longer than is otherwise reasonably necessary to accomplish the purposes of the Bonds as authorized pursuant to the Act, based on all of the facts and circumstances. The Issuer is issuing the Bonds in furtherance of the authorized purpose as

set forth in the Act. The Issuer does not reasonably expect that the proceeds of the Bonds will exceed the amount necessary to accomplish the authorized purposes of the issue by more than the lesser of 5% of the Sale Proceeds or \$100,000. The Issuer does not reasonably expect that the Sale Proceeds of the Bonds will be substantially in excess of the amount of sale proceeds allocated to expenditures for the authorized purposes of the issue.

16. The Issuer reasonably expects as of the date hereof that the rules of Section 1.148-6(b) of the Regulations relating to the allocation of gross proceeds to the issue of the Bonds will not reduce the amount of gross proceeds allocable to the Bonds during the life of the Bonds.

17. The issue price for the Bonds is evidenced by an Issue Price Certificate attached as Exhibit I to the Tax Exemption Certificate. Based on the representations of the Purchaser as to the first offering price at which it sold at least ten percent of the maturity of the Bonds, the Issuer acknowledges that the yield on the Bonds will be treated as _____% (the “Yield”).

18. On the basis of the above discussion, the Issuer expects, as applicable, any fund established pursuant to the Indenture to be the only “sinking funds” (as described in Section 1.148-1(c)(2) of the Regulations). However, the Issuer expects the fund(s) to be used to properly match revenues to debt service and, therefore, expects such fund(s) to be “bona fide debt service funds” (as defined in Section 1.148-1(b) of the Regulations). The Issuer does not reasonably expect any other funds or accounts to be used to pay principal or interest on the Bonds.

19. Nothing in this Certificate, including specifically, but without limitation, the facts, estimates, and circumstances set forth in Paragraphs 4 through 18 hereof, shall create any general obligation or liability of the Issuer. Nothing in this Certificate, including specifically, but without limitation, the facts, estimates, and circumstances set forth in Paragraphs 4 through 18 hereof, shall give rise to any pecuniary liability of the Issuer or charge against its general credit, or shall obligate the Issuer financially in any way except out of payments to be made by the Borrower under the Indenture. Nothing in this Certificate, including specifically, but without limitation, the facts, estimates, and circumstances set forth in Paragraphs 4 through 18 hereof shall subject the Issuer to liability for any claim for damages, costs or other financial or pecuniary charge except to the extent the same is paid by the Borrower, and no execution of any claim, demand, cause of action or judgment shall be levied upon or collected from the general credit, general funds or other property of the Issuer. No purchaser of the Bonds shall have the right to compel any exercise of the taxing power of the Issuer, the State of Illinois or any political subdivision thereof to pay the Bonds or the premium, if any, or interest thereon.

20. The execution and delivery of this Certificate by the Issuer and the Borrower will be treated by the Issuer and the Borrower as the establishment of written procedures (i) to ensure that to the extent the Bonds become nonqualified bonds is identified and remediated in accordance with the requirements of the Code and Regulations, including the remediation provisions of Regulations Section 1.141-12 and 1.145-2 or other applicable regulation, and (ii) to monitor compliance with the arbitrage, yield restriction and rebate requirements of Code Section 148. By executing this Certificate, the Issuer and the Borrower agree that the Issuer may rely upon the Borrower’s compliance with the covenants and procedures described in the Tax Exemption Certificate executed by the Borrower in connection with the issuance of the Bonds,

including all Exhibits thereto, for purposes of maintaining the tax-exempt status of interest on the Bonds and complying with the requirements of Form 8038.

IN WITNESS WHEREOF, we have hereunto set our hands on behalf of the Issuer as of the date first written above.

**THE CITY OF GALESBURG, KNOX
COUNTY, ILLINOIS**

By: _____
Its: Mayor

Attest:

By: _____
Its: City Clerk (or Deputy Clerk)

The undersigned hereby certifies that the information provided in paragraphs 4 through 18 in the above Certificate of the Issuer Re: Arbitrage has been supplied by the Borrower, that such information is true to the best of my knowledge, and that the Issuer may rely upon the truthfulness of these representations.

Dated: December __, 2021

KNOX COLLEGE

By: _____
Its: Vice President for Finance and Administrative
Services

Acknowledged by:

AMALGAMATED BANK OF CHICAGO, as
Trustee

By: _____

Its: _____

**COUNCIL LETTER
CITY OF GALESBURG
NOVEMBER 1, 2021**

AGENDA ITEM: Zoning Map Amendment from I, Institutional to B2, General Business, for a portion of the property located at 898 W Main St.

SUMMARY RECOMMENDATION: The Planning and Zoning (P&Z) Commission held the required public hearing during their October 19, 2021 meeting and on a vote of 4 ayes (Members Johnson, McKelvie, Thomas, Uhlmann) and zero nays recommended approval. The City Manager and Director of Community Development concur with the P&Z Commission's recommendation.

BACKGROUND: The Galesburg Community Foundation and River Bend Food Bank have established a formal partnership to bring a Regional Food Bank to the property at 876 W Main St., which is currently zoned B2, General Business. The pantry will help serve over 50 food pantries in Knox, Warren, Fulton, Hancock, Henderson, Henry, McDonough and Stark Counties.

At their October 4, 2021 meeting the City Council approved donating a portion of property in Graham Park, 898 W Main St., which is zoned Institutional. The city is seeking to amend the zoning of this property to B2, General Business, so the food bank can construct an approximate 4,420 square foot addition to their building for a new cooler and freezer.

The attached aerial shows the general location of the lot in question and the existing zoning.

	Zoning	Land Use
North	B2-General Business and R1B-Single Family	Residential
West	I-Institutional	City Water Division
East	B2-General Business	Food bank
South	I-Institutional	City Water Division

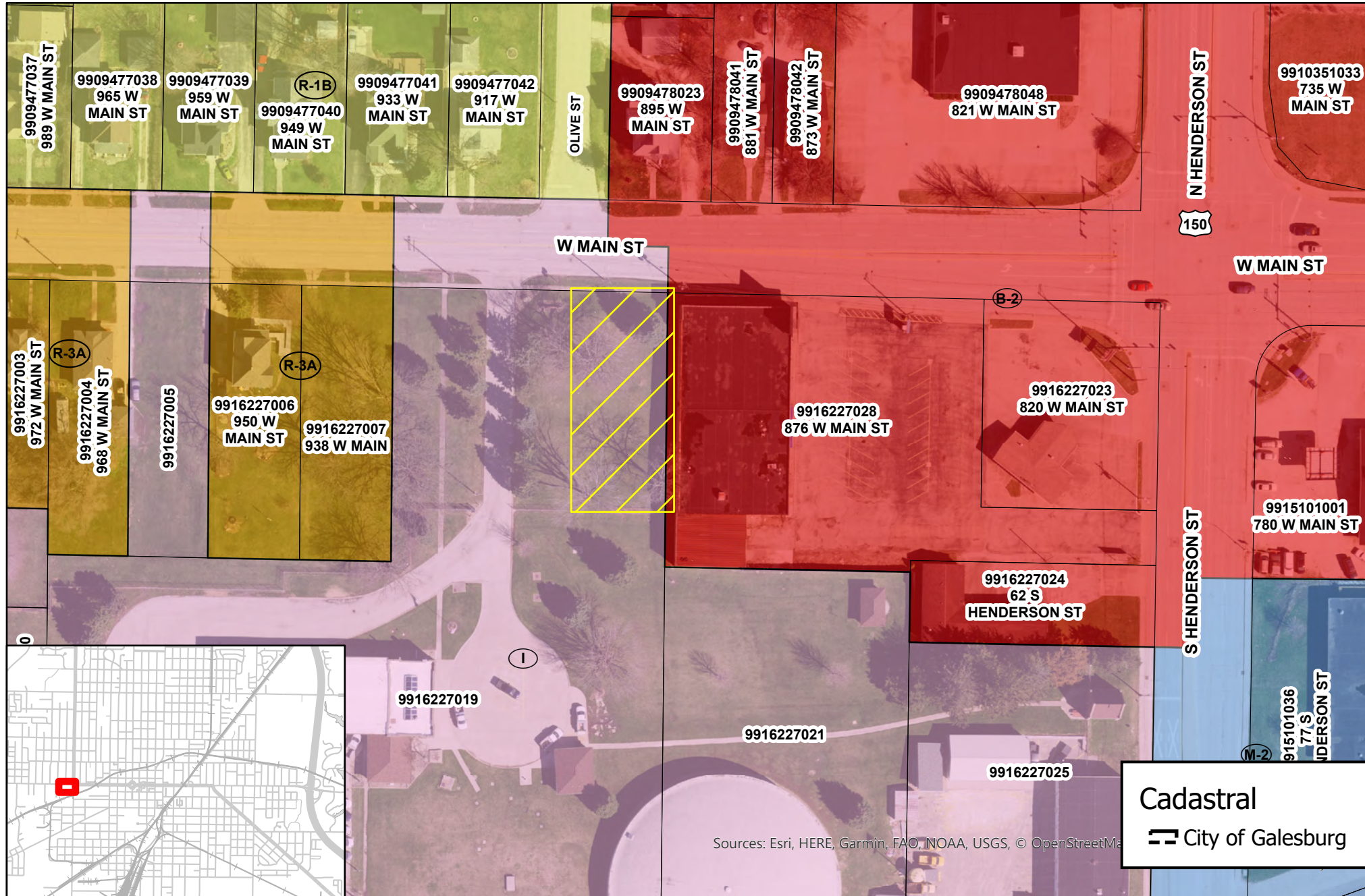
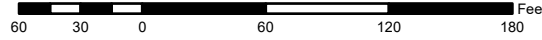
The purpose of the B2 zoning district is to provide for a wide range of businesses and services relying upon the patronage from areas beyond the immediate neighborhood in which they may be located.

BUDGET IMPACT: There would be no anticipated impact upon the budget if the zoning amendment is approved.

SUPPORTING DOCUMENTS:

1. Aerial – General location
2. Plat of Survey
3. Zoning amendment ordinance

Approximate location of zoning amendment



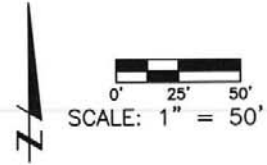
Sources: Esri, HERE, Garmin, FAO, NOAA, USGS, © OpenStreetMap

Cadastral
 City of Galesburg

PLAT OF SURVEY

PART OF LOT 6 IN THE SUBDIVISION OF THE NORTH HALF OF SECTION 16, TOWNSHIP 11 NORTH, RANGE 1 EAST OF THE FOURTH PRINCIPAL MERIDIAN IN THE CITY OF GALESBURG, KNOX COUNTY, ILLINOIS, AS SHOWN ON THE PLAT RECORDED IN VOLUME 2 OF PLATS, PAGE 95 IN THE KNOX COUNTY RECORDER'S OFFICE.

WEST MAIN STREET



LEGAL DESCRIPTION -

PART OF LOT 6 IN THE SUBDIVISION OF THE NORTH HALF OF SECTION 16, TOWNSHIP 11 NORTH, RANGE 1 EAST OF THE FOURTH PRINCIPAL MERIDIAN IN THE CITY OF GALESBURG, KNOX COUNTY, ILLINOIS, AS SHOWN ON THE PLAT RECORDED IN VOLUME 2 OF PLATS, PAGE 95 IN THE KNOX COUNTY RECORDER'S OFFICE. BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 6; THENCE SOUTH 00°42'30" WEST, A DISTANCE OF 158.50 FEET ALONG THE EAST LINE OF SAID LOT 6; THENCE NORTH 88°52'14" WEST, A DISTANCE OF 81.09 FEET; THENCE NORTH 00°42'30" EAST, A DISTANCE OF 140.00 FEET; THENCE SOUTH 88°52'14" EAST, A DISTANCE OF 10.00 FEET; THENCE NORTH 00°42'30" EAST, A DISTANCE OF 18.50 FEET TO THE SOUTH RIGHT-OF-WAY LINE OF WEST MAIN STREET; THENCE SOUTH 88°52'14" EAST, A DISTANCE OF 71.09 FEET ALONG SAID RIGHT-OF-WAY LINE TO THE POINT OF BEGINNING, CONTAINING 0.29 ACRES, MORE OR LESS, AND BEING SUBJECT TO EASEMENTS, AGREEMENTS OR RESTRICTIONS OF RECORD.


NOTES:

- INDICATES 1/2" Ø IRON ROD UNLESS NOTED OTHERWISE FOUND IN PLACE.
- ⊙ INDICATES 1" Ø IRON PIPE FOUND IN PLACE.
- ⊕ INDICATES CHISELED "+" IN CONCRETE FOUND IN PLACE.
- ⊕ INDICATES CHISELED "+" IN CONCRETE SET THIS SURVEY.
- INDICATES 5/8" X 30" REBAR WITH CAP STAMPED "BCZ INC." SET THIS SURVEY.
- BEARINGS AND DISTANCES IN PARENTHESIS ARE THOSE OF RECORD; ALL OTHERS ARE FIELD MEASUREMENTS.
- BEARINGS ARE BASED ON ILLINOIS STATE PLANE COORDINATE SYSTEM, WEST ZONE 1202.
- DATE OF COMPLETION OF FIELD WORK: 09/14/2021.
- FIELD BOOK: 21-08 PAGES 68-70 AND 73-75 AND FIELD BOOK: 21-13 PAGE 41.



I DO HEREBY STATE TO THE BEST OF MY KNOWLEDGE AND BELIEF, THAT THIS PLAT IS A TRUE AND CORRECT REPRESENTATION OF A SURVEY MADE BY ME OR UNDER MY DIRECT PERSONAL SUPERVISION, OF THE ABOVE DESCRIBED PROPERTY. I FURTHER STATE THAT THE ABOVE DESCRIBED PROPERTY IS NOT SITUATED WITHIN A SPECIAL FLOOD HAZARD AREA AS IDENTIFIED BY THE FEMA COMMUNITY PANEL NUMBER FM17095C0259E DATED AUGUST 2, 2011.

THIS PROFESSIONAL SERVICE CONFORMS TO THE CURRENT ILLINOIS MINIMUM STANDARDS OF PRACTICE APPLICABLE TO BOUNDARY SURVEYS.

BY:  DATE: 9/14/21
KEVAN J. COOPER
ILLINOIS PROFESSIONAL LAND SURVEYOR NO. 3716
LICENSE RENEWAL DATE: 11/30/2022

CLIENT: CITY OF GALESBURG

Bruner, Cooper & Zuck, Inc.

Civil Engineers . Structural Engineers . Architects . Land Surveyors
Professional Design Firm LS/ARC/PE/SE Corp. 184-002633-0015
bcz@bczengineering.com www.bczengineering.com

188 East Simmons St. Galesburg, Illinois 61401 309.343.9282	308 North 3rd Street Burlington, Iowa 52601 319.752.9282	835 Golden Valley Drive Bettendorf, Iowa 52722 563.355.1856
JOB NO. 2021029	DATE: 09/14/2021	
DRAWN: PJM	CHECKED: PJM	APPROVED: KJC

WHEREAS, pursuant to a public hearing duly held as required by law, the Planning and Zoning Commission to the City of Galesburg, Illinois, has reported on a proposition to amend the Zoning Map of said City as hereinafter set forth;

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GALESBURG, ILLINOIS:

SECTION ONE: The following described real estate shall be, and the same hereby is, rezoned from I, Institutional to B2, General Business District:

Part of Lot 6 in the Subdivision of the north half of Section 16, Township 11, North, Range 1 East of the Fourth Principal Meridian in the City of Galesburg, Knox County, Illinois, as shown on the plat recorded in Volume 2 of plats, page 95 in the Knox County Recorder’s Office, being more particularly described as follows:

Beginning at the northeast corner of said lot 6; thence south 00° 42’ 30” west, a distance of 158.50 feet along the east line of said Lot 6; thence north 88° 52’ 14” west, a distance of 81.09 feet; thence north 00° 42’ 30” east, a distance of 140.00 feet; thence south 88° 52’ 14” east, a distance of 10.00 feet; thence north 00° 42’ 30 east, a distance of 18.50 feet to the south right-of-way line of west main street; thence south 88° 52’ 14” east, a distance of 71.09 feet along said right-of-way line to the point of beginning, containing 0.29 acres, more or less, and being subject to easements, agreements or restrictions of record.

Parcel Identification Numbers (PINs): part of 99-16-227-019
Commonly known as: part of 898 W Main St, Galesburg, IL

SECTION TWO: The Zoning Map of the City of Galesburg shall be, and the same hereby is, changed in accordance with the provisions hereof.

SECTION THREE: All ordinances, or parts of ordinances, in conflict with this ordinance are, to the extent of such conflict, hereby repealed.

SECTION 3 This ordinance shall be in full force and effect from and after its passage, approval and publication as provided by law.

Approved this ___ day of _____, 20___, by a roll call vote as follows:

Roll Call #:

Ayes: _____

Nays: _____

Absent: _____

ATTEST:

Peter Schwartzman, Mayor

Kelli R. Bennewitz, City Clerk

**CITY OF GALESBURG
COUNCIL LETTER
NOVEMBER 1, 2021**

AGENDA ITEM: Ordinance authorizing purchase of 355 E. Second Street from the Knox County Trustee.

SUMMARY RECOMMENDATION: The City Manager, City Attorney/Administrative Services Director, and Community Development Director recommend adoption of the proposed ordinance authorizing purchase of 355 E. Second Street.

BACKGROUND: The Knox County Trustee, on behalf of all taxing districts, acquired title to the above listed property and has agreed to convey the property to the City of Galesburg for \$823.00. The purchase price is based upon the minimum cost of acquisition and conveyance through the county's Tax Liquidation Program.

The property is in a dilapidated condition, does not have active water service, and has accumulated over \$5,700 in fines and fees for abatement of weeds, trash and debris, and outside storage since 2018. Acquisition of the property from the Trustee would allow the City access to evaluate the property and determine if rehabilitation is feasible or move forward with demolition and clean-up of the property.

BUDGET IMPACT: There are applicable funds available in Property Redevelopment (Fund 23) to acquire and demolish or rehabilitate the property. The total cost of acquisition is \$823.00.

SUPPORTING DOCUMENTS:

1. Ordinance
2. Purchase contract (Exhibit A)

ORDINANCE NO. _____

**AN ORDINANCE AUTHORIZING THE PURCHASE OF PROPERTY FROM THE
KNOX COUNTY TRUSTEE**

WHEREAS, the City of Galesburg, Illinois, is a home rule unit of government pursuant to Section 6, Article VII of the Constitution of the State of Illinois; and

WHEREAS, Article VII, Section 6(a) of the Illinois grants a home rule unit authority to exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the Knox County Trustee has acquired title to the property commonly known as 355 E. Second Street (99-15-426-004), Galesburg, Illinois; and

WHEREAS, the corporate authorities find that acquisition of this parcel is in the best interest of the health, safety, and welfare of the residents of the City of Galesburg.

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GALESBURG,
ILLINOIS, AS FOLLOWS:**

SECTION ONE: The foregoing recitals are hereby incorporated into this Ordinance as is fully set forth herein.

SECTION TWO: The Mayor and City Clerk are hereby authorized and directed to execute, and attest, respectively, the real estate purchase contract with the Knox County Trustee, which is attached to this ordinance as Exhibit A.

SECTION THREE: All ordinances or parts of ordinances, in conflict with this ordinance are, to the extent of such conflict, hereby repealed.

SECTION FOUR: This ordinance shall be in full force and effect from and after its passage, approval and publication as provided by law.

Approved this _____ day of _____, 2021, by roll call vote as follows:

Roll Call #:

Ayes: _____

Nays: _____

Absent: _____

Peter Schwartzman, Mayor

ATTEST:

Kelli R. Bennewitz, City Clerk



PURCHASE CONTRACT

SELLER: Knox County, As Trustee

PURCHASER: City of Galesburg

SUBJECT PROPERTY: 99-15-426-004

TOTAL CONSIDERATION (Purchase Price + Recording Fee): **\$823.00**

SELLER agrees to sell and PURCHASER agrees to purchase, the SUBJECT PROPERTY for the TOTAL CONSIDERATION payable on execution hereof.

SELLER will convey and quitclaim the SUBJECT PROPERTY to PURCHASER within 90 days after the date hereof. The deed will be returned to PURCHASER directly from the Office of the Recorder of Deeds after recording.

SELLER makes no warranty or representation, of any kind or nature, as to the condition of title to the SUBJECT PROPERTY or as to the physical condition of any improvement thereon, each of which PURCHASER accepts "as is" and with all faults.

SELLER hereby grants to PURCHASER all of SELLER'S right of possession of the SUBJECT PROPERTY and any improvement thereon, and PURCHASER assumes such right of possession and the risk of loss or damage to any such improvement, and agrees to hold SELLER harmless and indemnified from any claim arising out of the condition thereof, as of this date. No personal property is sold or purchased hereunder.

PURCHASER hereby assumes all taxes and assessments upon the SUBJECT PREMISES beginning January 1 of the year 2022.

PURCHASER may, at its expense and option, obtain such title reports and surveys as to the SUBJECT PREMISES as PURCHASER may desire. PURCHASER shall advise SELLER in writing within 30 days after date hereof concerning any defect in the condition of title disclosed by such reports or surveys and rendering the title unmarketable. In the event of such notice, the conveyance to PURCHASER shall be delayed pending SELLER'S efforts to resolve the same. In event SELLER is unable or unwilling to cure such defects within a reasonable time after notice thereof, PURCHASER may elect to cancel and terminate this agreement and the rights and obligations of the parties hereunder; and in such event, SELLER shall refund to PURCHASER all sums paid hereunder if PURCHASER shall so elect. Failure to notify SELLER of any objectionable title defect as above said shall constitute a waiver thereof.

Neither of the parties hereto may assign or delegate the rights or obligations of such party hereunder without the prior express written consent of the other. All notices to the parties concerning the subject hereof shall be transmitted to the addresses set forth below their respective signatures.

Dated this _____ day of _____, 2021.

SELLER:

PURCHASER:

By: _____

By: _____

SELLER ADDRESS:
c/o Delinquent Tax Agent
P. O. Box 96
Edwardsville, IL 62025-0096

PURCHASER ADDRESS:
City of Galesburg
55 W Thompkins
Galesburg, IL 61401

**COUNCIL LETTER
CITY OF GALESBURG
NOVEMBER 1, 2021**

AGENDA ITEM: Amendment to the Development Ordinance in regard to Residential Gardens.

SUMMARY RECOMMENDATION: The Planning and Zoning (P&Z) Commission held the required public hearing during their October 19, 2021, meeting and on a vote of 4 ayes (Members Johnson, McKelvie, Thomas, Uhlmann) and zero nays recommended approval. The City Manager and Director of Community Development concur with the P&Z Commission's recommendation.

BACKGROUND: Public Act 102-0180 will be effective January 1, 2022, which is intended to encourage and protect the sustainable cultivation of fresh produce at all levels of production, including residential property for personal consumption or non-commercial sharing. The Public Act does limit home rule powers so that local regulations may not regulate gardens in a manner inconsistent with the Act. Local regulations can have ordinances relating to height, setback, water use, fertilizer use, or control of invasive or unlawful species.

The proposed ordinance is intended to encourage residential gardens while keeping positive aesthetics and being a good neighbor in mind. Residential gardens will continue to be allowed as an accessory use on residential properties in the rear and side yards. The amendment to the ordinance will prohibit residential gardens from being in the required front yard setback.

It is understood corner lots have two front yards and a residential garden will not be allowed in the front yard setback, which shall be the front yard that faces the shortest street dimension of the lot. But, in an effort to encourage residential gardens, they will be allowed in the side or rear "front" yards that abut a street or alley as long as they are enclosed by a solid fence at least 4 feet in height and in compliance with Section 152.033 Fences of the Development Ordinance. Adding a fence around a garden is a great way to keep animals, and kids, from trampling plants or eating your cultivated plants that produce food.

BUDGET IMPACT: There would be no anticipated impact upon the budget if the ordinance amendment is approved.

SUPPORTING DOCUMENTS:

1. Amendment to the Development Ordinance for Residential Gardens

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GALESBURG, ILLINOIS, AS FOLLOWS:

SECTION 1 That Section 152.005 of Chapter 152 of the Galesburg Code of Ordinances be, and the same hereby is amended, by inserting therein the following definitions in alphabetical order:

Edible landscaping means the intentional planting, caring for, or otherwise cultivating plants that could produce food that is consumed by people. These plants include fruit and nut trees, berry bushes, vegetables, herbs, or edible flowers.

Residential garden means an area of edible landscaping on a lot that is conducted by the property owners or residents of that lot.

SECTION 2 That Section 152.111 (B) of Chapter 152 of the Galesburg Code of Ordinances shall be, and hereby is, amended by eliminating the following language:

“(5) Vegetable and flower gardens;”

And in its place insert the following language:

“(5) Residential Garden – as defined in Section 152.005 and regulated in Section 152.122”

SECTION 3 That Chapter 152 of the Galesburg Code of Ordinances be, and the same hereby is amended, by adding thereto the following section:

152.122 Residential Garden

Residential gardens as an accessory use to a property with a primary use that has a single or two-family principal structure shall meet the following conditions:

- (A) A residential garden may be located within a side or rear yard, setback at least two feet from a property line.
- (B) No garden area shall be located in the **FRONT YARD AREA** which is defined as the required front yard setback distance for the zoning district in which the residential garden is located or the average distance between the front property line and the front of the adjacent buildings, whichever distance is less.
- (C) For purposes of a residential garden, corner lots need to have only one front yard, which shall be the front yard that faces the shortest street dimension of the lot. A residential garden may be located in the corner side or rear that abuts a street or alley, but those locations must be enclosed by a solid fence at least four (4) feet in height and in compliance with the provisions of Section 152.033 Fences. See Figures 152.122 (A) and (B).
- (D) Residential Gardens shall not be located within a sight visibility triangle or in any Parkway.

(E) Any legal Residential Garden in existence on the effective date of this ordinance shall be brought into conformance with the requirements of this chapter by April 1, 2022.

(F) Food produce that is grown on site may be sold on premise in accordance with the home occupation regulations in Section 152.111 (H).

Figure 152.122 (A)

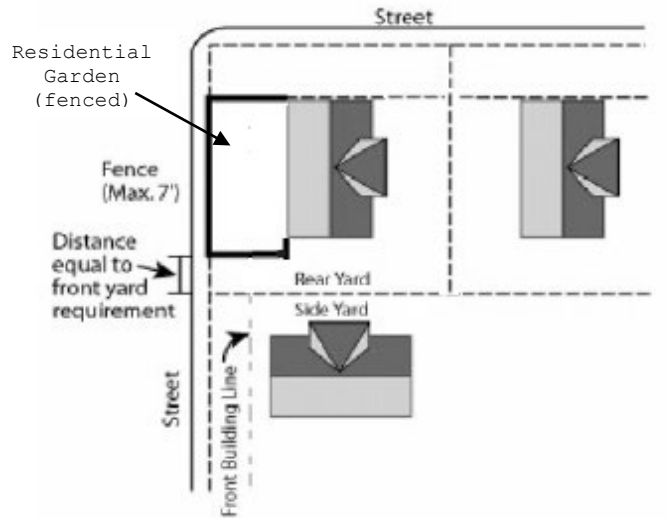
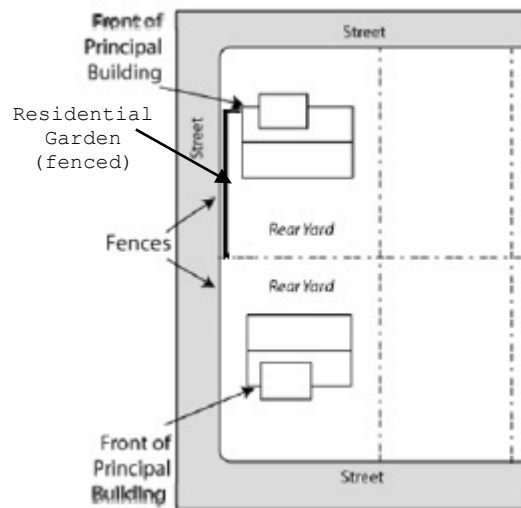


Figure 152.122 (B)



SECTION 4 All ordinances, or parts of ordinances, in conflict with this ordinance are, to the extent of such conflict, hereby repealed.

SECTION 5 This ordinance shall be in full force and effect from and after its passage, approval and publication as provided by law.

Approved this ___ day of _____, 20___, by a roll call vote as follows:

Roll Call #:

Ayes: _____

Nays: _____

Absent: _____

Peter Schwartzman, Mayor

ATTEST:

Kelli R. Bennewitz, City Clerk

**COUNCIL LETTER
CITY OF GALESBURG
NOVEMBER 1, 2021**

AGENDA ITEM: Ordinance dissolving the Tax Increment Financing fund and Redevelopment Project Area I (Downtown TIF I).

SUMMARY RECOMMENDATION: TIF I is set to expire December 31, 2021 and as part of the process the City must pass an ordinance dissolving the TIF fund and terminating the area designated as TIF redevelopment project area I (Downtown TIF I). The City Manager and Director of Community Development recommend approval of the ordinance.

BACKGROUND: TIF I was established on April 1, 1985 and was extended via Public Act 95-0164 for an additional 12 years. TIF I is set to expire December 31, 2021 and the City does not expect to have a positive balance in the TIF I allocation fund known as “surplus”. The TIF I incremental equalized assessed value (EAV) for tax year 2021 (payable 2022) will become part of the rate-setting EAV for all affected taxing bodies. The taxing bodies will be able to account for the increase in the rate-setting EAV when preparing their levy requests for the 2021 tax year (payable 2022).

In accordance with the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.), the City has sent notice of termination to all affected taxing bodies on September 28, 2021. Prior to December 31, 2021 the City must pass this ordinance dissolving the TIF I fund and terminating the area designated as TIF redevelopment project area I (Downtown TIF I).

BUDGET IMPACT: There would be no anticipated impact upon with the approval of the ordinance.

SUPPORTING DOCUMENTS:

1. Aerial – General location Downtown TIF I
2. Closeout summary Downtown TIF I
3. Ordinance terminating Downtown TIF I



E Main St

N Chambers St

S Kellogg St

Primary St

-  TIF I Downtown
-  TIF IV Central/E. Main Street (partial)



Tax Increment Financing District I (Downtown) Closeout Report

Historical Background

TIF I was approved by City Council in April 1985 for an area originally designated as the Downtown-Custer Hotel Tax Increment Financing District 1. The initial emphasis was the redevelopment of the Custer Hotel and adjacent parking facilities. In December 1986 the Plan and Project boundaries were amended by Council approval to add one additional city block to the district.

The initial 23-year term of the Downtown TIF I was due to expire at the end of 2008. However, the City Council passed ordinance 10-3284 and received legislative approval through Public Act 95-0164 to extend the TIF an additional 12 years.



TIF District Objectives

Included in the TIF district redevelopment plan are the objectives to achieve success.

- To reduce or eliminate those conditions that qualify the Redevelopment Project Area as eligible for tax increment financing by carrying out the Redevelopment Plan.
- Reduce, eliminate and stop the spread of blighting conditions.
- Enhance the real estate tax base for the City and all other taxing districts that extend into the Redevelopment Project Area through the implementation and completion of the activities.
- Encourage and leverage private investment within the Redevelopment Project Area through the provision of financial assistance wherever possible in a manner that is compatible with surrounding land uses.
- Provide for safe and efficient traffic circulation and parking within the Project Area.
- Complete all public and private actions required in this Redevelopment Plan in an expeditious manner.

Tax Increment Financing District I (Downtown) Closeout Report

Notable projects

Project	Project Address	Improvements	Agreement Dated or year project started	Total Project Cost	TIF Incentive
Custer Hotel	311 E Simmons St	Conversion of old Custer Hotel to "The Kensington", a senior citizen residence	1985	\$7,886,000	\$705,000
Cohen Development	346-354 E Main	Renovate former Osco Drug store for Dollar General and develop parking lot	1988	\$291,000	\$210,626
Parking Lot K (south half)	373 E Simmons St	Purchase former Church, demolish, develop parking lot	1988	\$181,055	\$181,055
First Midwest Bank	302 E Main St	Demolish existing bank & construct new facility	1992	\$1,7610,000	\$110,000
Seminary Lofts	100 Blk S Seminary	Development of downtown loft apartments above existing commercial with detached garages.	1/8/2001	\$940,000	\$634,415
Discovery Depot	128 S Chambers St	Tuckpointing, replace roof, "Safety City exhibit", brick infill and glass block installation.	5/7/2001	\$415,100	\$150,000
Storm Sewer project	Kellogg St (Main St to Simmons St)	Installation of new storm sewer	2005	\$336,302	\$220,000
Kellogg St reconstruction		Reconstruction of South Kellogg Street brick from Main St to Simmons St (including sidewalks, curb&gutter, water main and electrical conduit)	2006		\$195,871
Orpheum Theatre	57 S Kellogg St	Drainage improvements	2007	\$10,000	\$5,387
Discovery Depot	128 S Chambers St	Acquire & demolish 106 S Chambers St. Develop outdoor interactive area.	4/16/07 7/21/08	\$462,702	\$259,027
Former Ferris Storage	465 Mulberry St	Purchase and maintenance	2008 - current		\$239,713
Discovery Depot	128 S Chambers St	Exterior tuckpointing, windows, signage, lighting, HVAC, flooring, painting, updates to exhibits.	11/15/2012	\$762,585	\$300,000
	473 Mulberry St	Purchase and demolition	2008 - current		\$81,828
Quiet Zone		Improvements		\$58,402	\$58,402
MAK Properties	420 E Main St	New lighting, paint, floor, HVAC, restroom, storefront windows, signage, awnings.	7/1/2013	\$498,784	\$74,818
Parking Lot D	125 S Seminary St	Parking lot improvement, landscaping, lighting, signage	2015	\$839,812	\$839,812
Discovery Depot	128 S Chambers St	Multi year project to renovate second floor, garage area, upgrade exhibits, 2 nd egress, elevator, sprinklers, restrooms	8/18/2015	\$1,847,773	\$575,000
Orpheum Theatre	57 S Kellogg St	HVAC improvements, new flooring, new membrane roofing	8/16/2016	\$275,153	\$82,600
FBG, LLC	41 S Seminary St	Update electrical and plumbing, new concrete flooring, new wall finishes.	12/5/2017	\$195,871	\$9,602
Holiday Lights		Cooperative program with Downtown Council for Downtown holiday lights	2020 - 2021	\$25,793	\$8,982

Tax Increment Financing District I (Downtown) Closeout Report

Downtown Façade Redevelopment Program

The Downtown Façade Redevelopment Program was created in 2009 as a collaborative effort between the City of Galesburg and the Galesburg Downtown Council. The program was designed to encourage architecturally appropriate improvements to commercial façades. The goal was to promote the attraction and retention of business operations and enhance the interest in visiting the downtown area.

Project	Project Address	Improvements	Council approved	Estimated Total Cost	City Façade Grant	Galesburg Downtown Council grant	Private \$ per Public \$1
Music Makers	346 East Main Street	Demolish existing first floor façade and extend outward, install new windows, doors, awnings, lighting, signage and tuckpointing.	10/19/2009	\$135,000	\$20,000	\$27,500	\$1.45
Miller Dredge	456 East Main Street	Improvement to north façade, including windows, doors, tuckpointing, painting, awnings and lighting.	7/19/2010	\$81,527	\$20,000	\$20,000	\$1.04
The Kensington	311 East Simmons Street	Improvements to first floor façade. New windows, awnings and lighting.	7/19/2010	\$182,669	\$20,000	\$20,000	\$3.57
MAK Properties, LLC	420 East Main Street	New windows, awnings, tuckpointing	7/1/2013	\$46,598	\$11,649	\$11,649	\$1.00
FBG, LLC	41 S Seminary St	tuckpoint, windows, doors, sign	3/26/2018	\$99,345	\$24,836	\$24,836	\$1.00

Estimated Assessed Value

When the TIF district was created in 1985, the equalized assessed valuation (EAV) for the redevelopment project area was \$740,940. With the completion of many significant projects and improvements through the façade program over the 35 years of the TIF District, the most recent EAV (2020) was \$1,758,440. Overall, the EAV of the TIF redevelopment area increased \$1,017,500; an increase of 137% during the term of the TIF.

Conclusion

Over the course of the TIF I term, the city has assisted with the completion of many infrastructure and redevelopment projects. The improvements have not only assisted businesses, but also a project that brought upper story residential units downtown. The Downtown Façade Redevelopment Program assisted with five projects totaling more than \$96,000 in TIF funds. When the TIF was created in 1985 the EAV was \$740,940 and the most recent EAV (2020) was \$1,758,440, more than a 137% increase. All of the projects assisted have proven the TIF district succeeded in improving the blighted area. The redevelopment of this TIF I redevelopment project area will continue to benefit the city for many years to come.

AN ORDINANCE DISSOLVING THE SPECIAL TAX ALLOCATION FUND AND TERMINATING THE DESIGNATION OF THE CITY OF GALESBURG TAX INCREMENT REDEVELOPMENT PROJECT AREA I (DOWNTOWN TIF I) WITHIN THE CITY OF GALESBURG, KNOX COUNTY, ILLINOIS

WHEREAS, in accordance with and pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.), as supplemented and amended (the “TIF Act”), including by the power and authority of the City of Galesburg, Knox County, Illinois (the “City”), the City Council of the City (the “Corporate Authorities”) adopted a series of ordinances (Ordinance No. 85-1002, 85-1003, and 85-1004 on April 1, 1985 as subsequently amended from time to time, including 86-1138, 86-1139, 86-1140, 2000-1984, 10-3284 (collectively, the “TIF Ordinances”); and

WHEREAS, under and pursuant to the TIF Act and the TIF Ordinances, the City designated the Galesburg Tax Increment Redevelopment Project Area (the “Redevelopment Project Area”), approved the related redevelopment plan, including the redevelopment projects described in the Redevelopment Plan (collectively, the “Redevelopment Projects”), and established a special tax allocation fund (the “Fund”) in connection therewith; and

WHEREAS, on September 28, 2021 the City notified affected taxing districts of the pending termination of the Redevelopment Project Area, as a redevelopment project area, in accordance with the provisions of Section 11-74.4-8 of the TIF Act; and

WHEREAS, all redevelopment project costs have been or will be paid, all obligations relating thereto have been or will be paid and retired prior to December 31, 2021; and

WHEREAS, in accordance with the provisions of Section 11-74.4-8 of the Act, the City desires to dissolve the special tax allocation fund relating to the Redevelopment Project Area and to terminate the designation of the Redevelopment Project Area as a redevelopment project area.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GALESBURG, KNOX COUNTY, ILLINOIS, as follows:

Section 1. Incorporation of Recitals. The foregoing recitals are incorporated into this Ordinance as the findings of the Corporate Authorities.

Section 3. Dissolution of Fund. The City Treasurer shall perform the final closing of the books and records of the Fund for the Redevelopment Project Area no later than December 31, 2021 and thereupon said Redevelopment Project Area is dissolved.

Section 4. Termination of Redevelopment Project Area. The designation of the Redevelopment Project Area as a redevelopment project area is hereby terminated as of December 31, 2021.

Section 5. Additional Real Estate Tax Increment. In the event that additional incremental real estate taxes attributable to the Redevelopment Project Area remain in the Fund, after the dissolution of the Fund, such monies shall be declared as surplus funds and sent back to the Knox County Treasurer for distribution back to the affected taxing bodies as prescribed in Section 11-74.4-8 of the TIF Act.

Section 6. Tax Objections Resulting in Reduced Real Estate Tax Increment. In the event incremental real estate taxes attributable to the Redevelopment Project Area received by the City are ordered refunded by the Knox County Clerk as a result of final decisions in tax objections affecting real estate taxes payable prior to December 31, 2021 then the City will refund such incremental real estate taxes received solely from funds available in the Fund.

Section 7. Effective Date of Ordinance. This Ordinance shall be in full force and effect upon its passage and approval in the manner provided by law.

Section 8. Invalidity. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance.

Section 9. Conflicts. All ordinances, resolutions or orders, or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby superseded.

Approved this ____ day of _____, 20____, by a roll call vote as follows:

Roll Call #:

Ayes: _____

Nays: _____

Absent: _____

Peter Schwartzman, Mayor

ATTEST:

Kelli R. Bennewitz, City Clerk

**COUNCIL LETTER
CITY OF GALESBURG, ILLINOIS
NOVEMBER 1, 2021**

AGENDA ITEM: Resolution to determine the 2021 Property Tax Levy.

SUMMARY RECOMMENDATION: It is recommended by the City Manager and the Director of Finance & Information Systems that the Resolution not to exceed a levy of 105 percent over the 2020 property tax levy extension be passed.

BACKGROUND: Prior to the first and second readings of the Tax Levy; a resolution is passed by the City Council stating their intent to exceed or not exceed the 5 percent increase threshold for any truth in taxation public hearing. This Resolution indicates an intention **not** to exceed 105 percent of the 2020 tax extension and thus does not require a truth in taxation public hearing.

SUPPORTING DOCUMENTATION:

1. Resolution to determine the 2021 Tax Levy

RESOLUTION TO DETERMINE ESTIMATED 2021 TAX LEVY

WHEREAS, The City Council of the City of Galesburg, Knox County, Illinois, a home rule corporation, herein referred to as Council wishes to comply with the Truth in Taxation Act, ILCS Chapter 35:200/18-60 and

WHEREAS, The Council has duly deliberated on the estimate of the annual aggregate levy;

WHEREAS, this determination is made more than twenty (20) days prior to the proposed adoption of the City’s aggregate levy and in compliance with the Truth in Taxation Act;

NOW THEREFORE, BE IT RESOLVED THAT: The Corporate Authorities determine the amount of money exclusive of any portion of that levy attributable to the cost of conducting an election required by the Election Law, estimated to be necessary to be raised by taxation for the 2021 tax levy does not exceed nine million nine hundred thirty thousand nine hundred fifty-four (\$9,930,954) which is not more than 105% of the aggregate extensions for the 2019 tax levy, which was about \$9,458,052.

SECTION 2. The Mayor is authorized and empowered to execute this Resolution on behalf of the City Council.

Approved this 1st day of November, 2021, by a roll call vote as follows:

Roll Call #: _____

Ayes: _____

Nays: _____

Absent: _____

Peter Schwartzman, Mayor

ATTEST:

Kelli R. Bennewitz, City Clerk

CITY OF GALESBURG

Transit Memo

Operating Under Council – Manager Government Since 1957

TO: Todd Thompson, City Manager

FROM: Mary Foutch, Transit Assistant

DATE: October 27, 2021

SUBJECT: Stuff the Bus Campaign

City of Galesburg will be hosting its second stuff the bus campaign to collect items for those in need in our community. It will begin on November 1, 2021, and end on November 22, 2021. A bus will be parked at different locations in the City of Galesburg. Check the City of Galesburg website as well as the Connecting Galesburg Facebook page for locations and times. There will also be a list of items needed from each organization.

This year the City of Galesburg will be partnering with Loving Bottoms Diaper Bank as well as FISH Food Pantry.

We encourage everyone to bring their donations to help those in need in our community.

**CITY OF GALESBURG
COUNCIL LETTER
NOVEMBER 1, 2021**

AGENDA ITEM: Collective Bargaining Agreement between City of Galesburg and IAFF Local No. 555 Galesburg Firefighter's Association

SUMMARY RECOMMENDATION: The City Manager, Fire Chief, and City Attorney/Administrative Services Director recommend approval of the collective bargaining agreement.

BACKGROUND: Firefighters and Captains within the Galesburg Fire Department are represented by the I.A.F.F. The collective bargaining agreement between the City and the IAFF Local No. 555 expired at the end of 2020. The parties participated in extensive negotiations and two mediations before reaching this tentative agreement. Local No. 555 has presented the CBA to their membership, which voted to ratify the contract on October 21, 2021.

The agreement provides for the following cost of living increases:

- 2021 - 2.25% (retroactive)
- 2022 - 2.25%
- 2023 – 2.50%

No increase in healthcare is included in the negotiated agreement. The parties did agree to a number of contract modifications as well as a new method for the assignment of overtime within the Department.

BUDGET IMPACT: Sufficient funding was budgeted in the 2021 budget for the wage increases.

SUPPORTING DOCUMENTS:

1. Redline Agreement
2. Clean Agreement

Agreement
Between
City of Galesburg
And
I.A.F.F. Local No. 555
Galesburg Firefighters' Association

January 1, 20~~21~~¹⁸ through December 31,
20~~23~~³⁰

AGREEMENT

This Agreement, entered into this ____-~~first~~ day of ~~January~~-~~January~~, 2021-~~18~~, by and between the City of Galesburg, Illinois (the “City”) and LOCAL 555, GALESBURG FIREFIGHTERS ASSOCIATION (the “Union”):

PREAMBLE

WHEREAS, the City has voluntarily endorsed the practices and procedures of collective bargaining as a fair and orderly way of conducting its relations with certain of its full-time employees insofar as such practices and procedures do not interfere with the City’s right and obligation to operate effectively in order to best serve the City and its residents, and to make clear all basic terms upon which such relationship depends; and

WHEREAS, it is the intent and purpose of the parties to set forth herein their entire agreement covering rates of pay, wages, hours of employment and all other conditions of employment; and to provide the procedure for the prompt and peaceful settlement of grievances respecting the terms of this agreement;

NOW, THEREFORE, in consideration of the mutual promises and agreements herein contained, the parties do mutually promise and agree as follows:

ARTICLE I: RECOGNITION

SECTION 1.1 UNION RECOGNIZED.

The City voluntarily recognizes Local 555 of the I.A.F.F. as the bargaining agent for the purpose of establishing the wages, hours, and terms and conditions of employment, for all non-exempt, full-time, permanent employees (those employees scheduled to work more than 32 hours per week) who are in the classification of Firefighter and Fire Captain, but excluding supervisory, confidential, or exempt employees and all elected officials or officers of the City.

SECTION 1.2 CLASSIFICATION NOT GUARANTEED.

The classifications or job titles used above are for descriptive purposes only. Their use is neither an indication, nor a guarantee that these classifications or titles will continue to be utilized by the City, except as governed by applicable Illinois State Statute.

SECTION 1.3 NEGOTIATIONS.

Each party shall be permitted to have six (6) individuals sit on the negotiating committee including a labor attorney, if any. Not more than two (2) members of the Union’s negotiating team shall be released from duty with pay at any one time.

SECTION 1.4 NEW CLASSIFICATIONS.

The City shall notify the Union of its decision to implement any and all new classifications pertaining to work of a nature performed by employees in the bargaining unit. If the new classification is a successor title to a classification covered by the agreement and the job duties are not significantly altered or changed, the new classification shall become a part of this agreement.

If the job duties of the new classification are significantly altered or changed, and the Union notifies the City of a desire to meet within ten (10) days of its receipt of the City's notice, the parties will then meet to negotiate concerning inclusion of the proposed classification in this Agreement.

SECTION 1.5 INTEGRITY OF BARGAINING UNIT.

Unless there is an extreme emergency, as defined by the Illinois Compiled Statutes, the City will not assign firefighting, fire prevention or EMS work normally performed by employees in the bargaining unit to any other employees. This provision shall not apply where there are not sufficient bargaining unit employees willing or available to perform the work in question.

ARTICLE II: UNION RIGHTS

SECTION 2.1 DUES DEDUCTIONS.

While this Agreement is in effect, the City will deduct bi-weekly the regular union dues and/or assessments for each employee in the bargaining unit for whom there is on file with the City a voluntary effective check-off authorization in the form set forth in Appendix A to this Agreement. The amounts so deducted shall be forwarded each pay period to the appropriate Officer of the Union. The Union may change the fixed uniform dollar amount which shall be considered the regular union dues once each year during the life of this Agreement. Assessments may only be deducted once each year during the life of this Agreement. The Union will give the City thirty (30) days notice in writing of any such change in the amount of uniform Union dues to be deducted or of any assessments to be deducted.

SECTION 2.2 UNION INDEMNIFICATION.

The Union shall indemnify, defend, and save the City harmless against any and all claims, demands, suits or other forms of liability and for all legal costs that shall rise out of or by reason of action taken or not taken by the City in properly complying with the provisions of this Article. The Union agrees to refund to the City any amount paid to the Union in error on account of this dues and assessment deduction provision within ten (10) days.

SECTION 2.3 UNION ACCESS.

One Union representative may have access to the premises of the City in order to help resolve a serious dispute or problem. In order to receive access, the representative must provide notice to the appropriate City representative and make arrangements not to disrupt the work of employees on duty. The representative may visit with employees if such visit does not disturb the work of any employee who may otherwise be working.

SECTION 2.4 CITY BULLETIN BOARDS.

The City will make available appropriate space for the posting of official Union notices of a non-political, non-inflammatory nature, subject to the reasonable approval of ~~the Human Resources Manager~~. The City shall also make available reasonable space in a non-public area of the work site for the Union to mount its own bulletin board.

~~SECTION 2.5 FAIR SHARE DEDUCTION.~~

~~Employees are not required to join the Union as a condition of employment. In the event that a non-probationary bargaining unit employee does not join the Union, or elects to withdraw from membership during the term of this Agreement, a "fair share" deduction shall be made from his paycheck by the Employer. This fair share amount to be deducted shall be certified by the Union to~~

~~the Employer, and shall represent a pro rata share of the costs of collective bargaining, contract administration and grievance adjustments during the life of this Agreement. This amount shall not include any monies spent in the form of political contributions and shall in no event exceed 85 percent of the normal Union dues. Employees who object to such deductions on the basis of bona fide religious beliefs or teachings of a church or religious body of which that employee is a member shall be afforded the opportunity to designate that such amounts deducted shall be paid to a non-religious charity mutually agreed by the employee and the Union.~~

~~This fair share deduction shall only be made from the paycheck of any bargaining unit employee during those periods of time throughout the term of this Agreement that the Union maintains membership of at least seventy five percent (75%) of the non probationary bargaining unit members eligible to join. In the event that the dues paying membership of the Union is less than (75%) of the non probationary bargaining unit members eligible for membership, no such deductions shall be made unless and until the seventy five percent (75%) requirement is met.~~

~~The amount withheld shall be remitted to the Union within seven (7) days of its being deducted from the employee's paycheck. The amount deducted shall remain the same until the Employer receives written notice from the Union that a different fair share amount should be deducted.~~

~~The Union agrees to notify all employees in the bargaining unit of the existence of the fair share provisions of this Agreement. Such notice shall consist of a posting on the Union bulletin boards at all fire stations, setting forth the following information:~~

- ~~1. Copies of the specific provisions of this Agreement relating to fair share deductions;~~
- ~~2. A statement of the duration of the Agreement;~~
- ~~3. A statement of the amount of fair share deductions to be made (such notice shall be regularly updated in the event of any change in the amount);~~
- ~~4. The name and address and telephone number of the Union official responsible for administering the fair share deduction program; and~~
- ~~5. An explanation of how objections to the Fair Share amount may be filed with the Illinois State Labor Relations Board, including the Board's address and phone number.~~

~~In the event that an employee objects to the fair share deduction made from his paycheck, he shall be afforded the opportunity to complain to the Union and the Employer. Such complaint shall be delivered to the Union and the Employer and shall state the nature of the objection and the reasons the employee believes the fair share deduction to be improper. Such complaints shall be limited to deductions made within the calendar year the complaint is filed. Once such a complaint has been received by the Employer or the Union, each party warrants to immediately notify the other of the existence of the objection and provide a photocopy thereof at the earliest possible date. The Employer shall continue to deduct the certified fair share amount from the paycheck of an objecting employee, but shall not remit any such sums to the Union for any period after the date of the filing of the complaint. All sums deducted thereafter shall be placed in an escrow account, independently managed and held pending the resolution of the complaint.~~

~~Objections to the fair share deductions unresolved between the Union and objecting employee(s) may be adjudicated by the Illinois Labor Relations Board through its procedures established under the Illinois Public Labor Relations Act and the Rules and Regulations of the Board. Employees whose objections are sustained shall have the appropriate amount of disputed deductions returned to them from the escrow account, together with a pro rata share of the interest earned. Those fair share deductions found to have been appropriate shall be given to the Union at the conclusion of the objective procedure, together with a pro rata share of the interest earned.~~

~~The Union agrees to fully cooperate in the investigation of any such complaint, including providing the Employer and the objecting party with certified copies of the relevant records of the Union concerning fair share deductions. Such materials shall be likewise provided to the neutral party charged with resolving the dispute. Objecting employees and the Union shall be afforded notice and the opportunity to be heard at any hearing concerning such complaints. Each party may be represented by counsel of their choosing or elect to proceed without counsel.~~

~~The Union agrees to indemnify the Employer from all proper actions taken by the Employer in making such fair share deductions. The Union shall hold the City harmless against any and all costs and damages resulting from the Employer's proper implementation and administration of the Fair Share Agreement. The City shall withhold the fair share deductions so long as the Union complies with this section.~~

ARTICLE III: MANAGEMENT RIGHTS

SECTION 3.1 MANAGEMENT RIGHTS.

Except as specifically limited by the provisions of this Agreement, the City possesses the sole right and authority to operate and direct the employees of the City and its various departments in all aspects, including, but not limited to, all right and authority exercised by the City prior to the execution of the Agreement, to include, but not limited to: the right to determine its mission, policies, and to set forth all standards of service offered to the public; to plan, direct, control and to determine the operations or services to be conducted by employees of the City; to determine the methods, means, and number of personnel needed to carry out the department's mission; to direct the working forces; to hire and assign or to transfer employees within the department for other related functions; to promote, suspend, discipline, or discharge, as per applicable Illinois State Statute or pursuant to the exercise of the City's Home Rule authority; to layoff or relieve employees due to lack of work or funds, to make publish and enforce rules and regulations; to introduce new or improved methods, equipment or facilities; to contract out for goods and services; to schedule and assign work; to establish work and productivity standards; to assign overtime; and, to take any and all actions as may be necessary to carry out the mission of the City and its departments in situations of civil emergency as may be declared by the City Manager or acting City Manager, according to Illinois Compiled Statutes, provided that no right enumerated in this Agreement shall be exercised or enforced in a manner contrary to or inconsistent with the provision of this Agreement, as directed by the City Manager.

SECTION 3.2 DETERMINATION OF AUTHORITY.

The Mayor and the City Council of the City have the sole authority to determine the purpose of the mission of the City and the amount of budget to be adopted.

Should an emergency be declared according to the terms hereof, the Mayor or the City Manager shall advise the local President of the Union or the next highest Officer of the Union of the nature of the emergency.

SECTION 3.3 AUTHORITY FOR APPOINTMENTS.

Authority to make appointments to all positions in the City service, except those of City Clerk, Deputy City Clerk, City Treasurer, Deputy City Treasurer, and uniformed personnel (except the Chief of the Fire Department and the Chief of the Police Department), is vested in the City Manager, or his designee, as per applicable Illinois State Statute or the exercise of the City's Home Rule powers.

Before being given an original appointment as a Firefighter, each employee shall undergo a thorough examination by a physician designated by the City, and no one shall be so employed unless the examining physician certifies that he or she is physically able to perform the duties required by his or her position.

ARTICLE IV: NON-DISCRIMINATION

SECTION 4.1 EMPLOYMENT POLICY.

Neither the City nor the Union shall discriminate against any employee covered by this Agreement in a manner which would violate any applicable federal or state laws because of race, creed, color, national origin, disability, age, sex, veteran's status, genetic information, or sexual orientation.

SECTION 4.2 AGE REQUIREMENT.

All employees shall be retired upon attaining age seventy (70) but may continue employment to December 31 following the end of the fiscal year after the employee's seventieth birthday.

SECTION 4.3 EMPLOYEE DISCRIMINATION.

Neither the City nor the Union shall interfere with the right of employees covered by this Agreement to become, or not become members of the Union, and there shall be no discrimination against any such employees because of lawful Union membership or non-membership activity or status.

SECTION 4.4 RESPONSIBILITY OF UNION.

The parties acknowledge that the Union, as the exclusive representative of the members of the bargaining unit in accordance with Section 6(d) of the Illinois Public Labor Relations Act, has the following responsibilities and authority as to administering grievances filed pursuant to Article V (Grievance Procedure) of this Agreement:

Labor organizations recognized by a public employer as the exclusive representative or so designated in accordance with the provisions of this Act are responsible for representing the interests of all public employees in the unit. Nothing herein shall be construed to limit an exclusive representative's right to exercise its discretion to refuse to process grievances of employees that are unmeritorious.

SECTION 4.5 GENDER.

Wherever the male gender is used in this Agreement, it shall be construed to include equally both male and female employees.

ARTICLE V: GRIEVANCE PROCEDURE

SECTION 5.1 DEFINITION.

A grievance shall be defined as a dispute arising between the parties concerning a violation or alleged violation of this Agreement.

SECTION 5.2 TIME LIMIT AND INFORMAL MEETING.

An employee who has a proposed grievance must request an informal meeting within ten (10) City business days of the date the employee knew, or should have known, of its occurrence. The

notice shall be hand delivered to the employee's immediate supervisor and his union. The Fire Chief, or his designee, shall provide an informal meeting for the employee to meet and discuss the proposed grievance. The City shall notify the Union of this informal meeting. The employee's union representative shall attend. If the matter is not resolved to the satisfaction of the employee, the employee shall have ten (10) business days to file a grievance after the City gives the employee a written response.

SECTION 5.3 PROCEDURE.

Step 1. An employee and his union representative having a grievance must meet with his immediate supervisor for a simple direct decision, if possible. If "Step 1" does not resolve the grievance, the immediate supervisor will issue his written answer to the grievance within seven (7) City business days. Nothing in this agreement prohibits the Union from filing a grievance on a member's behalf.

Step 2. If the grievant desires to further process the grievance, it shall be referred in writing to the Fire Chief, or his designee, within seven (7) City business days of receipt of the "Step 1" response. The Fire Chief, or his designee, shall meet with the grievant and his union representative within seven (7) City business days of receipt of the referral. The Fire Chief, or his designee, shall issue his written answer to the grievance within ten (10) City business days of receipt of the grievance referral.

Step 3. If the grievant desires to further process the grievance, the grievance may be referred in writing to the City Manager, or his designee, within seven (7) City business days of the receipt of the "Step 2" response. The City Manager, or his designee, shall meet with the grievant and/or his representatives within seven (7) City business days of receipt of the referral. The City Manager, or his designee, shall issue a written answer to the grievance within ten (10) City business days of receipt of the grievance referral. If the Fire Chief, or the City Manager, appoints a designee under this Section, the designee shall not be the same supervisor who issued the prior written answer at the previous step, provided, however, that the informal meeting provided for in Section 5.2 does not prohibit any supervisor from participating in the later grievance procedure steps.

SECTION 5.4 ARBITRATION.

Step 4A. If the grievance is not settled in accordance with the foregoing procedure, the Union may refer the grievance to binding arbitration within ten (10) business days after the receipt of the Step 3 response. The parties shall attempt to agree upon an arbitrator within five (5) business days after receipt by the Employer of the notice of referral. In the event that the parties are unable to agree upon an arbitrator within five (5) days, they shall immediately jointly request the Federal Mediation and Conciliation Service (FMCS) to submit a panel of seven (7) arbitrators who are members of the National Academy of Arbitrators and who are residents of Illinois, Indiana, Iowa, Wisconsin, Missouri, or Michigan.

Either party may reject one (1) entire panel. Both the Employer and the Union shall have the right to strike three (3) names from the panel. The parties shall alternately strike a name from the list until there is one name remaining. The order of striking shall be determined by a coin toss. The arbitrator shall be notified of his selection by a joint letter from the Employer and the Union requesting that he set a time and place, subject to the reasonable availability of the Employer and the Union representative. All arbitration hearings shall be held in the City of Galesburg, Illinois, unless the parties mutually agree otherwise.

Step 4B. Arbitrator's Authority: The arbitrator shall act in a judicial, not legislative, capacity and shall have no right to amend, modify, nullify, ignore, add to or subtract from the provisions of this Agreement. He shall only consider and make a decision with respect to the

specific issue submitted, and shall have no authority to make a decision on any other issue not so submitted to him. The arbitrator shall be without power to make a decision contrary to or inconsistent with or modifying or varying in any way the application of laws or rules having the force or effect of law. The arbitrator shall submit his written decision within thirty (30) days of the close of the hearing or the submission of briefs by the parties; whichever is later, unless the parties agree to a written extension thereof. The decision shall be based solely upon his interpretation of the meaning and/or application of the express terms of this Agreement to the facts of the grievance presented. A decision rendered consistent with the terms of this Agreement shall be final and binding.

Step 4C. Arbitrator's Decision: The decision of the arbitrator may be enforced, at the insistence of either party or of the arbitrator, in the Circuit Court for Knox County, Illinois. The commencement of a new fiscal year after the initiation of arbitration procedures under this Agreement, but before the arbitrator's decision, or its enforcement, shall not be deemed to render a dispute moot, or to otherwise impair the jurisdiction or the authority of the arbitrator of the Circuit Court or the decision of either. At any time the parties may, by mutual written agreement, amend or modify an arbitrator's decision. The arbitrator's decision shall be reviewable by the Circuit Court only for the reasons the arbitrator exceeded his authority or that the order was procured by fraud, corruption or other similar or unlawful means as set forth in the Illinois Uniform Arbitration Act, 710 ILCS 5/1, et seq. The pendency of such proceedings for review shall not automatically stay the order of the arbitrator.

Step 4D. Failure to Process in a Timely Manner: If a grievance is not appealed to the next step within the time limits set forth or during a mutually agreed written extension, the grievance shall be deemed settled on the basis of the Employer's last answer. If the Employer does not answer a grievance or an appeal thereof within the specified time limits, the Union may elect to treat the grievance as denied at that step and immediately appeal the grievance to the next step, if any. The time limits set forth throughout the procedure shall be in effect except as to those grievances involving the Department's action in the case of a disciplinary suspension, discharge, or layoff from work, when the grievance shall be filed by the end of the employee's next duty day after the employee or the Union knew of the action. Time limits for the processing of any grievance may be extended at any time by the written mutual agreement of the parties.

Step 4E. Arbitration Costs: The fee and expenses for the arbitrator's services shall be borne equally by the Employer and by the Union. Each party shall be responsible for compensating its own representatives and witnesses, and purchasing its own copy of the written transcript; however, the cost of the arbitrator's copy shall be borne equally by the parties.

Step 4F. Compensation: One Union representative shall be allowed time off from duty with pay to investigate and process grievances. Such time shall not exceed one hour per step except in the case of extenuating circumstances.

ARTICLE VI: NO STRIKE AND NO LOCKOUT

SECTION 6.1 NO STRIKE.

The Union and the employees covered by this Agreement recognize and agree that the rendering of services to the community cannot, under any circumstances or conditions, be withheld, interrupted, or discontinued, and that to do so would endanger the health, safety and welfare of the inhabitants of the City. Therefore, during the term of this Agreement, neither the Union nor its agents or any employee, for any reason, will authorize, institute, aid, condone, or engage in a slow down, work stoppage, strike, or any other interference with the work or statutory functions or obligations of the Employer. During the term of this Agreement, neither the Employer nor its agents

for any reason shall authorize, institute, aid, or promote any lockout of employees covered by this Agreement.

SECTION 6.2 UNION RESPONSIBILITY.

In the event of a violation of Section 6.1 of this article, the Union agrees to notify all local officers and representatives of their obligation and responsibility for maintaining compliance with this Article, including their responsibility to remain at work during any interruption which may be caused or initiated by others, and to encourage employees violating Section 6.1 to return to work.

SECTION 6.3 PENALTY.

The Employer may move to discharge or discipline any employee who violates Section 6.1. The Union will not resort to the grievance procedure on such employee's behalf to contest any disciplinary action the City may impose, but may grieve the issue of whether Section 6.1 was violated. The Union agrees that the City has the right to deal with any such strike activity by the above measures, including suspension without pay on any, some, or all of the employees participating therein, depending on the individual facts of each alleged violation.

SECTION 6.4 MANAGEMENT RESPONSIBILITY.

Nothing contained herein shall preclude the Employer from obtaining judicial restraint and damages in the event of a violation of this Article.

ARTICLE VII: HOURS OF WORK AND OVERTIME

SECTION 7.1 NO GUARANTEE.

This article is intended to define the normal hours of work and to provide the basis for the calculation and payment of overtime. It shall not be construed as a guarantee of hours of work per day, or per week, or of days of work per week.

SECTION 7.2 NORMAL WORK WEEK/WORK DAY.

The normal day for employees covered by this Agreement shall consist of twenty-four (24) consecutive hours on-duty followed by forty-eight (48) consecutive hours off-duty and such additional time as may, from time to time, be required in the judgment of the City, according to the remaining provisions thereof.

The annual average weekly hours of work shall normally not exceed 53 hours per week. Such average annual hours of work shall be accomplished by scheduling a Kelly Day (one 24-hour shift off) every 18th on-duty shift, or an average of 6.75 Kelly Days per year. Kelly Day rotations initially were based on seniority by shift. New employees will be inserted into vacant slots created when members retire or are no longer a part of the bargaining unit because of promotion. Kelly Days are fully tradable in accordance with Section 7.9 of this Agreement.

Kelly Days shall be scheduled by the Fire Chief or his designee in such a way as to eliminate FLSA overtime (overtime paid solely as a function of the regular work schedule). This shall be accomplished by assigning each firefighter, by seniority by shift to an individual 27-day FLSA work cycle to begin halfway through the duty day of the first day of the cycle. As a result, each Kelly Day will consist of the last 12 hours of the first of two consecutive FLSA work cycles and the first 12 hours of the second such cycle, reducing each firefighter's regular hours worked to no more than 204 hours in each 27-day work cycle during the course of the work year.

The workweek for forty (40) hour personnel shall be forty (40) hours per week with no more than five (5) workdays in a seven (7) day period.

SECTION 7.3 OVERTIME.

Overtime at 1.56 times the employee's regular rate of pay (annual salary divided by 2756 hours per year for shift employees or divided by 2080 hours for 40-hour employees) will be paid for all authorized time worked, as verified by the employee's supervisor, in excess of twenty-four (24) hours in a work day for shift employees, or in excess of eight (8) hours per work day for forty (40) hour employees, when such time is required to be worked by the City.

SECTION 7.4 CALL-BACK PAY.

Any employee ~~who that~~ is called back on his ~~vacation-CTO~~ or regular day off or time off, including holidays and Kelly Days, will receive a minimum of two (2) hours pay of overtime pay.

~~Recalled personnel shall not be released from duty until they have served the minimum two (2) hours unless there is no longer a need for the additional manpower (as determined by Command or the Staging Area Manager) and the recalled employee requests to be released from duty prior to having served the minimum time. For these situations that are less than two (2) hours, the employee shall only be paid for the time served on recall.~~

~~SECTION 7.5A REQUIRED OVERTIME.~~

~~The City shall have the right to require overtime. The City shall have the right to require overtime work as per the current Department practice.~~

SECTION 7.5~~A~~^{AB} CALL-BACK AND ROTATION OF OVERTIME FOR SHIFT STAFFING~~MANPOWER~~.

~~Overtime shall be distributed among eligible employees in an equitable manner on the principle that within the limitations provided herein the last person to work or refuse overtime would be the last person to whom overtime would be offered.~~

~~—Duty Officers shall establish and maintain shift overtime rosters for all eligible employees.~~

~~1. Overtime for shift manpower shall be offered first to the preceding shift.~~

~~2. Employees on unpaid leave of absence, on sick leave the duty day prior, and on workman's compensation, or working a prior approved time trade, shall not be called for overtime and shall not lose their place on the overtime roster.~~

~~3. Employees on paid vacation or approved CTO shall be called and may refuse overtime, not losing their place on the overtime roster.~~

~~4. If an employee cannot be contacted through reasonable diligence, that employee shall be passed over and overtime offered to the next employee on the roster.~~

~~5. An employee who could not be contacted or refused the overtime while on paid vacation or approved CTO will remain at the top of the list and will be the first to be contacted when overtime is offered again, regardless of the hours previously worked by someone farther down the list (this applies to one working less than 12 hours).~~

~~6. If, after calling through the entire overtime roster, not enough employees have agreed to work the overtime assignment, the duty officer shall call through the overtime roster of the preceding shift in its current order.~~

~~7. When twenty four (24) consecutive hours of overtime are required to be worked on a shift, such overtime shall be split so as to provide two (2) blocks of overtime of twelve hours each.~~

~~8. Employees who accept and work twelve (12) or more hours of overtime shall not be given an opportunity for additional shift manpower overtime until all other employees on the~~

~~overtime roster have worked twelve (12) or more hours of overtime, refused overtime, or have been unable to be contacted for overtime.~~

~~9. Overtime rosters for each shift shall indicate the updated status of the overtime rotation and shall be posted in the fire department duty office for the benefit of those on the list and for the duty officer's use in the event the situation described in Item #5 occurs.~~

~~10. An employee called back out of rotation due to special circumstances including but not limited to emergency callback situations (fires, mutual aid requests, civil emergencies, unpredictable weather emergencies such as sudden ice storms, etc.), situations requiring certain ranks, situations requiring certain qualifications, overtime for off duty training, overtime for mandatory meetings, and overtime for special events shall not be subject to the conditions and rotation requirements above unless one of the described occurrences results in 12 consecutive hours of overtime.~~

Overtime shall be distributed among eligible members in an equitable manner on the principle that the last person to accept an offer to work overtime will be the last person to whom overtime is offered.

1. Duty Officers shall schedule and maintain the unified overtime roster for all eligible members.

2. Overtime for shift staffing shall be consolidated into a unified roster of all 53 hour bargaining unit members.

3. Members physically present on duty for the shift in need of overtime personnel for the time period in need are exempt from being offered or accepting overtime assignments.

4. Eligible members for overtime assignments shall be those that are not physically present on duty for the time period in need with the exception, but not limited to: those on approved leaves (military, jury duty, sick, disability), worker's compensation, or light duty.

5. When twenty-four (24) consecutive hours of overtime are required to be worked on a shift, overtime may be split so as to provide two (2) blocks of overtime of twelve (12) hours each. Overtime scheduling shall be accomplished by allowing members to choose the full twenty-four (24), or whichever twelve (12) hour block they prefer.

6. All minimum staffing overtime assignments shall be filled prior to any additional overtime assignments.

a) Independence Day fireworks standby, physician appointments, and/or on-duty educational standby are examples that shall be assigned after all staffing overtime assignments have been filled.

b) Discretion may be deferred to the Union President/designee for discussion between the Duty Officer for special/unusual overtime circumstances.

7. Members shall only move to the bottom of the unified overtime list once the member has accepted and worked a minimum of 12 hours of overtime, or requests to move to the bottom of the overtime list.

8. If, after all members eligible to accept overtime assignments have been contacted – or attempted to be contacted – and have not accepted the overtime assignments, the Duty Officer shall offer

unfilled overtime assignments to members that have already accepted any overtime. Members on Kelly days and/or CTO during the overtime assignment shall be contacted as a last step prior to moving to mandatory overtime.

9. After all members eligible to accept overtime assignments have not accepted the scheduled overtime, the least senior member physically on-duty on their native shift day shall be mandated to work the remaining overtime assignment. If additional overtime assignments must be filled by mandatory overtime, the next member with the least seniority physical on-duty shall be mandated to work the remaining overtime assignment, and so forth.

10. The Duty Officer shall keep a record of all members required to work a mandatory overtime assignment including name, hours worked, date, and times.

11. No member shall be mandated to work an additional overtime assignment until all other available members physically on-duty from their native shift have been mandated to work an overtime assignment.

12. All approved time off, sick leave, or disability/light-duty shall excuse any member from enforcement of mandatory overtime assignments.

13. All overtime assignments are tradable as outlined in Section 7.9.

14. Any unscheduled additional staffing overtime assignments that may occur (sick leave call-in, sick leave on-duty, on-duty injury, etc.) shall be initiated by discretion of the duty officer, so long as all eligible members are contacted until such overtime assignments are accepted.

15. Section 7.5A in its entirety shall be subject to change once the Chief and Local 555 President have agreed upon adjustment language to fit the parameters of scheduling overtime within the Department scheduling software and technology.

SECTION 7.6 REST PERIODS.

All employees shall receive two (2) thirty (30) minute rest periods, one in the morning and one in the afternoon, as per current Department practice. The rest periods shall be granted by the supervisor as he deems appropriate to minimize work disruptions. During work beyond the normal day, employees shall receive their breaks in the same intervals as described above.

SECTION 7.7 MEAL PERIOD.

All shift firefighters shall be granted two (2) meal periods during each work shift, as per current Department policy. Forty (40) hour employees shall receive one (1) such meal period.

SECTION 7.8 FAIR LABOR STANDARDS ACT.

The Employer agrees to comply with the provisions of the Fair Labor Standards Act (F.L.S.A.) and the relevant Department of Labor rules as currently enacted or hereinafter amended, so long as the same shall be in effect.

SECTION 7.9 TIME-TRADING.

Bargaining unit employees may trade time, tours of duty and Kelly Days with other employees of the same rank or one rank higher or lower, subject to the following conditions:

1. The trading of time is done voluntarily by the employees and not at the request of the Employer.

2. The trade is not made for reasons related to the Employer's business operations, but is due to the employee's desire or need to attend to a personal matter. Time must actually be worked back (or donated as per condition #9 below) and not paid monetarily except in the case of duty relief paid directly by the Union to the stand-by for attendance at conventions, seminars, or other events as approved by the Fire Chief.

3. The minimum number of hours traded equals two (2) hours. The Department will allow stand-bys of an hour or less from 0630-0730 and from 0730-0830 hours with the approval of the Duty Officer.

4. The time trade must be in writing on the request form and signed by all parties involved in the time trade.

5. Once the trade is approved, the signing parties become fully responsible for the newly traded and approved time to be worked. If an employee then fails to be at work or supply a suitable replacement within a reasonable time prior to the assigned work schedule, that employee (the most recently approved to work the designated time) will be docked for the missed hours of work at his normal rate of pay. The City will not be responsible for tracking time trades as to who owes whom time and takes no responsibility for requiring individuals to pay time back beyond what was approved on the approved request form.

6. All trading is subject to the reasonable approval of the Battalion Chief or the shift supervisor, as per the policies of the Fire Chief.

7. Employees working on an approved time trade shall be allowed to request and use leave on the "foreign" shift under the normal guidelines for time off.

8. Kelly Days can only be traded for Kelly Days and only within the same shift.

9. In extenuating circumstances (i.e. long-term illness/injury), as determined by the City, where an individual employee has been forced to exhaust all his leave benefits and is unable to work, other employees may voluntarily work for the absent employee on a pay-back or donation basis for a period not to exceed 120 days. Such a "time trade" will not be mandated by the City and the City bears no responsibility for insuring that time is paid back by the absent employee. All other rules apply including #5 and #7 as stated above.

ARTICLE VIII: SAFETY

SECTION 8.1 COMPLIANCE WITH LAWS.

The City agrees to comply with all laws applicable to its operations concerning the safety of its employees covered by this Agreement. All such employees shall comply with all safety rules and regulations established by the City. The City agrees to take all reasonable steps to insure the safety of all employees during their working hours.

SECTION 8.2 UNSAFE CONDITIONS.

If an employee has justifiable reason to believe that his safety is in danger due to an alleged unsafe working condition, or alleged unsafe equipment, he shall inform his supervisor who shall have the responsibility to determine what action, if any, should be taken.

SECTION 8.3 LABOR-MANAGEMENT MEETINGS.

Representatives of the Union, not to exceed three (3) in number, and the City shall meet at mutually agreed upon times to discuss matters of mutual concern. The party requesting the meeting shall prepare and submit an agenda to the other party one (1) week prior to the

scheduled meeting. It is to be clearly understood that these are, in fact, meetings and not “negotiations.” If a written agenda cannot be developed, then no meeting will be held. Allegations of an unsafe working condition or equipment will not be acceptable unless substantiated in writing as to dates, times and witnesses involved. The requirement that there be a prompt resolution to safety disputes is of utmost concern to the City of Galesburg.

ARTICLE IX: SENIORITY

SECTION 9.1 DEFINITION.

Seniority shall, for the purpose of this Agreement, be defined as departmental seniority, being an employee’s length of continuous service since the last date of hire with the City in a position covered by this Agreement.

SECTION 9.2 APPLICATION OF SENIORITY.

In the application of seniority and ability in promotions or the filling of permanent openings in classifications, seniority shall be the determining factor when, among employees involved, as fairly determined by the City, the qualifications, skill and ability to perform the work is relatively equal.

SECTION 9.3 TERMINATION OF SENIORITY.

Seniority and the employment relationship may, at the City’s discretion, be terminated when an employee (a) quits, or (b) retires, or is retired, or (c) is laid off as per State Statute and refuses the recall notice or (d) is discharged. The parties agree the following reasons, among others, constitute cause for discharge when an employee (a) is absent for two (2) consecutive workdays without notifying the City, or (b) is laid off and fails to notify the City Manager’s office of his intention to return within five (5) City business days after receiving notice of recall, or who fails to return at the designated time, or (c) does not report to work within forty-eight (48) hours after the termination of an authorized leave of absence.

SECTION 9.4 PROBATIONARY PERIOD - NEW EMPLOYEES.

All new employees and those hired after loss of seniority shall be considered probationary employees until they complete a probationary period of one (1) year. During this probationary period the employee shall not be represented by the Union as regards to discipline or discharge of the employee, but is eligible to be a member of the Union after ninety (90) days of employment. The probationary period is to be used to test further the ability of the employee to perform the required duties of the position successfully. If the employee fails to meet the required standards of performance, he may be dismissed.

SECTION 9.5 SENIORITY ROSTER.

The City shall maintain a seniority roster noting the date of hire and current classification for each bargaining unit employee. The Union shall be provided with a copy of the seniority roster on or about January 1 of each succeeding year. Any objections to the seniority roster as provided shall be reported in writing to the City Manager’s office within fifteen (15) work days of the date of the deliverance of the seniority roster or the roster shall stand approved as given.

SECTION 9.6 SAME DAY HIRES.

Seniority shall be computed from the date of hire. In the event of a layoff, if more than one person is hired on the same day, then that person occupying the higher position on the original appointment list shall have greater seniority.

SECTION 9.7 LAYOFF AND RECALL.

The City, at its discretion, shall determine whether layoffs are necessary. Layoffs shall be for a lack of work and/or lack of funds. If it is determined that layoffs are necessary, employees will be laid off in the following order: (a) probationary employees in their original probationary period, and (b) in the event of further reductions in force, employees will be laid off in the inverse order of their departmental seniority, as governed by Illinois State Statute.

Employees who are laid off shall be placed on a recall list as specified in the Illinois State Statutes. If there is a recall, employees who are still on the recall list shall be recalled in the inverse order of their layoff.

Employees who are eligible for recall shall be given two (2) weeks notice of recall and notice of recall shall be sent to the employee by certified or registered mail with a copy to the Union, provided that the employee notify the City Manager's office of his intention to return within five (5) City business days after receiving the notice of recall. The City shall be deemed to have fulfilled its obligations by mailing the recall notice by registered mail, return receipt requested, to the mailing address provided by the employee, it being the obligation and responsibility of the employee to provide the City Manager's office with his latest mailing address.

SECTION 9.8 RESIGNATIONS.

In order to resign in good standing, a probationary or permanent employee shall give at least two (2) weeks notice in writing of his intention to resign. No employee may take time off during the last two (2) weeks of his employment unless reasonably approved prior to the notice of intention to resign. In addition, an employee who resigns voluntarily within one (1) year of having been hired by the City shall be required to repay the cost of tuition at the Firefighter II Academy (currently, \$2,750). The City Manager is given the discretion of waiving the provisions of the notice and/or repayment requirement should unforeseen circumstances warrant.

ARTICLE X: FILLING OF VACANCIES

SECTION 10.1 VACANCIES

For the purpose of this Article, a vacancy is created when the City determines to increase the work force or when any of the following personnel transactions or events occur as to an incumbent: terminations by retirement, resignation or discharge, promotions, demotions, or death.

SECTION 10.2 FILLING OF VACANCIES.

All vacancies covered by this Agreement shall be filled in accordance with provisions of the Municipal Code, 65 ILCS Ch. 10.2.1-4, the rules of the Board of Fire and Police Commissioners or the Fire Department Promotion Act 820(D), 50 ILCS 742(D) as applicable.

SECTION 10.3 PROMOTED EMPLOYEES.

In the case of a promotion, the rate of the promoted employees will be adjusted to the first step in the new range.

SECTION 10.4 PROMOTIONS.

Promotions to the rank of Captain and Battalion Chief (so long as those ranks continue to exist in the Galesburg Fire Department) shall be conducted in accordance with the provisions of the Fire Department Promotion Act, 50 ILCS 742 (hereinafter, the “Promotion Act”), as amended, and the Rules and Regulations of the Board of Fire and Police Commissioners of the City of Galesburg (hereinafter, “the Board”), to the extent that such Rules and Regulations are consistent with the provisions of the Promotion Act. Except where expressly modified by the terms of this Article, promotional procedures shall be consistent with the Promotion Act.

SECTION 10.5 EXAMINATION COMPONENTS AND SCORE.

The final promotional examination scores for promotion to the ranks of Captain and Battalion Chief within the Galesburg Fire Department shall be determined as follows:

Component	% of Total Score	Maximum Points
Seniority	10 %	10
Education/Military Credits	20 %	20
Oral Interview	15 %	15
Written Examination	20 %	20
Departmental Evaluations	10 %	10
Assessment Center	25 %	25

SECTION 10.5A SENIORITY.

Seniority is to be determined as of the date the written examination is given and will be calculated as follows: one-half (1/2) point per year for each full year of service as a full-time firefighter with the Galesburg Fire Department, up to a maximum of ten (10) points.

SECTION 10.5B EDUCATION/MILITARY CREDITS.

A candidate for promotion must submit his or her claim for education/ military credits with proof thereof to the Board three (3) weeks prior to the date set for the written examination. The maximum number of points shall not exceed twenty (20) in total.

Candidates for promotion shall be awarded points for education/military credits based upon the following schedule, which is divided into four categories. A candidate shall be awarded the highest point value from each of the categories, and point totals from the four categories will then be aggregated to constitute the candidate’s total education/military credit score.

1A Bachelor’s Degree and Military	Points
Bachelor’s Degree – any discipline*	3.5
Military preference points (65 ILCS 5/10-2.1-11)	up to 3.5
1B Specific Degrees	Points
Associate’s Degree, Fire Science, Public Administration or Emergency Management*	2
Bachelor’s Degree, Fire Science, Public Administration or Emergency Management*	3
Master’s Degree, Fire Science, Public Administration or Emergency Management *	4.5

To be eligible, degree must have been obtained from education institution duly accredited by a recognized accrediting agency, e.g., North Central.

1A and 1B constitute Category 1. Only one of the point value sources in Subcategories 1A and 1B may be claimed, and the combination of 1A and 1B is limited to a maximum of eight 87 points, or forty 4035 percent of the total ascertained merit points awarded. E.g., Military preference from 1A and Bachelor’s Degree, Fire Science from 1B will produce 6.5 points; Military preference from 1A and Master’s Degree, Fire Science from 1B will produce 87.0 points.

2	Fire Officer Certifications (includes Provisional Certifications)	Points	
	Certified Fire Officer I/ <u>Company Fire Officer</u> – for Captain test only		
	5 (25%)		
	Certified Fire Officer II/ <u>Advanced Fire Officer</u> – for Battalion Chief test only		
	5 (25%)		
3	Specific Job Related Certifications	Points	
	Fire Apparatus Engineer	1 (5%)	
	Vehicle/Machinery Operation/Roadway Extrication Specialist	1 (5%)	
4	Other Certifications and/or Committee Membership or Service	Points	
	(Maximum of 6 points (30%))		
	Haz Mat Technician A	1	
	Haz x Mat Technician B		
	<u>Hazardous Materials Technician (equivalent to HazMat Tech A & B)</u>	<u>2</u>	
	1		
4	Other Certifications and/or Committee Membership or Service (cont.)	Points	
	TRT Operations (all 4 disciplines) <u>/ or equivalent</u>		1
	TRT Technician (all 4 disciplines) <u>/ or equivalent</u>		1
	Fire Investigation (all 3 modules)	1	
	Fire Arson Investigator	1	
	Paramedic	1	
	Training Instructor (minimum of 3 years)	1	
	Fire Inspection Staff (minimum of 3 years)	1	
	Fire Pension Board Member (minimum of 3 years)	.5	
	Union Executive Board Member (minimum of 3 years)	.5	
	2% Foreign Fire Tax Board Member (minimum of 3 years)	.5	

Note: Once awarded, merit points will apply for the duration of an employee's tenure.

SECTION 10.5C ORAL INTERVIEW.

The Oral Interview shall be competitive and consist of questions related to and associated with the performance of the duties for the position sought.

SECTION 10.5D WRITTEN EXAMINATION.

The written examination shall be competitive, shall consist of questions derived from the reading materials assigned and from the Department's current policies and procedures. The questions shall be related to and associated with the performance of duties for the position sought.

SECTION 10.5E DEPARTMENTAL EVALUATIONS

Departmental Evaluations shall be conducted in two (2) parts: a management evaluation and a peer evaluation. The individual candidate's scores for each of these two (2) separate evaluation types shall be collected by the Fire and Police Commissioners, totaled, and presented as one (1) candidate score for Departmental Evaluations. The maximum score for Departmental Evaluations is ten (10) points. The processes for the evaluations shall be as follows:

1. Management Evaluations The management staff evaluations shall be a subjective evaluation by the GFD Chiefs including the filled positions of Fire Chief, Deputy Chief, and

Battalion Chiefs. These points will be determined in a special meeting in the Fire Chief's office prior to the written exam component. An observer (a Fire and Police Commissioner or alternate) shall attend the meeting. An alternate observer shall not be a department member and shall be approved by both the Fire Chief and the union. The observer shall have no input into the scoring, but will act to guarantee the points are awarded in an equitable manner among the Chiefs. Each Chief shall independently rank his top ten (10) Captain candidates (or fewer if there are less than 10 candidates) from 10-1. Each Chief will independently rank his top five (5) Battalion Chief candidates (or fewer if there is less than 5 candidates) from 5-1. Candidates not in the top 10 for Captain promotion and top 5 for Battalion Chief promotion will receive a score of zero (0). The individual Chiefs' scores will be totaled, the candidates ranked, and the promotional points awarded as follows:

Captain Candidates	
<u>Rank</u>	<u>Promotional Points</u>
1	5.0
2	4.5
3	4.0
4	3.5
5	3.0
6	2.5
7	2.0
8	1.5
9	1.0
10	0.5

Battalion Chief Candidates	
<u>Rank</u>	<u>Promotional Points</u>
1	5.0
2	4.0
3	3.0
4	2.0
5	1.0

In the case of a tie score, the candidate with the higher seniority will be ranked higher. Candidates not in these rankings will receive zero (0) points for the Management Staff Evaluation component of the promotional process. If fewer than the allotted number of candidates are available, the points will be assigned as above to the required ranking number.

2. Peer Evaluations The peer evaluations shall be a subjective evaluation by the non-management (Chiefs) roster of the Galesburg Fire Department, excluding probationary employees. A form will be established for each rank listing all the candidates challenging the promotional process. Prior to the written test component, each evaluator will use the aforementioned form to independently rank his top ten (10) Captain candidates (or fewer if there are less than 10 candidates) from 10-1. Each evaluator will independently rank his top five (5) Battalion Chief candidates (or fewer if there is less than 5 candidates) from 5-1. Candidates for promotion may evaluate themselves as they see fit within the rankings. Candidates not in the top 10 for Captain promotion and top 5 for Battalion Chief promotion will receive a score of zero (0). The Fire and Police Commission will compile and total the individual evaluator scores, rank the candidates, and award the promotional points as follows:

Captain Candidates	
<u>Rank</u>	<u>Promotional Points</u>
1	5.0
2	4.5
3	4.0
4	3.5
5	3.0
6	2.5
7	2.0
8	1.5
9	1.0
10	0.5

Battalion Chief Candidates	
<u>Rank</u>	<u>Promotional Points</u>
1	5.0
2	4.0
3	3.0
4	2.0
5	1.0

In the case of a tie score, the candidate with the higher seniority will be ranked higher. Candidates not in these rankings will receive zero (0) points for the Peer Evaluation component of the promotional process. If fewer than the allotted number of candidates are available, the points will be assigned as above to the required ranking number.

SECTION 10.5F ASSESSMENT CENTER.

The parties agree to the use of an assessment center in the promotional process. A committee comprised of members of the Board of Fire and Police Commissioners, Fire Command Staff and the union, will create bid specifications for use in selecting a qualified vendor for the Assessment Center.

The assessment center will be conducted following the awarding of points for seniority, education/military credit, oral interview, written exam, management staff evaluation, and peer evaluation components of the promotional process.

The number and choice of exercise as well as the scoring weight given to each exercise used in the assessment center will be determined by the approval of the parties.

The parties agree to use an independent assessment service as provided in the Fire Promotion Act (50 ILCS 742/1 et seq.)

The Fire Department Deputy Chief or Battalion Chief in charge of Training shall assist the assessment service provider with information regarding department rules, regulations, policies, and procedures in the formulation of exercise components. Scoring will be conducted solely by the assessment service evaluators and provided to the Fire and Police Commission.

SECTION 10.5G SEQUENCE OF TESTS.

The points to be awarded each candidate for promotion for seniority, education/military credit, oral interview, written exam, and departmental evaluations shall be totaled and posted by the Fire and Police Commission. Candidates with a cumulative score of less than 45 points on these elements will be eliminated from the testing process and will not be allowed to challenge the assessment center testing process.

SECTION 10.5H TOTAL SCORE.

A candidate's total score shall consist of the combined point totals awarded for seniority, education/military credit, oral interview, written examination, management staff evaluation, peer evaluation, and assessment center. Candidates shall take rank upon a promotional eligibility register in the order of their relative excellence as determined by their total score. In the event of a tie score, the placement of the tied candidates on the eligibility list shall be determined by departmental seniority in rank. A candidate who fails to achieve a minimum total score of seventy (70) will not be placed upon the final promotion eligibility list. All promotions shall be made in rank order, from top to bottom in accordance with the FDPA, 20(D).

SECTION 10.5I PREREQUISITES.

While candidates may test and be placed upon a final promotional eligibility list without the following prerequisites, a candidate for promotion to the position of Fire Captain must, as of the time that a vacancy occurs have served as a full-time paid firefighter for a period of three (3) years and attained certification as Firefighter III. A candidate for the position of Battalion Chief must, as of the time that a vacancy occurs, have served a minimum of two (2) years as a Galesburg Fire Department Fire Captain and attained certification as a Fire Officer I. Candidates who lack the required prerequisites at the time a vacancy occurs, while disqualified for the immediate promotion, shall retain their position on the eligibility list and shall be eligible for promotion when later vacancies occur, provided in each case that the necessary service component and training certification are attained.

When an opening for promotion occurs (due to reasons stated in Section 10.1 of Article X) during the applicable time of an established (valid) promotional list, the required prerequisite time frame shall be calculated backwards from the date the vacancy (e.g. retirement) occurred. When

an opening for promotion occurs (due to reasons stated in Section 10.1 of Article X) at a time when there is no established (valid) promotional list, the required prerequisite time frame shall be calculated backwards from the posting date of the next final promotional list.

SECTION 10.5J PROVISION OF COMPONENT SCORES.

In addition to the scores that are posted per the Rules and Regulations, an employee shall be entitled, upon written request of that employee, to receive a written record of the scores achieved on each of the components of the promotional examination. It is agreed that those involved in the scoring of the points awarded for oral interview, education/military credit, and departmental evaluation shall not be informed of the scores achieved on the written component until after these aforementioned components scores have been determined.

SECTION 10.6 PROMOTIONAL VACANCY.

The existence of a vacancy shall be deemed to occur in accordance with Section 20(d) of the Promotion Act. When a vacancy occurs, the appropriate corporate authority shall notify the board. Upon notice from the appropriate corporate authority that a promotional vacancy exists, the Board shall select the individual to be promoted in the manner specified in the Rules and Regulations of the Board of Fire and Police Commissioners of the City of Galesburg, provided that such Rules and Regulations are consistent with the Promotion Act.

SECTION 10.7 REOPENER FOR PROMOTION TESTING.

It is agreed by the parties that a committee of six (three from each side) shall meet after the signing of this Agreement to continue to work on refining the promotional process. Issues may include, but are not limited to, Chief's points/Peer review points, use of a fire simulator, and use of an assessment center. It shall be the City's responsibility to keep the Board of Fire and Police Commissioners informed of proposed changes and to seek input from the Board before arriving at a tentative agreement. Any agreement will be taken back to the membership for ratification, and then become part of this Agreement by side letter. If an agreement cannot be reached within ten (10) months before the expiration of the current promotional lists, the promotion process will be as provided in the above sections of this Article X.

ARTICLE XI: EMPLOYEE DISCIPLINE AND DISCHARGE

SECTION 11.1 EMPLOYEE DISCIPLINE.

The City may discipline or move to discharge any employee for just cause. The City further agrees that disciplinary action shall be in a timely fashion.

SECTION 11.2 CORRECTIVE.

The City agrees discipline in the Fire Department shall be progressive and corrective, designed to improve behavior and not merely to punish. However, when the severity of an infraction is great, discipline outside the normal progression, up to and including dismissal, may be considered an appropriate remedy. Once the measure of discipline is determined and imposed, the City shall not increase it for the particular act of misconduct unless new facts or circumstances become known. Where the City believes just cause exists to institute disciplinary action, the employer shall have the option to assess the following penalties:

1. Oral reprimand
2. Written reprimand
3. Suspension
4. Discharge

In keeping with the parties' agreement that discipline is to be corrective, it is agreed that all files maintained concerning an employee shall be expunged, upon the employee's request, of any reference to his disciplinary history in accordance with the following:

1. Verbal reprimands: Will stay in a separate file in the Fire Chief's office and not sent to the City Manager's office unless further discipline is required.
2. Written reprimands: Removed not later than three (3) years after issuance.
3. Disciplinary suspensions: Removed not later than five (5) years after issuance.

SECTION 11.3 PROCEDURE.

Any and all disciplinary actions against bargaining unit members shall be taken in accordance with the following:

SECTION 11.3A DISCIPLINARY ACTION.

The City may institute disciplinary action against any employee for just cause. Disciplinary action may consist of any one of the following penalties:

1. Oral Reprimand
2. Written Reprimand
3. Suspension for 30 days or less
4. Demotion
5. Discharge

Disciplinary action shall be progressive and corrective in nature and not designed to merely punish. The severity of the penalty applied shall be proportional to the gravity of the offense.

SECTION 11.3B CHIEF'S AUTHORITY.

The Fire Chief shall have the following disciplinary authority:

1. To reprimand or suspend employees without pay as a disciplinary measure up to a maximum of thirty (30) calendar days. Such disciplinary action shall be deemed final, subject only to an appeal of such discipline in accordance with the provisions of this Article.
2. To file charges against employees seeking the penalties of discharge or demotion.
3. To suspend an employee with pay pending an investigation or the filing of charges.

SECTION 11.3C NOTIFICATION AND GRIEVANCE PROCEDURE.

If the Fire Chief decides to discipline an employee according to section 11.3B(1) or to initiate discipline of an employee according to Section 11.3B(2), he or his designee shall serve written notice of the charges and disciplinary penalty or proposed disciplinary penalty upon the employee involved with a copy to the Union. The employee shall have the right to contest the disciplinary action imposed according to Section 11.3B(1) by filing a grievance only.

If the employee elects (with the approval of the Union) to file a grievance as to the disciplinary action, the grievance shall be processed in accordance with Article V of the Agreement, except that it shall be filed at Step 3 of the procedure. Oral and written reprimands will only be processed through Step 3 and shall not be subject to grievance arbitration.

SECTION 11.3D CITY MANAGER'S AUTHORITY.

City Manager's authority to suspend, discharge, or demote and to suspend pending investigation or hearing:

1. The City Manager or designee shall have the authority to take final action as to charges for dismissal or demotion filed by the Fire Chief in accordance with Section 11.3B(1). The employee shall have the right to contest the disciplinary action by filing a grievance only. If the employee elects to file a grievance, the grievance shall be filed at Step 4A of the grievance procedure and processed (with the approval of the Union) to arbitration in accordance with the procedures of Article V of the Agreement.
2. The City Manager or designee shall also have the authority to suspend an employee with or without pay pending investigation and/or pending a hearing on charges recommending discharge. When the City Manager or designee makes a tentative decision to suspend for specified misconduct, demote, or to suspend without pay pending investigation or hearing on charges for discharge, prior to implementing the suspension, the City Manager or designee shall notify the Union and meet with the employee involved, and the employee's Union representative if requested by the employee, and inform the employee of the reasons for such contemplated action. The employee and the Union representative, if present, shall be given the opportunity to rebut and/or clarify the reasons for the suspension without pay pending investigation or hearing.

SECTION 11.3E FINALITY OF DECISION AND JUDICIAL REVIEW.

The decision of an arbitrator with respect to any such disciplinary action shall be final and binding on the employee, the Union, and the City, subject only to an appeal in accordance with the provisions of the Uniform Arbitration Act as provided by Section 8 of the IPLRA, 5 ILCS 315/8.

SECTION 11.3F EXCLUSIVITY OF DISCIPLINARY PROCEDURES.

This Agreement is intended to supersede the hearing rights and procedures afforded to employees as to disciplinary action provided by 65 ILCS 1/10-2.1-17 by providing the employee with the right to have a dispute as to disciplinary action resolved through the grievance/arbitration procedure of this Agreement in lieu of a hearing conducted by the Board of Fire and Police Commissioners. Pursuant to Section 15 of the IPLRA and the City of Galesburg's Home Rule Authority, the provisions of this Article with respect to discipline and the appeal and review of discipline shall be in lieu of, and shall expressly supersede and preempt, any provision that might otherwise be applicable under either 65 ILCS 5/10-2.1-17, or the Rules and Regulations of the City of Galesburg Board of Fire and Police Commissioners.

ARTICLE XII: PERSONNEL FILES

SECTION 12.1 PERSONNEL FILES.

The City shall keep a central personnel file for each employee. Supervisors may keep working files, but material not maintained in the central personnel file as of the effective date of this Agreement may not provide the basis for discipline against an employee.

SECTION 12.2 INSPECTION.

Upon appropriate written request to ~~the~~ Human Resources ~~Manager~~, an employee may inspect his personnel file, subject to the following, within seven (7) working days: (a) inspection shall occur during normal working hours, at a time and in a manner mutually acceptable to the employee and the City. Upon request, an employee who has a written grievance on file who is inspecting his personnel files with respect to said grievance, may have a representative present during such inspection; (b) copies of materials in an employee's personnel file shall be provided to

the employee upon request. The employee shall bear the cost of duplication; (c) employees will be limited to reviewing their personnel files to four (4) times a year; (d) as provided by current Illinois law, not all documents in an employee’s files are available for inspection or copying. Some of these documents are reference checks, test materials or responses to the City with the specific request that it remain confidential; (e) as the City of Galesburg is the official guardian of the personnel records, no employee will be allowed to view their records without a member of the City Manager’s office, or his authorized designee, present.

SECTION 12.3 NOTIFICATION.

An employee shall be notified before a formal disciplinary action (written record of oral warning, written warning, disciplinary suspension, or termination) is placed in his personnel file. Such notification shall include an opportunity for the employee to sign and date the notification as evidence that he received the notification.

SECTION 12.4 EVALUATIONS.

Upon request, an employee shall be provided a copy of the evaluation form used for the purpose of evaluating his job performance. The evaluation shall be discussed with the employee and the employee shall be given a copy ~~immediately~~ after completion and shall electronically sign the evaluation as recognition of having read it.

SECTION 12.5 REBUTTALS.

An employee may file a written rebuttal in his personnel file concerning any material in the file.

ARTICLE XIII: CONSOLIDATED TIME OFF

SECTION 13.1 COMPONENTS.

Effective January 1, 2013, in lieu of separate holidays, birthdays, personal days, vacations, and compensatory time off, each employee covered by this Agreement will receive an allotment of hours of paid consolidated time off (CTO) that will vary with seniority and shift or 40-hour assignment, as set forth in Section 13.2. The separate components of consolidated time off, comprising the amounts set forth in Section 13.2, are itemized in Appendix G. For purposes of arbitration under Section 14 of the Illinois Public Labor Relations Act, the components of CTO, as set forth in Appendix G, shall be treated as separate economic issues.

SECTION 13.2 AMOUNTS.

Employees will receive annual CTO, accrued by pay period, as follows:

<u>Shift Employees</u>			<u>40 – Hour Employees</u>	
Years of Service	Annual Hours	PP Accrual	Annual Hours	PP Accrual
0 – 6	248	9.54	187	7.19
7-13	296	11.38	223	8.58
14-21	350	13.46	264	10.15
22+	400	15.38	302	11.62

In transition years, additional CTO per the above schedule will be considered to be earned as of the employee’s anniversary date.

SECTION 13.3 ACCUMULATION.

A maximum of 468 hours of earned but unused CTO for shift employees and 353 hours of earned but unused CTO for 40-hour employees may be carried over from one year to the next.

SECTION 13.4 CASH-IN.

In lieu of using CTO, shift employees may cash in a maximum of 96 hours of CTO time annually and 40-hour employees may cash in up to 72 hours of CTO time annually, at the then-applicable hourly rate of pay.

SECTION 13.5 SCHEDULING.

CTO shall be scheduled at times most desired by each employee consistent with historic practice. For purposes of administering this Section only, all employees on a shift (including bargaining unit employees and the Shift Commander assigned to that shift) shall schedule all CTO in the manner described in this Section, with the determination of preference being made on the basis of an employee's length of continuous service within the Department. Employees will not be allowed to schedule or take CTO that has not been accrued at the time of the leave.

1. Initial CTO Scheduling. CTO that is to be scheduled and approved prior to the CTO period (fiscal year) within which it is to be taken must be scheduled in twenty-four (24) hour increments. Any two shift employees may schedule CTO on the same workday during the initial CTO scheduling. Each CTO pick shall consist of one duty day or multiple consecutive duty days. Scheduled Kelly Days shall not be considered a break in consecutive duty days. The initial CTO schedule shall be completed and approved no later than December 15th of each year. Scheduling of CTO for 40-hour employees, which may include scheduling of CTO for City holidays, will be coordinated with the Fire Chief. In the event of a major disaster in the community, the Fire Chief may revoke approval of forthcoming scheduled CTO.
2. Subsequent CTO Scheduling. CTO that is scheduled and approved within the CTO period (fiscal year) in which it is to be taken may be scheduled in minimum two (2) hour increments. All requests for CTO must be submitted in writing to the Officer-in-Charge. When more than one request is submitted for the same day and/or time, requests will be honored on the first request submitted basis. Subsequent CTO requests submitted prior to the duty day for which such requests are made shall be approved or reasonably denied, based on projected manpower levels, at least one duty day prior to the duty day for which such requests are made. Denial of the request would not forfeit the standing of the request should manpower allow its approval later. CTO requests effective the duty day they are submitted shall be approved should manpower permit. Approved CTO shall not be subject to denial later due to subsequent decreases in manpower. The CTO calendar in the Duty Office at Central Fire Station shall be used to track initial and subsequent CTO requests. CTO requests for 40-hour employees will be coordinated with the Fire Chief.

SECTION 13.6 SEPARATION.

Upon separation from employment with the City, each regular non-probationary employee covered by this Agreement shall be entitled to receive payment at the employee's regular straight-time hourly rate of pay as of the date of separation for all unused CTO time.

SECTION 13.7 CONVERSION FORMULA.

For an employee reassigned from a shift schedule to a 40-hour schedule, multiply the employee's accumulated CTO times a conversion factor of .7547. For an employee reassigned

from a 40- hour schedule to a shift schedule, multiply the employee's accumulated CTO times a conversion factor of 1.325.

ARTICLE XIV: LEAVES

SECTION 14.1 GENERAL LEAVE OF ABSENCE.

The City Manager may, at his discretion, grant a leave of absence to any bargaining unit employee for good and sufficient reason. The City shall, at its discretion, set the terms and conditions of the leave, including whether or not the leave is to be paid. Department heads may recommend vacation, injury, and/or sick leave with pay. Such leaves of absence will be requested in writing and reviewed by the City Manager. During leaves of absence without pay, the seniority of the employee on leave shall remain frozen at the level of the last day of actual employment.

SECTION 14.2 MILITARY LEAVE.

Military leave shall be granted in accordance with applicable law.

SECTION 14.3 JURY DUTY LEAVE.

A permanent employee shall be granted a leave of absence with pay if called for jury duty. Since it is not the intention of the City that an employee receive more compensation for jury duty than he would if he were performing his normal duties, the employee will turn in the jury check to the City when received. Should a jury be dismissed on any particular day, the employee will be expected to return to work.

SECTION 14.4 NON-EMPLOYMENT ELSEWHERE.

A leave of absence will not be granted to an employee to try for or accept employment elsewhere, or for self-employment. Employees who engage in employment elsewhere during such leaves will be terminated by the City.

SECTION 14.5A SICK LEAVE.

Permanent 40-hour employees covered by this Agreement may accumulate sick leave at the rate of 10.6 working hours per month, to a maximum of two thousand twenty-eight (2028) working hours, or at a rate of fourteen (14) hours per month for shift employees, to a maximum of two thousand six hundred and eighty eight (2688) hours.

SECTION 14.5B ROUTINE CARE.

With prior approval and sufficient notice, leave for routine doctor, dental or other medical appointments shall be charged to the employee's regular and/or accumulated sick leave in one (1) hour multiples for the period the employee is off work. All employees must notify their shift supervisor of any scheduled appointment prior to the beginning of their shift. Upon return to work, the employee will give his supervisor a doctor's statement verifying his ability to resume firefighting duties.

SECTION 14.5C ELIGIBILITY FOR PAY.

In order to get sick leave with pay, each employee covered by this Agreement agrees to:

1. Report promptly to the Fire Chief or his designee the reason for his absence;
2. Keep the Fire Chief or his designee informed of his conditions; and
3. Use sick leave only for the purposes set forth in this section and to bear the burden of proof of such sickness if required by the City.

Sick leave with pay may be used only for sickness, injury, or pregnancy of the employee or for absence necessitated by delivery of child by a spouse or by illness, injury, death, or exposure to contagious disease by a member of his immediate family. "Immediate family" is defined as the following relation to the employee or his/her spouse: spouse, parent, step-parent, sibling, child, step-child, grandparent and grandchild. The word "spouse" shall include civil partners.

Presence of the employee must actually and immediately be required for bona fide serious circumstances or emergencies as reasonably determined by the City, and absence from duty shall not exceed the period of actual need.

Sick days should not be considered to be a privilege; they are a fringe benefit which will be allowed only as provided herein. An employee on sick leave is required to act pursuant to reasonable instruction for care. Any employee who fails to meet the requirements of this Article, including failure to provide required medical documentation as provided in Section 16.5D, abuses the sick leave program, including the performance of work or activities off duty that are medically prohibited or restricted while on duty; or files for pay under false pretenses, shall not receive pay and may be subject to disciplinary action.

Sick leave, disability leave, and injury leave are not to be taken concurrently; only one of the three types of leave may be taken at any one time.

SECTION 14.5D CERTIFICATION.

If the City has reasonable grounds to believe sick leave is being abused, it may, at its discretion, require any employee requesting paid sick leave to furnish substantiating evidence or a statement from his attending physician certifying that absence from work was required for medical reasons. A physician's certificate may be routinely required for absences of more than two (2) consecutive duty days, or for sick leave taken immediately before or after vacations or other time off provided by this Agreement, or for sick leave use in excess of four (4) occurrences per calendar year. An occurrence is defined as any continuous period of absence from duty covered by sick leave. The City also may reasonably require a physician's release certifying that the employee is fit to return to work as a condition to the employee's return to work. If there is a conflict between physicians' releases, the parties shall agree on a third person whose determination shall be final. Falsification of any verification of illness may be just cause for disciplinary action, up to and including discharge. Any employee who is found to have fraudulently obtained sick leave may be required to reimburse the City for such sick leave.

SECTION 14.5E SICK LEAVE PAYOUT.

Upon the retirement from City service of an employee who was hired after November 25, 2009, the City shall contribute to the employee's Retirement Health Savings Plan ("RHSP") account the dollar equivalent of thirty percent (30%) of the sick leave he has accumulated, per Section 16.5A, as of the time of retirement and at the employee's regular straight time hourly rate of pay, to a maximum of six hundred (600) hours (four hundred fifty-three (453) for a 40-hour employee) to be contributed at the employee's regular straight time hourly rate of pay.

Upon the retirement from City service of an employee who was hired on or before November 25, 2009, the City shall make the maximum contribution allowed by law to the employee's 457 account, up to the dollar equivalent of thirty percent (30%) of the sick leave he has accumulated, per Section 16.5A, as of the time of retirement and at the employee's regular straight-time hourly rate of pay, to a maximum of four hundred three (403) hours (three hundred four (304) for a 40-hour employee), with the difference between the maximum 457 contribution and the maximum payout provided by this Section, if any, to be contributed to the employee's RHSP account.

The RHSP contribution and payout provisions of this Section apply to retirement only, and do not involve separation from City service for any other cause or disability leave.

SECTION 14.6A INJURY, ILLNESS OR PREGNANCY.

In the event an employee is unable to work by reason of illness or injury, including those compensable under workmen's compensation, or pregnancy, the City may grant a leave of absence without pay during which time seniority shall not accrue for so long as the employee is unable to work, except that for a work related injury compensable under worker's compensation an employee shall accrue seniority as set forth in Sections 14.6C and 14.7.

SECTION 14.6B ELIGIBILITY.

To qualify for such leave, the employee must report the illness, injury or inability to work because of pregnancy as soon as the illness, injury or inability due to pregnancy is known and thereafter furnish to the City a physician's written statement showing the nature of the illness, injury or state of pregnancy and the estimated length of time that the employee will be unable to report for work, together with a written application for such leave. Thereafter, during such leave, the employee shall be required to furnish a current report from the attending doctor at the end of every sixty (60) day interval.

SECTION 14.6C WORKER'S COMPENSATION.

If an employee is injured while performing his assigned duties, he shall be eligible for paid injury leave not to exceed a total of three hundred and sixty-five (365) calendar days for any one injury or accident. He shall be compensated in an amount equal to the salary rate he was making at the time of the accident based on the salary ordinance.

All injuries must be reported in writing as soon as possible by the employee or his supervisor in order to be eligible for injury leave and also the worker's compensation benefits as provided by the City. The employee shall authorize the City's inspection of his medical records and advise the department of any changes in his status.

Because the payments for worker's compensation benefits are not earnings subject to Federal, State, and F.I.C.A. taxes, and the payments are excludable from earnings for pension fund deductions, the Finance Department may pay for the injury leave in the following manner: (a) Each bi-weekly pay period which occurs during the period of paid injury leave, the employee will receive a check for worker's compensation benefits, the amount of which check shall be computed in accordance with the rules and regulations of the Industrial Commission of Illinois. No deductions of any kind shall be made from this payment; (b) In addition, for each biweekly pay period of paid injury leave described above, the employee will receive a check in an amount equal to the difference between the employee's regular bi-weekly salary and the amount paid as worker's compensation benefits per (a) above. The salary paid per this check shall be subject to all applicable deductions and withholding for various taxes. The withholding of Federal and State taxes and mandatory deductions for pension funds, of course, take precedence over voluntary deductions such as credit union, or union dues, etc.

SECTION 14.7 DISABILITY LEAVE.

If an employee becomes disabled either on or off the job and is disabled from performing his duty and if the disability persists for one month or more, the permanent employee may be eligible to receive disability benefits under 40 ILCS 5/4-101, et seq. Such disability shall be considered disability leave and such employee may be granted a leave of absence from the City's service for the length of disability. If it appears upon verification by at least three (3) competent

medical authorities that the employee will be permanently disabled, he must apply for a disability pension upon the request of his department or division head to the City Manager.

An employee shall not accrue benefits while on temporary or permanent disability leave in excess of three hundred sixty-five (365) calendar days. No employee shall be allowed to return to work without a written release from his attending physician. In the event an employee is reinstated into active service pursuant to the above-referenced Illinois Statutes, and whereupon assigned to duty the employee fails to report to work for five consecutive calendar days, then his status as a municipal employee may be terminated.

SECTION 14.8 BENEFITS WHILE ON LEAVE.

Seniority, sick leave, vacation (or CTO, as the case may be) and employment credits shall not accrue when an employee is on leave without pay, on disability leave or on injury leave in excess of three hundred and sixty five (365) calendar days, except as per sections 146.6C, 146.7 and 168.3. Sick leave, disability leave and injury leave are not to be taken concurrently; only one (1) of the three (3) types may be taken at any one time. Any employee covered by this Agreement in violation of Article VI of this Agreement will automatically forfeit any and all covered benefits that they may enjoy.

SECTION 14.9 LIGHT DUTY.

Light duty for worker's compensation cases will be provided in accordance with the treating physician's restrictions. Light duty for personal injury may be made at the discretion of management subject to work availability and physician's restrictions.

ARTICLE XV: WAGES

SECTION 15.1 GENERAL.

Effective January 1, 2021~~18~~, pay ranges and pay steps for employees in the classifications of Firefighter and Fire Captain shall be as set forth in the salary schedules attached hereto as Appendix C. Pay ranges and pay steps for employees in the classifications of Firefighter and Fire Captain shall be increased annually by the percentages indicated below:

January 1, 2022 19	2.25%
January 1, 2023 0	2.5%

Employees normally will progress from Step A to Step B at the end of one year's service, and then progress through steps annually thereafter upon their anniversary date until Step E has been reached. Upon completion of five (5) years of service and with one (1) academic year of Fire Science courses (certificate) as provided for in Section 15.5, an employee will then progress to Step F in their respective pay range. Upon completion of six (6) years of service and with an Associate's Degree in Fire Science as provided for in Section 15.5, an employee will then progress to Step G in their respective pay range.

SECTION 15.2 NEW EMPLOYEES / MERIT INCREASES

The normal beginning rate for a new employee will be the minimum rate in the established range for the class of position. However, the City Manager may, in special cases, authorize initial appointment above the minimum. Incremental steps within established salary ranges are to provide a means of recognizing outstanding performance and continued good service. The City may grant, or fail to grant, such merit pay increases as it solely deems appropriate based upon employee

performance. Non-merit factors such as Union activity, race, color or creed may not be considered by the City in granting such increases.

SECTION 15.3 40-HOUR INCENTIVE.

As an incentive to volunteer for such positions, an employee (designated as Firefighter (80) or Fire Captain (80)) who is 1) filling a 40-hour position and 2) assigned to the 40-hour schedule shall receive, for so long as both 1) and 2) apply, a wage rate that is two and one-half percent (2 ½%) above the rate established for shift firefighters (designated as Firefighter (106) or Fire Captain (106)) in Appendix C.

SECTION 15.4 LONGEVITY PAY.

After five (5) continuous years of service, each employee covered by this Agreement shall have the following amounts added to his base wages

Years of Service	Increase
After 5 years	2%
After 10 years	4%
After 15 years	6%
After 20 years	8%
After 25 years	10%

Base pay shall be the bi-weekly salary from the official pay plan as referenced in Appendices B and C of this Agreement for which the employee is eligible, excluding any other pay adjustment or compensation provided.

SECTION 15.5 SEVERANCE PAY.

All permanent employees, upon retirement from the City service who are electing to retire under the provisions of the Illinois Firefighters Pension Law because of length of service, shall be entitled to severance pay equal to two (2) weeks actual salary at the time of retirement. This applies to retirement only where City employees have met the requirements of the Illinois Firefighters Pension Law. This is a one-time only benefit and credit will not be given for part-time or temporary service. The City will compute severance pay on actual wages rather than base wages.

SECTION 15.6 PAYROLL DEDUCTIONS.

If the employee so desires, the Finance Department may make certain deductions from his check. Among these are savings and payments to the credit union, United Way contributions political action committee (PAC) contributions and additional withholding tax. All deductions must be requested in writing, dated, and signed by the employee.

SECTION 15.7 DIRECT DEPOSIT.

All fire department members covered by this agreement shall have direct deposit for payroll payments.

SECTION 15.8 ACTING PAY.

A bargaining unit employee who works in a higher capacity for a minimum of three (3) hours in such higher classification shall receive the rate of pay of the higher classification as acting pay retroactive to the first hour of such consecutive duty time in the higher classification. The

determination as to whether or not the employee has been acting in a higher capacity for three (3) or more hours, and is thus entitled to acting pay, shall be made in accordance with present practice.

SECTION 15.9 APPROVED COLLEGE WORK.

The City shall provide an incentive for full-time employees covered by this Agreement to obtain a level of education beyond that of a high school diploma and the minimum requirements for the positions held by the employee.

Employees may not progress to Step F until completing one (1) academic year of Fire Science courses concurrent with Department practice, and may not progress to Step G until obtaining an Associate Degree in Fire Science from an accredited academic institution.

ARTICLE XVI: GROUP BENEFITS

SECTION 16.1 GROUP MEDICAL COVERAGE.

For employees covered by this Agreement, group medical coverage is available from a provider selected by the City Manager, currently the Illinois Department of Central Management Services' Local Government Health Plan. Four plans, which provide certain basic benefits and comprehensive major medical benefits to age sixty-five (65) will be made available to permanent full-time employees and their dependents; and to eligible retired employees under the age of 65 and their dependents under the age of 65. Plans of medical coverage that are secondary coverage to Medicare Parts A and B are available to retired employees at age 65 and their dependents at age 65.

Upon termination of employment for any reason other than retirement, the group coverage shall cease as of the date of the termination of employment. Employees who have been placed on temporary or permanent disability by the Fireman's Pension Fund, and employees who are on injury leave (receiving Worker's Compensation Disability Payments) in excess of three hundred and sixty-five (365) calendar days, may remain on the City's group medical plan at the employee's cost until age sixty-five (65).

SECTION 16.2 PERMANENT FULL-TIME EMPLOYEES AND DEPENDENTS.

Each plan coverage month begins on the first day of the calendar month. Employees under this Agreement will be eligible for the medical coverage on the first day ~~of the calendar month next following the date~~ that the employee commences to work. An eligible dependent shall include the covered employee's spouse, eligible dependent children, and civil union partner, as per the current plan provisions.

During the term of this Agreement, employees covered by this Agreement will contribute the monthly amounts specified in Appendix H toward the premium cost of group medical coverage under the City's plan. During the term of this Agreement, modifications to plan benefits, including but not limited to changes in coverage, deductibles, co-pays and out-of-pocket maximum payments, may occur as necessary to maintain plan solvency. Any such modification shall be subject to the provisions of Section 16.8 of this Agreement.

SECTION 16.2A HEALTH SAVINGS ACCOUNT (HSA)

For employees who elect coverage under the "High Deductible Plan" the City will make a contribution of \$750 for single coverage and \$1,500 for family coverage to a Health Savings Account (HSA) for each plan year. City agrees that during the calendar year 2018, one half of the HSA contribution shall occur in January and the other half shall be paid in July. For calendar years 2019 and 2020, HSA contributions shall only be made in July. Employees who elect coverage under a plan other than the "High Deductible Plan" are not eligible for an HSA and no City

contribution will be made. For employees who switch from any other plan to the high deductible plan in January of 2018, the City shall make an additional contribution of \$375 for single coverage and \$750 for family coverage to a Health Savings Account. This shall be a one-time option available only during this limited time period.

SECTION 16.3 EMPLOYEES ON DISABILITY OR INJURY LEAVE.

Subject to the City's group coverage plan, an employee on disability leave may remain in the group medical plan but the employee must pay the full employee premium, except for an in the line of duty disability as noted below, and the full dependent's premium.

Subject to applicable provisions of Federal and Illinois state statutes an employee on injury leave (worker's compensation leave) may remain in the group medical plan and the City will continue to pay the employee's premium and the City's share of the dependent's premium as provided for in Section 16.2, except where such leave exceeds three hundred and sixty-five (365) calendar days (Section 16.1). Subject to applicable provisions of Federal and Illinois state statutes, if an employee is disabled in the line of duty, the City will pay the employee-only premium so long as the disabled employee is prevented from being gainfully employed elsewhere. If a disabled employee takes employment elsewhere and is eligible to be covered by that employer's group medical plan, the City premium payments for the employee shall cease.

SECTION 16.4 RETIRED EMPLOYEES AND DEPENDENTS.

A firefighter who is removed from the City's active payroll because of retirement as a deferred pensioner, retirement from active service, or disability retirement, shall have such rights to continued coverage under the City's group medical plan as are provided by State statute, currently codified as 215 ILCS 5/367f. In addition, except as otherwise provided in Section ~~168.14A~~ and/or Article ~~XVIIIX~~ of this Agreement, the City will bear the cost of the total premium of the employee only coverage to age sixty-five (65). Further, should any employee under the age of fifty (50) opt for retirement after twenty (20) years or more of service with the City of Galesburg and who also meets the service requirements for pension benefits under the provisions of the various City pension plans, then that employee may remain in the City's medical plan at his own expense to age sixty-five (65). If any covered person attains the age of sixty-five (65), be it the retired employee or a dependent, then said employee or dependent is eligible for coverage secondary to Medicare as described in the first paragraph of Section ~~168.1~~. That person at the age of sixty-five (65), be it the retired employee or dependent, immediately becomes eligible for the coverage secondary to Medicare and all other coverage is terminated in regard to that person.

SECTION 16.5 UNION AND MANAGEMENT LIABILITY.

The failure of any plan of medical coverage to provide any benefit for which it has contracted, shall result in no liability to the City or to the Union, nor shall such failure be considered a breach by the City or Union of any obligation undertaken under this or any other Agreement. However, nothing in this Agreement shall be construed to relieve any plan of medical coverage from any liability it may have to the City, Union, employee, or beneficiary of any employee. The terms of any contract or policy issued by a plan of coverage shall be controlling in all matters pertaining to benefits hereunder.

SECTION 16.6 RIGHT OF CONSULTATION.

A difference or conflict between any employee (or his covered dependents) and the plan of coverage regarding claims or coverage shall not be subject to the grievance procedure provided for in any collective bargaining agreement between the City and the Union. Any questions or concerns involving claims or coverage shall be referred to the City Manager's office for clarification.

SECTION 16.7 HEALTH BENEFITS ADVISORY COMMITTEE.

Two (2) members of Local #555 shall be allowed to sit in on all Health Benefits Advisory Committee meetings. This will be a non-voting position, however, said employee will be allowed to give his advice regarding proposed changes in the coverage of City employees. Further, the City shall give proper notice to all members of the committee at least two (2) days prior to said meeting.

SECTION 16.8 ECONOMIC IMPACT NEGOTIATIONS.

In the event that premium costs increase or any coverage or benefit is decreased during the term of this Agreement, the Union may elect to open the issue of medical coverage with the City, for the purpose of good faith negotiations over the economic impact of any such change, by serving notice on the City within thirty (30) days of such increase or decrease. Such negotiations shall commence not later than fifteen (15) days after such notice is served.

This provision shall not preclude the City from, as may be deemed necessary, making changes in benefits as provided in Section 16.2, changing service vendors, or passing on to employees their share of premium increases except as otherwise provided for in Section 16.2. The fact of any such change shall not be grievable by the Union; nor shall the City be required to make changes applicable only to firefighters in the City-wide medical plan. This provision is intended to afford the Union the opportunity to negotiate in good faith with the City the economic impact of any such change.

SECTION 16.9 GROUP DENTAL PLAN.

For employees covered by this Agreement, group dental coverage is available. A plan which provides certain benefits is available to permanent full-time employees and their dependents. The City will pay the employee's dental premium. The employee will pay for dependent coverage if desired.

SECTION 16.10 I.R.C. SECTION 125.

The City will extend its I.R.C. Section 125 Plan to members of the bargaining unit, so long as such plan continues to be authorized by the Internal Revenue Code.

SECTION 16.11 LIFE INSURANCE.

The City will provide \$10,000 in term life insurance for each employee covered by this Agreement.

ARTICLE XVII: RETIREE HEALTH SAVINGS PLAN

SECTION 17.1 ESTABLISHMENT.

The City shall establish a Retiree Health Savings Plan (RHSP) through the ICMA Retirement Corporation ("ICMA-RC") and RHSP accounts shall be established for all employees. The City's participation in the RHSP shall be in accordance with the terms and conditions of the RHSP participation agreement.

SECTION 17.2 REGULAR CONTRIBUTIONS: NEW AND OPT-OUT EMPLOYEES.

Employees who are hired after November 25, 2009 shall be entitled to retiree medical coverage by means of their participation in the RHSP. For each such new employee and opt-out employee, the City shall contribute on or about the first payroll date in January ("the contribution date") during each year of this Agreement, or upon the successful conclusion of an employee's

probationary period, if later, \$1,000 plus .25 percent (one-quarter of one percent) of annual salary as of the contribution date.

SECTION 17.3 MATCHING CONTRIBUTIONS.

Each active employee covered under this agreement shall contribute via payroll deduction \$25 per month into his RHSP account; the City shall match the amount of each such contribution by contributing \$25 per month into the current employee's RHSP account.

SECTION 17.4 INCENTIVE CONTRIBUTIONS.

As a sick leave non-use incentive, the City will contribute, at the applicable rate of pay as of the first pay period following the beginning of a calendar year, a contribution equal to 72 hours of pay for any eligible shift employee (54 hours for a 40-hour employee) who does not use any sick leave during the previous calendar year, a contribution equal to 48 hours of pay for any eligible shift employee (36 hours for a 40-hour employee) who used one (1) day (24-hour day for a shift employee or 8-hour day for a 40-hour employee) or less of sick leave use during the previous calendar year, and a contribution equal to 24 hours of pay for any eligible shift employee (18 hours for a 40-hour employee) who used more than one (1) but not more than two (2) days of sick leave (24-hour days for a shift employee or 8-hour days for a 40-hour employee) during the previous calendar year. For purposes of this Section, a one-day bereavement period shall not count as sick leave use and, for 40-hour personnel only, up to four (4) hours of released time for routine doctor and dental appointments do not count as sick leave use. In order to be eligible for such incentive contributions, the employee must have at least thirty (30) days of sick leave in his sick leave bank.

SECTION 17.5 SAVINGS PROVISION.

It is the intention of the parties that the Retiree Health Savings Plan set forth in this Section shall be administered through ICMA-RC as long as it is mutually agreed and legally permitted. Should it occur that, because of circumstances beyond the control of the parties or in the exercise of legally-mandated City prerogatives, the plan administered by ICMA-RC should be terminated, the City agrees that the RHSP trust accounts maintained by ICMA-RC shall be transferred to a voluntary employee beneficiary association (VEBA) plan established under Internal Revenue Code Section 501(c)(9), or the then legal equivalent thereof, and the City's contribution obligations under this Section shall become VEBA contribution obligations. The VEBA to which such contributions are made shall be one selected by mutual agreement of the parties upon notice by the City and the opportunity to bargain over the selection, with such bargaining being subject to resolution by interest arbitration in the event of a failure to agree.

ARTICLE XVIII: PENSIONS

During the term of this Agreement, employees shall continue to participate in the Firefighter's Pension Fund in accordance with and subject to the provisions of the Statutes of the State of Illinois now applicable or as they may hereafter be amended.

ARTICLE XIX: RESIDENCY

All employees are required, as a condition of their continued employment with the City, to maintain their principal residences within a radius of twenty (20) miles, by straight-line radius and not as determined by means of a surface streets and roads measurement from Galesburg City hall. This residence requirement shall be construed to mean actual "in fact" living and residing within

the area described herein. Any person appointed to a permanent City position shall become a resident of the described area within thirty (30) days after the expiration of such employee's probationary period if the employee is to be continued in the City's service.

ARTICLE XX: MISCELLANEOUS PROVISIONS

SECTION 20.1 ACCEPTANCE OF GIFTS.

No gift or favor given because of his employment with the City of Galesburg shall be accepted by a City employee.

SECTION 20.2 DEFAULT ON PREMIUMS.

All medical plan premiums which are the sole responsibility of any current or retired employee due the City must be submitted on a timely basis. Unless previous arrangements are made and approved by the City, failure to pay such premiums may result in termination of coverage without liability to the City.

SECTION 20.3 DRIVER'S LICENSE.

Employees designated by the City to drive firefighting equipment shall be required to obtain and maintain an appropriate driver's license within thirty (30) days of employment. The City agrees to provide equipment and reasonable training on work time to assist employees in obtaining such driver's license. Employees will be allowed to take the driver's test during working hours at a time designated by the City.

SECTION 20.4A SERVICE OF NOTICES.

Notices hereunder shall be deemed to have been adequately given if served by registered mail upon the persons named below at the address indicated, unless otherwise notified in writing:

Notice to the Union shall be addressed to:

President, I.A.F.F., Local #555

150 South Broad Street

Galesburg, Illinois 61401

Notice to the City shall be addressed to:

Human Resource Manager

City Hall

55 West Tompkins Street

Galesburg, Illinois 61401

A basket will be placed in the Central Fire Station Duty Office for these notices and mail.

SECTION 20.4B EMPLOYEE NOTICES TO EMPLOYER.

Employees shall notify their supervisor within seventy-two (72) hours or the next working day, whichever occurs sooner, of any changes in address, telephone number or marital status. The supervisor will inform the Human Resource Manager immediately of any such transactions in order to update the central personnel records.

SECTION 20.4C UNION NOTICE TO EMPLOYER.

The Union agrees to furnish the City with an up-to-date list of all of its officers and to immediately notify the City of any changes thereto.

SECTION 20.5 ORDERLY OPERATIONS.

The City may prepare, issue and enforce rules and safety regulations necessary for the safe, orderly and efficient operations of the City, consistent with this Agreement.

SECTION 20.6 OUTSIDE EMPLOYMENT.

Permanent City employees may not carry on, concurrently with City employment, any private business, undertaking or employment that affects the time or quality of their work, or which casts discredit upon or creates embarrassment for the City government.

SECTION 20.7 PERSONAL USE OF CITY PROPERTY.

The use of City property for personal use is prohibited.

SECTION 20.8 PHYSICAL FITNESS.

It shall be the responsibility of each employee to maintain the standards of physical fitness required for performing his job. Whenever a department or division head feels that the physical condition of an employee is endangering his own health, or the safety of his fellow workers, the employee may be requested to submit to a medical examination by a physician without expense to the employee which shall only be for the purpose of determining his physical condition relative to City employment.

The employees covered by this agreement shall be required to submit to the Physical Performance Test set forth below once each year. All bargaining unit members are required to complete this test and have their completion time validated by the Training Captain and a member of the City Fire Management staff. The completion time shall remain confidential.

Bargaining unit members that complete the test in three minutes and 38 seconds (3:38) or less shall receive an additional twelve (12) hours of CTO added to the annual allotment for the next year to be scheduled after all regular vacation scheduling has been completed and subject to the regulations of Article XIII (Consolidated Time Off) of this Agreement. A bargaining unit member may choose to cash-in any or all of these twelve (12) hours of CTO during the next calendar year in addition to the 96 hours of allowable CTO cash-in outlined in Section 13.4 of this Agreement.

Bargaining unit members who fail to complete the test, or whose completion time is in excess of seven minutes (7:00) shall be required to complete the Physical Performance Test every three (3) months until they reach a completion time below seven (7:00) minutes. If a bargaining unit member fails to complete the in seven minutes or less in three successive quarters, that information will be forwarded to the department physician to assist in recommendations to improve the employee's fitness level. The failure of a bargaining unit member to complete the test in seven minutes or less shall not be used in a punitive manner.

Testing shall be administered by the department and may be monitored by a Union representative with the employee's consent. Testing shall be conducted in a time frame after annual department physicals have been conducted, but prior to annual CTO scheduling.

City and the Union agree to discuss, with the intent of reaching agreement, adjustments to these completion times which may be necessary after conclusion of the first year of testing. If the parties fail to reach an agreement regarding adjustment of these times, either party may raise the issue during negotiations for a successor to this Agreement.

Galesburg Fire Department
Physical Performance Test

Required Gear

Full turnout gear (including gloves) with SCBA. Nomex hoods are optional. Extrication gloves may be worn in place of firefighting gloves.

Course Tasks and Rules

Task 1 - High-rise Stair-climb Evolution:

The course begins at the base of the stairs on the first floor of the burn tower with one (1) hand touching the accordion hose and “on air”. Time begins when the hose is raised to the shoulder. Carry a 50’ accordion section of 2 ½” attack line to the fourth (4th) floor of the burn tower. Running up the stairs and taking as many steps as possible is permitted. After reaching the fourth (4th) floor, carry the hose (walking) toward the window and drop the hose in the designated location.

Task 2 – Hoist Evolution:

With Hand-over-hand motion, pull a 50’ rolled section of 2 ½” attack line attached to ½” utility rope to the fourth (4th) floor of the burn tower. Place the hose in the designated location just inside the window opening. Walk back down to the first (1st) level of the burn tower making contact with each step. After returning to the first (1st) level, walk to the chopping simulator located just outside the opening to the burn tower.

Task 3 – Chopping Evolution:

Using a 9# dead-blow hammer, drive a length of railroad tie a distance of five feet (5’). You must “strike” the tie. Hooking or dragging the tie will result in the assessment of a fifteen (15) second penalty added to the total time. After driving the tie, drop the sledgehammer and walk a serpentine path a distance of 140’ to the next task.

Task 4 – 1 ¾” Hose Advance:

Pick up the nozzle and place it over the shoulder. Advance (walking) the 100’ length of charged 1 ¾” hose a distance of 75’, crack the nozzle and place it in the designated location. Walk 30’ to the next task.

Task 5 – Victim Rescue Evolution:

Lift the 145# dummy under the arms and drag it backwards a distance of 100’ and place it in the designated location. Total time ends at the completion of this task.

SECTION 20.9 RULES AND REGULATIONS.

All rules, regulations, and departmental orders shall be issued in writing to all bargaining unit employees. The Employer and the employees agree to adhere to those rules, regulations and orders unless and until they are changed in writing.

SECTION 20.10 PRINTING OF THE AGREEMENT.

The City shall be responsible for the printing of twenty five (25) copies of this Agreement and shall provide the Union an opportunity to proof the Agreement prior to printing. The cost of printing the Agreement shall be shared equally by the parties. The City shall distribute one (1)

copy to each bargaining unit member covered by this Agreement, and shall also provide each new bargaining unit member with a copy within one (1) pay period within their date of hire. This Agreement shall be printed by a Union printer of the City's choice, unless an alternative printing arrangement is mutually agreed to by Local #555 and the City.

SECTION 20.11 MANNING LEVELS.

Minimum manning shall be as established by the Fire Chief's General Order #2 Manpower. If the Chief decides to change the manning levels, he shall circulate a proposed new General Order incorporating the change. If the union wishes to bargain over the change, it shall notify the Chief, who shall then delay implementation of the changes for 30 days to allow for bargaining with the union during that period. During bargaining, the union shall be provided with the reasons for the change and the union shall have the opportunity to present alternatives to the change. After consideration of proposed alternatives, the Chief may implement the change unless the union has presented clear and convincing evidence that the change is unwarranted or unnecessary.

SECTION 20.12 TELEPHONE.

All employees shall be required as a condition of continued employment, to obtain and maintain an operating telephone.

SECTION 20.13 VOTING TIME.

Employees shall be allowed the opportunity to vote in any federal, state, or local general election during work hours.

SECTION 20.14 PERSONNEL RULES.

The City's Personnel Rules are not applicable to bargaining unit employees.

SECTION 20.15 ORIENTATION AND LAPEL PINS.

The Union will be allowed an opportunity to have a one (1) hour orientation during the first (1st) week of employment with all new hires to explain the role of the Union and the benefits of membership. Bargaining unit employees will be permitted to wear the I.A.F.F. Union lapel pin on their uniforms at work in accordance with departmental rules.

SECTION 20.16 PROTECTIVE CLOTHING.

The employer shall provide protective clothing, and the employee shall continue to receive station uniforms according to the current practice of the parties. Station uniforms will be provided by the employer. The City shall make efforts to secure grant funding to provide for two (2) sets of firefighting P.P.E. for all bargaining unit members to include but not limited to: bunker gear, nomex hood, and gloves.

SECTION 20.17 CLASS A DRESS UNIFORMS AND STATION UNIFORM COMPONENTS.

Effective January 1, 2015, an employee who completes his probationary period after this date shall be provided by the City with a Class A Dress Uniform, according to the current Department specifications, at no cost to the employee. This uniform shall be provided within ninety (90) days after the expiration date of the employee's probationary period. A shift Firefighter shall be provided with an annual trade-in allowance of up to \$250 for replacement of work shoes, belts, Class A uniform upgrades and approved T or polo shirts upon submittal of receipts. Firefighters are required to buy short pants.

For 40 hour employees, a clothing allowance of \$400 will be provided.

SECTION 20.18 REIMBURSEMENT FOR LOSS OF PERSONAL ITEMS

Employees covered by this agreement will be reimbursed for loss of personal items (including but not limited to: gloves, eyeglasses, contact lenses, personal tools and uniforms) destroyed or damaged in the line of duty in an amount not to exceed \$250 per occurrence.

ARTICLE XXI: APPRENTICESHIP AND LIAISON OFFICER PROGRAM

The Union agrees to cooperate with the Employer in the Apprenticeship and Liaison Officer Program. There shall be created an Apprenticeship and Liaison Officer Committee jointly established by the Employer and the Union, with equal representation. This Committee shall be charged with the responsibility of developing the guidelines for developing, implementing and administering such programs.

The Committee shall administer the Liaison Program to effectuate the purpose of development a corps of individuals from the community, representing industries, hospitals, financial institutions and the like, to serve as liaison personnel to the Galesburg Fire Department in the event of fire or other emergency at their facility. Such liaison officers will also be used by the Galesburg Fire Department as an auxiliary firefighting unit in the event of a major disaster in the community. Such persons will not be assigned to enter buildings or residences for the purposes of fire suppression, but will be limited to perimeter work, assisting the firefighters in the event of such a major disaster. They will be at all times under the direct supervision and control of the Chief of the Galesburg Fire Department or his assignee. They will wear uniforms and protective clothing that is distinctive from those of the bargaining unit members. Except in the case of such a major disaster, liaison officers will not perform the duties of firefighters and their duties shall be confined to providing information and other similar support services to the Galesburg Fire Department concerning their facilities. No such liaison officer will be summoned except if needed in an advisory nature nor perform any duties of any kind outside those of an advisory nature at the scene of a fire or similar emergency unless all bargaining unit members have been called back for duty because of the emergency.

Apprentice firefighters will be trained and assigned according to the guidelines developed by the Committee. Such persons shall be provided a uniform and protective clothing that is distinctive from that used by the bargaining unit members. Due to their lack of experience, and the possibility of injury to themselves, the public, and the bargaining unit members, apprentices will not be permitted to enter a building or a residence that is on fire. Apprentices will not be paid for their services and will not receive preferential treatment or consideration in the hiring process to become a member of the classified firefighting service of Galesburg.

In the event of a dispute among Committee members that cannot be resolved, the parties agree to refer the difference of opinion to a third party neutral for resolution, as per details and limitations to be mutually agreed for inclusion as an addendum to the contract to include a dispute mechanism for resolving cases of impasse positions of the Committee.

ARTICLE XXII: MAINTENANCE AND FUTURE DEVELOPMENT OF THE TRAINING SITE

The Hawthorne Training Site shall be recognized as an integral part of the Galesburg Fire Department facilities. Recognition of this therefore extends certain job responsibilities of bargaining unit members to that facility, including:

Maintains the Training Site's permanent structures and facilities to the effect of: maintains order and cleanliness of apparatus, tools, and equipment; sweeps and cleans or vacuums all floors and carpets; cleans and keeps sanitary the bathroom and kitchen areas including toilets, lavatories, showers, counters, cabinets, and appliances. Maintains order the cleanliness of classroom equipment and instructional aids.

Maintains and performs minor repairs of firefighting equipment, vehicles, and apparatus which may be stationed at the Training Site for training purposes.

Participates in the preparation, execution, and clean up operations arising from training activities implemented by the Department for the benefits of offering training opportunities to Department members together with other professional members or groups.

These duties and responsibilities arise from the conduct of regular Fire Department affairs and training activities. Utilization of the training facilities by outside departments, agencies, organizations, or affiliations will require their support in maintaining the order and cleanliness of training site facilities and equipment utilized in the conduct of these outside activities.

The Employer agrees to accept the primary responsibility of maintaining the physical grounds of the Training Site through its other departments by including the Training Site in its regular pattern of grass mowing and snow removal at the Hawthorne Complex. Firefighters shall assist in grounds upkeep by trimming grass, weeds, and brush in areas not easily accessible to large equipment. Firefighters shall use snow blowers and other equipment provided by the Employer to clean sidewalks and other areas not clearable by City plow trucks.

The City may add additional firefighting duties to the foregoing by serving notice of such addition to the Union. This shall not prevent the Union from grieving the question of whether such additional duties are related to firefighting.

Activities involved in the further development of the Training Site performed outside regular duties as outlined under the Job Description (Appendix B) will be considered as voluntary contributions by bargaining unit members.

The Union shall not interfere in any manner with the voluntary work of a bargaining unit member as it relates to equipment, grounds or facilities.

ARTICLE XXIII: JOB DESCRIPTIONS

The job descriptions for bargaining unit members are set forth in Appendix B.

ARTICLE XXIV: SAVINGS CLAUSE

If any provision to this Agreement, or the application of such provision should be rendered or declared invalid by any court action or by reason of any existing or subsequently enacted legislation, by the State of Illinois or the United States of America, the remaining parts or portions of this Agreement shall remain in full force and effect. The parties shall attempt to renegotiate in good faith the invalidated provisions.

ARTICLE XXV: ENTIRE AGREEMENT

This Agreement supersedes and cancels all prior practices and agreements, whether written or oral, unless expressly stated in the Agreement, as to those matters specifically stated in this Agreement.

ARTICLE XXVI: AMENDMENTS

This Agreement may be amended only by mutual written agreement of the parties. Such amendments shall be lettered, dated, and signed by the parties and they shall constitute a part of this Agreement.

ARTICLE XXVII: TERMINATION

This Agreement shall be effective as of the day after the contract is executed by both parties and shall remain in full force and effect until 11:59 p.m. on the thirty-first (31) day of December, 2023~~0~~. It shall be automatically renewed from year to year thereafter unless either party shall notify the other in writing at least one hundred twenty (120) days prior to the anniversary date that it desires to modify this Agreement. In the event that such notice is given, negotiations shall begin no later than ninety (90) days prior to the anniversary date. This Agreement shall remain in full force and be effective during the period of negotiations.

Resolution of disputes as to the terms of the successor agreement shall be in accordance with the procedures of Section 14 of the IPLRA except that the impartial chairman of the arbitration panel shall be selected in accordance with the procedures provided for the selection of an arbitrator specified in Section 5.4 of this Agreement.

APPENDIX A

AUTHORIZATION FOR I.A.F.F. UNION DUES AND ASSESSMENTS

I hereby authorize the Finance Department to deduct from my earnings the regular monthly dues, and any annual assessments, uniform in dollar amount, in the amount certified by the Financial Officer of the Union; and further authorize the remittance of such amounts to said local Union in accordance with the currently effective agreement between the City of Galesburg and local Union. This authorization is revocable by a notice in writing by certified mail to the Finance Department with a copy to the said local Union.

I hereby waive all right and claim for said monies so deducted and transmitted in accordance with this authorization and further and separately relieve the City, and department of the City, the Union, and all their officers, representatives or agents from liability therefore.

APPENDIX B

JOB DESCRIPTIONS

FIREFIGHTER - FIRE DEPARTMENT.

Under direct supervision, combats and extinguishes fire; protects life and property through firefighting activities and the performance of hazardous tasks under emergency conditions and stress; participates in a program of emergency medical services; assists in the routine maintenance of department vehicles, apparatus, equipment, and physical facilities; receives training in methods and techniques related to firefighting; participates in the fire prevention and protection program.

Responds to fire alarms; uses chemical extinguishers, bar, hooks, lines, axes, and ladders to extinguish and/or prevent the spread of fire and protect lives and property; ventilates buildings, holds hose nozzle and directs water streams; may evacuate individuals from the fire and administer first aid to fire victims; participates in salvage and overhaul of equipment.

Drives and operates a pumper or ladder truck and/or rescue van; determines and takes most rapid route to the scene of the fire; positions truck, operates truck controls to regulate pressure and an amount of water flow or assure optimum of utilization of aerial ladders; distributes equipment from the truck to other fire fighters; assists and supervises the reloading of the truck.

Connects hydrant to pumper truck; turns on hydrant, lays hose lines as directed, checks couplings, and straightens hose.

Performs emergency rescue and provides emergency medical treatment in life-threatening situations, including fires, accidents and illnesses; gives necessary immediate treatment to distressed victims using life saving equipment; assures hospital and/or ambulance is contacted as required; may drive emergency van. Employees shall secure certification as an Emergency Medical Technician (minimum EMT or higher) within twelve (12) months of their date of hire and retain that certification as a condition of employment.

Receives continuous training in firefighting methods, techniques and equipment; participates in critique of firefighting operations after major fires; participates in the review of pre-fire plans for schools, nursing homes and hospitals.

Maintains and performs minor repairs of firefighting equipment, vehicles and apparatus. Participates in home awareness programs and Fire Prevention Week; provides tours of the firehouse; gives speeches to civic and school groups and interprets fire programs to community groups; may act as desk watch or historian at the fire station.

Prepares records and reports such as fire reports and equipment records; provides guidance, instruction and training to other firefighters; may assist Training Instructor as required.

Cleans and maintains fire station facilities; operates offset printing equipment when assigned. Firefighters shall continue to mow the grass at outlying stations and shall perform laundry duties according to the current practice.

With regard to snow removal from the apparatus aprons of fire department facilities, the Employer agrees to have its snowplows clean as part of their regular pattern of snow removal in the City. Firefighters shall use the snowplows, blowers, and other equipment provided by the Employer to clean the sidewalks and other areas not clearable by the City's snowplow trucks. If a fire emergency occurs, and it is necessary to clear an exit path for Fire Department vehicles, bargaining unit members agree to do so.

The City may add additional firefighting duties to the foregoing by serving notice of such addition to the Union. This shall not prevent the Union from grieving the question of whether such additional duties are related to firefighting.

The Union shall not interfere in any manner with the voluntary work of a bargaining unit member as it relates to equipment, grounds or facilities.

Firefighters shall perform the duties of a superior officer as assigned. Firefighters shall perform other duties as assigned or required.

FIRE CAPTAIN - FIRE DEPARTMENT.

Any firefighter promoted to Fire Captain shall maintain EMT or higher certification. Under direction, functions as station commander during an assigned shift for an outside firehouse or serves as an administrative aide; supervises an on-going program of facility and equipment maintenance and directs and participates in the containment and suppression of fires; conducts training programs; prepares and maintains a variety of records and reports.

Supervises all activities at an outside fire station for an assigned shift; directs staff in an on-going program of vehicle, equipment and facility maintenance; conducts in-service training and drills of subordinates in firefighting methods and techniques; maintains discipline, evaluates performance and abilities of staff.

Supervises subordinates and participates in the containment and suppression of fires; determines best method of extinguishing fires; directs the operation of pumping equipment, laying of hose lines, rescue of individuals, ventilation of buildings, etc.; directs work of firefighters or assists in their direction when relieved by a superior officer.

Directs staff and participates in home awareness and other fire prevention programs.

The City may add additional firefighting duties to the foregoing by serving notice of such addition on the Union. This shall not prevent the Union from grieving the question of whether such additional duties are related to firefighting.

The Union shall not interfere in any manner with the volunteer work of a bargaining unit member as it relates to equipment, grounds or facilities.

Prepares records and reports of fires, and station and staff activities; recommends and substantiates need for the purchase of new vehicles or equipment.

Serves as administrative aide; prepares, coordinates and maintains a variety of records and reports, such as time and pay records, personnel records, fire inspection reports, fire loss reports, station work activities, and supplies and equipment inventories; reviews building plans and assures compliance

with Fire Codes; coordinates releases to the media; may assist in the preparation of the budget proposal and prepares statistical information to evaluate existing or proposed programs.

Serves as training instructor for an assigned shift; teaches scheduled classes in firefighting techniques, equipment, methods and practices; coordinates or conducts special training programs; prepares related reports.

Assumes responsibility for acting as Battalion Chief in the absence of the superior. Performs other duties as required or assigned.

APPENDIX C

2021~~18~~ Sworn Fire Employee Hourly Pay Schedule

Classification	Step A	Step B	Step C	Step D	Step E	Step F
40-hour/week Firefighter *	25.18 <u>23.44</u>	26.44 <u>24.61</u>	27.77 <u>25.85</u>	29.16 <u>27.14</u>	30.61 <u>28.50</u>	32.15 <u>29.92</u>
53-hour/week Firefighter	18.54 <u>17.26</u>	19.46 <u>18.12</u>	20.44 <u>19.02</u>	21.46 <u>19.98</u>	22.53 <u>20.97</u>	23.64 <u>22.01</u>
40-hour/week Fire Captain *	27.77 <u>25.85</u>	27.14 <u>29.16</u>	28.50 <u>30.61</u>	29.92 <u>32.15</u>	31.43 <u>33.77</u>	32.98 <u>35.43</u>
53-hour/week Fire Captain	19.02 <u>20.44</u>	19.98 <u>21.46</u>	20.97 <u>22.53</u>	22.01 <u>23.64</u>	23.12 <u>24.84</u>	24.28 <u>26.08</u>

*includes 2.5% staff position incentive

Note: Step F requires a Fire Science Certificate and Step G an Associate Degree in Fire Science

APPENDIX D LAYOFFS

If during the life of this Agreement, the City reasonably determines that layoffs are necessary due to a lack of work or of funds, it shall provide a thirty (30) day notice to the Union to the effect that it will lay off employees. If either party desires to reopen for negotiations the proposed layoffs or the effects thereof, including the issues of work schedules or work assignments, the party seeking negotiations shall service notice upon the other party within ten (10) calendar days from the date that the 30-day notice is served on the union. If either party serves notice upon the other of a desire to reopen for negotiations in accordance with this Appendix D, the parties shall meet at reasonable times for a period of sixty (60) days, or longer if mutually agreed in writing, in an effort to reach agreement on the issues presented by the notice(s) of desire to reopen. If neither party serves notice of a desire to reopen, the City may proceed with layoffs at the end of the 30-day notice period. Layoffs shall be conducted in accordance with provisions of Section 9.7.

If the Union has served notice of a desire to reopen regarding layoffs, and no agreement is reached during the 60-day negotiations period, the Union may invoke such impasse procedures are available to it under applicable law. Interest arbitration, should it be demanded by the Union, shall be conducted on an expedited basis, with no more than sixty (60) days elapsing between the demand for arbitration and the arbitration award, unless extended by mutual agreement of the parties in writing or by ruling of the arbitrator. The City agrees that it will not implement layoffs pending receipt of an arbitrator's award issued in compliance with the terms of this Appendix D.

APPENDIX E EMT TRAINING

Where practicable, the necessary training to prepare employees to take EMT-or higher certification examinations and to meet the requirements for maintaining EMT-or higher certification will be provided on duty, without loss of pay, by and through the Galesburg Fire Department, subject to reasonable Department rules regarding training, attendance, and testing.

Overtime shall be paid in accordance with Section 7.3 of this Agreement.

APPENDIX F DRUG AND ALCOHOL TESTING

It being the desire of the parties to protect the safety of the public and other employees, yet safeguard the rights of individual employees, the parties agree that drug and alcohol testing shall be conducted, as follows:

1. The City may order individual employees to submit to breathalyzer, blood or urine tests to determine the presence of alcohol and/or blood or urine tests to determine the presence of drugs where the City has reasonable suspicion to believe the individual employee is then under the influence of alcohol or controlled substances. The City shall set forth in writing to the employee at the time the order to submit the testing is given, the basis for such reasonable suspicion, including all objective facts and reasonable subjective observations and conclusions drawn from those facts.

Reasonable suspicion will be based upon the following:

- A. Observable phenomena, such as direct observation of use and/or the physical symptoms of impairment which might result from using or being under the influence of alcohol or controlled substances; or
- B. Information provided by an identifiable third party which is reasonably believed reliable. The identity of the third party shall not be disclosed except when considered relevant to an appeal of a grievance or any disciplinary action.
- C. Any and all accidents/injuries incurred while on duty that, in the non-grieveable judgment of the Fire Department supervisor in charge of accident review and reporting, are likely to be determined to have resulted in property damage of \$1,000 or more or that require immediate treatment by a medical professional.

2. Employees ordered to submit to drug and alcohol tests shall promptly comply with the order, whether or not they believe that reasonable suspicion for the order exists. Refusal to submit to such tests may result in appropriate disciplinary action. Employees who submit to such tests shall not be deemed to have waived or otherwise impaired their rights to grieve or otherwise contest any aspect of the testing as may be provided by law or this Agreement. The City shall present each employee, prior to issuing the order to test, this Agreement and the policy of the City concerning drug and alcohol abuse.

3. The City agrees that its testing procedure for the presence of drugs or alcohol shall conform to the following:

- A. Use only a licensed clinical laboratory to test body fluids or materials for alcohol or drugs;
- B. Establish a chain of custody procedures for both sample collecting and testing that will ensure the integrity of and of each sample and test result;

- C. Collect a sufficient sample of the same body fluid or material to permit for an initial screening, a confirmatory test and a sufficient amount to be set aside and reserved for later testing; if requested by the employer;
- D. Collect all samples in such a manner as to preserve the individual employee's right to privacy, ensure a high degree of security for the sample and its freedom from adulteration. Proper testing may be conducted to prevent the submission of a false or adulterated sample;
- E. Confirm any sample that tests positive in the initial screening for alcohol or drugs by use of gas chromatography, with mass spectrometry or an equivalent scientifically accurate and accepted method that provides quantitative data about the detected alcohol or drug metabolites;
- F. Provide the employee tested with an opportunity to have an additional portion of the same sample tested by a licensed testing facility of his own choosing;
- G. Require that the clinical laboratory report to the City positive result only in the case where both the initial and confirmatory test results are positive as to the same sample;
- H. Provide each employee tested with a report of the results of each drug or alcohol test that includes the types of tests conducted, the results of each test, the detection level used by the laboratory, and any other information provided to the City by the laboratory.

Ensure that all positive samples are maintained for a period of not less than 120 days to permit additional testing at the election of the Employer or the employee.

Testing procedures for all breath, blood and urine samples for alcohol and other prohibited drugs and intoxicating compounds shall be in compliance with applicable sampling procedures and shall employ approved evidentiary instruments as required by Il. Adm. Code 20 IL. Adm. Code 1286.

Alcohol Standards: The parties agree to allow the City of Galesburg to administer breathalyzer tests by a trained technician on a properly calibrated breathalyzer to preliminarily determine reasonable suspicion for alcohol impairment by the employee while on duty. A blood alcohol reading on a breathalyzer administered as required under this Article of .01 or higher shall be considered a positive test. A confirmatory test shall be based upon a follow up blood test using the procedures required by this Article.

The parties agree that there shall be no random, periodic or mass testing of employees for alcohol or drugs. Employees shall have the right to grieve the basis for the order to test, accuracy of the tests, the consequences of the test and any alleged violation of this Agreement.

4. Should a grievance concerning such testing be sustained, the arbitrator shall have the authority to fashion an appropriate remedy, including but not limited to expungement of records, a prohibition against using information concerning the test or results thereof in any future employment decision, and the posting of appropriate notices. It is understood that employees' legal rights that may exist outside this Agreement concerning drug and/or alcohol testing are not limited or in any manner abridged herein and they may pursue the same as provided by law. This Agreement notwithstanding. The City agrees to indemnify and hold harmless the Union for and against any claims, demands or any liability that may arise, reasonable costs and attorney's fees included, as a result of any testing conducted by the City.

5. All discipline in situations involving a positive confirmed test shall be administered as specified herein:

A. First Positive: Except in extreme situations, in the first instance that an employee tests positive on the confirmatory test, and where there are no other City or Department rule violations, the employee may be subject to a suspension not to exceed five (5) work days. The foregoing limit on suspension is conditioned upon the employee agreeing to:

- a. Undergo appropriate treatment as determined by the physician(s) involved, up to and including a physician of the City and/or the City's EAP Coordinator.
- b. Discontinue use of illegal drugs or abuse of alcohol.
- c. The employee agreeing to authorize persons involved in counseling, diagnosing and treating the employee to disclose to the City the employee's progress, cooperation, drug and alcohol use dangers perceived in connection with performing job duties and completion or non-completion of treatment.
- d. Complete the course of treatment prescribed, including an "after care" group for a period of up to twelve (12) months.
- e. Agree to submit to random testing during hours of work during the period of "after care", and for a period of twelve (12) months following the period of "after care" and
- f. Agree that during this last chance period in (5) above, if the employee tests positive again, the employee may be terminated.

B. Employees who do not agree to the foregoing shall be subject to discipline up to and including termination.

C. Second Positive: After two (2) violations of this policy, the employee shall be discharged from employment.

Upon being convicted of the sale, distribution, manufacture or transfer of an illegal drug, or the illegal sale, distribution, manufacture or transfer of a controlled substance, or felony possession of a controlled substance or any other illegal drug by an employee, an employee shall be immediately dismissed.

Upon being convicted of misdemeanor possession of any illegal drug or controlled substance, an employee will be subject to disciplinary action up to and including dismissal.

6. Voluntary Request for Assistance. Employees are encouraged to voluntarily seek treatment, counseling and/or other support and assistance for an alcohol or drug related problem. If such voluntary assistance is sought by the employee before the employee commits rule violations connected with drug/alcohol abuse and/or before the employee is subjected to for cause testing under this policy, there shall be no adverse employment action taken against an employee who voluntarily seeks assistance and successfully completes a substance abuse program. When voluntary assistance is requested under this policy, the employee may use the City's Employee Assistance Program to obtain referrals, treatment, counseling and other support and all such requests shall be treated as confidential pursuant to the City's normal procedure in the operation of its Employee Assistance Program. Employees participating in EAP shall comply with the following requirements:

- A. The City attorney shall be notified of the employee's entry in the EAP. Such information shall be held confidential subject to the employee's compliance with the conditions and agreements established for EAP participation;
- B. The EAP conditions shall include a requirement that the employee be subject to random testing during treatment;
- C. During the period of treatment, the employee shall be required to obtain a fit for duty statement from a physician who shall provide to the Administrator of the EAP. If the employee is determined to be fit for duty, the statement shall be held in confidence. If found not fit, the City shall be notified by the Union President.
 - 1. If the employee fails to comply with any agreements or conditions for participation in the EAP, the City shall be notified by the Administrator of the EAP.
 - 2. This employee will be required to submit to random testing for a period of twelve (12) months following the successful completion of treatment. Any further positive drug and alcohol testing may result in termination.

APPENDIX G

COMPONENTS OF CTO

Category	Year 0	Year 7	Year 14	Year 22
Current Allocations				
Vacation (a)	144	192	240	288
Personal Day	24	24	24	24
Holiday Time (b)	67.2	67.2	67.2	67.2
Christmas Prem Hol (c)	12	12	12	12
Total	247.2	295.2	343.2	391.2
New PTO Hours	248	296	350	400
Change to 40Hour conversion: .07547	187	223	264	302

- (a) Vacation includes 8 hours for birthday for shift employees
- (b) Holiday time includes hours previously known as comp time
- (c) 12 hrs in CTO instead of added to wages as Premium Holiday P

BENEFIT CONVERSION PROCEDURE.

Employees who may be reassigned from a 53-hour work week schedule to a 40-hour work week schedule, or vice-versa, shall have their accumulated compensatory time leave hours, vacation leave hours, (or CTO hours, as applicable) and sick leave hours converted on the following basis:

1. New 40-hour Per Week Employees - To determine the equivalent benefit hours for new 40-hour per week employees, multiply the employee's shift schedule accumulated benefit hours times a conversion factor of .7547.
2. New Shift Employees - To determine the equivalent benefit hours for new shift schedule employees, multiply the employee's 40-hour per week accumulated benefit hours times a conversion factor of 1.325.

APPENDIX H

Health Insurance Contribution Rates

City of Galesburg Employee Health Plan				City of Galesburg Employee Health Plan				City of Galesburg Employee Health Plan			
Monthly Premiums 2018 2021				Monthly Premiums 2018 2021				Monthly Premiums 2018 2021			
Local Consumer Driven Health Plan (LCDHP)				Local Care Health Plan (LCHP)				Managed Care Health Plans			
High Deductible plan				PPO plan				PPO+ plan			
Fire Union	Emp Pays	City Pays	Total	Fire Union	Emp Pays	City Pays	Total	Fire Union	Emp Pays	City Pays	Total
<u>Single</u>	<u>\$45.96</u>	<u>\$604.72</u>	<u>\$650.68</u>	<u>Single</u>	<u>\$118.64</u>	<u>\$619.48</u>	<u>\$738.12</u>	<u>Single</u>	<u>\$121.36</u>	<u>\$666.22</u>	<u>\$787.58</u>
<u>per pay</u>	<u>\$22.98</u>	<u>\$302.36</u>	<u>\$325.34</u>	<u>per pay</u>	<u>\$59.32</u>	<u>\$309.74</u>	<u>\$369.06</u>	<u>per pay</u>	<u>\$60.68</u>	<u>\$333.11</u>	<u>\$393.79</u>
<u>Emp + 1</u>	<u>\$150.70</u>	<u>\$1101.30</u>	<u>\$1252.00</u>	<u>Emp + 1</u>	<u>\$326.88</u>	<u>\$1092.64</u>	<u>\$1419.52</u>	<u>Emp + 1</u>	<u>\$342.30</u>	<u>\$1172.14</u>	<u>\$1514.44</u>
<u>per pay</u>	<u>\$75.35</u>	<u>\$550.65</u>	<u>\$626.00</u>	<u>per pay</u>	<u>\$163.44</u>	<u>\$546.32</u>	<u>\$709.76</u>	<u>per pay</u>	<u>\$171.15</u>	<u>\$586.07</u>	<u>\$757.22</u>
<u>Family</u>	<u>\$332.18</u>	<u>\$1327.88</u>	<u>\$1660.06</u>	<u>Family</u>	<u>\$489.32</u>	<u>\$1388.12</u>	<u>\$1877.44</u>	<u>Family</u>	<u>\$513.26</u>	<u>\$1486.82</u>	<u>\$2000.08</u>
<u>per pay</u>	<u>\$166.09</u>	<u>\$663.94</u>	<u>\$830.03</u>	<u>per pay</u>	<u>\$244.66</u>	<u>\$694.06</u>	<u>\$938.72</u>	<u>per pay</u>	<u>\$256.63</u>	<u>\$743.41</u>	<u>\$1000.04</u>
Single	\$59.00	\$669.00	\$728.00	Single	\$168.00	\$742.00	\$910.00	Single	\$152.00	\$728.00	\$880.00
per payroll	\$29.50	\$334.50	\$364.00	per payroll	\$84.00	\$371.00	\$455.00	per payroll	\$76.00	\$364.00	\$440.00
Emp + 1 dep	\$193.00	\$1205.00	\$1,398.00	Emp + 1 dep	\$462.00	\$1,285.00	\$1,747.00	Emp + 1 dep	\$428.00	\$1,262.00	\$1,690.00
Premiums & Contributions include medical & prescription drug, <u>dental & vision</u> benefits for each plan as defined in the <u>B</u> enefits Choice booklet											

~~Premiums & Contributions include dental & vision benefits as defined in the Benefits Choice booklet~~

RATIFICATION

Executed this ____ day of _____, 2021~~17~~, after ratification by the Union membership and after receiving approval by the City Council.

CITY OF GALESBURG, ILLINOIS

I.A.F.F. LOCAL NO. 555
GALESBURG FIREFIGHTERS ASSOCIATION

City Manager/Date

President/Date

Witness/Date

Vice President/Date

Witness/Date

Vice President/Date

Treasurer/Date

Recording Secretary/Date

Agreement
Between
City of Galesburg
And
I.A.F.F. Local No. 555
Galesburg Firefighters' Association

January 1, 2021 through December 31, 2023

AGREEMENT

This Agreement, entered into this ____ day of January, 2021, by and between the City of Galesburg, Illinois (the “City”) and LOCAL 555, GALESBURG FIREFIGHTERS ASSOCIATION (the “Union”):

PREAMBLE

WHEREAS, the City has voluntarily endorsed the practices and procedures of collective bargaining as a fair and orderly way of conducting its relations with certain of its full-time employees insofar as such practices and procedures do not interfere with the City’s right and obligation to operate effectively in order to best serve the City and its residents, and to make clear all basic terms upon which such relationship depends; and

WHEREAS, it is the intent and purpose of the parties to set forth herein their entire agreement covering rates of pay, wages, hours of employment and all other conditions of employment; and to provide the procedure for the prompt and peaceful settlement of grievances respecting the terms of this agreement;

NOW, THEREFORE, in consideration of the mutual promises and agreements herein contained, the parties do mutually promise and agree as follows:

ARTICLE I: RECOGNITION

SECTION 1.1 UNION RECOGNIZED.

The City voluntarily recognizes Local 555 of the I.A.F.F. as the bargaining agent for the purpose of establishing the wages, hours, and terms and conditions of employment, for all non-exempt, full-time, permanent employees (those employees scheduled to work more than 32 hours per week) who are in the classification of Firefighter and Fire Captain, but excluding supervisory, confidential, or exempt employees and all elected officials or officers of the City.

SECTION 1.2 CLASSIFICATION NOT GUARANTEED.

The classifications or job titles used above are for descriptive purposes only. Their use is neither an indication, nor a guarantee that these classifications or titles will continue to be utilized by the City, except as governed by applicable Illinois State Statute.

SECTION 1.3 NEGOTIATIONS.

Each party shall be permitted to have six (6) individuals sit on the negotiating committee including a labor attorney, if any. Not more than two (2) members of the Union’s negotiating team shall be released from duty with pay at any one time.

SECTION 1.4 NEW CLASSIFICATIONS.

The City shall notify the Union of its decision to implement any and all new classifications pertaining to work of a nature performed by employees in the bargaining unit. If the new classification is a successor title to a classification covered by the agreement and the job duties are not significantly altered or changed, the new classification shall become a part of this agreement. If the job duties of the new classification are significantly altered or changed, and the Union

notifies the City of a desire to meet within ten (10) days of its receipt of the City's notice, the parties will then meet to negotiate concerning inclusion of the proposed classification in this Agreement.

SECTION 1.5 INTEGRITY OF BARGAINING UNIT.

Unless there is an extreme emergency, as defined by the Illinois Compiled Statutes, the City will not assign firefighting, fire prevention or EMS work normally performed by employees in the bargaining unit to any other employees. This provision shall not apply where there are not sufficient bargaining unit employees willing or available to perform the work in question.

ARTICLE II: UNION RIGHTS

SECTION 2.1 DUES DEDUCTIONS.

While this Agreement is in effect, the City will deduct bi-weekly the regular union dues and/or assessments for each employee in the bargaining unit for whom there is on file with the City a voluntary effective check-off authorization in the form set forth in Appendix A to this Agreement. The amounts so deducted shall be forwarded each pay period to the appropriate Officer of the Union. The Union may change the fixed uniform dollar amount which shall be considered the regular union dues once each year during the life of this Agreement. Assessments may only be deducted once each year during the life of this Agreement. The Union will give the City thirty (30) days notice in writing of any such change in the amount of uniform Union dues to be deducted or of any assessments to be deducted.

SECTION 2.2 UNION INDEMNIFICATION.

The Union shall indemnify, defend, and save the City harmless against any and all claims, demands, suits or other forms of liability and for all legal costs that shall rise out of or by reason of action taken or not taken by the City in properly complying with the provisions of this Article. The Union agrees to refund to the City any amount paid to the Union in error on account of this dues and assessment deduction provision within ten (10) days.

SECTION 2.3 UNION ACCESS.

One Union representative may have access to the premises of the City in order to help resolve a serious dispute or problem. In order to receive access, the representative must provide notice to the appropriate City representative and make arrangements not to disrupt the work of employees on duty. The representative may visit with employees if such visit does not disturb the work of any employee who may otherwise be working.

SECTION 2.4 CITY BULLETIN BOARDS.

The City will make available appropriate space for the posting of official Union notices of a non-political, non-inflammatory nature, subject to the reasonable approval of Human Resources. The City shall also make available reasonable space in a non-public area of the work site for the Union to mount its own bulletin board.

ARTICLE III: MANAGEMENT RIGHTS

SECTION 3.1 MANAGEMENT RIGHTS.

Except as specifically limited by the provisions of this Agreement, the City possesses the sole right and authority to operate and direct the employees of the City and its various departments in all

aspects, including, but not limited to, all right and authority exercised by the City prior to the execution of the Agreement, to include, but not limited to: the right to determine its mission, policies, and to set forth all standards of service offered to the public; to plan, direct, control and to determine the operations or services to be conducted by employees of the City; to determine the methods, means, and number of personnel needed to carry out the department's mission; to direct the working forces; to hire and assign or to transfer employees within the department for other related functions; to promote, suspend, discipline, or discharge, as per applicable Illinois State Statute or pursuant to the exercise of the City's Home Rule authority; to layoff or relieve employees due to lack of work or funds, to make publish and enforce rules and regulations; to introduce new or improved methods, equipment or facilities; to contract out for goods and services; to schedule and assign work; to establish work and productivity standards; to assign overtime; and, to take any and all actions as may be necessary to carry out the mission of the City and its departments in situations of civil emergency as may be declared by the City Manager or acting City Manager, according to Illinois Compiled Statutes, provided that no right enumerated in this Agreement shall be exercised or enforced in a manner contrary to or inconsistent with the provision of this Agreement, as directed by the City Manager.

SECTION 3.2 DETERMINATION OF AUTHORITY.

The Mayor and the City Council of the City have the sole authority to determine the purpose of the mission of the City and the amount of budget to be adopted.

Should an emergency be declared according to the terms hereof, the Mayor or the City Manager shall advise the local President of the Union or the next highest Officer of the Union of the nature of the emergency.

SECTION 3.3 AUTHORITY FOR APPOINTMENTS.

Authority to make appointments to all positions in the City service, except those of City Clerk, Deputy City Clerk, City Treasurer, Deputy City Treasurer, and uniformed personnel (except the Chief of the Fire Department and the Chief of the Police Department), is vested in the City Manager, or his designee, as per applicable Illinois State Statute or the exercise of the City's Home Rule powers.

Before being given an original appointment as a Firefighter, each employee shall undergo a thorough examination by a physician designated by the City, and no one shall be so employed unless the examining physician certifies that he or she is physically able to perform the duties required by his or her position.

ARTICLE IV: NON-DISCRIMINATION

SECTION 4.1 EMPLOYMENT POLICY.

Neither the City nor the Union shall discriminate against any employee covered by this Agreement in a manner which would violate any applicable federal or state laws because of race, creed, color, national origin, disability, age, sex, veteran's status, genetic information, or sexual orientation.

SECTION 4.2 AGE REQUIREMENT.

All employees shall be retired upon attaining age seventy (70) but may continue employment to December 31 following the end of the fiscal year after the employee's seventieth birthday.

SECTION 4.3 EMPLOYEE DISCRIMINATION.

Neither the City nor the Union shall interfere with the right of employees covered by this Agreement to become, or not become members of the Union, and there shall be no discrimination against any such employees because of lawful Union membership or non- membership activity or status.

SECTION 4.4 RESPONSIBILITY OF UNION.

The parties acknowledge that the Union, as the exclusive representative of the members of the bargaining unit in accordance with Section 6(d) of the Illinois Public Labor Relations Act, has the following responsibilities and authority as to administering grievances filed pursuant to Article V (Grievance Procedure) of this Agreement:

Labor organizations recognized by a public employer as the exclusive representative or so designated in accordance with the provisions of this Act are responsible for representing the interests of all public employees in the unit. Nothing herein shall be construed to limit an exclusive representative's right to exercise its discretion to refuse to process grievances of employees that are unmeritorious.

SECTION 4.5 GENDER.

Wherever the male gender is used in this Agreement, it shall be construed to include equally both male and female employees.

ARTICLE V: GRIEVANCE PROCEDURE

SECTION 5.1 DEFINITION.

A grievance shall be defined as a dispute arising between the parties concerning a violation or alleged violation of this Agreement.

SECTION 5.2 TIME LIMIT AND INFORMAL MEETING.

An employee who has a proposed grievance must request an informal meeting within ten (10) City business days of the date the employee knew, or should have known, of its occurrence. The notice shall be hand delivered to the employee's immediate supervisor and his union. The Fire Chief, or his designee, shall provide an informal meeting for the employee to meet and discuss the proposed grievance. The City shall notify the Union of this informal meeting. The employee's union representative shall attend. If the matter is not resolved to the satisfaction of the employee, the employee shall have ten (10) business days to file a grievance after the City gives the employee a written response.

SECTION 5.3 PROCEDURE.

Step 1. An employee and his union representative having a grievance must meet with his immediate supervisor for a simple direct decision, if possible. If "Step 1" does not resolve the grievance, the immediate supervisor will issue his written answer to the grievance within seven (7) City business days. Nothing in this agreement prohibits the Union from filing a grievance on a member's behalf.

Step 2. If the grievant desires to further process the grievance, it shall be referred in writing to the Fire Chief, or his designee, within seven (7) City business days of receipt of the "Step 1" response. The Fire Chief, or his designee, shall meet with the grievant and his union representative within seven (7) City business days of receipt of the referral. The Fire Chief, or his

designee, shall issue his written answer to the grievance within ten (10) City business days of receipt of the grievance referral.

Step 3. If the grievant desires to further process the grievance, the grievance may be referred in writing to the City Manager, or his designee, within seven (7) City business days of the receipt of the "Step 2" response. The City Manager, or his designee, shall meet with the grievant and/or his representatives within seven (7) City business days of receipt of the referral. The City Manager, or his designee, shall issue a written answer to the grievance within ten (10) City business days of receipt of the grievance referral. If the Fire Chief, or the City Manager, appoints a designee under this Section, the designee shall not be the same supervisor who issued the prior written answer at the previous step, provided, however, that the informal meeting provided for in Section 5.2 does not prohibit any supervisor from participating in the later grievance procedure steps.

SECTION 5.4 ARBITRATION.

Step 4A. If the grievance is not settled in accordance with the foregoing procedure, the Union may refer the grievance to binding arbitration within ten (10) business days after the receipt of the Step 3 response. The parties shall attempt to agree upon an arbitrator within five (5) business days after receipt by the Employer of the notice of referral. In the event that the parties are unable to agree upon an arbitrator within five (5) days, they shall immediately jointly request the Federal Mediation and Conciliation Service (FMCS) to submit a panel of seven (7) arbitrators who are members of the National Academy of Arbitrators and who are residents of Illinois, Indiana, Iowa, Wisconsin, Missouri, or Michigan.

Either party may reject one (1) entire panel. Both the Employer and the Union shall have the right to strike three (3) names from the panel. The parties shall alternately strike a name from the list until there is one name remaining. The order of striking shall be determined by a coin toss. The arbitrator shall be notified of his selection by a joint letter from the Employer and the Union requesting that he set a time and place, subject to the reasonable availability of the Employer and the Union representative. All arbitration hearings shall be held in the City of Galesburg, Illinois, unless the parties mutually agree otherwise.

Step 4B. Arbitrator's Authority: The arbitrator shall act in a judicial, not legislative, capacity and shall have no right to amend, modify, nullify, ignore, add to or subtract from the provisions of this Agreement. He shall only consider and make a decision with respect to the specific issue submitted, and shall have no authority to make a decision on any other issue not so submitted to him. The arbitrator shall be without power to make a decision contrary to or inconsistent with or modifying or varying in any way the application of laws or rules having the force or effect of law. The arbitrator shall submit his written decision within thirty (30) days of the close of the hearing or the submission of briefs by the parties; whichever is later, unless the parties agree to a written extension thereof. The decision shall be based solely upon his interpretation of the meaning and/or application of the express terms of this Agreement to the facts of the grievance presented. A decision rendered consistent with the terms of this Agreement shall be final and binding.

Step 4C. Arbitrator's Decision: The decision of the arbitrator may be enforced, at the insistence of either party or of the arbitrator, in the Circuit Court for Knox County, Illinois. The commencement of a new fiscal year after the initiation of arbitration procedures under this Agreement, but before the arbitrator's decision, or its enforcement, shall not be deemed to render a dispute moot, or to otherwise impair the jurisdiction or the authority of the arbitrator of the Circuit Court or the decision of either. At any time the parties may, by mutual written agreement, amend or modify an arbitrator's decision. The arbitrator's decision shall be reviewable by the Circuit Court only for the reasons the arbitrator exceeded his authority or that the order was procured by

fraud, corruption or other similar or unlawful means as set forth in the Illinois Uniform Arbitration Act, 710 ILCS 5/1, et seq. The pendency of such proceedings for review shall not automatically stay the order of the arbitrator.

Step 4D. Failure to Process in a Timely Manner: If a grievance is not appealed to the next step within the time limits set forth or during a mutually agreed written extension, the grievance shall be deemed settled on the basis of the Employer's last answer. If the Employer does not answer a grievance or an appeal thereof within the specified time limits, the Union may elect to treat the grievance as denied at that step and immediately appeal the grievance to the next step, if any. The time limits set forth throughout the procedure shall be in effect except as to those grievances involving the Department's action in the case of a disciplinary suspension, discharge, or layoff from work, when the grievance shall be filed by the end of the employee's next duty day after the employee or the Union knew of the action. Time limits for the processing of any grievance may be extended at any time by the written mutual agreement of the parties.

Step 4E. Arbitration Costs: The fee and expenses for the arbitrator's services shall be borne equally by the Employer and by the Union. Each party shall be responsible for compensating its own representatives and witnesses, and purchasing its own copy of the written transcript; however, the cost of the arbitrator's copy shall be borne equally by the parties.

Step 4F. Compensation: One Union representative shall be allowed time off from duty with pay to investigate and process grievances. Such time shall not exceed one hour per step except in the case of extenuating circumstances.

ARTICLE VI: NO STRIKE AND NO LOCKOUT

SECTION 6.1 NO STRIKE.

The Union and the employees covered by this Agreement recognize and agree that the rendering of services to the community cannot, under any circumstances or conditions, be withheld, interrupted, or discontinued, and that to do so would endanger the health, safety and welfare of the inhabitants of the City. Therefore, during the term of this Agreement, neither the Union nor its agents or any employee, for any reason, will authorize, institute, aid, condone, or engage in a slow down, work stoppage, strike, or any other interference with the work or statutory functions or obligations of the Employer. During the term of this Agreement, neither the Employer nor its agents for any reason shall authorize, institute, aid, or promote any lockout of employees covered by this Agreement.

SECTION 6.2 UNION RESPONSIBILITY.

In the event of a violation of Section 6.1 of this article, the Union agrees to notify all local officers and representatives of their obligation and responsibility for maintaining compliance with this Article, including their responsibility to remain at work during any interruption which may be caused or initiated by others, and to encourage employees violating Section 6.1 to return to work.

SECTION 6.3 PENALTY.

The Employer may move to discharge or discipline any employee who violates Section 6.1. The Union will not resort to the grievance procedure on such employee's behalf to contest any disciplinary action the City may impose, but may grieve the issue of whether Section 6.1 was violated. The Union agrees that the City has the right to deal with any such strike activity by the above measures, including suspension without pay on any, some, or all of the employees participating therein, depending on the individual facts of each alleged violation.

SECTION 6.4 MANAGEMENT RESPONSIBILITY.

Nothing contained herein shall preclude the Employer from obtaining judicial restraint and damages in the event of a violation of this Article.

ARTICLE VII: HOURS OF WORK AND OVERTIME

SECTION 7.1 NO GUARANTEE.

This article is intended to define the normal hours of work and to provide the basis for the calculation and payment of overtime. It shall not be construed as a guarantee of hours of work per day, or per week, or of days of work per week.

SECTION 7.2 NORMAL WORK WEEK/WORK DAY.

The normal day for employees covered by this Agreement shall consist of twenty-four (24) consecutive hours on-duty followed by forty-eight (48) consecutive hours off-duty and such additional time as may, from time to time, be required in the judgment of the City, according to the remaining provisions thereof.

The annual average weekly hours of work shall normally not exceed 53 hours per week. Such average annual hours of work shall be accomplished by scheduling a Kelly Day (one 24-hour shift off) every 18th on-duty shift, or an average of 6.75 Kelly Days per year. Kelly Day rotations initially were based on seniority by shift. New employees will be inserted into vacant slots created when members retire or are no longer a part of the bargaining unit because of promotion. Kelly Days are fully tradable in accordance with Section 7.9 of this Agreement.

Kelly Days shall be scheduled by the Fire Chief or his designee in such a way as to eliminate FLSA overtime (overtime paid solely as a function of the regular work schedule). This shall be accomplished by assigning each firefighter, by seniority by shift to an individual 27-day FLSA work cycle to begin halfway through the duty day of the first day of the cycle. As a result, each Kelly Day will consist of the last 12 hours of the first of two consecutive FLSA work cycles and the first 12 hours of the second such cycle, reducing each firefighter's regular hours worked to no more than 204 hours in each 27-day work cycle during the course of the work year.

The workweek for forty (40) hour personnel shall be forty (40) hours per week with no more than five (5) workdays in a seven (7) day period.

SECTION 7.3 OVERTIME.

Overtime at 1.56 times the employee's regular rate of pay (annual salary divided by 2756 hours per year for shift employees or divided by 2080 hours for 40-hour employees) will be paid for all authorized time worked, as verified by the employee's supervisor, in excess of twenty-four (24) hours in a work day for shift employees, or in excess of eight (8) hours per work day for forty (40) hour employees, when such time is required to be worked by the City.

SECTION 7.4 CALL-BACK PAY.

Any employee that is called back on his CTO or regular day off or time off, including holidays and Kelly Days, will receive a minimum of two (2) hours pay of overtime pay.

SECTION 7.5A CALL-BACK AND ROTATION OF OVERTIME FOR SHIFT STAFFING.

Overtime shall be distributed among eligible members-in an equitable manner on the principle that the last person to accept an offer to work overtime will-be the last person to whom overtime is offered.

1. Duty Officers shall schedule and maintain the unified overtime roster for all eligible members.
2. Overtime for shift staffing shall be consolidated into a unified roster of all 53 hour bargaining unit members.
3. Members physically present on duty for the shift in need of overtime personnel for the time period in need are exempt from being offered or accepting overtime assignments.
4. Eligible members for overtime assignments shall be those that are not physically present on duty for the time period in need with the exception, but not limited to: those on approved leaves (military, jury duty, sick, disability), worker's compensation, or light duty.
5. When twenty-four (24) consecutive hours of overtime are required to be worked on a shift, overtime may be split so as to provide two (2) blocks of overtime of twelve (12) hours each. Overtime scheduling shall be accomplished by allowing members to choose the full twenty-four (24), or whichever twelve (12) hour block they prefer.
6. All minimum staffing overtime assignments shall be filled prior to any additional overtime assignments.
 - a) Independence Day fireworks standby, physician appointments, and/or on-duty educational standby are examples that shall be assigned after all staffing overtime assignments have been filled.
 - b) Discretion may be deferred to the Union President/designee for discussion between the Duty Officer for special/unusual overtime circumstances.
7. Members shall only move to the bottom of the unified overtime list once the member has accepted and worked a minimum of 12 hours of overtime, or requests to move to the bottom of the overtime list.
8. If, after all members eligible to accept overtime assignments have been contacted – or attempted to be contacted – and have not accepted the overtime assignments, the Duty Officer shall offer unfilled overtime assignments to members that have already accepted any overtime. Members on Kelly days and/or CTO during the overtime assignment shall be contacted as a last step prior to moving to mandatory overtime.
9. After all members eligible to accept overtime assignments have not accepted the scheduled overtime, the least senior member physically on-duty on their native shift day shall be mandated to work the remaining overtime assignment. If additional overtime assignments must be filled by mandatory overtime, the next member with the least seniority physical on-duty shall be mandated to work the remaining overtime assignment, and so forth.
10. The Duty Officer shall keep a record of all members required to work a mandatory overtime assignment including name, hours worked, date, and times.
11. No member shall be mandated to work an additional overtime assignment until all other available members physically on-duty from their native shift have been mandated to work an overtime assignment.
12. All approved time off, sick leave, or disability/light-duty shall excuse any member from enforcement of mandatory overtime assignments.

13. All overtime assignments are tradable as outlined in Section 7.9.

14. Any unscheduled additional staffing overtime assignments that may occur (sick leave call-in, sick leave on-duty, on-duty injury, etc.) shall be initiated by discretion of the duty officer, so long as all eligible members are contacted until such overtime assignments are accepted.

15. Section 7.5A in its entirety shall be subject to change once the Chief and Local 555 President have agreed upon adjustment language to fit the parameters of scheduling overtime within the Department scheduling software and technology.

SECTION 7.6 REST PERIODS.

All employees shall receive two (2) thirty (30) minute rest periods, one in the morning and one in the afternoon, as per current Department practice. The rest periods shall be granted by the supervisor as he deems appropriate to minimize work disruptions. During work beyond the normal day, employees shall receive their breaks in the same intervals as described above.

SECTION 7.7 MEAL PERIOD.

All shift firefighters shall be granted two (2) meal periods during each work shift, as per current Department policy. Forty (40) hour employees shall receive one (1) such meal period.

SECTION 7.8 FAIR LABOR STANDARDS ACT.

The Employer agrees to comply with the provisions of the Fair Labor Standards Act (F.L.S.A.) and the relevant Department of Labor rules as currently enacted or hereinafter amended, so long as the same shall be in effect.

SECTION 7.9 TIME-TRADING.

Bargaining unit employees may trade time, tours of duty and Kelly Days with other employees of the same rank or one rank higher or lower, subject to the following conditions:

1. The trading of time is done voluntarily by the employees and not at the request of the Employer.

2. The trade is not made for reasons related to the Employer's business operations, but is due to the employee's desire or need to attend to a personal matter. Time must actually be worked back (or donated as per condition #9 below) and not paid monetarily except in the case of duty relief paid directly by the Union to the stand-by for attendance at conventions, seminars, or other events as approved by the Fire Chief.

3. The minimum number of hours traded equals two (2) hours. The Department will allow stand-bys of an hour or less from 0630-0730 and from 0730-0830 hours with the approval of the Duty Officer.

4. The time trade must be in writing on the request form and signed by all parties involved in the time trade.

5. Once the trade is approved, the signing parties become fully responsible for the newly traded and approved time to be worked. If an employee then fails to be at work or supply a suitable replacement within a reasonable time prior to the assigned work schedule, that employee (the most recently approved to work the designated time) will be docked for the missed hours of work at his normal rate of pay. The City will not be responsible for tracking time trades as to who owes whom time and takes no responsibility for requiring individuals to pay time back beyond what was approved on the approved request form.

6. All trading is subject to the reasonable approval of the Battalion Chief or the shift supervisor, as per the policies of the Fire Chief.

7. Employees working on an approved time trade shall be allowed to request and use leave on the “foreign” shift under the normal guidelines for time off.

8. Kelly Days can only be traded for Kelly Days and only within the same shift.

9. In extenuating circumstances (i.e. long-term illness/injury), as determined by the City, where an individual employee has been forced to exhaust all his leave benefits and is unable to work, other employees may voluntarily work for the absent employee on a pay-back or donation basis for a period not to exceed 120 days. Such a “time trade” will not be mandated by the City and the City bears no responsibility for insuring that time is paid back by the absent employee. All other rules apply including #5 and #7 as stated above.

ARTICLE VIII: SAFETY

SECTION 8.1 COMPLIANCE WITH LAWS.

The City agrees to comply with all laws applicable to its operations concerning the safety of its employees covered by this Agreement. All such employees shall comply with all safety rules and regulations established by the City. The City agrees to take all reasonable steps to insure the safety of all employees during their working hours.

SECTION 8.2 UNSAFE CONDITIONS.

If an employee has justifiable reason to believe that his safety is in danger due to an alleged unsafe working condition, or alleged unsafe equipment, he shall inform his supervisor who shall have the responsibility to determine what action, if any, should be taken.

SECTION 8.3 LABOR-MANAGEMENT MEETINGS.

Representatives of the Union, not to exceed three (3) in number, and the City shall meet at mutually agreed upon times to discuss matters of mutual concern. The party requesting the meeting shall prepare and submit an agenda to the other party one (1) week prior to the scheduled meeting. It is to be clearly understood that these are, in fact, meetings and not “negotiations.” If a written agenda cannot be developed, then no meeting will be held. Allegations of an unsafe working condition or equipment will not be acceptable unless substantiated in writing as to dates, times and witnesses involved. The requirement that there be a prompt resolution to safety disputes is of utmost concern to the City of Galesburg.

ARTICLE IX: SENIORITY

SECTION 9.1 DEFINITION.

Seniority shall, for the purpose of this Agreement, be defined as departmental seniority, being an employee’s length of continuous service since the last date of hire with the City in a position covered by this Agreement.

SECTION 9.2 APPLICATION OF SENIORITY.

In the application of seniority and ability in promotions or the filling of permanent openings in classifications, seniority shall be the determining factor when, among employees involved, as fairly determined by the City, the qualifications, skill and ability to perform the work is relatively equal.

SECTION 9.3 TERMINATION OF SENIORITY.

Seniority and the employment relationship may, at the City's discretion, be terminated when an employee (a) quits, or (b) retires, or is retired, or (c) is laid off as per State Statute and refuses the recall notice or (d) is discharged. The parties agree the following reasons, among others, constitute cause for discharge when an employee (a) is absent for two (2) consecutive workdays without notifying the City, or (b) is laid off and fails to notify the City Manager's office of his intention to return within five (5) City business days after receiving notice of recall, or who fails to return at the designated time, or (c) does not report to work within forty-eight (48) hours after the termination of an authorized leave of absence.

SECTION 9.4 PROBATIONARY PERIOD - NEW EMPLOYEES.

All new employees and those hired after loss of seniority shall be considered probationary employees until they complete a probationary period of one (1) year. During this probationary period the employee shall not be represented by the Union as regards to discipline or discharge of the employee, but is eligible to be a member of the Union after ninety (90) days of employment. The probationary period is to be used to test further the ability of the employee to perform the required duties of the position successfully. If the employee fails to meet the required standards of performance, he may be dismissed.

SECTION 9.5 SENIORITY ROSTER.

The City shall maintain a seniority roster noting the date of hire and current classification for each bargaining unit employee. The Union shall be provided with a copy of the seniority roster on or about January 1 of each succeeding year. Any objections to the seniority roster as provided shall be reported in writing to the City Manager's office within fifteen (15) work days of the date of the deliverance of the seniority roster or the roster shall stand approved as given.

SECTION 9.6 SAME DAY HIRES.

Seniority shall be computed from the date of hire. In the event of a layoff, if more than one person is hired on the same day, then that person occupying the higher position on the original appointment list shall have greater seniority.

SECTION 9.7 LAYOFF AND RECALL.

The City, at its discretion, shall determine whether layoffs are necessary. Layoffs shall be for a lack of work and/or lack of funds. If it is determined that layoffs are necessary, employees will be laid off in the following order: (a) probationary employees in their original probationary period, and (b) in the event of further reductions in force, employees will be laid off in the inverse order of their departmental seniority, as governed by Illinois State Statute.

Employees who are laid off shall be placed on a recall list as specified in the Illinois State Statutes. If there is a recall, employees who are still on the recall list shall be recalled in the inverse order of their layoff.

Employees who are eligible for recall shall be given two (2) weeks notice of recall and notice of recall shall be sent to the employee by certified or registered mail with a copy to the Union, provided that the employee notify the City Manager's office of his intention to return within five (5) City business days after receiving the notice of recall. The City shall be deemed to have fulfilled its obligations by mailing the recall notice by registered mail, return receipt requested, to the mailing address provided by the employee, it being the obligation and responsibility of the employee to provide the City Manager's office with his latest mailing address.

SECTION 9.8 RESIGNATIONS.

In order to resign in good standing, a probationary or permanent employee shall give at least two (2) weeks notice in writing of his intention to resign. No employee may take time off during the last two (2) weeks of his employment unless reasonably approved prior to the notice of intention to resign. In addition, an employee who resigns voluntarily within one (1) year of having been hired by the City shall be required to repay the cost of tuition at the Firefighter II Academy (currently, \$2,750). The City Manager is given the discretion of waiving the provisions of the notice and/or repayment requirement should unforeseen circumstances warrant.

ARTICLE X: FILLING OF VACANCIES

SECTION 10.1 VACANCIES

For the purpose of this Article, a vacancy is created when the City determines to increase the work force or when any of the following personnel transactions or events occur as to an incumbent: terminations by retirement, resignation or discharge, promotions, demotions, or death.

SECTION 10.2 FILLING OF VACANCIES.

All vacancies covered by this Agreement shall be filled in accordance with provisions of the Municipal Code, 65 ILCS Ch. 10.2.1-4, the rules of the Board of Fire and Police Commissioners or the Fire Department Promotion Act 820(D), 50 ILCS 742(D) as applicable.

SECTION 10.3 PROMOTED EMPLOYEES.

In the case of a promotion, the rate of the promoted employees will be adjusted to the first step in the new range.

SECTION 10.4 PROMOTIONS.

Promotions to the rank of Captain and Battalion Chief (so long as those ranks continue to exist in the Galesburg Fire Department) shall be conducted in accordance with the provisions of the Fire Department Promotion Act, 50 ILCS 742 (hereinafter, the "Promotion Act"), as amended, and the Rules and Regulations of the Board of Fire and Police Commissioners of the City of Galesburg (hereinafter, "the Board"), to the extent that such Rules and Regulations are consistent with the provisions of the Promotion Act. Except where expressly modified by the terms of this Article, promotional procedures shall be consistent with the Promotion Act.

SECTION 10.5 EXAMINATION COMPONENTS AND SCORE.

The final promotional examination scores for promotion to the ranks of Captain and Battalion Chief within the Galesburg Fire Department shall be determined as follows:

<u>Component</u>	<u>% of Total Score</u>	<u>Maximum Points</u>
Seniority	10 %	10
Education/Military Credits	20 %	20
Oral Interview	15 %	15
Written Examination	20 %	20
Departmental Evaluations	10 %	10
Assessment Center	25 %	25

SECTION 10.5A SENIORITY.

Seniority is to be determined as of the date the written examination is given and will be calculated as follows: one-half (1/2) point per year for each full year of service as a full-time firefighter with the Galesburg Fire Department, up to a maximum of ten (10) points.

SECTION 10.5B EDUCATION/MILITARY CREDITS.

A candidate for promotion must submit his or her claim for education/ military credits with proof thereof to the Board three (3) weeks prior to the date set for the written examination. The maximum number of points shall not exceed twenty (20) in total.

Candidates for promotion shall be awarded points for education/military credits based upon the following schedule, which is divided into four categories. A candidate shall be awarded the highest point value from each of the categories, and point totals from the four categories will then be aggregated to constitute the candidate’s total education/military credit score.

<u>1A</u>	<u>Bachelor’s Degree and Military</u>	<u>Points</u>
	Bachelor’s Degree – any discipline*	3.5
	Military preference points (65 ILCS 5/10-2.1-11)	up to 3.5
<u>1B</u>	<u>Specific Degrees</u>	<u>Points</u>
	Associate’s Degree, Fire Science, Public Administration or Emergency Management*	2
	Bachelor’s Degree, Fire Science, Public Administration or Emergency Management*	3
	Master’s Degree, Fire Science, Public Administration or Emergency Management *	4.5

To be eligible, degree must have been obtained from education institution duly accredited by a recognized accrediting agency, e.g., North Central.

1A and 1B constitute Category 1. Only one of the point value sources in Subcategories 1A and 1B may be claimed, and the combination of 1A and 1B is limited to a maximum of eight 8 points, or forty 40 percent of the total ascertained merit points awarded. E.g., Military preference from 1A and Bachelor’s Degree, Fire Science from 1B will produce 6.5 points; Military preference from 1A and Master’s Degree, Fire Science from 1B will produce 8.0 points.

<u>2</u>	<u>Fire Officer Certifications (includes Provisional Certifications)</u>	<u>Points</u>
	Certified Fire Officer I/Company Fire Officer – for Captain test only	5 (25%)
	Certified Fire Officer II/Advanced Fire Officer – for Battalion Chief test only	5 (25%)
<u>3</u>	<u>Specific Job Related Certifications</u>	<u>Points</u>
	Fire Apparatus Engineer	1 (5%)
	Vehicle/Machinery Operation/Roadway Extrication Specialist	1 (5%)
<u>4</u>	<u>Other Certifications and/or Committee Membership or Service</u>	<u>Points</u>
	(Maximum of 6 points (30%))	
	Haz Mat Technician A	1
	Haz Mat Technician B	
	Hazardous Materials Technician (equivalent to HazMat Tech A & B)	2
	TRT Operations (all 4 disciplines)/ or equivalent	1
	TRT Technician (all 4 disciplines)/ or equivalent	1
	Fire Investigation (all 3 modules)	1
	Fire Arson Investigator	1

Fire Pension Board Member (minimum of 3 years)	.5
Union Executive Board Member (minimum of 3 years)	.5
2% Foreign Fire Tax Board Member (minimum of 3 years)	.5

Note: Once awarded, merit points will apply for the duration of an employee's tenure.

SECTION 10.5C ORAL INTERVIEW.

The Oral Interview shall be competitive and consist of questions related to and associated with the performance of the duties for the position sought.

SECTION 10.5D WRITTEN EXAMINATION.

The written examination shall be competitive, shall consist of questions derived from the reading materials assigned and from the Department's current policies and procedures. The questions shall be related to and associated with the performance of duties for the position sought.

SECTION 10.5E DEPARTMENTAL EVALUATIONS

Departmental Evaluations shall be conducted in two (2) parts: a management evaluation and a peer evaluation. The individual candidate's scores for each of these two (2) separate evaluation types shall be collected by the Fire and Police Commissioners, totaled, and presented as one (1) candidate score for Departmental Evaluations. The maximum score for Departmental Evaluations is ten (10) points. The processes for the evaluations shall be as follows:

1. Management Evaluations The management staff evaluations shall be a subjective evaluation by the GFD Chiefs including the filled positions of Fire Chief, Deputy Chief, and Battalion Chiefs. These points will be determined in a special meeting in the Fire Chief's office prior to the written exam component. An observer (a Fire and Police Commissioner or alternate) shall attend the meeting. An alternate observer shall not be a department member and shall be approved by both the Fire Chief and the union. The observer shall have no input into the scoring, but will act to guarantee the points are awarded in an equitable manner among the Chiefs. Each Chief shall independently rank his top ten (10) Captain candidates (or fewer if there are less than 10 candidates) from 10-1. Each Chief will independently rank his top five (5) Battalion Chief candidates (or fewer if there is less than 5 candidates) from 5-1. Candidates not in the top 10 for Captain promotion and top 5 for Battalion Chief promotion will receive a score of zero (0). The individual Chiefs' scores will be totaled, the candidates ranked, and the promotional points awarded as follows:

Captain Candidates	
<u>Rank</u>	<u>Promotional Points</u>
1	5.0
2	4.5
3	4.0
4	3.5
5	3.0
6	2.5
7	2.0
8	1.5
9	1.0
10	0.5

Battalion Chief Candidates	
<u>Rank</u>	<u>Promotional Points</u>
1	5.0
2	4.0
3	3.0
4	2.0
5	1.0

In the case of a tie score, the candidate with the higher seniority will be ranked higher. Candidates not in these rankings will receive zero (0) points for the Management Staff Evaluation component of the promotional process. If fewer than the allotted number of candidates are available, the points will be assigned as above to the required ranking number.

2. Peer Evaluations The peer evaluations shall be a subjective evaluation by the non-management (Chiefs) roster of the Galesburg Fire Department, excluding probationary employees. A form will be established for each rank listing all the candidates challenging the promotional process. Prior to the written test component, each evaluator will use the aforementioned form to independently rank his top ten (10) Captain candidates (or fewer if there are less than 10 candidates) from 10-1. Each evaluator will independently rank his top five (5) Battalion Chief candidates (or fewer if there is less than 5 candidates) from 5-1. Candidates for promotion may evaluate themselves as they see fit within the rankings. Candidates not in the top 10 for Captain promotion and top 5 for Battalion Chief promotion will receive a score of zero (0). The Fire and Police Commission will compile and total the individual evaluator scores, rank the candidates, and award the promotional points as follows:

Captain Candidates	
<u>Rank</u>	<u>Promotional Points</u>
1	5.0
2	4.5
3	4.0
4	3.5
5	3.0
6	2.5
7	2.0
8	1.5
9	1.0
10	0.5

Battalion Chief Candidates	
<u>Rank</u>	<u>Promotional Points</u>
1	5.0
2	4.0
3	3.0
4	2.0
5	1.0

In the case of a tie score, the candidate with the higher seniority will be ranked higher. Candidates not in these rankings will receive zero (0) points for the Peer Evaluation component of the promotional process. If fewer than the allotted number of candidates are available, the points will be assigned as above to the required ranking number.

SECTION 10.5F ASSESSMENT CENTER.

The parties agree to the use of an assessment center in the promotional process. A committee comprised of members of the Board of Fire and Police Commissioners, Fire Command Staff and the union, will create bid specifications for use in selecting a qualified vendor for the Assessment Center.

The assessment center will be conducted following the awarding of points for seniority, education/military credit, oral interview, written exam, management staff evaluation, and peer evaluation components of the promotional process.

The number and choice of exercise as well as the scoring weight given to each exercise used in the assessment center will be determined by the approval of the parties.

The parties agree to use an independent assessment service as provided in the Fire Promotion Act (50 ILCS 742/1 et seq.)

The Fire Department Deputy Chief or Battalion Chief in charge of Training shall assist the assessment service provider with information regarding department rules, regulations, policies, and procedures in the formulation of exercise components. Scoring will be conducted solely by the assessment service evaluators and provided to the Fire and Police Commission.

SECTION 10.5G SEQUENCE OF TESTS.

The points to be awarded each candidate for promotion for seniority, education/military credit, oral interview, written exam, and departmental evaluations shall be totaled and posted by the Fire and Police Commission. Candidates with a cumulative score of less than 45 points on these elements will be eliminated from the testing process and will not be allowed to challenge the assessment center testing process.

SECTION 10.5H TOTAL SCORE.

A candidate's total score shall consist of the combined point totals awarded for seniority, education/military credit, oral interview, written examination, management staff evaluation, peer evaluation, and assessment center. Candidates shall take rank upon a promotional eligibility register in the order of their relative excellence as determined by their total score. In the event of a tie score, the placement of the tied candidates on the eligibility list shall be determined by departmental seniority in rank. A candidate who fails to achieve a minimum total score of seventy (70) will not be placed upon the final promotion eligibility list. All promotions shall be made in rank order, from top to bottom in accordance with the FDPA, 20(D).

SECTION 10.5I PREREQUISITES.

While candidates may test and be placed upon a final promotional eligibility list without the following prerequisites, a candidate for promotion to the position of Fire Captain must, as of the time that a vacancy occurs have served as a full-time paid firefighter for a period of three (3) years and attained certification as Firefighter III. A candidate for the position of Battalion Chief must, as of the time that a vacancy occurs, have served a minimum of two (2) years as a Galesburg Fire Department Fire Captain and attained certification as a Fire Officer I. Candidates who lack the required prerequisites at the time a vacancy occurs, while disqualified for the immediate promotion, shall retain their position on the eligibility list and shall be eligible for promotion when later vacancies occur, provided in each case that the necessary service component and training certification are attained.

When an opening for promotion occurs (due to reasons stated in Section 10.1 of Article X) during the applicable time of an established (valid) promotional list, the required prerequisite time frame shall be calculated backwards from the date the vacancy (e.g. retirement) occurred. When

an opening for promotion occurs (due to reasons stated in Section 10.1 of Article X) at a time when there is no established (valid) promotional list, the required prerequisite time frame shall be calculated backwards from the posting date of the next final promotional list.

SECTION 10.5J PROVISION OF COMPONENT SCORES.

In addition to the scores that are posted per the Rules and Regulations, an employee shall be entitled, upon written request of that employee, to receive a written record of the scores achieved on each of the components of the promotional examination. It is agreed that those involved in the scoring of the points awarded for oral interview, education/military credit, and departmental evaluation shall not be informed of the scores achieved on the written component until after these aforementioned components scores have been determined.

SECTION 10.6 PROMOTIONAL VACANCY.

The existence of a vacancy shall be deemed to occur in accordance with Section 20(d) of the Promotion Act. When a vacancy occurs, the appropriate corporate authority shall notify the board. Upon notice from the appropriate corporate authority that a promotional vacancy exists, the Board shall select the individual to be promoted in the manner specified in the Rules and Regulations of the Board of Fire and Police Commissioners of the City of Galesburg, provided that such Rules and Regulations are consistent with the Promotion Act.

SECTION 10.7 REOPENER FOR PROMOTION TESTING.

It is agreed by the parties that a committee of six (three from each side) shall meet after the signing of this Agreement to continue to work on refining the promotional process. Issues may include, but are not limited to, Chief's points/Peer review points, use of a fire simulator, and use of an assessment center. It shall be the City's responsibility to keep the Board of Fire and Police Commissioners informed of proposed changes and to seek input from the Board before arriving at a tentative agreement. Any agreement will be taken back to the membership for ratification, and then become part of this Agreement by side letter. If an agreement cannot be reached within ten (10) months before the expiration of the current promotional lists, the promotion process will be as provided in the above sections of this Article X.

ARTICLE XI: EMPLOYEE DISCIPLINE AND DISCHARGE

SECTION 11.1 EMPLOYEE DISCIPLINE.

The City may discipline or move to discharge any employee for just cause. The City further agrees that disciplinary action shall be in a timely fashion.

SECTION 11.2 CORRECTIVE.

The City agrees discipline in the Fire Department shall be progressive and corrective, designed to improve behavior and not merely to punish. However, when the severity of an infraction is great, discipline outside the normal progression, up to and including dismissal, may be considered an appropriate remedy. Once the measure of discipline is determined and imposed, the City shall not increase it for the particular act of misconduct unless new facts or circumstances become known. Where the City believes just cause exists to institute disciplinary action, the employer shall have the option to assess the following penalties:

1. Oral reprimand
2. Written reprimand
3. Suspension
4. Discharge

In keeping with the parties' agreement that discipline is to be corrective, it is agreed that all files maintained concerning an employee shall be expunged, upon the employee's request, of any reference to his disciplinary history in accordance with the following:

1. Verbal reprimands: Will stay in a separate file in the Fire Chief's office and not sent to the City Manager's office unless further discipline is required.
2. Written reprimands: Removed not later than three (3) years after issuance.
3. Disciplinary suspensions: Removed not later than five (5) years after issuance.

SECTION 11.3 PROCEDURE.

Any and all disciplinary actions against bargaining unit members shall be taken in accordance with the following:

SECTION 11.3A DISCIPLINARY ACTION.

The City may institute disciplinary action against any employee for just cause. Disciplinary action may consist of any one of the following penalties:

1. Oral Reprimand
2. Written Reprimand
3. Suspension for 30 days or less
4. Demotion
5. Discharge

Disciplinary action shall be progressive and corrective in nature and not designed to merely punish. The severity of the penalty applied shall be proportional to the gravity of the offense.

SECTION 11.3B CHIEF'S AUTHORITY.

The Fire Chief shall have the following disciplinary authority:

1. To reprimand or suspend employees without pay as a disciplinary measure up to a maximum of thirty (30) calendar days. Such disciplinary action shall be deemed final, subject only to an appeal of such discipline in accordance with the provisions of this Article.
2. To file charges against employees seeking the penalties of discharge or demotion.
3. To suspend an employee with pay pending an investigation or the filing of charges.

SECTION 11.3C NOTIFICATION AND GRIEVANCE PROCEDURE.

If the Fire Chief decides to discipline an employee according to section 11.3B(1) or to initiate discipline of an employee according to Section 11.3B(2), he or his designee shall serve written notice of the charges and disciplinary penalty or proposed disciplinary penalty upon the employee involved with a copy to the Union. The employee shall have the right to contest the disciplinary action imposed according to Section 11.3B(1) by filing a grievance only.

If the employee elects (with the approval of the Union) to file a grievance as to the disciplinary action, the grievance shall be processed in accordance with Article V of the Agreement, except that it shall be filed at Step 3 of the procedure. Oral and written reprimands will only be processed through Step 3 and shall not be subject to grievance arbitration.

SECTION 11.3D CITY MANAGER'S AUTHORITY.

City Manager's authority to suspend, discharge, or demote and to suspend pending investigation or hearing:

1. The City Manager or designee shall have the authority to take final action as to charges for dismissal or demotion filed by the Fire Chief in accordance with Section 11.3B(1). The employee shall have the right to contest the disciplinary action by filing a grievance only. If the employee elects to file a grievance, the grievance shall be filed at Step 4A of the grievance procedure and processed (with the approval of the Union) to arbitration in accordance with the procedures of Article V of the Agreement.
2. The City Manager or designee shall also have the authority to suspend an employee with or without pay pending investigation and/or pending a hearing on charges recommending discharge. When the City Manager or designee makes a tentative decision to suspend for specified misconduct, demote, or to suspend without pay pending investigation or hearing on charges for discharge, prior to implementing the suspension, the City Manager or designee shall notify the Union and meet with the employee involved, and the employee's Union representative if requested by the employee, and inform the employee of the reasons for such contemplated action. The employee and the Union representative, if present, shall be given the opportunity to rebut and/or clarify the reasons for the suspension without pay pending investigation or hearing.

SECTION 11.3E FINALITY OF DECISION AND JUDICIAL REVIEW.

The decision of an arbitrator with respect to any such disciplinary action shall be final and binding on the employee, the Union, and the City, subject only to an appeal in accordance with the provisions of the Uniform Arbitration Act as provided by Section 8 of the IPLRA, 5 ILCS 315/8.

SECTION 11.3F EXCLUSIVITY OF DISCIPLINARY PROCEDURES.

This Agreement is intended to supersede the hearing rights and procedures afforded to employees as to disciplinary action provided by 65 ILCS 1/10-2.1-17 by providing the employee with the right to have a dispute as to disciplinary action resolved through the grievance/arbitration procedure of this Agreement in lieu of a hearing conducted by the Board of Fire and Police Commissioners. Pursuant to Section 15 of the IPLRA and the City of Galesburg's Home Rule Authority, the provisions of this Article with respect to discipline and the appeal and review of discipline shall be in lieu of, and shall expressly supersede and preempt, any provision that might otherwise be applicable under either 65 ILCS 5/10-2.1-17, or the Rules and Regulations of the City of Galesburg Board of Fire and Police Commissioners.

ARTICLE XII: PERSONNEL FILES

SECTION 12.1 PERSONNEL FILES.

The City shall keep a central personnel file for each employee. Supervisors may keep working files, but material not maintained in the central personnel file as of the effective date of this Agreement may not provide the basis for discipline against an employee.

SECTION 12.2 INSPECTION.

Upon appropriate written request to Human Resources, an employee may inspect his personnel file, subject to the following, within seven (7) working days: (a) inspection shall occur during normal working hours, at a time and in a manner mutually acceptable to the employee and the City. Upon request, an employee who has a written grievance on file who is inspecting his personnel files with respect to said grievance, may have a representative present during such inspection; (b) copies of materials in an employee's personnel file shall be provided to the employee

upon request. The employee shall bear the cost of duplication; (c) employees will be limited to reviewing their personnel files to four (4) times a year; (d) as provided by current Illinois law, not all documents in an employee's files are available for inspection or copying. Some of these documents are reference checks, test materials or responses to the City with the specific request that it remain confidential; (e) as the City of Galesburg is the official guardian of the personnel records, no employee will be allowed to view their records without a member of the City Manager's office, or his authorized designee, present.

SECTION 12.3 NOTIFICATION.

An employee shall be notified before a formal disciplinary action (written record of oral warning, written warning, disciplinary suspension, or termination) is placed in his personnel file. Such notification shall include an opportunity for the employee to sign and date the notification as evidence that he received the notification.

SECTION 12.4 EVALUATIONS.

Upon request, an employee shall be provided a copy of the evaluation form used for the purpose of evaluating his job performance. The evaluation shall be discussed with the employee and the employee shall be given a copy after completion and shall electronically sign the evaluation as recognition of having read it.

SECTION 12.5 REBUTTALS.

An employee may file a written rebuttal in his personnel file concerning any material in the file.

ARTICLE XIII: CONSOLIDATED TIME OFF

SECTION 13.1 COMPONENTS.

Effective January 1, 2013, in lieu of separate holidays, birthdays, personal days, vacations, and compensatory time off, each employee covered by this Agreement will receive an allotment of hours of paid consolidated time off (CTO) that will vary with seniority and shift or 40-hour assignment, as set forth in Section 13.2. The separate components of consolidated time off, comprising the amounts set forth in Section 13.2, are itemized in Appendix G. For purposes of arbitration under Section 14 of the Illinois Public Labor Relations Act, the components of CTO, as set forth in Appendix G, shall be treated as separate economic issues.

SECTION 13.2 AMOUNTS.

Employees will receive annual CTO, accrued by pay period, as follows:

<u>Shift Employees</u>			<u>40 – Hour Employees</u>	
Years of Service	Annual Hours	PP Accrual	Annual Hours	PP Accrual
0 – 6	248	9.54	187	7.19
7-13	296	11.38	223	8.58
14-21	350	13.46	264	10.15
22+	400	15.38	302	11.62

In transition years, additional CTO per the above schedule will be considered to be earned as of the employee's anniversary date.

SECTION 13.3 ACCUMULATION.

A maximum of 468 hours of earned but unused CTO for shift employees and 353 hours of earned but unused CTO for 40-hour employees may be carried over from one year to the next.

SECTION 13.4 CASH-IN.

In lieu of using CTO, shift employees may cash in a maximum of 96 hours of CTO time annually and 40-hour employees may cash in up to 72 hours of CTO time annually, at the then-applicable hourly rate of pay.

SECTION 13.5 SCHEDULING.

CTO shall be scheduled at times most desired by each employee consistent with historic practice. For purposes of administering this Section only, all employees on a shift (including bargaining unit employees and the Shift Commander assigned to that shift) shall schedule all CTO in the manner described in this Section, with the determination of preference being made on the basis of an employee's length of continuous service within the Department. Employees will not be allowed to schedule or take CTO that has not been accrued at the time of the leave.

1. Initial CTO Scheduling. CTO that is to be scheduled and approved prior to the CTO period (fiscal year) within which it is to be taken must be scheduled in twenty-four (24) hour increments. Any two shift employees may schedule CTO on the same workday during the initial CTO scheduling. Each CTO pick shall consist of one duty day or multiple consecutive duty days. Scheduled Kelly Days shall not be considered a break in consecutive duty days. The initial CTO schedule shall be completed and approved no later than December 15th of each year. Scheduling of CTO for 40-hour employees, which may include scheduling of CTO for City holidays, will be coordinated with the Fire Chief. In the event of a major disaster in the community, the Fire Chief may revoke approval of forthcoming scheduled CTO.
2. Subsequent CTO Scheduling. CTO that is scheduled and approved within the CTO period (fiscal year) in which it is to be taken may be scheduled in minimum two (2) hour increments. All requests for CTO must be submitted in writing to the Officer-in-Charge. When more than one request is submitted for the same day and/or time, requests will be honored on the first request submitted basis. Subsequent CTO requests submitted prior to the duty day for which such requests are made shall be approved or reasonably denied, based on projected manpower levels, at least one duty day prior to the duty day for which such requests are made. Denial of the request would not forfeit the standing of the request should manpower allow its approval later. CTO requests effective the duty day they are submitted shall be approved should manpower permit. Approved CTO shall not be subject to denial later due to subsequent decreases in manpower. The CTO calendar in the Duty Office at Central Fire Station shall be used to track initial and subsequent CTO requests. CTO requests for 40-hour employees will be coordinated with the Fire Chief.

SECTION 13.6 SEPARATION.

Upon separation from employment with the City, each regular non-probationary employee covered by this Agreement shall be entitled to receive payment at the employee's regular straight-time hourly rate of pay as of the date of separation for all unused CTO time.

SECTION 13.7 CONVERSION FORMULA.

For an employee reassigned from a shift schedule to a 40-hour schedule, multiply the employee's accumulated CTO times a conversion factor of .7547. For an employee reassigned

from a 40- hour schedule to a shift schedule, multiply the employee's accumulated CTO times a conversion factor of 1.325.

ARTICLE XIV: LEAVES

SECTION 14.1 GENERAL LEAVE OF ABSENCE.

The City Manager may, at his discretion, grant a leave of absence to any bargaining unit employee for good and sufficient reason. The City shall, at its discretion, set the terms and conditions of the leave, including whether or not the leave is to be paid. Department heads may recommend vacation, injury, and/or sick leave with pay. Such leaves of absence will be requested in writing and reviewed by the City Manager. During leaves of absence without pay, the seniority of the employee on leave shall remain frozen at the level of the last day of actual employment.

SECTION 14.2 MILITARY LEAVE.

Military leave shall be granted in accordance with applicable law.

SECTION 14.3 JURY DUTY LEAVE.

A permanent employee shall be granted a leave of absence with pay if called for jury duty. Since it is not the intention of the City that an employee receive more compensation for jury duty than he would if he were performing his normal duties, the employee will turn in the jury check to the City when received. Should a jury be dismissed on any particular day, the employee will be expected to return to work.

SECTION 14.4 NON-EMPLOYMENT ELSEWHERE.

A leave of absence will not be granted to an employee to try for or accept employment elsewhere, or for self-employment. Employees who engage in employment elsewhere during such leaves will be terminated by the City.

SECTION 14.5A SICK LEAVE.

Permanent 40-hour employees covered by this Agreement may accumulate sick leave at the rate of 10.6 working hours per month, to a maximum of two thousand twenty-eight (2028) working hours, or at a rate of fourteen (14) hours per month for shift employees, to a maximum of two thousand six hundred and eighty eight (2688) hours.

SECTION 14.5B ROUTINE CARE.

With prior approval and sufficient notice, leave for routine doctor, dental or other medical appointments shall be charged to the employee's regular and/or accumulated sick leave in one (1) hour multiples for the period the employee is off work. All employees must notify their shift supervisor of any scheduled appointment prior to the beginning of their shift. Upon return to work, the employee will give his supervisor a doctor's statement verifying his ability to resume firefighting duties.

SECTION 14.5C ELIGIBILITY FOR PAY.

In order to get sick leave with pay, each employee covered by this Agreement agrees to:

1. Report promptly to the Fire Chief or his designee the reason for his absence;
2. Keep the Fire Chief or his designee informed of his conditions; and
3. Use sick leave only for the purposes set forth in this section and to bear the burden of proof of such sickness if required by the City.

Sick leave with pay may be used only for sickness, injury, or pregnancy of the employee or for absence necessitated by delivery of child by a spouse or by illness, injury, death, or exposure to contagious disease by a member of his immediate family. "Immediate family" is defined as the following relation to the employee or his/her spouse: spouse, parent, step-parent, sibling, child, step-child, grandparent and grandchild. The word "spouse" shall include civil partners.

Presence of the employee must actually and immediately be required for bona fide serious circumstances or emergencies as reasonably determined by the City, and absence from duty shall not exceed the period of actual need.

Sick days should not be considered to be a privilege; they are a fringe benefit which will be allowed only as provided herein. An employee on sick leave is required to act pursuant to reasonable instruction for care. Any employee who fails to meet the requirements of this Article, including failure to provide required medical documentation as provided in Section 16.5D, abuses the sick leave program, including the performance of work or activities off duty that are medically prohibited or restricted while on duty; or files for pay under false pretenses, shall not receive pay and may be subject to disciplinary action.

Sick leave, disability leave, and injury leave are not to be taken concurrently; only one of the three types of leave may be taken at any one time.

SECTION 14.5D CERTIFICATION.

If the City has reasonable grounds to believe sick leave is being abused, it may, at its discretion, require any employee requesting paid sick leave to furnish substantiating evidence or a statement from his attending physician certifying that absence from work was required for medical reasons. A physician's certificate may be routinely required for absences of more than two (2) consecutive duty days, or for sick leave taken immediately before or after vacations or other time off provided by this Agreement, or for sick leave use in excess of four (4) occurrences per calendar year. An occurrence is defined as any continuous period of absence from duty covered by sick leave. The City also may reasonably require a physician's release certifying that the employee is fit to return to work as a condition to the employee's return to work. If there is a conflict between physicians' releases, the parties shall agree on a third person whose determination shall be final. Falsification of any verification of illness may be just cause for disciplinary action, up to and including discharge. Any employee who is found to have fraudulently obtained sick leave may be required to reimburse the City for such sick leave.

SECTION 14.5E SICK LEAVE PAYOUT.

Upon the retirement from City service of an employee who was hired after November 25, 2009, the City shall contribute to the employee's Retirement Health Savings Plan ("RHSP") account the dollar equivalent of thirty percent (30%) of the sick leave he has accumulated, per Section 16.5A, as of the time of retirement and at the employee's regular straight time hourly rate of pay, to a maximum of six hundred (600) hours (four hundred fifty-three (453) for a 40-hour employee) to be contributed at the employee's regular straight time hourly rate of pay.

Upon the retirement from City service of an employee who was hired on or before November 25, 2009, the City shall make the maximum contribution allowed by law to the employee's 457 account, up to the dollar equivalent of thirty percent (30%) of the sick leave he has accumulated, per Section 16.5A, as of the time of retirement and at the employee's regular straight-time hourly rate of pay, to a maximum of four hundred three (403) hours (three hundred four (304) for a 40-hour employee), with the difference between the maximum 457 contribution and the maximum payout provided by this Section, if any, to be contributed to the employee's RHSP account.

The RHSP contribution and payout provisions of this Section apply to retirement only, and do not involve separation from City service for any other cause or disability leave.

SECTION 14.6A INJURY, ILLNESS OR PREGNANCY.

In the event an employee is unable to work by reason of illness or injury, including those compensable under workmen's compensation, or pregnancy, the City may grant a leave of absence without pay during which time seniority shall not accrue for so long as the employee is unable to work, except that for a work related injury compensable under worker's compensation an employee shall accrue seniority as set forth in Sections 14.6C and 14.7.

SECTION 14.6B ELIGIBILITY.

To qualify for such leave, the employee must report the illness, injury or inability to work because of pregnancy as soon as the illness, injury or inability due to pregnancy is known and thereafter furnish to the City a physician's written statement showing the nature of the illness, injury or state of pregnancy and the estimated length of time that the employee will be unable to report for work, together with a written application for such leave. Thereafter, during such leave, the employee shall be required to furnish a current report from the attending doctor at the end of every sixty (60) day interval.

SECTION 14.6C WORKER'S COMPENSATION.

If an employee is injured while performing his assigned duties, he shall be eligible for paid injury leave not to exceed a total of three hundred and sixty-five (365) calendar days for any one injury or accident. He shall be compensated in an amount equal to the salary rate he was making at the time of the accident based on the salary ordinance.

All injuries must be reported in writing as soon as possible by the employee or his supervisor in order to be eligible for injury leave and also the worker's compensation benefits as provided by the City. The employee shall authorize the City's inspection of his medical records and advise the department of any changes in his status.

Because the payments for worker's compensation benefits are not earnings subject to Federal, State, and F.I.C.A. taxes, and the payments are excludable from earnings for pension fund deductions, the Finance Department may pay for the injury leave in the following manner: (a) Each bi-weekly pay period which occurs during the period of paid injury leave, the employee will receive a check for worker's compensation benefits, the amount of which check shall be computed in accordance with the rules and regulations of the Industrial Commission of Illinois. No deductions of any kind shall be made from this payment; (b) In addition, for each biweekly pay period of paid injury leave described above, the employee will receive a check in an amount equal to the difference between the employee's regular bi-weekly salary and the amount paid as worker's compensation benefits per (a) above. The salary paid per this check shall be subject to all applicable deductions and withholding for various taxes. The withholding of Federal and State taxes and mandatory deductions for pension funds, of course, take precedence over voluntary deductions such as credit union, or union dues, etc.

SECTION 14.7 DISABILITY LEAVE.

If an employee becomes disabled either on or off the job and is disabled from performing his duty and if the disability persists for one month or more, the permanent employee may be eligible to receive disability benefits under 40 ILCS 5/4-101, et seq. Such disability shall be considered disability leave and such employee may be granted a leave of absence from the City's service for the length of disability. If it appears upon verification by at least three (3) competent

medical authorities that the employee will be permanently disabled, he must apply for a disability pension upon the request of his department or division head to the City Manager.

An employee shall not accrue benefits while on temporary or permanent disability leave in excess of three hundred sixty-five (365) calendar days. No employee shall be allowed to return to work without a written release from his attending physician. In the event an employee is reinstated into active service pursuant to the above-referenced Illinois Statutes, and whereupon assigned to duty the employee fails to report to work for five consecutive calendar days, then his status as a municipal employee may be terminated.

SECTION 14.8 BENEFITS WHILE ON LEAVE.

Seniority, sick leave, vacation (or CTO, as the case may be) and employment credits shall not accrue when an employee is on leave without pay, on disability leave or on injury leave in excess of three hundred and sixty five (365) calendar days, except as per sections 14.6C, 14.7 and 16.3. Sick leave, disability leave and injury leave are not to be taken concurrently; only one (1) of the three (3) types may be taken at any one time. Any employee covered by this Agreement in violation of Article VI of this Agreement will automatically forfeit any and all covered benefits that they may enjoy.

SECTION 14.9 LIGHT DUTY.

Light duty for worker's compensation cases will be provided in accordance with the treating physician's restrictions. Light duty for personal injury may be made at the discretion of management subject to work availability and physician's restrictions.

ARTICLE XV: WAGES

SECTION 15.1 GENERAL.

Effective January 1, 2021, pay ranges and pay steps for employees in the classifications of Firefighter and Fire Captain shall be as set forth in the salary schedules attached hereto as Appendix C. Pay ranges and pay steps for employees in the classifications of Firefighter and Fire Captain shall be increased annually by the percentages indicated below:

January 1, 2022	2.25%
January 1, 2023	2.5%

Employees normally will progress from Step A to Step B at the end of one year's service, and then progress through steps annually thereafter upon their anniversary date until Step E has been reached. Upon completion of five (5) years of service and with one (1) academic year of Fire Science courses (certificate) as provided for in Section 15.5, an employee will then progress to Step F in their respective pay range. Upon completion of six (6) years of service and with an Associate's Degree in Fire Science as provided for in Section 15.5, an employee will then progress to Step G in their respective pay range.

SECTION 15.2 NEW EMPLOYEES / MERIT INCREASES

The normal beginning rate for a new employee will be the minimum rate in the established range for the class of position. However, the City Manager may, in special cases, authorize initial appointment above the minimum. Incremental steps within established salary ranges are to provide a means of recognizing outstanding performance and continued good service. The City may grant, or fail to grant, such merit pay increases as it solely deems appropriate based upon employee

performance. Non-merit factors such as Union activity, race, color or creed may not be considered by the City in granting such increases.

SECTION 15.3 40-HOUR INCENTIVE.

As an incentive to volunteer for such positions, an employee (designated as Firefighter (80) or Fire Captain (80)) who is 1) filling a 40-hour position and 2) assigned to the 40-hour schedule shall receive, for so long as both 1) and 2) apply, a wage rate that is two and one-half percent (2 ½%) above the rate established for shift firefighters (designated as Firefighter (106) or Fire Captain (106)) in Appendix C.

SECTION 15.4 LONGEVITY PAY.

After five (5) continuous years of service, each employee covered by this Agreement shall have the following amounts added to his base wages

Years of Service	Increase
After 5 years	2%
After 10 years	4%
After 15 years	6%
After 20 years	8%
After 25 years	10%

Base pay shall be the bi-weekly salary from the official pay plan as referenced in Appendices B and C of this Agreement for which the employee is eligible, excluding any other pay adjustment or compensation provided.

SECTION 15.5 SEVERANCE PAY.

All permanent employees, upon retirement from the City service who are electing to retire under the provisions of the Illinois Firefighters Pension Law because of length of service, shall be entitled to severance pay equal to two (2) weeks actual salary at the time of retirement. This applies to retirement only where City employees have met the requirements of the Illinois Firefighters Pension Law. This is a one-time only benefit and credit will not be given for part- time or temporary service. The City will compute severance pay on actual wages rather than base wages.

SECTION 15.6 PAYROLL DEDUCTIONS.

If the employee so desires, the Finance Department may make certain deductions from his check. Among these are savings and payments to the credit union, United Way contributions political action committee (PAC) contributions and additional withholding tax. All deductions must be requested in writing, dated, and signed by the employee.

SECTION 15.7 DIRECT DEPOSIT.

All fire department members covered by this agreement shall have direct deposit for payroll payments.

SECTION 15.8 ACTING PAY.

A bargaining unit employee who works in a higher capacity for a minimum of three (3) hours in such higher classification shall receive the rate of pay of the higher classification as acting pay retroactive to the first hour of such consecutive duty time in the higher classification. The

determination as to whether or not the employee has been acting in a higher capacity for three (3) or more hours, and is thus entitled to acting pay, shall be made in accordance with present practice.

SECTION 15.9 APPROVED COLLEGE WORK.

The City shall provide an incentive for full-time employees covered by this Agreement to obtain a level of education beyond that of a high school diploma and the minimum requirements for the positions held by the employee.

Employees may not progress to Step F until completing one (1) academic year of Fire Science courses concurrent with Department practice, and may not progress to Step G until obtaining an Associate Degree in Fire Science from an accredited academic institution.

ARTICLE XVI: GROUP BENEFITS

SECTION 16.1 GROUP MEDICAL COVERAGE.

For employees covered by this Agreement, group medical coverage is available from a provider selected by the City Manager, currently the Illinois Department of Central Management Services' Local Government Health Plan. Four plans, which provide certain basic benefits and comprehensive major medical benefits to age sixty-five (65) will be made available to permanent full-time employees and their dependents; and to eligible retired employees under the age of 65 and their dependents under the age of 65. Plans of medical coverage that are secondary coverage to Medicare Parts A and B are available to retired employees at age 65 and their dependents at age 65.

Upon termination of employment for any reason other than retirement, the group coverage shall cease as of the date of the termination of employment. Employees who have been placed on temporary or permanent disability by the Fireman's Pension Fund, and employees who are on injury leave (receiving Worker's Compensation Disability Payments) in excess of three hundred and sixty-five (365) calendar days, may remain on the City's group medical plan at the employee's cost until age sixty-five (65).

SECTION 16.2 PERMANENT FULL-TIME EMPLOYEES AND DEPENDENTS.

Each plan coverage month begins on the first day of the calendar month. Employees under this Agreement will be eligible for the medical coverage on the first day that the employee commences to work. An eligible dependent shall include the covered employee's spouse, eligible dependent children, and civil union partner, as per the current plan provisions.

During the term of this Agreement, employees covered by this Agreement will contribute the monthly amounts specified in Appendix H toward the premium cost of group medical coverage under the City's plan. During the term of this Agreement, modifications to plan benefits, including but not limited to changes in coverage, deductibles, co-pays and out-of-pocket maximum payments, may occur as necessary to maintain plan solvency. Any such modification shall be subject to the provisions of Section 16.8 of this Agreement.

SECTION 16.2A HEALTH SAVINGS ACCOUNT (HSA)

For employees who elect coverage under the "High Deductible Plan" the City will make a contribution of \$750 for single coverage and \$1,500 for family coverage to a Health Savings Account (HSA) for each plan year. City agrees that during the calendar year 2018, one half of the HSA contribution shall occur in January and the other half shall be paid in July. For calendar years 2019 and 2020, HSA contributions shall only be made in July. Employees who elect coverage under a plan other than the "High Deductible Plan" are not eligible for an HSA and no City contribution will be made. For employees who switch from any other plan to the high deductible plan

in January of 2018, the City shall make an additional contribution of \$375 for single coverage and \$750 for family coverage to a Health Savings Account. This shall be a one-time option available only during this limited time period.

SECTION 16.3 EMPLOYEES ON DISABILITY OR INJURY LEAVE.

Subject to the City's group coverage plan, an employee on disability leave may remain in the group medical plan but the employee must pay the full employee premium, except for an in the line of duty disability as noted below, and the full dependent's premium.

Subject to applicable provisions of Federal and Illinois state statutes an employee on injury leave (worker's compensation leave) may remain in the group medical plan and the City will continue to pay the employee's premium and the City's share of the dependent's premium as provided for in Section 16.2, except where such leave exceeds three hundred and sixty-five (365) calendar days (Section 16.1). Subject to applicable provisions of Federal and Illinois state statutes, if an employee is disabled in the line of duty, the City will pay the employee-only premium so long as the disabled employee is prevented from being gainfully employed elsewhere. If a disabled employee takes employment elsewhere and is eligible to be covered by that employer's group medical plan, the City premium payments for the employee shall cease.

SECTION 16.4 RETIRED EMPLOYEES AND DEPENDENTS.

A firefighter who is removed from the City's active payroll because of retirement as a deferred pensioner, retirement from active service, or disability retirement, shall have such rights to continued coverage under the City's group medical plan as are provided by State statute, currently codified as 215 ILCS 5/367f. In addition, except as otherwise provided in Section 16.1 and/or Article XVII of this Agreement, the City will bear the cost of the total premium of the employee only coverage to age sixty-five (65). Further, should any employee under the age of fifty (50) opt for retirement after twenty (20) years or more of service with the City of Galesburg and who also meets the service requirements for pension benefits under the provisions of the various City pension plans, then that employee may remain in the City's medical plan at his own expense to age sixty-five (65). If any covered person attains the age of sixty-five (65), be it the retired employee or a dependent, then said employee or dependent is eligible for coverage secondary to Medicare as described in the first paragraph of Section 16.1. That person at the age of sixty-five (65), be it the retired employee or dependent, immediately becomes eligible for the coverage secondary to Medicare and all other coverage is terminated in regard to that person.

SECTION 16.5 UNION AND MANAGEMENT LIABILITY.

The failure of any plan of medical coverage to provide any benefit for which it has contracted, shall result in no liability to the City or to the Union, nor shall such failure be considered a breach by the City or Union of any obligation undertaken under this or any other Agreement. However, nothing in this Agreement shall be construed to relieve any plan of medical coverage from any liability it may have to the City, Union, employee, or beneficiary of any employee. The terms of any contract or policy issued by a plan of coverage shall be controlling in all matters pertaining to benefits hereunder.

SECTION 16.6 RIGHT OF CONSULTATION.

A difference or conflict between any employee (or his covered dependents) and the plan of coverage regarding claims or coverage shall not be subject to the grievance procedure provided for in any collective bargaining agreement between the City and the Union. Any questions or concerns involving claims or coverage shall be referred to the City Manager's office for clarification.

SECTION 16.7 HEALTH BENEFITS ADVISORY COMMITTEE.

Two (2) members of Local #555 shall be allowed to sit in on all Health Benefits Advisory Committee meetings. This will be a non-voting position, however, said employee will be allowed to give his advice regarding proposed changes in the coverage of City employees. Further, the City shall give proper notice to all members of the committee at least two (2) days prior to said meeting.

SECTION 16.8 ECONOMIC IMPACT NEGOTIATIONS.

In the event that premium costs increase or any coverage or benefit is decreased during the term of this Agreement, the Union may elect to open the issue of medical coverage with the City, for the purpose of good faith negotiations over the economic impact of any such change, by serving notice on the City within thirty (30) days of such increase or decrease. Such negotiations shall commence not later than fifteen (15) days after such notice is served.

This provision shall not preclude the City from, as may be deemed necessary, making changes in benefits as provided in Section 16.2, changing service vendors, or passing on to employees their share of premium increases except as otherwise provided for in Section 16.2. The fact of any such change shall not be grievable by the Union; nor shall the City be required to make changes applicable only to firefighters in the City-wide medical plan. This provision is intended to afford the Union the opportunity to negotiate in good faith with the City the economic impact of any such change.

SECTION 16.9 GROUP DENTAL PLAN.

For employees covered by this Agreement, group dental coverage is available. A plan which provides certain benefits is available to permanent full-time employees and their dependents. The City will pay the employee's dental premium. The employee will pay for dependent coverage if desired.

SECTION 16.10 I.R.C. SECTION 125.

The City will extend its I.R.C. Section 125 Plan to members of the bargaining unit, so long as such plan continues to be authorized by the Internal Revenue Code.

SECTION 16.11 LIFE INSURANCE.

The City will provide \$10,000 in term life insurance for each employee covered by this Agreement.

ARTICLE XVII: RETIREE HEALTH SAVINGS PLAN

SECTION 17.1 ESTABLISHMENT.

The City shall establish a Retiree Health Savings Plan (RHSP) through the ICMA Retirement Corporation ("ICMA-RC") and RHSP accounts shall be established for all employees. The City's participation in the RHSP shall be in accordance with the terms and conditions of the RHSP participation agreement.

SECTION 17.2 REGULAR CONTRIBUTIONS: NEW AND OPT-OUT EMPLOYEES.

Employees who are hired after November 25, 2009 shall be entitled to retiree medical coverage by means of their participation in the RHSP. For each such new employee and opt-out employee, the City shall contribute on or about the first payroll date in January ("the contribution date") during each year of this Agreement, or upon the successful conclusion of an employee's

probationary period, if later, \$1,000 plus .25 percent (one-quarter of one percent) of annual salary as of the contribution date.

SECTION 17.3 MATCHING CONTRIBUTIONS.

Each active employee covered under this agreement shall contribute via payroll deduction \$25 per month into his RHSP account; the City shall match the amount of each such contribution by contributing \$25 per month into the current employee's RHSP account.

SECTION 17.4 INCENTIVE CONTRIBUTIONS.

As a sick leave non-use incentive, the City will contribute, at the applicable rate of pay as of the first pay period following the beginning of a calendar year, a contribution equal to 72 hours of pay for any eligible shift employee (54 hours for a 40-hour employee) who does not use any sick leave during the previous calendar year, a contribution equal to 48 hours of pay for any eligible shift employee (36 hours for a 40-hour employee) who used one (1) day (24-hour day for a shift employee or 8-hour day for a 40-hour employee) or less of sick leave use during the previous calendar year, and a contribution equal to 24 hours of pay for any eligible shift employee (18 hours for a 40-hour employee) who used more than one (1) but not more than two (2) days of sick leave (24-hour days for a shift employee or 8-hour days for a 40-hour employee) during the previous calendar year. For purposes of this Section, a one-day bereavement period shall not count as sick leave use and, for 40-hour personnel only, up to four (4) hours of released time for routine doctor and dental appointments do not count as sick leave use. In order to be eligible for such incentive contributions, the employee must have at least thirty (30) days of sick leave in his sick leave bank.

SECTION 17.5 SAVINGS PROVISION.

It is the intention of the parties that the Retiree Health Savings Plan set forth in this Section shall be administered through ICMA-RC as long as it is mutually agreed and legally permitted. Should it occur that, because of circumstances beyond the control of the parties or in the exercise of legally-mandated City prerogatives, the plan administered by ICMA-RC should be terminated, the City agrees that the RHSP trust accounts maintained by ICMA-RC shall be transferred to a voluntary employee beneficiary association (VEBA) plan established under Internal Revenue Code Section 501(c)(9), or the then legal equivalent thereof, and the City's contribution obligations under this Section shall become VEBA contribution obligations. The VEBA to which such contributions are made shall be one selected by mutual agreement of the parties upon notice by the City and the opportunity to bargain over the selection, with such bargaining being subject to resolution by interest arbitration in the event of a failure to agree.

ARTICLE XVIII: PENSIONS

During the term of this Agreement, employees shall continue to participate in the Firefighter's Pension Fund in accordance with and subject to the provisions of the Statutes of the State of Illinois now applicable or as they may hereafter be amended.

ARTICLE XIX: RESIDENCY

All employees are required, as a condition of their continued employment with the City, to maintain their principal residences within a radius of twenty (20) miles, by straight-line radius and not as determined by means of a surface streets and roads measurement from Galesburg City hall. This residence requirement shall be construed to mean actual "in fact" living and residing within

the area described herein. Any person appointed to a permanent City position shall become a resident of the described area within thirty (30) days after the expiration of such employee's probationary period if the employee is to be continued in the City's service.

ARTICLE XX: MISCELLANEOUS PROVISIONS

SECTION 20.1 ACCEPTANCE OF GIFTS.

No gift or favor given because of his employment with the City of Galesburg shall be accepted by a City employee.

SECTION 20.2 DEFAULT ON PREMIUMS.

All medical plan premiums which are the sole responsibility of any current or retired employee due the City must be submitted on a timely basis. Unless previous arrangements are made and approved by the City, failure to pay such premiums may result in termination of coverage without liability to the City.

SECTION 20.3 DRIVER'S LICENSE.

Employees designated by the City to drive firefighting equipment shall be required to obtain and maintain an appropriate driver's license within thirty (30) days of employment. The City agrees to provide equipment and reasonable training on work time to assist employees in obtaining such driver's license. Employees will be allowed to take the driver's test during working hours at a time designated by the City.

SECTION 20.4A SERVICE OF NOTICES.

Notices hereunder shall be deemed to have been adequately given if served by registered mail upon the persons named below at the address indicated, unless otherwise notified in writing:

Notice to the Union shall be addressed to:

President, I.A.F.F., Local #555

150 South Broad Street

Galesburg, Illinois 61401

Notice to the City shall be addressed to:

Human Resource Manager

City Hall

55 West Tompkins Street

Galesburg, Illinois 61401

A basket will be placed in the Central Fire Station Duty Office for these notices and mail.

SECTION 20.4B EMPLOYEE NOTICES TO EMPLOYER.

Employees shall notify their supervisor within seventy-two (72) hours or the next working day, whichever occurs sooner, of any changes in address, telephone number or marital status. The supervisor will inform the Human Resource Manager immediately of any such transactions in order to update the central personnel records.

SECTION 20.4C UNION NOTICE TO EMPLOYER.

The Union agrees to furnish the City with an up-to-date list of all of its officers and to immediately notify the City of any changes thereto.

SECTION 20.5 ORDERLY OPERATIONS.

The City may prepare, issue and enforce rules and safety regulations necessary for the safe, orderly and efficient operations of the City, consistent with this Agreement.

SECTION 20.6 OUTSIDE EMPLOYMENT.

Permanent City employees may not carry on, concurrently with City employment, any private business, undertaking or employment that affects the time or quality of their work, or which casts discredit upon or creates embarrassment for the City government.

SECTION 20.7 PERSONAL USE OF CITY PROPERTY.

The use of City property for personal use is prohibited.

SECTION 20.8 PHYSICAL FITNESS.

It shall be the responsibility of each employee to maintain the standards of physical fitness required for performing his job. Whenever a department or division head feels that the physical condition of an employee is endangering his own health, or the safety of his fellow workers, the employee may be requested to submit to a medical examination by a physician without expense to the employee which shall only be for the purpose of determining his physical condition relative to City employment.

The employees covered by this agreement shall be required to submit to the Physical Performance Test set forth below once each year. All bargaining unit members are required to complete this test and have their completion time validated by the Training Captain and a member of the City Fire Management staff. The completion time shall remain confidential.

Bargaining unit members that complete the test in three minutes and 38 seconds (3:38) or less shall receive an additional twelve (12) hours of CTO added to the annual allotment for the next year to be scheduled after all regular vacation scheduling has been completed and subject to the regulations of Article XIII (Consolidated Time Off) of this Agreement. A bargaining unit member may choose to cash-in any or all of these twelve (12) hours of CTO during the next calendar year in addition to the 96 hours of allowable CTO cash-in outlined in Section 13.4 of this Agreement.

Bargaining unit members who fail to complete the test, or whose completion time is in excess of seven minutes (7:00) shall be required to complete the Physical Performance Test every three (3) months until they reach a completion time below seven (7:00) minutes. If a bargaining unit member fails to complete the in seven minutes or less in three successive quarters, that information will be forwarded to the department physician to assist in recommendations to improve the employee's fitness level. The failure of a bargaining unit member to complete the test in seven minutes or less shall not be used in a punitive manner.

Testing shall be administered by the department and may be monitored by a Union representative with the employee's consent. Testing shall be conducted in a time frame after annual department physicals have been conducted, but prior to annual CTO scheduling.

City and the Union agree to discuss, with the intent of reaching agreement, adjustments to these completion times which may be necessary after conclusion of the first year of testing. If the parties fail to reach an agreement regarding adjustment of these times, either party may raise the issue during negotiations for a successor to this Agreement.

Galesburg Fire Department
Physical Performance Test

Required Gear

Full turnout gear (including gloves) with SCBA. Nomex hoods are optional. Extrication gloves may be worn in place of firefighting gloves.

Course Tasks and Rules

Task 1 - High-rise Stair-climb Evolution:

The course begins at the base of the stairs on the first floor of the burn tower with one (1) hand touching the accordion hose and “on air”. Time begins when the hose is raised to the shoulder. Carry a 50’ accordion section of 2 ½” attack line to the fourth (4th) floor of the burn tower. Running up the stairs and taking as many steps as possible is permitted. After reaching the fourth (4th) floor, carry the hose (walking) toward the window and drop the hose in the designated location.

Task 2 – Hoist Evolution:

With Hand-over-hand motion, pull a 50’ rolled section of 2 ½” attack line attached to ½” utility rope to the fourth (4th) floor of the burn tower. Place the hose in the designated location just inside the window opening. Walk back down to the first (1st) level of the burn tower making contact with each step. After returning to the first (1st) level, walk to the chopping simulator located just outside the opening to the burn tower.

Task 3 – Chopping Evolution:

Using a 9# dead-blow hammer, drive a length of railroad tie a distance of five feet (5’). You must “strike” the tie. Hooking or dragging the tie will result in the assessment of a fifteen (15) second penalty added to the total time. After driving the tie, drop the sledgehammer and walk a serpentine path a distance of 140’ to the next task.

Task 4 – 1 ¾” Hose Advance:

Pick up the nozzle and place it over the shoulder. Advance (walking) the 100’ length of charged 1 ¾” hose a distance of 75’, crack the nozzle and place it in the designated location. Walk 30’ to the next task.

Task 5 – Victim Rescue Evolution:

Lift the 145# dummy under the arms and drag it backwards a distance of 100’ and place it in the designated location. Total time ends at the completion of this task.

SECTION 20.9 RULES AND REGULATIONS.

All rules, regulations, and departmental orders shall be issued in writing to all bargaining unit employees. The Employer and the employees agree to adhere to those rules, regulations and orders unless and until they are changed in writing.

SECTION 20.10 PRINTING OF THE AGREEMENT.

The City shall be responsible for the printing of twenty five (25) copies of this Agreement and shall provide the Union an opportunity to proof the Agreement prior to printing. The cost of printing the Agreement shall be shared equally by the parties. The City shall distribute one (1)

copy to each bargaining unit member covered by this Agreement, and shall also provide each new bargaining unit member with a copy within one (1) pay period within their date of hire. This Agreement shall be printed by a Union printer of the City's choice, unless an alternative printing arrangement is mutually agreed to by Local #555 and the City.

SECTION 20.11 MANNING LEVELS.

Minimum manning shall be as established by the Fire Chief's General Order #2 Manpower. If the Chief decides to change the manning levels, he shall circulate a proposed new General Order incorporating the change. If the union wishes to bargain over the change, it shall notify the Chief, who shall then delay implementation of the changes for 30 days to allow for bargaining with the union during that period. During bargaining, the union shall be provided with the reasons for the change and the union shall have the opportunity to present alternatives to the change. After consideration of proposed alternatives, the Chief may implement the change unless the union has presented clear and convincing evidence that the change is unwarranted or unnecessary.

SECTION 20.12 TELEPHONE.

All employees shall be required as a condition of continued employment, to obtain and maintain an operating telephone.

SECTION 20.13 VOTING TIME.

Employees shall be allowed the opportunity to vote in any federal, state, or local general election during work hours.

SECTION 20.14 PERSONNEL RULES.

The City's Personnel Rules are not applicable to bargaining unit employees.

SECTION 20.15 ORIENTATION AND LAPEL PINS.

The Union will be allowed an opportunity to have a one (1) hour orientation during the first (1st) week of employment with all new hires to explain the role of the Union and the benefits of membership. Bargaining unit employees will be permitted to wear the I.A.F.F. Union lapel pin on their uniforms at work in accordance with departmental rules.

SECTION 20.16 PROTECTIVE CLOTHING.

The employer shall provide protective clothing, and the employee shall continue to receive station uniforms according to the current practice of the parties. Station uniforms will be provided by the employer. The City shall make efforts to secure grant funding to provide for two (2) sets of firefighting P.P.E. for all bargaining unit members to include but not limited to: bunker gear, nomex hood, and gloves.

SECTION 20.17 CLASS A DRESS UNIFORMS AND STATION UNIFORM COMPONENTS.

Effective January 1, 2015, an employee who completes his probationary period after this date shall be provided by the City with a Class A Dress Uniform, according to the current Department specifications, at no cost to the employee. This uniform shall be provided within ninety (90) days after the expiration date of the employee's probationary period. A shift Firefighter shall be provided with an annual trade-in allowance of up to \$250 for replacement of work shoes, belts, Class A uniform upgrades and approved T or polo shirts upon submittal of receipts. Firefighters are required to buy short pants.

For 40 hour employees, a clothing allowance of \$400 will be provided.

SECTION 20.18 REIMBURSEMENT FOR LOSS OF PERSONAL ITEMS

Employees covered by this agreement will be reimbursed for loss of personal items (including but not limited to: gloves, eyeglasses, contact lenses, personal tools and uniforms) destroyed or damaged in the line of duty in an amount not to exceed \$250 per occurrence.

ARTICLE XXI: APPRENTICESHIP AND LIAISON OFFICER PROGRAM

The Union agrees to cooperate with the Employer in the Apprenticeship and Liaison Officer Program. There shall be created an Apprenticeship and Liaison Officer Committee jointly established by the Employer and the Union, with equal representation. This Committee shall be charged with the responsibility of developing the guidelines for developing, implementing and administering such programs.

The Committee shall administer the Liaison Program to effectuate the purpose of development a corps of individuals from the community, representing industries, hospitals, financial institutions and the like, to serve as liaison personnel to the Galesburg Fire Department in the event of fire or other emergency at their facility. Such liaison officers will also be used by the Galesburg Fire Department as an auxiliary firefighting unit in the event of a major disaster in the community. Such persons will not be assigned to enter buildings or residences for the purposes of fire suppression, but will be limited to perimeter work, assisting the firefighters in the event of such a major disaster. They will be at all times under the direct supervision and control of the Chief of the Galesburg Fire Department or his assignee. They will wear uniforms and protective clothing that is distinctive from those of the bargaining unit members. Except in the case of such a major disaster, liaison officers will not perform the duties of firefighters and their duties shall be confined to providing information and other similar support services to the Galesburg Fire Department concerning their facilities. No such liaison officer will be summoned except if needed in an advisory nature nor perform any duties of any kind outside those of an advisory nature at the scene of a fire or similar emergency unless all bargaining unit members have been called back for duty because of the emergency.

Apprentice firefighters will be trained and assigned according to the guidelines developed by the Committee. Such persons shall be provided a uniform and protective clothing that is distinctive from that used by the bargaining unit members. Due to their lack of experience, and the possibility of injury to themselves, the public, and the bargaining unit members, apprentices will not be permitted to enter a building or a residence that is on fire. Apprentices will not be paid for their services and will not receive preferential treatment or consideration in the hiring process to become a member of the classified firefighting service of Galesburg.

In the event of a dispute among Committee members that cannot be resolved, the parties agree to refer the difference of opinion to a third party neutral for resolution, as per details and limitations to be mutually agreed for inclusion as an addendum to the contract to include a dispute mechanism for resolving cases of impasse positions of the Committee.

ARTICLE XXII: MAINTENANCE AND FUTURE DEVELOPMENT OF THE TRAINING SITE

The Hawthorne Training Site shall be recognized as an integral part of the Galesburg Fire Department facilities. Recognition of this therefore extends certain job responsibilities of bargaining unit members to that facility, including:

Maintains the Training Site's permanent structures and facilities to the effect of: maintains order and cleanliness of apparatus, tools, and equipment; sweeps and cleans or vacuums all floors and carpets; cleans and keeps sanitary the bathroom and kitchen areas including toilets, lavatories, showers, counters, cabinets, and appliances. Maintains order the cleanliness of classroom equipment and instructional aids.

Maintains and performs minor repairs of firefighting equipment, vehicles, and apparatus which may be stationed at the Training Site for training purposes.

Participates in the preparation, execution, and clean up operations arising from training activities implemented by the Department for the benefits of offering training opportunities to Department members together with other professional members or groups.

These duties and responsibilities arise from the conduct of regular Fire Department affairs and training activities. Utilization of the training facilities by outside departments, agencies, organizations, or affiliations will require their support in maintaining the order and cleanliness of training site facilities and equipment utilized in the conduct of these outside activities.

The Employer agrees to accept the primary responsibility of maintaining the physical grounds of the Training Site through its other departments by including the Training Site in its regular pattern of grass mowing and snow removal at the Hawthorne Complex. Firefighters shall assist in grounds upkeep by trimming grass, weeds, and brush in areas not easily accessible to large equipment. Firefighters shall use snow blowers and other equipment provided by the Employer to clean sidewalks and other areas not clearable by City plow trucks.

The City may add additional firefighting duties to the foregoing by serving notice of such addition to the Union. This shall not prevent the Union from grieving the question of whether such additional duties are related to firefighting.

Activities involved in the further development of the Training Site performed outside regular duties as outlined under the Job Description (Appendix B) will be considered as voluntary contributions by bargaining unit members.

The Union shall not interfere in any manner with the voluntary work of a bargaining unit member as it relates to equipment, grounds or facilities.

ARTICLE XXIII: JOB DESCRIPTIONS

The job descriptions for bargaining unit members are set forth in Appendix B.

ARTICLE XXIV: SAVINGS CLAUSE

If any provision to this Agreement, or the application of such provision should be rendered or declared invalid by any court action or by reason of any existing or subsequently enacted legislation, by the State of Illinois or the United States of America, the remaining parts or portions of this Agreement shall remain in full force and effect. The parties shall attempt to renegotiate in good faith the invalidated provisions.

ARTICLE XXV: ENTIRE AGREEMENT

This Agreement supersedes and cancels all prior practices and agreements, whether written or oral, unless expressly stated in the Agreement, as to those matters specifically stated in this Agreement.

ARTICLE XXVI: AMENDMENTS

This Agreement may be amended only by mutual written agreement of the parties. Such amendments shall be lettered, dated, and signed by the parties and they shall constitute a part of this Agreement.

ARTICLE XXVII: TERMINATION

This Agreement shall be effective as of the day after the contract is executed by both parties and shall remain in full force and effect until 11:59 p.m. on the thirty-first (31) day of December, 2023. It shall be automatically renewed from year to year thereafter unless either party shall notify the other in writing at least one hundred twenty (120) days prior to the anniversary date that it desires to modify this Agreement. In the event that such notice is given, negotiations shall begin no later than ninety (90) days prior to the anniversary date. This Agreement shall remain in full force and be effective during the period of negotiations.

Resolution of disputes as to the terms of the successor agreement shall be in accordance with the procedures of Section 14 of the IPLRA except that the impartial chairman of the arbitration panel shall be selected in accordance with the procedures provided for the selection of an arbitrator specified in Section 5.4 of this Agreement.

APPENDIX A

AUTHORIZATION FOR I.A.F.F. UNION DUES AND ASSESSMENTS

I hereby authorize the Finance Department to deduct from my earnings the regular monthly dues, and any annual assessments, uniform in dollar amount, in the amount certified by the Financial Officer of the Union; and further authorize the remittance of such amounts to said local Union in accordance with the currently effective agreement between the City of Galesburg and local Union. This authorization is revocable by a notice in writing by certified mail to the Finance Department with a copy to the said local Union.

I hereby waive all right and claim for said monies so deducted and transmitted in accordance with this authorization and further and separately relieve the City, and department of the City, the Union, and all their officers, representatives or agents from liability therefore.

APPENDIX B

JOB DESCRIPTIONS

FIREFIGHTER - FIRE DEPARTMENT.

Under direct supervision, combats and extinguishes fire; protects life and property through firefighting activities and the performance of hazardous tasks under emergency conditions and stress; participates in a program of emergency medical services; assists in the routine maintenance of department vehicles, apparatus, equipment, and physical facilities; receives training in methods and techniques related to firefighting; participates in the fire prevention and protection program.

Responds to fire alarms; uses chemical extinguishers, bar, hooks, lines, axes, and ladders to extinguish and/or prevent the spread of fire and protect lives and property; ventilates buildings, holds hose nozzle and directs water streams; may evacuate individuals from the fire and administer first aid to fire victims; participates in salvage and overhaul of equipment.

Drives and operates a pumper or ladder truck and/or rescue van; determines and takes most rapid route to the scene of the fire; positions truck, operates truck controls to regulate pressure and an amount of water flow or assure optimum of utilization of aerial ladders; distributes equipment from the truck to other fire fighters; assists and supervises the reloading of the truck.

Connects hydrant to pumper truck; turns on hydrant, lays hose lines as directed, checks couplings, and straightens hose.

Performs emergency rescue and provides emergency medical treatment in life-threatening situations, including fires, accidents and illnesses; gives necessary immediate treatment to distressed victims using life saving equipment; assures hospital and/or ambulance is contacted as required; may drive emergency van. Employees shall secure certification as an Emergency Medical Technician (minimum EMT or higher) within twelve (12) months of their date of hire and retain that certification as a condition of employment.

Receives continuous training in firefighting methods, techniques and equipment; participates in critique of firefighting operations after major fires; participates in the review of pre-fire plans for schools, nursing homes and hospitals.

Maintains and performs minor repairs of firefighting equipment, vehicles and apparatus. Participates in home awareness programs and Fire Prevention Week; provides tours of the firehouse; gives speeches to civic and school groups and interprets fire programs to community groups; may act as desk watch or historian at the fire station.

Prepares records and reports such as fire reports and equipment records; provides guidance, instruction and training to other firefighters; may assist Training Instructor as required.

Cleans and maintains fire station facilities; operates offset printing equipment when assigned. Firefighters shall continue to mow the grass at outlying stations and shall perform laundry duties according to the current practice.

With regard to snow removal from the apparatus aprons of fire department facilities, the Employer agrees to have its snowplows clean as part of their regular pattern of snow removal in the City. Firefighters shall use the snowplows, blowers, and other equipment provided by the Employer to clean the sidewalks and other areas not clearable by the City's snowplow trucks. If a fire emergency occurs, and it is necessary to clear an exit path for Fire Department vehicles, bargaining unit members agree to do so.

The City may add additional firefighting duties to the foregoing by serving notice of such addition to the Union. This shall not prevent the Union from grieving the question of whether such additional duties are related to firefighting.

The Union shall not interfere in any manner with the voluntary work of a bargaining unit member as it relates to equipment, grounds or facilities.

Firefighters shall perform the duties of a superior officer as assigned. Firefighters shall perform other duties as assigned or required.

FIRE CAPTAIN - FIRE DEPARTMENT.

Any firefighter promoted to Fire Captain shall maintain EMT or higher certification. Under direction, functions as station commander during an assigned shift for an outside firehouse or serves as an administrative aide; supervises an on-going program of facility and equipment maintenance and directs and participates in the containment and suppression of fires; conducts training programs; prepares and maintains a variety of records and reports.

Supervises all activities at an outside fire station for an assigned shift; directs staff in an on-going program of vehicle, equipment and facility maintenance; conducts in-service training and drills of subordinates in firefighting methods and techniques; maintains discipline, evaluates performance and abilities of staff.

Supervises subordinates and participates in the containment and suppression of fires; determines best method of extinguishing fires; directs the operation of pumping equipment, laying of hose lines, rescue of individuals, ventilation of buildings, etc.; directs work of firefighters or assists in their direction when relieved by a superior officer.

Directs staff and participates in home awareness and other fire prevention programs.

The City may add additional firefighting duties to the foregoing by serving notice of such addition on the Union. This shall not prevent the Union from grieving the question of whether such additional duties are related to firefighting.

The Union shall not interfere in any manner with the volunteer work of a bargaining unit member as it relates to equipment, grounds or facilities.

Prepares records and reports of fires, and station and staff activities; recommends and substantiates need for the purchase of new vehicles or equipment.

Serves as administrative aide; prepares, coordinates and maintains a variety of records and reports, such as time and pay records, personnel records, fire inspection reports, fire loss reports, station work activities, and supplies and equipment inventories; reviews building plans and assures compliance

with Fire Codes; coordinates releases to the media; may assist in the preparation of the budget proposal and prepares statistical information to evaluate existing or proposed programs.

Serves as training instructor for an assigned shift; teaches scheduled classes in firefighting techniques, equipment, methods and practices; coordinates or conducts special training programs; prepares related reports.

Assumes responsibility for acting as Battalion Chief in the absence of the superior. Performs other duties as required or assigned.

APPENDIX C

2021 Sworn Fire Employee Hourly Pay Schedule							
Classification	Step A	Step B	Step C	Step D	Step E	Step F	Step G
40-hour/week Firefighter *	25.18	26.44	27.77	29.16	30.61	32.15	33.77
53-hour/week Firefighter	18.54	19.46	20.44	21.46	22.53	23.64	24.84
40-hour/week Fire Captain *	27.77	29.16	30.61	32.15	33.77	35.43	37.21
53-hour/week Fire Captain	20.44	21.46	22.53	23.64	24.84	26.08	27.39
*includes 2.5% staff position incentive							
Note: Step F requires a Fire Science Certificate and Step G an Associate Degree in Fire Science							

APPENDIX D

LAYOFFS

If during the life of this Agreement, the City reasonably determines that layoffs are necessary due to a lack of work or of funds, it shall provide a thirty (30) day notice to the Union to the effect that it will lay off employees. If either party desires to reopen for negotiations the proposed layoffs or the effects thereof, including the issues of work schedules or work assignments, the party seeking negotiations shall service notice upon the other party within ten (10) calendar days from the date that the 30-day notice is served on the union. If either party serves notice upon the other of a desire to reopen for negotiations in accordance with this Appendix D, the parties shall meet at reasonable times for a period of sixty (60) days, or longer if mutually agreed in writing, in an effort to reach agreement on the issues presented by the notice(s) of desire to reopen. If neither party serves notice of a desire to reopen, the City may proceed with layoffs at the end of the 30-day notice period. Layoffs shall be conducted in accordance with provisions of Section 9.7.

If the Union has served notice of a desire to reopen regarding layoffs, and no agreement is reached during the 60-day negotiations period, the Union may invoke such impasse procedures are available to it under applicable law. Interest arbitration, should it be demanded by the Union, shall be conducted on an expedited basis, with no more than sixty (60) days elapsing between the demand for arbitration and the arbitration award, unless extended by mutual agreement of the parties in writing or by ruling of the arbitrator. The City agrees that it will not implement layoffs pending receipt of an arbitrator's award issued in compliance with the terms of this Appendix D.

APPENDIX E EMT TRAINING

Where practicable, the necessary training to prepare employees to take EMT-or higher certification examinations and to meet the requirements for maintaining EMT-or higher certification will be provided on duty, without loss of pay, by and through the Galesburg Fire Department, subject to reasonable Department rules regarding training, attendance, and testing.

Overtime shall be paid in accordance with Section 7.3 of this Agreement.

APPENDIX F DRUG AND ALCOHOL TESTING

It being the desire of the parties to protect the safety of the public and other employees, yet safeguard the rights of individual employees, the parties agree that drug and alcohol testing shall be conducted, as follows:

1. The City may order individual employees to submit to breathalyzer, blood or urine tests to determine the presence of alcohol and/or blood or urine tests to determine the presence of drugs where the City has reasonable suspicion to believe the individual employee is then under the influence of alcohol or controlled substances. The City shall set forth in writing to the employee at the time the order to submit the testing is given, the basis for such reasonable suspicion, including all objective facts and reasonable subjective observations and conclusions drawn from those facts.

Reasonable suspicion will be based upon the following:

- A. Observable phenomena, such as direct observation of use and/or the physical symptoms of impairment which might result from using or being under the influence of alcohol or controlled substances; or
- B. Information provided by an identifiable third party which is reasonably believed reliable. The identity of the third party shall not be disclosed except when considered relevant to an appeal of a grievance or any disciplinary action.
- C. Any and all accidents/injuries incurred while on duty that, in the non-grieveable judgment of the Fire Department supervisor in charge of accident review and reporting, are likely to be determined to have resulted in property damage of \$1,000 or more or that require immediate treatment by a medical professional.

2. Employees ordered to submit to drug and alcohol tests shall promptly comply with the order, whether or not they believe that reasonable suspicion for the order exists. Refusal to submit to such tests may result in appropriate disciplinary action. Employees who submit to such tests shall not be deemed to have waived or otherwise impaired their rights to grieve or otherwise contest any aspect of the testing as may be provided by law or this Agreement. The City shall present each employee, prior to issuing the order to test, this Agreement and the policy of the City concerning drug and alcohol abuse.

3. The City agrees that its testing procedure for the presence of drugs or alcohol shall conform to the following:

- A. Use only a licensed clinical laboratory to test body fluids or materials for alcohol or drugs;
- B. Establish a chain of custody procedures for both sample collecting and testing that will ensure the integrity of and of each sample and test result;

- C. Collect a sufficient sample of the same body fluid or material to permit for an initial screening, a confirmatory test and a sufficient amount to be set aside and reserved for later testing; if requested by the employer;
- D. Collect all samples in such a manner as to preserve the individual employee's right to privacy, ensure a high degree of security for the sample and its freedom from adulteration. Proper testing may be conducted to prevent the submission of a false or adulterated sample;
- E. Confirm any sample that tests positive in the initial screening for alcohol or drugs by use of gas chromatography, with mass spectrometry or an equivalent scientifically accurate and accepted method that provides quantitative data about the detected alcohol or drug metabolites;
- F. Provide the employee tested with an opportunity to have an additional portion of the same sample tested by a licensed testing facility of his own choosing;
- G. Require that the clinical laboratory report to the City positive result only in the case where both the initial and confirmatory test results are positive as to the same sample;
- H. Provide each employee tested with a report of the results of each drug or alcohol test that includes the types of tests conducted, the results of each test, the detection level used by the laboratory, and any other information provided to the City by the laboratory.

Ensure that all positive samples are maintained for a period of not less than 120 days to permit additional testing at the election of the Employer or the employee.

Testing procedures for all breath, blood and urine samples for alcohol and other prohibited drugs and intoxicating compounds shall be in compliance with applicable sampling procedures and shall employ approved evidentiary instruments as required by Il. Adm. Code 20 IL. Adm. Code 1286.

Alcohol Standards: The parties agree to allow the City of Galesburg to administer breathalyzer tests by a trained technician on a properly calibrated breathalyzer to preliminarily determine reasonable suspicion for alcohol impairment by the employee while on duty. A blood alcohol reading on a breathalyzer administered as required under this Article of .01 or higher shall be considered a positive test. A confirmatory test shall be based upon a follow up blood test using the procedures required by this Article.

The parties agree that there shall be no random, periodic or mass testing of employees for alcohol or drugs. Employees shall have the right to grieve the basis for the order to test, accuracy of the tests, the consequences of the test and any alleged violation of this Agreement.

4. Should a grievance concerning such testing be sustained, the arbitrator shall have the authority to fashion an appropriate remedy, including but not limited to expungement of records, a prohibition against using information concerning the test or results thereof in any future employment decision, and the posting of appropriate notices. It is understood that employees' legal rights that may exist outside this Agreement concerning drug and/or alcohol testing are not limited or in any manner abridged herein and they may pursue the same as provided by law. This Agreement notwithstanding. The City agrees to indemnify and hold harmless the Union for and against any claims, demands or any liability that may arise, reasonable costs and attorney's fees included, as a result of any testing conducted by the City.

5. All discipline in situations involving a positive confirmed test shall be administered as specified herein:

A. First Positive: Except in extreme situations, in the first instance that an employee tests positive on the confirmatory test, and where there are no other City or Department rule violations, the employee may be subject to a suspension not to exceed five (5) work days. The foregoing limit on suspension is conditioned upon the employee agreeing to:

- a. Undergo appropriate treatment as determined by the physician(s) involved, up to and including a physician of the City and/or the City's EAP Coordinator.
- b. Discontinue use of illegal drugs or abuse of alcohol.
- c. The employee agreeing to authorize persons involved in counseling, diagnosing and treating the employee to disclose to the City the employee's progress, cooperation, drug and alcohol use dangers perceived in connection with performing job duties and completion or non-completion of treatment.
- d. Complete the course of treatment prescribed, including an "after care" group for a period of up to twelve (12) months.
- e. Agree to submit to random testing during hours of work during the period of "after care", and for a period of twelve (12) months following the period of "after care" and
- f. Agree that during this last chance period in (5) above, if the employee tests positive again, the employee may be terminated.

B. Employees who do not agree to the foregoing shall be subject to discipline up to and including termination.

C. Second Positive: After two (2) violations of this policy, the employee shall be discharged from employment.

Upon being convicted of the sale, distribution, manufacture or transfer of an illegal drug, or the illegal sale, distribution, manufacture or transfer of a controlled substance, or felony possession of a controlled substance or any other illegal drug by an employee, an employee shall be immediately dismissed.

Upon being convicted of misdemeanor possession of any illegal drug or controlled substance, an employee will be subject to disciplinary action up to and including dismissal.

6. Voluntary Request for Assistance. Employees are encouraged to voluntarily seek treatment, counseling and/or other support and assistance for an alcohol or drug related problem. If such voluntary assistance is sought by the employee before the employee commits rule violations connected with drug/alcohol abuse and/or before the employee is subjected to for cause testing under this policy, there shall be no adverse employment action taken against an employee who voluntarily seeks assistance and successfully completes a substance abuse program. When voluntary assistance is requested under this policy, the employee may use the City's Employee Assistance Program to obtain referrals, treatment, counseling and other support and all such requests shall be treated as confidential pursuant to the City's normal procedure in the operation of its Employee Assistance Program. Employees participating in EAP shall comply with the following requirements:

- A. The City attorney shall be notified of the employee's entry in the EAP. Such information shall be held confidential subject to the employee's compliance with the conditions and agreements established for EAP participation;
- B. The EAP conditions shall include a requirement that the employee be subject to random testing during treatment;
- C. During the period of treatment, the employee shall be required to obtain a fit for duty statement from a physician who shall provide to the Administrator of the EAP. If the employee is determined to be fit for duty, the statement shall be held in confidence. If found not fit, the City shall be notified by the Union President.
 - 1. If the employee fails to comply with any agreements or conditions for participation in the EAP, the City shall be notified by the Administrator of the EAP.
 - 2. This employee will be required to submit to random testing for a period of twelve (12) months following the successful completion of treatment. Any further positive drug and alcohol testing may result in termination.

APPENDIX G

COMPONENTS OF CTO

Category	Year 0	Year 7	Year 14	Year 22
Current Allocations				
Vacation (a)	144	192	240	288
Personal Day	24	24	24	24
Holiday Time (b)	67.2	67.2	67.2	67.2
Christmas Prem Hol (c)	12	12	12	12
Total	247.2	295.2	343.2	391.2
New PTO Hours	248	296	350	400
Change to 40Hour conversion: .07547	187	223	264	302

- (a) Vacation includes 8 hours for birthday for shift employees
- (b) Holiday time includes hours previously known as comp time
- (c) 12 hrs in CTO instead of added to wages as Premium Holiday P

BENEFIT CONVERSION PROCEDURE.

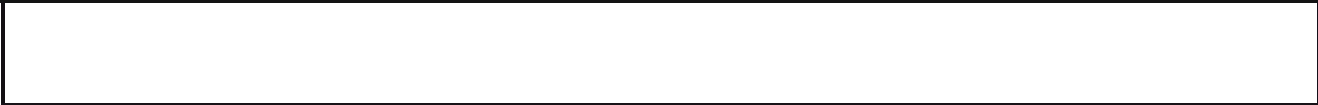
Employees who may be reassigned from a 53-hour work week schedule to a 40-hour work week schedule, or vice-versa, shall have their accumulated compensatory time leave hours, vacation leave hours, (or CTO hours, as applicable) and sick leave hours converted on the following basis:

1. New 40-hour Per Week Employees - To determine the equivalent benefit hours for new 40-hour per week employees, multiply the employee's shift schedule accumulated benefit hours times a conversion factor of .7547.
2. New Shift Employees - To determine the equivalent benefit hours for new shift schedule employees, multiply the employee's 40-hour per week accumulated benefit hours times a conversion factor of 1.325.

APPENDIX H

Health Insurance Contribution Rates

City of Galesburg Employee Health Plan				City of Galesburg Employee Health Plan				City of Galesburg Employee Health Plan			
Monthly Premiums 2021				Monthly Premiums 2021				Monthly Premiums 2021			
High Deductible plan				PPO plan				PPO+ plan			
Fire Union	Emp Pays	City Pays	Total	Fire Union	Emp Pays	City Pays	Total	Fire Union	Emp Pays	City Pays	Total
Single	\$45.96	\$604.72	\$650.68	Single	\$118.64	\$619.48	\$738.12	Single	\$121.36	\$666.22	\$787.58
per pay	\$22.98	\$302.36	\$325.34	per pay	\$59.32	\$309.74	\$369.06	per pay	\$60.68	\$333.11	\$393.79
Emp + 1	\$150.70	\$1101.30	\$1252.00	Emp + 1	\$326.88	\$1092.64	\$1419.52	Emp + 1	\$342.30	\$1172.14	\$1514.44
per pay	\$75.35	\$550.65	\$626.00	per pay	\$163.44	\$546.32	\$709.76	per pay	\$171.15	\$586.07	\$757.22
Family	\$332.18	\$1327.88	\$1660.06	Family	\$489.32	\$1388.12	\$1877.44	Family	\$513.26	\$1486.82	\$2000.08
per pay	\$166.09	\$663.94	\$830.03	per pay	\$244.66	\$694.06	\$938.72	per pay	\$256.63	\$743.41	\$1000.04
<p>Premiums & Contributions include medical, prescription drug, dental & vision benefits for each plan as defined in the benefits booklet</p>											



RATIFICATION

Executed this ____ day of _____, 2021, after ratification by the Union membership and after receiving approval by the City Council.

CITY OF GALESBURG, ILLINOIS

I.A.F.F. LOCAL NO. 555
GALESBURG FIREFIGHTERS ASSOCIATION

City Manager/Date

President/Date

Witness/Date

Vice President/Date

Witness/Date

Vice President/Date

Treasurer/Date

Recording Secretary/Date

**COUNCIL LETTER
CITY OF GALESBURG
November 01, 2021**

AGENDA ITEM: 2021 Classification and Salary Schedule for represented Fire personnel.

SUMMARY RECOMMENDATION: The City Manager, and the City Attorney & Director of Administrative Services recommend approving the amended 2021 Classification and Salary Schedule for represented Fire employees.

BACKGROUND: The attached 2021 Classification and Salary Schedule reflects a 2.25% cost of living wage increase for represented Fire positions, effective 1/1/2021.

BUDGET IMPACT: The 2.25% increase in compensation is included in the FY 21 Budget previously adopted by Council.

SUPPORTING DOCUMENTS:

1. 2021 Classification and Salary Schedule for represented Fire Personnel.

11/1/2021

Sworn Employees in the Galesburg Fire Department

Sworn Personnel Represented by I.A.F.F. Local No. 555

Range	Step A	Step B	Step C	Step D	Step E	Step F	Step G
19 F (80)*	25.18	26.44	27.77	29.16	30.61	32.15	33.77
19 F (106)	18.54	19.46	20.44	21.46	22.53	23.64	24.84
21 F (80)*	27.77	29.16	30.61	32.15	33.77	35.43	37.21
21 F (106)	20.44	21.46	22.53	23.64	24.84	26.08	27.39

*includes 2.5% staff position incentive

Pay Ranges and Classification Titles	
Range	Title
19 F (80)	Firefighter (80)
19 F (106)	Firefighter (106)
21 F (80)	Fire Captain (80)
21 F (106)	Fire Captain (106)

Note: For the ranges above, Step F requires a Fire Science Certificate and Step G an Associate Degree in Fire Science

**COUNCIL LETTER
CITY OF GALESBURG
SEPTEMBER 7, 2021**

AGENDA ITEM: Approve the purchase of a mobile camera trailer for the Galesburg Police Department.

SUMMARY RECOMMENDATION: The City Manager, Police Chief, and Purchasing Agent recommend the purchase of one mobile camera trailer from WCCTV, Inc. in the amount of \$24,592.32

BACKGROUND: Video surveillance is an ever-growing tool utilized by law enforcement for the detection and deterrence of crime. Many camera systems are fixed in nature and only allow for cameras to be used a specific location. The purchase of mobile camera trailer would allow for video surveillance at various locations as needed. The camera system would be used at city events such as the 4th of July, Railroad Days, Heritage Days, etc. The camera trailer would also be useful at locations within the city that experience specific problems as a means of detecting and deterring criminal behavior.

The camera trailer also comes with a license plate recognition camera (LPR). The LPR camera will log the license plate of vehicles that pass the camera. The LPR system does not run any personal information or search any database that contains any personal information. It simply creates a log that could be used by investigators at a later time if an incident warrants more investigation.

Quotes were obtained as follows:

Company	Amount
WCCTV, Inc	\$24,592.32
Mobile Pro Systems	\$59,500.00
IV&C	\$35,085.00

The low and best quote meeting the specifications for the needs of this purchases was submitted by WCCTV, Inc. City staff recommend approval of this purchase.

BUDGET IMPACT: The trailer would be purchased from the general fund from the police department budget. A budget adjustment would be brought to the council at a later date to account for the expense.

SUPPORTING DOCUMENTS:

1. Memo with supplementary information on camera usage



City of Galesburg Police Department

Operating Under Council – Manager Government Since 1957
Russell L. Idle, Chief of Police

Galesburg Police Department Memorandum

TO: TODD THOMPSON
REGARDING: MOBLIE CAMERA
DATE: 09/15/2021
FROM: CHIEF RUSSELL IDLE

The purchase of a mobile camera trailer for the Galesburg Police Department has been recommended by staff as tool for the detection and deterrence of crime in Galesburg. This memo serves to outline additional information on the intended uses of the camera system, as well the restrictions and guidelines instituted to ensure the tool is only used in constructive, fair, and impartial ways.

Usage of a mobile camera trailer camera would be restricted by the Fourth Amendment to the US Constitution. The Fourth Amendment prohibits searches by the government without the consent of a citizen or a search warrant issued by a judge. When using a camera, any recording or use of the camera to view a location where a citizen has a reasonable expectation of privacy would constitute a “search”.

A mobile camera trailer would only be used to view public areas. The camera would not be used to conduct any “searches” or to view any area where a person has an expectation of privacy. The camera would be used to view the public right of way, intersections, public streets, or public parks. The Illinois Department of Transportation already has cameras at numerous intersections along route 150, so these types of cameras are already in use by the State of Illinois on state routes.

A couple of examples of how the cameras could be used may be helpful. During Railroad Days, GPD receives numerous complaints of problems at the carnival. These complaints include fights, alcohol and drug use, and unruly behavior. The trailer camera could be set up at the square in a conspicuous location. It would act as a deterrent to these types of behaviors. If there were issues, the camera recording could be used to identify who was involved and where they went.

The Police Department often receives complaints from citizens of drug trafficking from residential locations. Sometimes these complaints are accurate, and sometimes it is simply a matter of a neighbor having a different lifestyle that involves more activity at night and involves no criminal behavior at all. The camera could be set up to view the public street and public right of way in that area. Officers could later view the recordings from the public way to determine the actual nature of what is going on and if it warrants further investigation.

Additional examples of uses for the camera include:

- Traffic Monitoring
- Securing Remote Public Utility Facilities
- Securing Public Buildings and Spaces
- High Crime Area Monitoring
- Event Security
- Emergency Management
- Incident Monitoring

If the trailer camera is purchased, written direction to police personnel will be provided on the proper use and maintenance of the equipment. This written direction will include:

- Public safety video surveillance systems will not intentionally be used to invade the privacy of individuals or observe areas where a reasonable expectation of privacy exists.
- Public safety video surveillance equipment shall not be used in an unequal or discriminatory manner and shall not target individuals or groups based solely on actual or perceived characteristics such as race, ethnicity, national origin, religion, sex, sexual orientation, gender identity or expression, economic status, age, cultural group, or disability.
- Video surveillance equipment shall not be used to harass, intimidate, or discriminate against any individual or group.
- The video surveillance equipment will only be deployed with the approval of the Police Chief or Deputy Chief.

As a general policy, our Police Department takes the privacy rights of our citizens very seriously. Those rights will always be taken into consideration when deploying any investigative tool or technique at our disposal.

TOWN OF THE CITY OF GALESBURG

Date: November 1, 2021

Agenda Number: 21-9023

TOWN FUND	<u>\$788.04</u>
GENERAL ASSISTANCE FUND	<u>\$3,103.75</u>
IMRF FUND	<u> </u>
SOCIAL SECURITY/MEDICARE FUND	<u> </u>
LIABILITY FUND	<u> </u>
AUDIT FUND	<u> </u>
TOTAL	<u>\$3,891.79</u>

TOWN FUND
Town Payment Due Report
 For the Period From Oct 13, 2021 to Oct 25, 2021

Vendor ID Name	Trans Date	Item ID Item Description	Amount
GALE CREDIT UNION	10/22/21		100.00
GALE CREDIT UNION		W/H Liability for Williams HSA	
			100.00
LoraCleaning Lora McAllister	10/25/21	Cleaning Township Building Sep	320.00
			320.00
Cabrera Rebecca Cabrera	10/25/21	Lodging 10/17 to 10/19 for con	188.00
	10/25/21	Per diem 1017 to 1019	49.00
	10/25/21	Mileage @ .56/mile x 117 miles	65.52
	10/25/21	Mileage @ .56/mile x 117 miles	65.52
			368.04
Report Totals			788.04

TOWN FUND
TOWN Payroll Expenses Report
 Oct 16 - Oct 31, 2021

Vendor ID	Date	Account Description	Invoice/CM #	Debit Amou	Credit Amoun
FEDERAL TAX	10/22/21	Medicare & Soc Sec W/H	2021_Oct31a	912.73	912.73
FEDERAL TAX	10/22/21	Medicare & Soc Sec Payable	2021_Oct31b	912.73	912.73
FEDERAL TAX	10/22/21	Federal P/R Taxes Withheld	2021_Oct31c	1,444.07	1,444.07
GALE CREDIT UNION	10/22/21	125HSA	2021_Oct31	100.00	100.00
IDOR	10/22/21	State P/R Taxes Withheld	2021_Oct31	600.21	600.21
IHMVCU	10/22/21	125HSA	2021_Oct31	200.00	200.00
IMRF	10/22/21	IMRF W/H	2021_Oct31	1,070.50	1,070.50
IMRF	10/22/21	VAC_imrf VAC_imrf VAC_imrf VAC_imrf	2021_Oct31_V	165.49 230.43 641.08	1,037.00
PAYROLL	10/22/21	Payroll Account Payroll Account	2021_Oct31	7,883.98	7,883.98
				14,161.22	14,161.22

TOWN OF THE CITY OF GALESBURG
General Assistance Payment Due Report
 For the Period From Oct 13, 2021 to Oct 25, 2021

Vendor ID	Date	Account Description	Invoice/CM #	Debit Amou	Credit Amount
ADM_CITYGALES-DEPE	10/22/21	125 Premium	2021_Oct31	510.30	510.30
ADM_F&MBank	10/22/21	125HSA	2021_Oct31	150.00	150.00
HY-VEE_Main	10/25/21	Assistance-Food	G14770	97.90	97.90
HY-VEE_Main	10/25/21	Assistance-Food	G14788	50.00	50.00
HY-VEE_Main	10/25/21	Assistance-Food	G14803	47.70	47.70
HY-VEE_Main	10/25/21	Assistance-Food	G14818-1	55.60	55.60
HY-VEE_Main	10/25/21	Assistance-Food	G14824	71.48	71.48
HY-VEE_Main	10/25/21	Assistance-Food	G14828	98.25	98.25
HY-VEE_Main	10/25/21	Assistance-Food	G14836	99.07	99.07
HY-VEE_Main	10/25/21	Assistance-Food	G14842	10.14	10.14
HY-VEE_Main	10/25/21	Assistance-Food	G14849	99.11	99.11
HY-VEE_Main	10/25/21	Assistance-Food	G14862	47.12	47.12
HY-VEE_Main	10/25/21	Assistance-Food	G14865	65.91	65.91
				1,402.58	1,402.58

TOWN OF THE CITY OF GALESBURG
General Assistance Advance Payment Report
For the Period From Oct 13, 2021 to Oct 25, 2021

Account ID	Vendor ID	Line Description	Date	Check #	Debit Amou	Credit Amo
1-613 1-104	WilcoxProperties	Invoice: E14855 Wilcox Properties	10/20/21	23482	500.00	500.00
1-603 1-104	AmerenPLEDGE	Invoice: G14853 Ameren IL Energy Assistance (A-10)	10/20/21	23527	49.95	49.95
1-602 1-104	KCHA	Invoice: G14854 KNOX CO. HOUSING AUTHORITY	10/20/21	23528	16.00	16.00
1-612 1-104	KCHALaundry	Invoice: G14851 KCHA - Laundry	10/20/21	23529	10.00	10.00
1-612 1-104	OakbrookCorpLAU	Invoice: G14856 Oakbrook Corporation	10/20/21	23531	10.00	10.00
1-612 1-104	STATE FARM_Twitt	Invoice: G14852 STATE FARM	10/20/21	23532	49.12	49.12
1-603 1-104	AmerenPLEDGE	Invoice: G14844 Ameren IL Energy Assistance (A-10)	10/20/21	23534	37.10	37.10
1-602 1-104	Huizengaj	Invoice: G14867 John & Ladenna Huizenga	10/25/21	23536	319.00	319.00
1-602 1-104	KCHA	Invoice: G14869 KNOX CO. HOUSING AUTHORITY	10/25/21	23537	62.00	62.00
1-612 1-104	KCHALaundry	Invoice: G14872 KCHA - Laundry	10/25/21	23538	10.00	10.00
1-602 1-104	SunGardenPlace	Invoice: G14868 Sun Garden Place LLC	10/25/21	23539	319.00	319.00
1-602 1-104	TalbertK	Invoice: G14875 KEVIN TALBERT	10/25/21	23540	319.00	319.00
Total					1,701.17	1,701.17

TOWN OF THE CITY OF GALESBURG

GA Payroll Expenses Report

Oct 16 - Oct 31, 2021

Vendor ID	Date	Invoice/CM #	Line Description	Debit Amount	Credit Amount
ADM_F&MBank	10/22/21	2021_Oct31	W/H Liability - Natof HSA for Oct 31 payroll Farmers and Mechanics Bank	150.00	150.00
ADM_FederalTaxes	10/22/21	2021_Oct31a	Employees' W/H for SSMC for Oct 31, 2021 GA FEDERAL TAXES	603.09	603.09
ADM_FederalTaxes	10/22/21	2021_Oct31b	Employer's Share of SSMC for October 31, 2021 - GA FEDERAL TAXES	603.09	603.09
ADM_FederalTaxes	10/22/21	2021_Oct31c	Employees Federal Tax W/H for October 31, 2021 for GA FEDERAL TAXES	543.84	543.84
ADM_ICMA	10/22/21	2021_Oct31	W/H Liability After-Tax - Roth 457 for Natof - Oct 31 payroll ICMA RETIREMENT-457	150.00	150.00
ADM_IDOR	10/22/21	2021_Oct31	Employee W/H for State Income Taxes - October 16-31, 2021 for GA ILLINOIS DEPT. OF REVENUE	341.43	341.43
ADM_IMRF	10/22/21	2021_Oct31	Employee Contribution to IMRF - October 16-31, 2021 for GA IMRF	358.70	358.70
ADM_Payroll	10/22/21	2021_Oct31	Net Salaries for October 16 - 31, 2021 for GA Payroll	2,586.42	
			Net Hourly for October 16 - 31, 2021 for GA Payroll	383.42	
			PAYROLL ACCOUNT		2,969.84
				5,719.99	5,719.99

**TRUSTEE LETTER
TOWN OF THE CITY OF GALESBURG
NOVEMBER 1, 2021**

AGENDA ITEM: Resolution to determine the 2021 Township Tax Levy.

SUMMARY RECOMMENDATION: The Township Supervisor and Town Clerk recommend approval of the resolution not to exceed a levy of 105 percent over the 2020 tax levy extension.

BACKGROUND: Each year, the Township Trustees approve the annual Property Tax Levy that the County extends on the taxable property within the Town of the City of Galesburg.

Prior to the Tax Levy approval, the Township Trustees state their intent to exceed or not exceed the five percent increase threshold for any truth in taxation public hearing must approve this resolution. This resolution indicates an intention **not** to exceed 105 percent of the 2020 tax extension and thus does not require a truth in taxation public hearing

SUPPORTING DOCUMENTS:

1. Resolution

RESOLUTION NO. _____

RESOLUTION TO DETERMINE ESTIMATED 2021 TAX LEVY

WHEREAS, the Township Trustees of the Town of the City of Galesburg, Knox County, Illinois, herein referred to as Trustees wish to comply with the Truth in Taxation Act, Illinois Compiled Statutes 2006, 35 ILCS (Revenue) 200/18-55 through 18-0-; and

WHEREAS, the Trustees have deliberated on the estimate of the annual aggregate levy; and

NOW THEREFORE, BE IT RESOLVED THAT: The Corporate Authorities determined the amount of money exclusive of any portion of that levy attainable to the cost of conducting an election required by Election Law, estimated to be necessary to be raised by taxation for the 2021 levy is approximately \$531,000, which is not more than 105% of the aggregate extension for the 2020 tax levy.

Approved this _____ day of November 2021 by a roll call vote as follows:

Roll Call #: _____

Ayes: _____

Nays: _____

Absent: _____

Peter D. Schwartzman, Trustee

ATTEST:

Kelli R. Bennewitz, Township Clerk