

**AGENDA**  
**REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE VILLAGE OF MORTON, ILLINOIS**  
**7:00 P.M.**  
**MONDAY, NOVEMBER 5, 2018**  
**FREEDOM HALL, 349 W. BIRCHWOOD, MORTON, ILLINOIS**

- I. CALL TO ORDER**
- II. ROLL CALL**
- III. PLEDGE OF ALLEGIANCE TO THE FLAG**
- IV. PUBLIC HEARING**
- V. PRESENTATIONS AND SPECIAL REPORTS**
  - A. Presentation by Wolf, Tesar & Co. on the Audited Financial Statements for the Fiscal Year Ending April 30, 2018.
  - B. Morton Economic Development Council Update.
- VI. PUBLIC COMMENT**
  - A. Public Comments
  - B. Requests for Removal of Items from the Consent Agenda
- VII. CONSENT AGENDA**
  - A. Approval of Minutes
    - 1. Regular Meeting – October 15, 2018
  - B. Approval of Bills
- VIII. CONSIDERATION OF ITEMS REMOVED FROM THE CONSENT AGENDA**
- IX. VILLAGE PRESIDENT**
- X. VILLAGE CLERK**
- XI. VILLAGE ADMINISTRATOR**
  - A. Overview of Health, Dental & Life Insurance Estimated Cost for 2019.
  - B. Overview of Property & Liability, Workers Compensation, and Cyber Liability Insurance for December 1, 2018 through December 1, 2019.
- XII. CHIEF OF POLICE**
- XIII. CORPORATION COUNSEL**
- XIV. DIRECTOR OF FIRE AND EMERGENCY SERVICES**
- XV. DIRECTOR OF PUBLIC WORKS**
  - A. Resolution 14-19 – A Resolution Authorizing the Purchase of Natural Gas from PEFA, Inc.; Approving the Execution and Delivery of a Gas Supply Agreement and Other Documents Relating to Said Purchase; Approving the Issuance of Bonds by PEFA, Inc.; and Addressing Related Matters.
  - B. Resolution 15-19 – A Resolution Authorizing Amendment to Natural Gas Management Agreement Regarding the Purchase of Natural Gas from PEFA, Inc.
- XVI. PLANNING AND ZONING OFFICER**
  - A. Special Use Petition No. 18-09 SP – 138 and 140 S. Main St.
  - B. Special Use Petition No. 18-10 SP – 4001 W. Jackson St.
- XVII. VILLAGE TRUSTEES**
  - A. Trustee Belsley
  - B. Trustee Blunier
  - C. Trustee Leman
  - D. Trustee Heer
  - E. Trustee Newman
  - F. Trustee Parrott
- XVIII. CLOSED SESSIONS**
- XIX. CONSIDERATION OF MATTERS ARISING FROM CLOSED SESSIONS**
- XX. ADJOURNMENT**

**VILLAGE BOARD OF TRUSTEES  
REGULAR MEETING  
7:00 P.M., OCTOBER 15, 2018**

After calling the meeting to order, President Kaufman led the Pledge of Allegiance. The Clerk called the roll, with the following members present: Blunier, Heer, Leman, Parrott – 4.

**PUBLIC HEARING** – None.

**PRESENTATIONS** – Morton School District 709 Superintendent Jeffrey Hill gave an overview presentation on the upcoming Facility Sales Tax Referendum that will be on the November 2018 ballot.

**PUBLIC COMMENT** – Troy Saunders of 207 Stonecrop spoke about an incident with a woman who was misled by an energy supplier into changing her provider and over time ended up with much higher electrical bills. He wanted to make the Board and the public aware of the situations like this and encourage everyone to do due diligence before making any decisions to switch providers.

**CONSENT AGENDA**

- A. Approval of Minutes.
  - 1. Regular Meeting – October 1, 2018
- B. Approval of Bills

Trustee Heer moved to approve the Consent Agenda. Motion was seconded by Trustee Leman and approved with the following roll call vote:

Yes: Blunier, Heer, Leman, Parrott – 4.  
No: None.  
Absent: Belsley, Newman.

**VILLAGE PRESIDENT**

President Kaufman requested approval of the appointment of Jason Scarfe to the Business District Commission to fill a vacant position with a term expiring April 30, 2020. Trustee Heer moved to approve. Motion was seconded by Trustee Parrott and approved with the following roll call vote:

Yes: Blunier, Heer, Leman, Parrott – 4.  
No: None.  
Absent: Belsley, Newman.

**VILLAGE ADMINISTRATOR**

Administrator Smick presented Resolution 13-19, a resolution authorizing changes to the annual funding calculation and property tax levy for the Morton Police Pension Fund. She gave a detailed overview and noted that the resolution would increase the growth of the fund and would revise the calculation to attain 100% funded status by 2040. Trustee Parrott moved to approve. Motion was seconded by Trustee Heer and approved with the following roll call vote:

Yes: Blunier, Heer, Leman, Parrott – 4.  
No: None.  
Absent: Belsley, Newman.

Administrator Smick then presented a building improvement grant recommendation from the Business District Commission. She noted that the grant is for Andris Dental at 636 W. Jefferson and that the grant amount would be \$10,000 for signage, landscaping, handicap doors, and concrete replacement. Trustee Parrott moved to approve. Motion was seconded by Trustee Leman and approved with the following roll call vote:

Yes: Blunier, Heer, Leman, Parrott – 4.

No: None.

Absent: Belsley, Newman.

Administrator Smick then presented a proposal for payment of a landscaping project at the US Post Office at 600 W. Jefferson from Business District Funds. She explained that the business district had a tie vote on recommending the funding, and Trustee Parrott gave an overview of the project, noting that it would substantially improve the landscaping which is badly needed and unlikely to be funded by the federal government any higher than \$2,500, which would be put toward the project, with \$14,200 coming from Business District funds. Trustee Parrott moved to approve. Motion was seconded by Trustee Blunier and approved with the following roll call vote:

Yes: Blunier, Heer, Leman, Parrott – 4.

No: None.

Absent: Belsley, Newman.

#### **CHIEF OF POLICE**

Chief Hilliard presented the 2018 Pumpkin Festival Police Department Expenses. He noted that this year's expenses were slightly less than last year and that one of the reasons was the lack of extra dispatchers directly on the Village payroll since the consolidation of the Tazewell County dispatch centers. Trustee Leman moved to approve. Motion was seconded by Trustee Heer and approved with the following roll call vote:

Yes: Blunier, Heer, Leman, Parrott – 4.

No: None.

Absent: Belsley, Newman.

#### **DIRECTOR OF PUBLIC WORKS**

DPW Loudermilk requested acceptance of proposal from EN Engineering (Chicago, IL) for an alternating current (AC) mitigation study for the existing 8" gas pipeline in the amount of \$19,000.00. He gave a detailed overview and explained that there are some areas of bubbling that could be of concern and that this study would determine possibilities to fix the issues of concern, hopefully for the next fiscal year. Trustee Heer moved to approve. Motion was seconded by Trustee Parrott and approved with the following roll call vote:

Yes: Blunier, Heer, Leman, Parrott – 4.

No: None.

Absent: Belsley, Newman.

#### **PLANNING AND ZONING OFFICER**

PZO Spangler gave an overview of another solar farm being proposed to the Tazewell County Zoning Board from Cypress Creek Renewables and introduced individuals from the company who gave a presentation on the proposed project.

**VILLAGE TRUSTEES**

BLUNIER – Nothing to report.

HEER – Nothing to report.

LEMAN – Nothing to report.

PARROTT – Nothing to report.

**AJOURNMENT**

With no further business to come before the Board, Trustee Parrott moved to adjourn. Motion was seconded by Trustee Heer and followed by a unanimous voice vote.

ATTEST:

\_\_\_\_\_  
PRESIDENT

\_\_\_\_\_  
VILLAGE CLERK

## **RESOLUTION NO. 14-19**

### **A RESOLUTION AUTHORIZING THE PURCHASE OF NATURAL GAS FROM PEFA, INC.; APPROVING THE EXECUTION AND DELIVERY OF A GAS SUPPLY AGREEMENT AND OTHER DOCUMENTS RELATING TO SAID PURCHASE; APPROVING THE ISSUANCE OF BONDS BY PEFA, INC.; AND ADDRESSING RELATED MATTERS**

WHEREAS, the Village is desirous of proceeding with a gas purchase transaction as further described herein; and

WHEREAS, PEFA, Inc. is a non-profit corporation duly organized and existing under the laws of the State of Iowa and, in particular, Iowa Code Chapter 504, as amended from time to time; and

WHEREAS, PEFA, Inc. has planned and developed a project to acquire long-term gas supplies from J. Aron & Company LLC, a New York limited liability company and an affiliate of The Goldman Sachs Group, Inc., pursuant to a Prepaid Natural Gas Sales Agreement, to meet a portion of the requirements of the Village of Morton, Illinois (the "Gas Purchaser"), and other public gas distribution systems that elect to participate (each, a "Project Participant", and collectively, the "Project Participants") through a prepayment (the "Prepaid Project"); and

WHEREAS, PEFA, Inc. will issue its Gas Project Revenue Bonds, Series 2018 (the "PEFA, Inc. Bonds") to finance the acquisition of gas supplies under the Prepaid Project; and

WHEREAS, PEFA, Inc. will sell all the gas purchased under the Prepaid Project to the Project Participants; and

WHEREAS, Gas Purchaser is a public body and political subdivision organized and existing under and by virtue of the constitution and laws of the State of Illinois, acting by and through its Village Board of the Village of Morton, Illinois for and on behalf of its municipal gas utility; and

WHEREAS, Gas Purchaser has determined that it is in the best interest of its customers to be a Project Participant and thereby purchase a portion of Gas Purchaser's natural gas requirements from PEFA, Inc. pursuant to a natural gas supply contract to be entered into by PEFA, Inc. and Gas Purchaser (the "Gas Supply Agreement"); and

WHEREAS, under the Gas Supply Agreement, Gas Purchaser will agree to purchase from PEFA, Inc. the amounts of gas specified in the Gas Supply Agreement, at the prices specified in the Gas Supply Agreement, for a term specified in the Gas Supply Agreement; and

WHEREAS, the PEFA, Inc. Bonds will be issued pursuant to a Trust Indenture between

PEFA, Inc. and a corporate trustee (the "Indenture") and purchased by the underwriters or original purchasers of the PEFA, Inc. Bonds (the "Underwriters") pursuant to one or more bond purchase agreements or similar agreements; and

WHEREAS, PEFA, Inc. will pledge to the payment of the PEFA, Inc. Bonds certain assets of PEFA, Inc., including the Gas Supply Agreement between PEFA, Inc. and Gas Purchaser; and

WHEREAS, Gas Purchaser shall have no financial liability with respect to the PEFA, Inc. Bonds, and Gas Purchaser's only obligations relating to the Prepaid Project herein shall be as set forth in the Gas Supply Agreement; and

WHEREAS, in order to authorize the purchase of natural gas from PEFA, Inc. and the execution of the Gas Supply Agreement, to consent to the pledge of the Gas Supply Agreement to secure the PEFA, Inc. Bonds, to authorize the sale of the gas purchased from PEFA, Inc., and to authorize and take such other necessary and appropriate action in furtherance of the Prepaid Project, Gas Purchaser adopts this Resolution.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Village Board of the Village of Morton, Illinois (the "Governing Body"), as follows:

SECTION 1: Gas Purchaser is authorized to enter into a Gas Supply Agreement with PEFA, Inc., pursuant to which Gas Purchaser will purchase natural gas from PEFA, Inc. as provided in the Gas Supply Agreement. The Gas Supply Agreement shall (a) have a term of not greater than 366 months, (b) provide for the purchase by Gas Purchaser of not more than 4,000 MMBtu per day, and (c) provide for a projected minimum savings (prior to payment of the project administration fee as set forth in the Gas Supply Agreement) through monthly and annual discounts of not less than 30 cents per MMBtu to Gas Purchaser for the initial rate period and not less than 24 cents per MMBtu in any reset period, unless Gas Purchaser elects to purchase gas at a lesser discount during any reset period, as set forth in the Gas Supply Agreement. Gas Purchaser's obligation to make payments under the Gas Supply Agreement shall be an operating expense of its municipal gas utility, and is payable solely from the revenues of its gas system and other monies legally available, and is not a general obligation of the Village or a debt or charge against the Village within the meaning of any constitutional or statutory debt limit provision.

SECTION 2: The Gas Supply Agreement shall be in substantially the form submitted and attached hereto as Exhibit A, which such form is hereby approved, with such completions, deletions, insertions, revisions, and other changes as may be approved by the officers executing same with the advice of counsel, their execution to constitute conclusive evidence of their approval of any such changes.

SECTION 3: The gas purchased by Gas Purchaser from PEFA, Inc. shall be resold by

Gas Purchaser to its retail customers in its service area, pursuant to published tariffs or pursuant to qualified requirements contracts approved by special tax counsel to PEFA, Inc.

SECTION 4: The Village President (the "Authorized Officer") is hereby authorized to execute and deliver the Gas Supply Agreement and the Village Clerk (the "Attesting Officer") is hereby authorized to attest the Gas Supply Agreement.

SECTION 5: The officers, employees, and agents of Gas Purchaser (including, without limitation, Utility Gas Management) are hereby authorized and directed to take such actions and do all things necessary to cause the purchase of said gas to take place, including the payment of all amounts required to be paid in order to purchase the gas in accordance with the Gas Supply Agreement.

SECTION 6: The Governing Body approves the Prepaid Project undertaken by PEFA, Inc. and the portion of the PEFA, Inc. Bonds issued by PEFA, Inc. on behalf of the Gas Purchaser, and consents to the pledge of all of PEFA, Inc.'s right, title and interest under the Gas Supply Agreement, including the right to receive performance by Gas Purchaser of its obligations thereunder, to secure the payment of principal of and interest on the PEFA, Inc. Bonds.

SECTION 7: The officers and employees of Gas Purchaser, as well as any other agent or representative of Gas Purchaser (including, without limitation, Utility Gas Management), are hereby authorized and directed to cooperate with and provide PEFA, Inc., the underwriters of the PEFA, Inc. Bonds, and their agents and representatives with such information relating to Gas Purchaser as is necessary for use in the preparation and distribution of a preliminary official statement or other disclosure document used in connection with the sale of the PEFA, Inc. Bonds. After the PEFA, Inc. Bonds have been sold, any officer or employee of Gas Purchaser, or any agent or representative designated by Gas Purchaser, shall make such completions, deletions, insertions, revisions, and other changes in the preliminary official statement relating to Gas Purchaser not inconsistent with this Resolution as are necessary or desirable to complete it as a final official statement for purposes of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). The Governing Body hereby covenants and agrees that Gas Purchaser will cooperate with PEFA, Inc. in the discharge of PEFA, Inc.'s obligations to provide annual financial and operating information and notification as to material events with respect to Gas Purchaser as may be required by the Rule. Any officer or any employee of Gas Purchaser, or such other agent or representative of Gas Purchaser as shall be appropriate (including, without limitation, Utility Gas Management), is hereby authorized and directed to provide such information as shall be required for such compliance, and such officer or employee may execute a continuing disclosure agreement with respect to the provision of such information if requested to do so by the underwriters of the PEFA, Inc. Bonds.

SECTION 8: The PEFA, Inc. Bonds are not obligations of Gas Purchaser but are special

limited obligations of PEFA, Inc. payable solely from the revenues and receipts pledged by PEFA, Inc. under the Indenture, including the revenues and receipts arising from the sale of gas to Project Participants. By consenting to the pledge of the Gas Supply Agreement and agreeing to provide information for inclusion in the official statement, Gas Purchaser is not incurring any financial liability with respect to the PEFA, Inc. Bonds. The principal, redemption price and purchase price (to the extent payable by PEFA, Inc. upon tender for purchase in accordance with the provisions of the financing documents authorizing issuance of the PEFA, Inc. Bonds, or any loan agreement, trust agreement or other agreements of PEFA, Inc. required thereby (the "Financing Documents")) of the PEFA, Inc. Bonds and the interest thereon, shall be payable solely from, and secured solely by, the revenues, funds and other assets of PEFA, Inc. pledged therefor under the applicable Financing Documents and shall not constitute a special or general obligation of the Village, or a charge against the general credit or other funds of the Village. The PEFA, Inc. Bonds shall not be secured by a legal or equitable pledge of, or lien or charge upon or security interest in, any property of the Village or any of its income or receipts. Neither the faith and credit nor the taxing power of the State of Iowa (the "State") or the Village or any other public agency shall be pledged to the payment of the principal, redemption price or purchase price of, or the interest on, the PEFA, Inc. Bonds. The issuance by PEFA, Inc. of the PEFA, Inc. Bonds shall not directly, indirectly or contingently obligate the State, or the Village or any other public agency, to levy or pledge any form of taxation or to make any appropriation for the payment of the PEFA, Inc. Bonds. The payment of the principal, redemption price or purchase price of, or interest on, the PEFA, Inc. Bonds shall not constitute a debt, liability or obligation of the State, the Village, or any other public agency.

SECTION 9: All acts and doings of the officers and employees of Gas Purchaser or any other agent or representative of Gas Purchaser which are in conformity with the purposes and intent of this Resolution and in furtherance of the execution and delivery of and performance under the Gas Supply Agreement, and in furtherance of the issuance and sale of the PEFA, Inc. Bonds, shall be and the same hereby are in all respects approved and confirmed, including without limitation the execution and delivery by the officers of Gas Purchaser of all certificates and documents as they shall deem necessary in connection with the Gas Supply Agreement and the PEFA, Inc. Bonds.

SECTION 10. The Village Board understands and agrees that Ahlers & Cooney, P.C., represents PEFA, Inc., in connection with the Gas Supply Agreement, the PEFA, Inc. Bonds, and associated documents and transactions, and, hereby consents to such representation and to the extent such representation might be an actual, potential, or perceived conflict of interest, the Village Board waives any such conflict and consents to said representation.

SECTION 11: If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.



SECTION 12: All other resolutions or orders, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed and this Resolution shall be in immediate effect from and after its adoption.

SECTION 13: This Resolution shall take effect immediately upon its adoption.  
PASSED AND APPROVED this 5th day of November, 2018.

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Village President

ATTEST:

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Village Clerk

(SEAL)

CERTIFICATE

State of Illinois

)

) SS

COUNTY OF Tazewell

)

I, the undersigned Village Clerk of the Village Board of the Village of Morton, State of Illinois, do hereby certify that attached is a true and complete copy of the portion of the corporate records of the Village showing proceedings of the Village Board, and the same is a true and complete copy of the action taken by the Village Board with respect to the matter at the meeting held on the date indicated in the attachment, which proceedings remain in full force and effect, and have not been amended or rescinded in any way; that meeting and all action thereat was duly and publicly held in accordance with a notice of meeting and tentative agenda, a copy of which was timely served on each member of the Village Board and posted on a bulletin board or other prominent place easily accessible to the public and clearly designated for that purpose at the principal office of the Village Board (a copy of the face sheet of the agenda being attached hereto) pursuant to the local rules of the Village Board, upon reasonable advance notice to the public and media prior to the commencement of the meeting as required by law and with members of the public present in attendance; I further certify that the individuals named therein were on the date thereof duly and lawfully possessed of their respective offices as indicated therein, that no Village Board vacancy existed except as may be stated in the proceedings, and that no controversy or litigation is pending, prayed or threatened involving the incorporation, organization, existence or boundaries of the Village or the right of the individuals named therein as officers to their respective positions.

WITNESS my hand and the seal of the Village hereto affixed this 5th day of November, 2018.

\_\_\_\_\_  
Village Clerk, Village of Morton, State of Illinois

(SEAL)

## **FORM OF GAS SUPPLY AGREEMENT**

[Attached]

**DRAFT ONLY UNTIL VOLUMES INPUT AND FINALIZED**

**GAS SUPPLY AGREEMENT**

**BY AND BETWEEN**

**PEFA, INC.**

**AND**

**[PROJECT PARTICIPANT]**

**DATED AS OF \_\_\_\_\_, 2018**

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**GAS SUPPLY AGREEMENT**

**PREAMBLE**

This Gas Supply Agreement, dated as of \_\_\_\_\_ 1, 2018 (the "Agreement"), is made and entered into by and between [Project Participant], a [municipal corporation/gas district/ municipal utility/etc.] created and existing under the laws of the State of \_\_\_\_\_ ("Gas Purchaser"), and PEFA, Inc., a non-profit corporation duly organized and existing under the laws of the State of Iowa and, in particular, Iowa Code Chapter 504, as amended from time to time (the "Act"). Gas Purchaser and PEFA, Inc. are sometimes hereinafter referred to in this Agreement collectively as the "Parties" or individually as a "Party".

**RECITALS**

WHEREAS, Gas Purchaser provides natural gas supply and distribution service to commercial, residential, governmental, and industrial customers in its areas of service; and

WHEREAS, PEFA, Inc. has planned and developed a project to acquire long-term Gas supplies from J. Aron & Company LLC, a New York limited liability company ("J. Aron") and a wholly-owned subsidiary of The Goldman Sachs Group, Inc., pursuant to a Prepaid Natural Gas Sales Agreement, dated as of \_\_\_\_\_, 2018 (the "Prepaid Gas Agreement"), to meet a portion of the Gas supply requirements of the Gas Purchaser and other public gas distribution systems that elect to participate (together, the "Project Participants") through a gas prepayment project (the "Project"); and

WHEREAS, Gas Purchaser and the other Project Participants have elected to enter into agreements with PEFA, Inc. for the purchase of Gas supplies from the Prepaid Project (each a "Project Participant Agreement"); and

WHEREAS, Gas Purchaser desires to enter into an agreement with PEFA, Inc. for the purchase of Gas supplies from the Prepaid Project; and

WHEREAS, PEFA, Inc. will finance the prepayment under, and the other costs of, the Prepaid Project by issuing Bonds on behalf of the Project Participants; and

**DRAFT FORM OF GAS SUPPLY AGREEMENT  
OCTOBER 2018**

WHEREAS, Gas Purchaser is agreeable to purchasing a portion of its Gas requirements from PEFA, Inc. under the terms and conditions set forth in this Agreement and PEFA, Inc. is agreeable to selling to Gas Purchaser such supplies of Gas under the terms and conditions set forth in this Agreement; and

WHEREAS, as a condition precedent to the effectiveness of the Parties' obligations under this Agreement, PEFA, Inc. shall have entered into the Prepaid Gas Agreement and shall have issued the Bonds.

NOW, THEREFORE, in consideration of the premises and mutual covenants set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, PEFA, Inc. and Gas Purchaser agree as follows.

**ARTICLE I**

**DEFINITIONS AND CONSTRUCTION**

1.1. Construction of the Agreement. The Preamble and the Recitals set forth above are incorporated into this Agreement for all purposes. References to Articles, Sections, and Exhibits throughout this Agreement are references to the corresponding Articles, Sections, and Exhibits of this Agreement unless otherwise specified. All Exhibits are incorporated into this Agreement for all purposes. References to the singular are intended to include the plural and vice versa. The word "including" and related forms thereof are intended to be interpreted inclusively, whether or not the phrase "but not limited to" follows such word or words. The words "will" and "shall" indicate mandatory requirements of the Parties except in the Recitals.

1.2. Definitions. Unless another definition is expressly stated in this Agreement, the following terms and abbreviations, when used in this Agreement, are intended to and shall mean as follows:

- (a) "Act" is defined in the Preamble.
- (b) "Agreement" is defined in the Preamble.

(c) "Alternate Delivery Point" has the meaning specified in Section 3.1.

(d) "Annual Refund" means the annual refund, if any, provided to the Gas Purchaser and calculated pursuant to the procedures specified in Section 4.5.

(e) "Annualized Daily Quantity" or "ADQ" means for any Year the sum of the Daily Contract Quantities divided by the number of days in the Year.

(f) "Available Discount" means, for each Delivery Month of a Reset Period, the amount, expressed in cents per MMBtu (rounded down to the nearest one-half cent), determined by the Calculation Agent pursuant to the Re-Pricing Agreement. The Available Discount shall equal the sum of the Monthly Discount and any anticipated Annual Refunds for the applicable Reset Period, and shall be the discount available to Gas Purchaser before application of the Project Administration Fee. During the Initial Reset Period, the Available Discount shall be no less than 35 cents per MMBtu.

(g) "Board of Directors" means the Board of Directors of PEFA, Inc.

(h) "Bond Counsel" means counsel of nationally recognized standing in matters pertaining to the tax-exempt status of interest on obligations issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state or commonwealth of the United States, and selected by PEFA, Inc..

(i) "Bonds" means PEFA, Inc.'s Gas Supply Revenue Bonds, Series 2018, issued to finance PEFA, Inc.'s purchase of Gas from J. Aron under the Prepaid Gas Agreement and costs associated therewith, and any refunding Bonds issued by PEFA, Inc. under the Bond Indenture.

(j) "Btu" means one British thermal unit, the amount of heat required to raise the temperature of one pound of water one degree Fahrenheit at 60 degrees Fahrenheit, and is the

International Btu. The reporting basis for Btu is 14.73 pounds per square inch absolute and 60 degrees Fahrenheit; provided, however, that the definition of Btu as determined by the operator of the relevant Delivery Point shall be deemed conclusive in accordance with Article VI of the Prepaid Gas Agreement; and provided further that in the event of an inconsistency in the definition of "Btu" between this definition and the definition of "Btu" in the Prepaid Gas Agreement, the definition in the Prepaid Gas Agreement shall apply.

(k) "Business Day" means (i) with respect to payments and general notices required to be given under this Agreement, any day other than (a) a Saturday or Sunday, (b) a Federal Reserve Bank holiday, (c) any day on which commercial banks located in either New York, New York, or the State of Iowa are required or authorized by law or other governmental action to close, or (d) any other day excluded pursuant to the Bond Indenture, and (ii) with respect to Gas deliveries and notices with respect thereto, any day.

(l) "Calculation Agent" has the meaning specified in the Re-Pricing Agreement.

(m) "Central Prevailing Time" or "CPT" means Central Daylight Savings Time when such time is applicable and otherwise means Central Standard Time.

(n) "Cf" means cubic foot of Gas, defined as the amount of Gas required to fill a cubic foot of space when the Gas is at an absolute pressure of 14.73 pounds per square inch absolute and at a temperature of 60 degrees Fahrenheit.

(o) "Code" means the Internal Revenue Code of 1986, as amended, 26 U.S.C. §1 *et seq.* References herein to the Code or a section of the Code include the U.S. Treasury Regulations thereunder.

(p) "Commercially Reasonable" or "Commercially Reasonable Efforts"

means, with respect to any decision, purchase, sale or other action required to be made, attempted or taken by a Party under this Agreement, such decision or efforts as a reasonably prudent Person would make or undertake, as the case may be, for the protection of its own interest under the conditions affecting such decision, purchase, sale or other action. For the avoidance of doubt, the reasonableness of any action taken by a Party under this Agreement shall be determined at the time of such action, taking into full account the facts, circumstances and competitive environment surrounding such action.

(q) "Commodity Swap" means (i) the ISDA Master Agreement dated as of \_\_\_\_\_, 2018, together with the Schedule thereto and a related Confirmation, dated \_\_\_\_\_, 2018, each between PEFA, Inc. and the Commodity Swap Counterparty, pursuant to which agreement PEFA, Inc. is the floating price payer and the Commodity Swap Counterparty is the fixed price payer with respect to notional quantities of Gas corresponding to quantities of Gas to be delivered under the Prepaid Gas Agreement and for a term that is equivalent to the Delivery Period of the Prepaid Gas Agreement, and (ii) each replacement commodity swap entered into pursuant to the Prepaid Gas Agreement.

(r) "Commodity Swap Counterparty" means PEFA, Inc.'s counterparty under the Commodity Swap, which initially shall be \_\_\_\_\_.

(s) "Contract Price" means the price per MMBtu described in Section 4.1.

(t) "Daily Contract Quantity" or "DCQ" means, for each Month, the quantity of Gas in MMBtu that shall be delivered by PEFA, Inc. to Gas Purchaser and received by Gas Purchaser from PEFA, Inc. each Gas Day during such Month, as set forth in Exhibit B.

(u) "Delivery Period" is defined in Section 2.1.

(v) "Delivery Point" is defined in Section 3.1.

(w) "Dth" means one dekatherm, which is equivalent to one MMBtu.

(x) "Event of Insolvency" means with respect to any Person the occurrence and continuance of one or more of the following events: (a) the issuance, under the laws of the state or other jurisdiction having primary regulatory authority over such Person or any successor provision thereto (or any other law under which such Person is at the time organized), of an order for relief, rehabilitation, reorganization, conservation, liquidation or dissolution of such Person that is not dismissed within 30 days; (b) the commencement by such Person of a voluntary case or other proceeding seeking an order for relief, liquidation, rehabilitation, conservation, reorganization or dissolution with respect to itself or its debts under the laws of the state or other jurisdiction of incorporation or formation of such Person or any bankruptcy, insolvency or other similar law now or hereafter in effect including, without limitation, the appointment of a trustee, receiver, liquidator, custodian or other similar official for itself or any substantial part of its property; (c) the consent of such Person to any relief referred to in the preceding clause (b) in an involuntary case or other proceeding commenced against it; (d) the appointment of a trustee, receiver, liquidator, custodian or other similar official for such Person or any substantial part of its property by a Government Agency or authority having the jurisdiction to do so; (e) the making by such Person of an assignment for the benefit of creditors; (f) the failure of such Person generally to pay its debts or claims as they become due; (g) the Person shall admit in writing its inability to pay its debts when due; (h) the declaration of a moratorium with respect to the payment of the debts of such Person; or (i) the initiation by such Person of any action to authorize any of the foregoing.

(y) "Failed Remarketing" has the meaning specified in the Bond Indenture.

(z) "FERC" means the Federal Energy Regulatory Commission and any successor thereto.

(aa) "FERC Gas Tariff" means the interstate pipeline tariff filed by a Transporter pursuant to FERC regulations and approved by FERC, as amended from time to time.

(bb) "Firm" means that performance by a Person may be interrupted without liability only to the extent that such performance is prevented by reasons of Force Majeure with respect to such Person asserting Force Majeure.

(cc) "Force Majeure" is defined in Section 13.2.

(dd) "Gas" means natural gas or any other mixture of hydrocarbon gases, or of hydrocarbons and liquids or liquefiables, or of hydrocarbons and non-combustible gases, consisting predominantly of methane.

(ee) "Gas Day" means a period of 24 consecutive hours beginning at 9:00 a.m. CPT on a calendar day and ending at 9:00 a.m. CPT on the next calendar day. The date of the Gas Day shall be the date at its beginning. If, through standardization of business practices in the industry or for any other reason, a Transporter, or the FERC with general applicability, changes the definition of Gas Day, such change shall apply to the definition of Gas Day in this Agreement with respect to such Transporter or generally, as applicable.

(ff) "Gas Purchaser" is defined in the Preamble.

(gg) "Gas Purchaser's Transporter" means the Transporter receiving Gas on Gas Purchaser's behalf at the Delivery Point.

(hh) "Government Agency" means the United States of America, any state or commonwealth thereof, any local jurisdiction, any political subdivision of any of the foregoing,

and any other division of government of any of the foregoing, including but not limited to courts, administrative bodies, departments, commissions, boards, bureaus, agencies, municipalities, or instrumentalities.

(ii) "Imbalance Charges" means any fees, penalties, costs or other charges (in cash or in kind) assessed by a Transporter for failure to satisfy the Transporter's balancing, scheduling and/or nomination requirements based on such Transporter's FERC Gas Tariff.

(jj) "Indenture" means the Trust Indenture dated as of \_\_\_\_\_, 2018, between PEFA, Inc. and [\_\_\_\_\_], as Trustee, pursuant to which the Bonds are issued and secured, together with any other trust indenture providing for the issuance of and security for any refunding Bonds, in each case as the same may be amended from time to time.

(kk) "Index Price" means the Monthly market index price described in Section 4.2, and any substitute index price determined under Section 4.2.

(ll) "Initial Rate Period" means the period from and including \_\_\_\_, 2019 to and including \_\_\_\_\_, 202\_]. **[NOTE: To be determined at the time of Pricing of the Bonds.]**

(mm) "J. Aron" is defined in the Recitals.

(nn) "Maturity Date of the Bonds" means the Final Maturity Date of the Bonds, as defined in the Indenture.

(oo) "Mcf" means 1,000 Cf of Gas.

(pp) "Minimum Discount" means 35 cents per MMBtu for the Initial Rate Period, and not less than 24 cents per MMBtu in a Reset Period, and in every case includes the Monthly Discount plus the projected Annual Refund and is stated before the application of the Project Administration Fee.



(qq) "MMBtu" means 1,000,000 Btu, which is equivalent to one dekatherm.

(rr) "Month" means the period beginning at the beginning of the first Gas Day of a calendar month and ending at the beginning of the first Gas Day of the next calendar month. The term "Monthly" shall be construed accordingly.

(ss) "Monthly Discount" means (i) for each Month of the Initial Rate Period, \_\_\_\_ cents (\$0.\_\_) per MMBtu, and (ii) for each Month of a Reset Period thereafter, the Monthly Discount portion of the Available Discount for such Reset Period determined by the Calculation Agent pursuant to the Re-Pricing Agreement.

(tt) "Municipal Utility" means any Person that (i) is a governmental person as defined in the implementing regulations under Section 141 of the Code and any successor provision, (ii) owns either or both a Gas distribution utility or an electric distribution utility (or provides Gas or electricity at wholesale to, or that is sold to entities that provide Gas or electricity at wholesale to, governmental Persons that own such utilities), and (iii) agrees in writing to use the Gas purchased by it (or cause such Gas to be used) for a qualifying use as defined in U.S. Treas. Reg. § 1.148-1(e)(2)(iii).

(uu) "Person" means any individual, public or private corporation, partnership, limited liability company, state, county, district, authority, municipality, political subdivision, instrumentality, partnership, association, firm, trust, estate, or any other entity or organization whatsoever.

(vv) "Prepaid Gas Agreement" is defined in the Recitals.

(ww) "Prepaid Project" is defined in the Recitals.

(xx) "Primary Delivery Point" is defined in Section 3.1.

(yy) "Prime Rate" means, for any day of determination, the fluctuating rate per annum equal to the "Prime Rate" listed daily in the "Money Rates" section of The Wall Street Journal on such day (or if such day is not a Business Day, the preceding Business Day), or if The Wall Street Journal is not published on a particular Business Day, then, the "prime rate" published in any other national financial journal or newspaper selected by J. Aron in its reasonable judgment, and if more than one such rate is listed in the applicable publication, the highest rate shall be used; any change in the Prime Rate shall take effect on the date specified in the announcement of such change.

(zz) "Project Administration Fee" means the monthly fee payable by Gas Purchaser as described in Section 4.3.

(aaa) "Project Agreements" means the agreements entered into by PEFA, Inc. under the Prepaid Project.

(bbb) "Project Management Committee" means a committee, composed of one representative appointed by each of the Project Participants, which shall meet in person or by conference call from time to time and shall monitor performance of the Project and make reports and recommendations to the Board of Directors as it deems appropriate.

(ccc) "Project Participants" means Gas Purchaser and those municipal distribution systems identified in Exhibit C.

(ddd) "Remarketing Election" is defined in Section 5.3(a).

(eee) "Remarketing Election Deadline" means the last date and time by which the Gas Purchaser may provide a Remarketing Election Notice, which shall be 4:00 p.m. Central Prevailing Time on the 10th day of the Month (or, if such day is not a Business Day, the next

succeeding Business Day) prior to the first Delivery Month of a Reset Period with respect to which a Remarketing Event has occurred.

(fff) "Remarketing Election Notice" is defined in Section 5.3(b).

(ggg) "Remarketing Event" is defined in Section 5.3(a).

(hhh) "Re-Pricing Agreement" means the Re-Pricing Agreement, dated as of \_\_\_\_\_, 2018, by and between J. Aron and PEFA, Inc., as amended or supplemented from time to time in accordance with its terms.

(iii) "Re-Pricing Date" has the meaning set forth in the Re-Pricing Agreement.

(jjj) "Reset Period" means each five-year period (or such longer or shorter period as may be agreed to by PEFA, Inc. and J. Aron pursuant to the Re-Pricing Agreement) commencing on the last day of the Initial Rate Period or prior Reset Period, as the case may be, and ending on the fifth anniversary (or such later or earlier anniversary, as the case may be) of such last day; *provided* that the final Reset Period shall be the period from the last day of the prior Reset Period to the end of the Delivery Period.

(kkk) "Transporter" means all Gas gathering or pipeline companies transporting Gas for PEFA, Inc. or Gas Purchaser upstream or downstream, respectively, of the Delivery Point.

(lll) "Trustee" means the Trustee under the Indenture, which initially shall be [\_\_\_\_\_], and its successors as trustee under the Indenture.

(mmm) "Year" means a period of 12 consecutive Months beginning at the beginning of the first day of \_\_\_\_\_ each year and ending immediately prior to the beginning of the first day of \_\_\_\_\_ in the next calendar year.

## ARTICLE II

### **SERVICE OBLIGATIONS**

2.1. Gas Supply Service. PEFA, Inc. acknowledges and agrees that Gas Purchaser has a need to acquire Gas supplies to provide service to retail Gas consumers within its areas of service on a long-term basis, and that a significant portion of such Gas supplies must be priced with reference to deregulated market prices in order to enable Gas Purchaser to ensure that it may provide sales service at competitive prices. PEFA, Inc. understands that Gas Purchaser has asserted that its long-term viability as a Municipal Utility providing an essential public service depends in part upon its ability to receive secure and reliable supplies of Gas on a long-term basis in pre-determined quantities that are priced with reference to deregulated market prices in the form and structure of the Contract Price, and has determined that its purchase of Gas under this Agreement will further its objective of providing secure, reliable and economic Gas supply services to its customers. Gas Purchaser has requested PEFA, Inc. to provide deliveries of Gas to it consistent with these objectives, and Gas Purchaser understands and acknowledges that PEFA, Inc. has undertaken the Prepaid Project in order to meet Gas Purchaser's request, together with the requests of the other Project Participants, and satisfy Gas Purchaser's asserted objectives, and agrees that the Prepaid Project does so. Beginning \_\_\_\_\_, 2019, and continuing through \_\_\_\_\_, 2049 (the "Delivery Period") [***NOTE: Specific Delivery Period to be determined***], unless earlier terminated pursuant to Article V, PEFA, Inc. each Gas Day on a Firm basis shall tender for delivery to Gas Purchaser at the Delivery Point, and Gas Purchaser each Gas Day on a Firm basis shall purchase and receive from PEFA, Inc. at the Delivery Point, the applicable Daily Contract Quantity of Gas set forth for each Month in Exhibit B. The Parties recognize and agree, however, that, in order to achieve a successful remarketing of the Bonds following the Initial Rate Period, it may be necessary to reduce the Daily Contract Quantities in a Reset Period following the Initial Rate Period pursuant to the re-pricing methodology described in the Re-Pricing Agreement, in which case they shall be so reduced. The Parties agree further that if, pursuant to the Re-Pricing Agreement, PEFA, Inc. and the Calculation Agent determine in

connection with the establishment of any new Reset Period that: (i) such Reset Period will be the final Reset Period because no unamortized gas value (as described in the Re-Pricing Agreement) will remain following such Reset Period; and (ii) such Reset Period will end prior to the end of the original Delivery Period, then (A) PEFA,, Inc. will notify the Gas Purchaser, (B) the Delivery Period will be deemed to be modified so that it ends at the end of such Reset Period, and (C) the Daily Contract Quantity for the last Month in such Reset Period may be reduced as provided in the Re-Pricing Agreement.

2.2. Nature of the Prepaid Project. Gas Purchaser acknowledges and agrees that PEFA, Inc. will meet its obligations to provide Gas supply service to Gas Purchaser under this Agreement through its purchase of long-term Gas supplies on a prepaid basis from J. Aron under the Prepaid Gas Agreement and that PEFA, Inc. is financing its purchase of such long-term supplies through the issuance of the Bonds on behalf of the Project Participants. Gas Purchaser acknowledges and agrees that PEFA, Inc. will pledge its right, title, and interest under this Agreement and the revenues to be received under this Agreement (other than the revenues attributable to the Project Administration Fee described in Section 4.3) to secure PEFA, Inc.'s obligations under the Indenture.

### **ARTICLE III**

#### **RECEIPT AND DELIVERY POINTS**

3.1. Delivery Point. All Gas delivered under this Agreement shall be delivered and received at the points of delivery specified in Exhibit A (the "Primary Delivery Point") or to any other point of delivery (an "Alternate Delivery Point") that has been mutually agreed to in writing by PEFA, Inc. and Gas Purchaser (each Primary Delivery Point or Alternate Delivery Point, if specified, being a "Delivery Point").

3.2. Transfer of Title. Gas Purchaser shall take title to all Gas delivered to it by PEFA, Inc. at the Delivery Point and shall own such Gas and shall assume all risk of loss following its transfer at the Delivery Point.

## ARTICLE IV

### PRICING OF GAS SUPPLY SERVICES

4.1. Charge Per MMBtu Delivered. For each MMBtu of Gas delivered by PEFA, Inc. to Gas Purchaser at the Delivery Point, Gas Purchaser shall pay PEFA, Inc. the Contract Price for such Gas, which shall be the applicable Index Price, as defined in Section 4.2, less the Monthly Discount. Gas Purchaser shall not be charged for any Gas that is not tendered for delivery by PEFA, Inc.. Notwithstanding the foregoing, the Parties recognize and agree that the pricing specified in Section 5.2 shall apply to any Gas deliveries made by PEFA, Inc. following a Failed Remarketing under the Prepaid Gas Agreement.

4.2. Index Price. The Index Price for any Month shall mean the price per MMBtu, stated in U.S. dollars, as published in the first issue for the Month (including corrections thereto in later issues) in which the event occurred that required calculation of the Index Price, of *Inside FERC's Gas Market Report*, a publication of S&P Global Platts, a division of S&P Global, in the section "Monthly Bidweek Spot Gas Prices – Platts Locations (\$/MMBtu)", under the heading "\_\_\_\_\_ " (or any successor heading) for "\_\_\_\_\_", under the column "Index". If *Inside FERC's Gas Market Report* should cease to publish such first-of-the-month index prices or should cease to be published entirely, the Index Price shall be the price per MMBtu, stated in U.S. dollars, for Gas to be delivered at the Delivery Point during the applicable Month as set forth in an alternative index as determined under Section 18.11 of the Prepaid Gas Agreement. PEFA, Inc. shall provide Gas Purchaser the opportunity to offer its recommendations and other input to PEFA, Inc. for PEFA, Inc.'s use in the process under Section 18.11 of the Prepaid Gas Agreement.

4.3. Project Administration Fee. PEFA, Inc. shall bill and Gas Purchaser shall pay each Month, as part of the Monthly invoice described in Article XI, the Project Administration Fee. The Project Administration Fee shall equal the product of (i) the Daily Contract Quantity for the Month of Gas deliveries, (ii) the number of days in such Month, and (iii) an administration charge of (a) \$0.0\_/MMBtu

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during the Initial Rate Period and each Reset Period in which the Available Discount (the Monthly Discount plus the projected Annual Refund per MMBtu) is below \_\_ cents per MMBtu, (b) \$0.0\_/MMBtu during any Reset Period in which the Available Discount (monthly and annual) is between \_\_ cents per MMBtu and \_\_ cents per MMBtu, and (c) \$0.0\_/MMBtu in any Reset Period in which the Available Discount (monthly and annual) is greater than \_\_ cents per MMBtu.

AVAILABLE DISCOUNT (\$/MMBTU)	ADMINISTRATION CHARGE (\$/MMBTU)
\$0.50 or above	\$0.0_
\$0.40 to \$0.49	\$0.0_
Below \$0.40	\$0.0_

4.4. Assistance with Sales to Third Parties. In the event Gas Purchaser does not require all or any portion of the DCQ for any Gas Day that it is obligated to purchase under this Agreement as a result of a loss of load on its system, Gas Purchaser shall remain obligated to take title to the its full DCQ for the Gas Day PEFA, Inc. shall, upon reasonable notice from Gas Purchaser, use Commercially Reasonable Efforts, to the extent permitted in the Prepaid Gas Agreement, to have J. Aron: (x) retake title to the unneeded portion of Gas Purchaser's DCQ for a Gas Day; and (y) arrange for the sale of such quantities by J. Aron (i) to another Project Participant, (ii) to another Municipal Utility, or (iii) if necessary, to another purchaser. If PEFA, Inc. succeeds in having J. Aron retake title to the gas and arranging such a sale or sales or J. Aron otherwise makes such a sale or sales, PEFA, Inc. shall credit against the amount owed by Gas Purchaser for such Gas the amount received by PEFA, Inc. from J. Aron for such sales less all directly incurred costs or expenses, including but not limited to remarketing administrative charges paid to PEFA, Inc. under the Prepaid Gas Agreement, but in no event shall the amount of such credit be more than the Contract Price, minus, in all cases, the Project Administration Fee and a PEFA, Inc. remarketing administrative charge of five cents (\$0.05) per MMBtu, times the applicable quantities. Notwithstanding the foregoing sentence, in the event Gas Purchaser has suffered a

permanent loss of demand on its system as described in Section 6.2, PEFA, Inc. shall not assess the remarketing administrative charge of five cents per MMBtu.

4.5. Annual Refunds. In addition to the Discount applicable to deliveries of the Daily Contract Quantity to Gas Purchaser under this Agreement, PEFA, Inc. shall provide such Annual Refund to Gas Purchaser out of the funds as may be made available for distribution by PEFA, Inc. pursuant to Section 5.10(b) of the Indenture. Such Annual Refund, if any, shall be paid by PEFA, Inc. to Gas Purchaser and the other Project Participants as soon as practicable following the release of funds for such purpose to PEFA, Inc. under the terms of the Indenture. In determining the amount of such Annual Refund, if any, to be paid to PEFA, Inc. may reserve such funds as may be required under the terms of the Indenture or as it deems reasonably necessary and appropriate, including but not limited to amounts required to fund or maintain the Minimum Discount for any future Reset Period, to fund or maintain any rate stabilization or working capital reserve, and/or to reserve or account for unfunded liabilities and expenses, including future sinking fund or other principal amortization of the Bonds, or for other costs of the Prepaid Project. All such refunds, if any, shall be made to Gas Purchaser in an amount reflecting the allocation of such refunds that the Project Management Committee recommends and the Board of Directors determines by calculating the ADQ of Gas Purchaser for the previous Year and dividing Gas Purchaser's ADQ by the aggregate total ADQ for such Year of all of the Project Participants. A list of all such Project Participants and their initial Annualized Daily Quantities is set forth in Exhibit C. On the date of this Agreement, the projected Annual Refund for the Initial Rate Period is \_\_ cents (\$0.\_\_) per MMBtu of Gas Purchaser's ADQ.

## **ARTICLE V**

### **TERM**

5.1. Primary Term. This Agreement shall be effective as of the date first set forth above (the "Effective Date") and shall be implemented as appropriate to effectuate purchases and sales of Gas under this Agreement for deliveries commencing on the first day of the Delivery Period. Unless earlier



terminated in accordance with Section 5.2, this Agreement thereafter shall remain in full force and effect for a primary term ending on the Maturity Date of the Bonds, subject to all winding up arrangements as described in Section 5.4.

Early Termination Before End of Primary Term. Notwithstanding Section 5.1, Gas Purchaser acknowledges and agrees that (i) in the event the Prepaid Gas Agreement terminates prior to the end of the primary term of this Agreement, this Agreement shall terminate on the date of early termination of the Prepaid Gas Agreement (subject to all winding up arrangements) and (ii) PEFA, Inc.'s obligation to deliver Gas under this Agreement shall terminate upon the termination of deliveries of Gas to PEFA, Inc. under the Prepaid Gas Agreement. In addition, Gas Purchaser acknowledges and agrees that this Agreement may terminate early as a result of a default by Gas Purchaser under Article XIV. PEFA, Inc. shall provide notice to Gas Purchaser of any early termination date. Moreover, the Parties recognize and agree that, in the event that the Prepaid Gas Agreement terminates because of a Failed Remarketing of the Bonds that occurs in the first Month of a Reset Period, PEFA, Inc. shall deliver Gas under this Agreement for the remainder of such first Month, and, notwithstanding anything in this Agreement to the contrary, the Contract Price for all Gas deliveries made by PEFA, Inc. during such first Month shall be the applicable Index Price identified for deliveries in Section 4.2 with no Monthly Discount and there shall be no Annual Refunds associated with such deliveries.

**5.3. Remarketing Election; Suspension and Resumption of Deliveries.** (a)

Remarketing Event. For each Reset Period, PEFA, Inc. shall provide to Gas Purchaser, at least ten (10) days prior to the applicable Remarketing Election Deadline (without regard to any extension thereof as provided for in subsection (b) of this Section 5.3), formal written notice setting forth the duration of such Reset Period and the estimated Available Discount for such Reset Period. In the event the estimated Available Discount for a Reset Period is not at least equal to the Minimum Discount for that Reset Period (a "Remarketing Event"), such notice shall also state (i) that a Remarketing Event has occurred, (ii) the applicable Remarketing Election Deadline, and (iii) that Gas Purchaser, and each other

Project Participant, may (A) continue to purchase and receive its Daily Contract Quantity for each Gas Day of each Delivery Month during such Reset Period at a Contract Price that reflects the Monthly Discount portion of the Available Discount (as finally determined as hereinafter described), plus Annual Refunds, if any, as described in Section 4.5, or (B) elect that such Daily Contract Quantity be remarketed for such Reset Period (a "Remarketing Election") by providing a Remarketing Election Notice prior to the Remarketing Election Deadline. The Parties acknowledge that the determination of the Available Discount for a Reset Period under the Re-Pricing Agreement will be through an iterative, on-going process and that PEFA, Inc. may provide preliminary communications concerning the estimated Available Discount for a Reset Period. The Parties acknowledge further that if such preliminary communications indicate that the then-current market conditions do not support a discount at least equal to the Minimum Discount, such preliminary communications shall not give rise to a right for Gas Purchaser to provide a Remarketing Election Notice.

(b) Remarketing Election. If Gas Purchaser elects to have its Daily Contract Quantity remarketed for such Reset Period following the occurrence of a Remarketing Event, Gas Purchaser shall provide written notice of such Remarketing Election to PEFA, Inc., J. Aron and the Trustee (its "Remarketing Election Notice") not later than the applicable Remarketing Election Deadline. A Remarketing Election Notice shall be in substantially the form attached hereto as Exhibit G. In the event Gas Purchaser provides a Remarketing Election Notice on or prior to the applicable Remarketing Election Deadline, the Parties' obligations to deliver and receive Gas shall be suspended for the duration of such Reset Period and the Daily Contract Quantity for such Reset Period shall be zero MMBtu per day.

(c) Extension of Remarketing Election Deadline. If a Remarketing Event has occurred and Gas Purchaser has not made a Remarketing Election, but one or more of the Project Participants has made a remarketing election the estimated Available Discount may be required to be recalculated pursuant to the Re-Pricing Agreement. In such case PEFA, Inc. shall provide such new estimated Available Discount to Gas Purchaser promptly in writing and the Remarketing Election Deadline shall be extended to the third Business Day following the date of such notice.

(d) Final Determination of Available Discount. The Parties acknowledge and agree that the final Available Discount for any Reset Period following the Initial Rate Period will be determined on the applicable Re-Pricing Date, and that such Available Discount may differ from the estimate or estimates of such Available Discount provided to Gas Purchaser prior to the applicable Remarketing Election Deadline. Accordingly, the Parties agree that:

(i) the Available Discount for any Reset Period will not be less than the Minimum Discount applicable to such Reset Period, unless (A) PEFA, Inc. has provided notice of such Remarketing Event to Gas Purchaser in accordance with subsection (a) of this Section 5.3, and (B) Gas Purchaser has not provided a Remarketing Election Notice prior to the applicable Remarketing Election Deadline (as the same may be extended pursuant to subsection (c) of this Section 5.3); and

(ii) if Gas Purchaser has not made a Remarketing Election prior to the applicable Remarketing Election Deadline (as the same may be extended pursuant to subsection (c) of this Section 5.3), Gas Purchaser shall be deemed to have elected to continue to purchase and receive its Daily Contract Quantity at a Contract Price that reflects the Monthly Discount portion of the Available Discount as finally determined on the applicable Re-Pricing Date, plus the right to its share of Annual Refunds, if any, and all delivery and purchase obligations under this Agreement shall continue in full force and effect for the applicable Reset Period.

(e) Resumption of Deliveries. In the event that Gas deliveries are suspended following a Remarketing Election made by Gas Purchaser in accordance with this Section 5.3, the Parties acknowledge and agree that deliveries shall resume if, in any future Reset Period, (i) the Available Discount calculated for such Reset Period is equal to or exceeds the Minimum Discount; or (ii) PEFA, Inc. and Gas Purchaser mutually agree to resume deliveries for such future Reset Period with a discount less than the applicable Minimum Discount. PEFA, Inc. shall provide notice setting forth the duration of the Reset Period and the estimated Available Discount for such Reset Period no later than at least ten (10) days prior to the applicable Remarketing Election Deadline for such Reset Period. The Parties

acknowledge and agree that the final Available Discount will be determined on the applicable Re-Pricing Date, and that such Available Discount may differ from the estimate or estimates of such Available Discount with the effect described in subsection (d) above.

5.4. Winding Up Arrangements. The termination of this Agreement shall not relieve either Party of any obligation to pay amounts due under this Agreement for periods prior to the termination date, including all interest, costs and indemnity obligations, or to effectuate all winding up arrangements, or to take any other actions as may be necessary to effectuate all of the terms of this Agreement. For the avoidance of doubt, Gas Purchaser shall not be responsible for the payment of more than the Contract Price for Gas deliveries as a result of any winding up arrangements.

### **FAILURE TO PERFORM**

6.1. Cost of Replacement Gas. Except in cases of Force Majeure, for each MMBtu that PEFA, Inc. is obligated to deliver to Gas Purchaser under this Agreement but fails to deliver, PEFA, Inc. shall pay to Gas Purchaser an amount equal to the difference between the price per MMBtu which would have been applicable to the undelivered Gas under Article IV and any higher cost per MMBtu which Gas Purchaser actually incurred to obtain an equivalent quantity of replacement Gas, including but not limited to any incremental charges associated with the transportation and storage of such replacement Gas, exercising Commercially Reasonable Efforts to obtain such replacement Gas and alternate transportation at a Commercially Reasonable price. For purposes of this Section 6.1, replacement Gas includes without limitation Gas withdrawn from storage, liquefied natural gas, and peak shaving, and costs associated with obtaining such Gas include without limitation storage withdrawal and injection costs, storage fuel, and liquefaction and vaporization costs for stored liquefied natural gas; provided, however, that for purposes of the foregoing the price of any such replacement Gas withdrawn from storage shall be the market price applicable to such Gas at the time of the withdrawal.

6.2. Obligation to Take the Daily Quantity. Subject to the operation of Section 4.4 governing load loss, if on any Gas Day PEFA, Inc. tenders the Daily Contract Quantity for delivery to

Gas Purchaser and Gas Purchaser fails to take the Daily Contract Quantity, Gas Purchaser shall remain obligated to pay PEFA, Inc. the Contract Price for the Daily Contract Quantity plus the Project Administration Fee. PEFA, Inc. shall credit to Gas Purchaser's account any net revenues PEFA, Inc. may receive from J. Aron under the Prepaid Gas Agreement in connection with the ultimate sale of any such Gas by J. Aron to other Municipal Utilities, up to the Contract Price, less the Project Administration Fee, less PEFA, Inc.'s remarketing administrative charge of five cents (\$0.05) per MMBtu. In the event of permanent load loss on Gas Purchaser's system due to the permanent cessation of all of part of the operations of a large industrial sales customer, Gas Purchaser may request the permanent reduction of its Daily Contract Quantity for the remaining term of this Agreement. If PEFA, Inc. is satisfied that such loss of demand is permanent, through evidence satisfactory to PEFA, Inc., in its sole discretion, PEFA, Inc. shall pursue the re-allocation of Gas Purchaser's Daily Contract Quantity associated with its loss of demand to other Project Participants or through remarketing under the provisions of the Prepaid Gas Agreement, and upon such re-allocation or remarketing, shall reduce Gas Purchaser's Daily Contract Quantity through the remaining term of this Agreement accordingly.

6.3. No Consequential or Special Damages. Neither Party shall be liable for consequential, incidental, special, or punitive damages or losses which may be suffered by the other as a result of the failure to deliver or take or pay for the required quantities of Gas under this Agreement.

6.4. Imbalances. The Parties shall use Commercially Reasonable Efforts to avoid the imposition of any Imbalance Charges. If PEFA, Inc. or Gas Purchaser receives an invoice from a Transporter that includes Imbalance Charges related to the obligations of either Party under this Agreement, the Parties shall determine the validity as well as the cause of such Imbalance Charges. If the Imbalance Charges were incurred as a result of Gas Purchaser's takes of quantities of Gas greater than or less than the Daily Contract Quantity at any Delivery Point, then Gas Purchaser shall pay for such Imbalance Charges or reimburse PEFA, Inc. for such Imbalance Charges paid by PEFA, Inc. If the Imbalance Charges were incurred as a result of PEFA, Inc.'s deliveries of quantities of Gas greater than

or less than the Daily Contract Quantities at any Delivery Point, then PEFA, Inc. shall pay for such Imbalance Charges or reimburse Gas Purchaser for such Imbalance Charges paid by Gas Purchaser. Notwithstanding the provisions of Sections 6.1 and 6.2, the Parties may mutually agree to make up any differences between the Daily Contract Quantity and the quantity delivered or taken on any Gas Day in kind.

## **ARTICLE VII**

### **RESPONSIBILITY FOR TRANSPORTATION**

PEFA, Inc. shall make all arrangements for transportation services required to effect the delivery of the Daily Contract Quantity to the Delivery Point. Gas Purchaser shall take all actions and be responsible for making all arrangements required to effect the transportation of the Daily Contract Quantity from the Delivery Point, including but not limited to all nominations, scheduling, balancing, and associated management and administrative functions. PEFA, Inc. shall bear all costs and expenses of transportation prior to the delivery of the Daily Contract Quantity at the Delivery Point, except as provided in this Agreement. Gas Purchaser shall bear all costs of transportation from the Delivery Point.

## **ARTICLE VIII**

### **DELIVERY REQUIREMENTS**

8.1. **Specifications.** All Gas delivered under this Agreement shall be merchantable and shall, upon delivery, conform to the quality specifications and heating value specified in Gas Purchaser's Transporter's FERC Gas Tariff.

8.2. **Pressure.** All Gas sold by PEFA, Inc. to Gas Purchaser under this Agreement shall be delivered to Gas Purchaser at the pressure maintained from time to time in Gas Purchaser's Transporter's facilities at the Delivery Point.

8.3. **Measurement.** Gas sold under this Agreement shall be measured through Gas Purchaser's Transporter's existing measurement facilities at the Delivery Point in accordance with the

provisions of such Transporter's FERC Gas Tariff. The unit of volume for measurement of Gas delivered under this Agreement shall be one Mcf or otherwise as consistent with Transporter's measurement at the Delivery Point. The sales unit of the Gas shall be one MMBtu, established by converting Mcfs measured at the Delivery Point to MMBtus according to the Btu content determined by Transporter on a dry basis at the Delivery Point under Transporter's FERC Gas Tariff. With respect to any measurement of Gas delivered or received under this Agreement at any Delivery Point, the measurement of such Gas (including the definition of Btu used in making such measurement) by the operator of such Delivery Point shall be conclusive.

## **ARTICLE IX**

### **TITLE AND RISK OF LOSS**

PEFA, Inc. warrants the title to all Gas sold to Gas Purchaser under this Agreement. Transfer of custody and title to Gas sold under this Agreement shall pass to and vest in Gas Purchaser at the Delivery Point. As between the Parties, PEFA, Inc. shall be deemed to be in exclusive control and possession of Gas delivered under this Agreement prior to the time of delivery to Gas Purchaser at the Delivery Point, and Gas Purchaser shall be deemed to be in exclusive control and possession of Gas delivered under this Agreement from the Delivery Point.

## **ARTICLE X**

### **ROYALTIES AND TAXES**

10.1. Royalties and Other Charges. PEFA, Inc. shall pay or cause to be paid any royalties or other sums due on the gathering, handling, and transportation of Gas sold under this Agreement prior to its delivery to Gas Purchaser at the Delivery Point.

10.2. Taxes. The price for Gas sold to Gas Purchaser under this Agreement is inclusive of all production, severance, ad valorem, or similar taxes levied on the production or transportation of the Gas prior to its delivery to Gas Purchaser at the Delivery Point, and all such taxes shall be borne and paid exclusively by PEFA, Inc.; provided, however, that if Gas Purchaser is required to remit such taxes to the

collecting authority, Gas Purchaser shall do so and PEFA, Inc. shall credit an amount equal to the taxes so paid against payments otherwise due to PEFA, Inc. under this Agreement. The price for Gas sold to Gas Purchaser under this Agreement does not include any federal, tribal, state, or local sales, use, consumption, utility, storage, greenhouse gas, carbon, license, ad valorem, franchise, or similar taxes imposed by any taxing authority on the sale to, or use by, Gas Purchaser of Gas sold under this Agreement, including without limitation ad valorem taxes on Gas held in storage by Gas Purchaser. Gas Purchaser shall be responsible for the payment of any such taxes and for completing and filing all required forms.

## **ARTICLE XI**

### **BILLING AND PAYMENT**

11.1. **Timing.** Not later than ten days following the end of the Month of delivery, PEFA, Inc. shall provide a Monthly billing statement to Gas Purchaser of the amount due for Gas tendered for delivery under this Agreement. Such billing statement shall be provided to Gas Purchaser by hand delivery, first-class mail, express courier, electronic transmission, or facsimile transmission to the address or facsimile number set forth for Gas Purchaser in Article XVII. The due date for payment by Gas Purchaser to PEFA, Inc. shall be the 23rd day of the Month following the Month of delivery. Such due date shall be applicable without regard to the date or source of a billing statement to Gas Purchaser. If the 23rd day is not a Business Day, payment is due on the immediately preceding Business Day. Gas Purchaser shall make payment by wire transfer to the address set forth for PEFA, Inc. in Article XVIII.

11.2. **Late Payment.** In the event Gas Purchaser fails to pay an amount when due hereunder, interest thereon shall accrue at a rate of interest per annum equal to the lesser of (i) the Prime Rate plus two percent or (ii) the maximum rate permitted by law, in either case from the due date until paid. If Gas Purchaser disputes the appropriateness of any charge or calculation in any billing statement, Gas Purchaser, within the time provided for payment, shall notify PEFA, Inc. of the existence of and basis for such dispute and shall pay all amounts billed by PEFA, Inc., including any amounts in dispute. If it is



ultimately determined that Gas Purchaser did not owe the disputed amount, by agreement or by a final order of a court of competent jurisdiction which is not subject to appeal or concerning which any right to appeal has been waived or which the Parties have irrevocably agreed not to appeal, PEFA, Inc. shall pay Gas Purchaser that amount plus interest as calculated in accordance with this Section 11.2.

11.3. Audit Rights. Each Party shall have the right, including on PEFA, Inc.'s part pursuant to a request by J. Aron under the Prepaid Gas Agreement, at its own expense, to examine and audit at any reasonable time the books, records, measurement data, charts, and telemetry data of the other Party to the extent, but only to the extent, necessary to verify the accuracy of any statements or charges made under or pursuant to this Agreement. Any inaccuracy shall be corrected promptly when discovered; provided, however, that neither Party shall be required to maintain books, records, measurement data, charts, or telemetry data for a period of more than two calendar years following the end of the calendar year to which they are applicable. Neither Party shall have a right to question or contest any charge or credit if the matter is not called to the attention of the other Party in writing within 24 Months of the date of the charge or credit in question.

11.4. Operating Expense of Gas Purchaser. Gas Purchaser's obligation to make the payments it is required to make under this Agreement is a several obligation and not a joint obligation with the obligations of any other Project Participant under its contract with PEFA, Inc. for the purchase of Gas under the Project. Gas Purchaser agrees to make such payments from the revenues of its Gas system, and as a charge against such revenues, as an operating expense of its Gas system and a cost of purchased Gas; provided, however, that Gas Purchaser, in its discretion, may apply any legally available monies to the payment of amounts due under this Agreement. Gas Purchaser hereby covenants and agrees that it will establish, maintain, and collect rates and charges for the Gas services furnished by its Gas system so as to provide revenues sufficient, together with other available Gas system revenues, to enable Gas Purchaser to pay to PEFA, Inc. all amounts payable under this Agreement and to pay all other amounts payable from the revenues of Gas Purchaser's Gas system, and to maintain any required reserves. Gas

Purchaser further covenants and agrees that it shall not furnish or supply Gas services free of charge to any person, firm, corporation, association, or other entity, public or private, except any such service free of charge that Gas Purchaser is supplying on the date of this Agreement, as has been specifically identified by Gas Purchaser to PEFA, Inc. in writing, and that it shall promptly enforce the payment of any and all material accounts owing to Gas Purchaser for the sale of Gas or the provision of transportation or other services to its customers. Gas Purchaser further covenants and agrees that in any future bond issue undertaken by Gas Purchaser, or in connection with any other financing or financial transaction, Gas Purchaser shall provide that the amounts payable by it under this Agreement constitute a cost of purchased Gas and an operating expense of its Gas system payable, together with all other operating expenses, from a first charge on the revenues of its Gas system and shall not pledge or encumber the revenues of its Gas system through a gross revenue pledge or in any other way which creates a prior or superior obligation to its obligation to make payments under this Agreement. Gas Purchaser further covenants that it shall not take an action to institute an Event of Insolvency with respect to Gas Purchaser.

11.5. Financial Responsibility. When reasonable grounds for insecurity of payments due under this Agreement arise, PEFA, Inc. may demand, and Gas Purchaser shall provide within five Business Days if demanded, adequate assurance of performance. Reasonable grounds include but are not limited to the occurrence of an Event of Insolvency with respect to Gas Purchaser or the downgrading of Gas Purchaser's credit rating, if any, by Moody's Investors Service or Fitch Ratings to a level below investment grade, and/or such facts and circumstances which would constitute reasonable grounds for insecurity under Iowa Code Section 554.13401. Adequate assurance shall mean sufficient security in the form and for a term reasonably specified by PEFA, Inc., including but not limited to a standby irrevocable letter of credit, a prepayment, a deposit to an escrow account, or a performance bond or guaranty by a creditworthy entity. The Parties agree that in the event Gas Purchaser fails to provide such adequate assurance as demanded, PEFA, Inc. shall have the right to suspend further deliveries of Gas to Gas Purchaser under this Agreement on three days written notice and shall not be obligated to restore such

deliveries until the first day of the Month after such demand has been satisfied; provided, however, that PEFA, Inc. shall not be obligated to restore such deliveries notwithstanding the satisfaction of such demand until the completion of the term of deliveries to any replacement sales customer to which J. Aron has remarketed the Gas on behalf of PEFA, Inc.

11.6. No Set-Off. Payment for all amounts set forth in a billing statement provided to Gas Purchaser pursuant to Section 11.1 shall be made without set-off or counterclaim of any kind.

## **ARTICLE XII**

### **LAWS AND REGULATIONS**

This Agreement is subject to all valid laws, orders, rules, regulations, or other governmental actions of any duly constituted federal, state, or local governmental authority, to the extent such laws, orders, rules, and regulations are applicable and effective from time to time; provided, however, that no such action by Gas Purchaser's or PEFA Inc.'s governing body may affect that Party's obligations and rights under this Agreement.

## **ARTICLE XIII**

### **FORCE MAJEURE**

13.1. Suspension of Obligations. Except with regard to a Party's obligation to make payments under this Agreement, neither Party shall be liable to the other for failure to perform an obligation to the extent such failure was caused by Force Majeure, as defined in Section 13.2.

13.2. Force Majeure Defined. The term "Force Majeure" as employed herein means any cause not reasonably within the control of the Party claiming suspension, as further defined in this Section 13.2. The term "Force Majeure" shall include, but not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes or tornadoes, which result in evacuation of the affected area, floods, washouts, explosions, or breakage of or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events

affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) interruption and/or curtailment of transportation and/or storage by Transporters (provided that if the affected Party is using interruptible or secondary Firm transportation, only if primary, in-path, Firm transportation is also curtailed by the same event, or, if the relevant Transporter does not curtail based on path, if primary Firm transportation is also curtailed); (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections, wars or acts of terror; (v) governmental actions, such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a Government Agency having jurisdiction; and (vi) any invocation of Force Majeure by J. Aron under the Prepaid Gas Agreement. PEFA, Inc. and Gas Purchaser shall make Commercially Reasonable Efforts to avoid the adverse impacts of a Force Majeure event or occurrence and to resolve the event or occurrence once it has occurred in order to resume performance.

13.3. Force Majeure Exclusions. Neither Party shall be entitled to the benefits of a claim of Force Majeure to the extent performance is affected by any or all of the following circumstances: (i) the Party claiming excuse failed to remedy the condition and to resume the performance of its obligations with reasonable dispatch; (ii) economic hardship, to include, without limitation, PEFA, Inc.'s ability to sell Gas at a higher or more advantageous price, Gas Purchaser's ability to purchase Gas at a lower or more advantageous price, or a Government Agency disallowing, in whole or in part, the pass-through of costs resulting from this Agreement; or (iii) the loss of Gas Purchaser's markets or Gas Purchaser's inability to resell Gas purchased under this Agreement, except, in either case, as provided in Section 13.2. Gas Purchaser shall not be entitled to the benefit of the provisions of Force Majeure to the extent performance is adversely affected by any action taken by Gas Purchaser in its governmental capacity. The Party claiming Force Majeure shall not be excused from its responsibility for Imbalance Charges.

13.4. Settlement of Labor Disputes. Notwithstanding anything to the contrary in this Agreement, the Parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the Party experiencing such disturbance.

13.5. Force Majeure Procedure. The Party whose performance is prevented by Force Majeure must provide notice to the other Party as soon as practicable. Initial notice may be given orally; however, written notice with reasonably full particulars of the event or occurrence is required as soon as reasonably possible. Upon providing written notice of Force Majeure to the other Party, the affected Party will be relieved of its obligation, from the onset of Force Majeure, to make or accept delivery of Gas, as applicable, to the extent and for the duration of Force Majeure, and neither Party shall be deemed to have failed in such obligations to the other during such occurrence or event.

## **ARTICLE XIV**

### **DEFAULT**

14.1. Failure by Gas Purchaser to Make Payments Due. Failure by Gas Purchaser to make to PEFA, Inc. when due any of the payments for which provision is made in this Agreement shall constitute a default on the part of Gas Purchaser.

14.2. Enforcement and Right to Discontinue Service. In the event of any default under Section 14.1, PEFA, Inc. shall have the right to recover from Gas Purchaser any amount in default. In enforcement of any such right of recovery, PEFA, Inc. may bring any suit, action, or proceeding at law or in equity, including without limitation mandamus, injunction and action for specific performance, as may be available to PEFA, Inc. to enforce any covenant, agreement, or obligation to make any payment for which provision is made in this Agreement, and PEFA, Inc. in its sole discretion may, upon three days written notice to Gas Purchaser, cease and discontinue providing delivery of all or any portion of the Gas otherwise to be delivered to Gas Purchaser at the Delivery Point under this Agreement. In the event PEFA, Inc. takes all or any of the actions authorized by this Section 14.2, Gas Purchaser shall remain

fully liable for payment of all amounts in default and shall not be relieved of any of its payment obligations under this Agreement.

14.3. Reinstatement of Service. If PEFA, Inc. exercises its right to discontinue providing Gas deliveries to Gas Purchaser under Section 14.2, such Gas deliveries may only be reinstated, at a time to be determined by PEFA, Inc., upon (i) payment in full by Gas Purchaser of all amounts then due and payable under this Agreement and (ii) payment in advance by Gas Purchaser at the beginning of each Month of amounts estimated by PEFA, Inc. to be due to PEFA, Inc. for the future delivery of Gas under this Agreement for such Month. PEFA, Inc. may continue to require payment in advance after the reinstatement of service under this Agreement for such period of time as PEFA, Inc. in its sole discretion may determine is appropriate.

14.4. Other Default by Gas Purchaser. In the event of a failure by Gas Purchaser to establish, maintain, or collect rates or charges adequate to provide revenues sufficient to enable Gas Purchaser to pay all amounts due to PEFA, Inc. under this Agreement, or in the event of a failure by Gas Purchaser to take from PEFA, Inc. its Gas supplies in accordance with the provisions of this Agreement, or in the event of any default by Gas Purchaser under any other covenant, agreement, or obligation in this Agreement, PEFA, Inc. (without limiting the provisions of Section 14.6) may bring any suit, action, or proceeding at law or in equity, including without limitation mandamus, injunction, and action for specific performance, as may be available to PEFA, Inc. enforce any covenant, agreement, or obligation of Gas Purchaser in this Agreement. In addition to the foregoing remedies (and without limiting any other provisions of this Agreement), if Gas Purchaser fails to accept from PEFA, Inc. any of the Daily Contract Quantity tendered for delivery under this Agreement, PEFA, Inc. shall have the right to sell such Gas to third parties.

14.5. Default by PEFA, Inc.. In the event of a default by PEFA, Inc. under any covenant, agreement, or obligation in this Agreement, Gas Purchaser (without limiting the provisions of Section 14.6) may bring any suit, action, or proceeding at law or in equity, including without limitation

mandamus, injunction, and action for specific performance, as may be available to Gas Purchaser to enforce any covenant, agreement, or obligation in this Agreement against PEFA, Inc.

14.6. Arbitration and Mediation. Notwithstanding any other provision of this Agreement to the contrary, the Parties by mutual agreement may agree to mediate or arbitrate any dispute that arises under this Agreement.

14.7. Third Party Beneficiaries. Except as provided in this Section 14.7, it is specifically agreed that there are no third-party beneficiaries of this Agreement and that this Agreement shall not impart any rights enforceable by any Person not a party to this Agreement. Gas Purchaser acknowledges and agrees that (i) PEFA, Inc. will pledge and assign its rights, title and interests in this Agreement and the amounts payable by Gas Purchaser under this Agreement (other than amounts payable in respect of the Project Administration Fee under Section 4.3) to secure its obligations under the Bond Indenture, (ii) the Trustee shall be a third-party beneficiary of this Agreement with the right to enforce Gas Purchaser's obligations under this Agreement, (iii) the Trustee or any receiver appointed under the Indenture shall have the right to perform all obligations of PEFA, Inc. under this Agreement, and (iv) in the event of a default in payments by Gas Purchaser under this Agreement, (a) J. Aron may, to the extent provided for in, and in accordance with, the Receivables Purchase Agreement (as defined in the Indenture), take assignment from PEFA, Inc. of receivables owed by Gas Purchaser to PEFA, Inc. under this Agreement, and shall thereafter have all rights of collection with respect to such receivables, and (b) if such receivables are not so assigned, the Commodity Swap Counterparty shall have the right to pursue collection of such receivables to the extent of any non-payment by PEFA, Inc. under the Commodity Swap that was caused by Gas Purchaser's payment default.

## **ARTICLE XV**

### **PROJECT MANAGEMENT AND ADMINISTRATION**

PEFA, Inc. covenants and agrees that it will use its best efforts to acquire, manage and administer the Prepaid Project for the benefit of all of the Project Participants. The Project Management Committee

will meet from time to time and may make such reports and recommendations to PEFA, Inc. concerning the administration, management and operation of the Prepaid Project as the Project Management Committee deems appropriate. PEFA, Inc. agrees with and covenants to Gas Purchaser that PEFA, Inc. will vigorously enforce and defend its rights under the Project Agreements. Gas Purchaser acknowledges and agrees that PEFA, Inc. may from time to time enter into amendments of and supplements to the Indenture and any or all of the other Project Agreements (in accordance with their respective terms) and that PEFA, Inc. will not be required to obtain the consent or approval of Gas Purchaser in connection with any such supplement or amendment, as long as such amendments and supplements do not negatively affect the terms of this Agreement.

## **ARTICLE XVI**

### **WAIVERS**

No waiver by either PEFA, Inc. or Gas Purchaser of any default of the other under this Agreement shall operate as a waiver of any future default, whether of like or different character or nature.

## **ARTICLE XVII**

### **SUCCESSION AND ASSIGNMENT**

The terms and provisions of this Agreement shall extend to and be binding upon the Parties and their respective successors, assigns, and legal representatives; provided, however, that neither Party may assign this Agreement or its rights and interests, in whole or in part, under this Agreement as set forth in this Article XVII without the prior written consent of the other Party, except that PEFA, Inc. may assign its interests under this Agreement as described in Section 14.7. Prior to assigning this Agreement, Gas Purchaser shall deliver to PEFA, Inc. (i) written confirmation from each of Moody's Investors Service and Fitch Ratings, provided that such agency has rated and continues to rate the Bonds, that the assignment will not result in a reduction, qualification, or withdrawal of the then-current ratings assigned by Moody's Investors Service or Fitch Ratings, as applicable, to the Bonds; or (ii) written confirmation from each of Moody's Investors Service and Fitch Ratings, provided that such agency has rated and



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continues to rate the Bonds, that the assignee has an outstanding long-term senior, unsecured, unenhanced debt rating equivalent to or higher than the ratings assigned by Moody's Investors Service or Fitch Ratings, as applicable, to the Bonds. Whenever an assignment or a transfer of a Party's interest in this Agreement is requested to be made with the written consent of the other Party, the assigning or transferring Party's assignee or transferee shall expressly agree to assume, in writing, the duties and obligations under this Agreement of the assigning or transferring Party. Upon the agreement of a Party to any such assignment or transfer, the assigning or transferring Party shall furnish or cause to be furnished to the other Party a true and correct copy of such assignment or transfer and assumption of duties and obligations.

**ARTICLE XVIII**

**NOTICES**

Except as is otherwise specifically provided in this Agreement, any notice, request, demand, or statement provided for in this Agreement must be given in writing and delivered in person, by United States mail, or by express courier to the respective Parties at the addresses shown below or at such other addresses as may hereafter be furnished to the other Party in writing, and all payments due from Gas Purchaser under this Agreement shall be made by wire transfer to the account for payments set forth below:

**PEFA, INC.:**

PEFA, Inc.  
[Address]  
Attention:  
Telephone: ( ) \_\_\_\_ - \_\_\_\_  
Cell: ( ) \_\_\_\_ - \_\_\_\_  
Facsimile: ( ) \_\_\_\_ - \_\_\_\_  
Email:

Payments:

[Trustee]

ABA #:

A/C #: \_\_\_\_\_

Re:

Attention: \_\_\_\_\_

Gas Purchaser:

Correspondence, notices, billing and payments:

[Address]

Attn:

Telephone: ( ) \_\_\_\_-\_\_\_\_

Facsimile: ( ) \_\_\_\_-\_\_\_\_

Email:

Payments:

By Wire Transfer:

Account No.:

ABA No.

Any notice initially delivered orally as may be permitted under this Agreement shall be confirmed in writing, and any notice initially delivered by facsimile transmission, email or other electronic means shall be followed by a hard copy sent by first-class mail or express courier within two days after transmission of the facsimile transmission, email or other electronic means.

## **ARTICLE XIX**

### **CHOICE OF LAW**

This Agreement is entered into by PEFA, Inc. pursuant to the authority contained in the Act. This Agreement shall be interpreted and construed in accordance with the Act and other applicable laws of the State of Iowa, excluding conflicts of law principles which would refer to the laws of another jurisdiction; [provided, however, that Gas Purchaser's authority to enter into and perform its obligations under this Agreement shall be interpreted and construed under the laws of the State of \_\_\_\_\_].

**ARTICLE XX**

**MODIFICATIONS**

No modifications of the terms and provisions of this Agreement shall be or become effective except pursuant to and upon the due and mutual execution of a supplemental written amendment by the Parties.

**ARTICLE XXI**

**COMPUTATIONS**

Except as provided herein, all computations related to prices and indices performed under this Agreement shall be rounded to four decimal places (\$0.0000).

**ARTICLE XXII**

**REPRESENTATIONS AND WARRANTIES**

22.1. Representations and Warranties of PEFA, Inc.. PEFA, Inc. hereby makes the following representations and warranties to Gas Purchaser:

(a) PEFA, Inc. is non-profit corporation duly organized and existing under the laws of the State of Iowa and, in particular, Iowa Code Chapter 504, as amended from time to time, and has the power and authority to own its properties, to carry on its business as now being conducted, and to enter into and to perform its obligations under this Agreement.

(b) The execution, delivery, and performance by PEFA, Inc. of this Agreement have been duly authorized by all necessary corporate action of PEFA, Inc. and do not and will not require, subsequent to the execution of this Agreement by PEFA, Inc., any consent or approval of the Board of Directors or any officers of PEFA, Inc.

(c) This Agreement is the legal, valid, and binding obligation of PEFA, Inc., enforceable in accordance with its terms, except as such enforceability may be subject to (i) the

exercise of judicial discretion in accordance with general principles of equity and (ii) bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted, to the extent constitutionally applicable.

(d) As of the date of this Agreement, there is no pending or, to PEFA, Inc.'s knowledge, threatened action or proceeding affecting PEFA, Inc. which purports to affect the legality, validity, or enforceability of this Agreement.

(e) PEFA, Inc. shall deliver to Gas Purchaser as a condition precedent to Gas Purchaser's execution of this Agreement an opinion letter of counsel to PEFA, Inc., in substantially the form set forth in Exhibit E.

22.2. Representations and Warranties of Gas Purchaser. Gas Purchaser hereby makes the following representations and warranties to PEFA, Inc.:

(a) Gas Purchaser is a [municipal corporation/gas district/joint action agency/municipal gas or electric utility] created and existing under the laws of the State of \_\_\_\_\_, and has the power and authority to own its properties, to carry on its business as now being conducted, and to execute, deliver, and perform this Agreement.

(b) The execution, delivery, and performance by Gas Purchaser of this Agreement have been duly authorized by the governing body of Gas Purchaser and do not and will not require, subsequent to the execution of this Agreement by Gas Purchaser, any consent or approval of the governing body or any officers of Gas Purchaser.

(c) This Agreement is the legal, valid, and binding obligation of Gas Purchaser, enforceable in accordance with its terms, except as such enforceability may be subject to (i) the exercise of judicial discretion in accordance with general principles of equity and (ii)

bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted, to the extent constitutionally applicable.

(d) As of the date of this Agreement, there is no pending or, to Gas Purchaser's knowledge, threatened action or proceeding affecting Gas Purchaser which purports to affect the legality, validity, or enforceability of this Agreement.

(e) Gas Purchaser shall deliver to PEFA, Inc. as a condition precedent to the effectiveness of this Agreement an opinion letter of counsel to Gas Purchaser in substantially the form set forth in Exhibit F.

(f) Gas Purchaser shall deliver to PEFA, Inc. as a condition precedent to the effectiveness of this Agreement a Federal Tax Certificate in substantially the form set forth in Exhibit D and a Closing Certificate in substantially the form set forth in Exhibit H.

### **ARTICLE XXIII**

#### **CERTAIN OBLIGATIONS WITH RESPECT TO PEFA, INC.'S BONDS**

23.1. Tax-Exempt Status of Bonds. The Bonds will be issued with the intention that the interest thereon will be exempt from federal taxes under Section 103 of the Code. Accordingly, Gas Purchaser agrees that it will (a) provide such information with respect to its Gas distribution system as may be requested by PEFA, Inc. in order to establish the tax-exempt status of the Bonds, and (b) act in accordance with such written instructions as PEFA, Inc. may provide from time to time in order to maintain the tax-exempt status of the Bonds. Without limiting the foregoing, Gas Purchaser further agrees that it will use all of the Gas purchased under this Agreement (i) for a "qualifying use" as defined in U.S. Treas. Reg. § 1.148-1(e)(2)(iii), (ii) in a manner that will not result in any "private business use" within the meaning of Section 141 of the Code, and (iii) consistent with the Federal Tax Certificate attached as Exhibit D. Gas Purchaser agrees that it will provide such additional information, records and

certificates as PEFA, Inc. may reasonably request to confirm Gas Purchaser's compliance with this Section 23.1.

23.2. Continuing Disclosure. Gas Purchaser agrees to provide to PEFA, Inc.: (a) such financial and operating information as may be requested by PEFA, Inc. including its most recent audited financial statements for use in PEFA, Inc.'s offering documents for the Bonds; and (b) annual updates to such information and statements to enable PEFA, Inc. to comply with continuing disclosure undertakings under Rule 15(c)2-12 of the United States Securities and Exchange Commission (the "Rule"). Failure by Gas Purchaser to comply with its agreement to provide such annual updates shall not be a default under this Agreement, but any such failure shall entitle PEFA, Inc. or an owner of the Bonds to take such actions and to initiate such proceedings as may be necessary and appropriate to cause Gas Purchaser to comply with such agreement, including without limitation the remedies of mandamus and specific performance.

## **ARTICLE XXIV**

### **EXCHANGES**

24.1. General Rule. Gas Purchaser may effectuate an exchange of Delivery Points for Gas purchased under this Agreement on a daily or Monthly basis under Section 24.2 or Section 24.3; provided, however, that any failure by a third party to perform its obligations under any such exchange arrangement shall not relieve Gas Purchaser of its obligations under this Agreement.

24.2. Description of Exchange Agreement. Gas Purchaser may enter into an exchange agreement with a third party under which Gas Purchaser implements synthetic transportation of the Gas delivered at the Delivery Point ("Point A") to a delivery point on another pipeline connected with Gas Purchaser's system ("Point B"). Under such an exchange agreement, Gas Purchaser would deliver Gas at Point A to the exchange counterparty and receive delivery of an equivalent value of Gas at Point B from the exchange counterparty. The equivalent value of Gas at Point B may be taken by Gas Purchaser on the same Gas Day that Gas is delivered at Point A or at any time after such Gas Day within the same or the

next succeeding Month. The transaction described in this Section 24.2 is not in itself a "disqualifying use" under federal tax law in effect on the date of this Agreement.

24.3. Exchange Transactions Through a Third Party. In addition to an exchange agreement under Section 24.2, Gas Purchaser may effectuate an exchange of deliveries of Gas at Point A (as described in Section 24.2) for deliveries at Point B (as described in Section 24.2) by entering into an agreement to provide the exchange through a third party. Under such an agreement, Gas Purchaser would arrange for the delivery of Gas to one party ("Party 1") at Point A, and the receipt of Gas from another party ("Party 2") at Point B, either directly or through a commodity exchange such as the Intercontinental Exchange ("ICE"), and bring the arrangements with Party 1 and Party 2 to a third party for the third party to enter into. Gas Purchaser would then enter into an exchange agreement with the third party, as described in Section 24.2 above. The transaction described in this Section 24.3 is not in itself a "disqualifying use" under federal tax law in effect on the date of this Agreement.

## **ARTICLE XXV**

### **INTERPRETATION**

25.1. Entirety of Agreement. This Agreement constitutes the entire agreement between PEFA, Inc. and Gas Purchaser with respect to the sale, delivery, purchase and receipt of the Daily Contract Quantity under the Prepaid Project, and supersedes any and all prior negotiations, understandings, or agreements, whether oral or in writing.

25.2. Headings. The headings used throughout this Agreement are inserted for reference purposes only and shall not be construed or considered in interpreting the terms and provisions of any Section or Article or the Agreement as a whole.

25.3. Severability. If any Article, Section, term, or provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said Article, Section, term, or provision; provided, however, that if such severability materially changes the economic benefits of this Agreement to either Party, the Parties

agree to negotiate promptly an equitable adjustment to the provisions of the Agreement in good faith so as to place the Parties in as close to the same position as is possible under the circumstances as they were prior to such declaration by the court or other action or event.

25.4. Limited Liability. PEFA, Inc. and Gas Purchaser acknowledge and agree that Gas Purchaser's obligations under this Agreement are limited as expressly described in this Agreement and that PEFA, Inc. has no recourse to any other source of payment from Gas Purchaser except as set forth in Section 11.4 of this Agreement. PEFA, Inc. and Gas Purchaser acknowledge and agree that Gas Purchaser has no recourse to any source of payment from PEFA, Inc. under this Agreement except the Trust Estate as defined in the Indenture, and only to the extent such funds are available to be applied for such purpose in accordance with the Indenture.

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**ARTICLE XXVI**

**COUNTERPARTS**

This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and each of which shall be deemed to be an original instrument as against a Party that has signed it.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date hereinabove first written.

**[PROJECT PARTICIPANT}**

By: \_\_\_\_\_ Attested By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_ Printed Name: \_\_\_\_\_  
Its: \_\_\_\_\_ Title: \_\_\_\_\_

**PEFA, INC.**

By: \_\_\_\_\_ Attested By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_ Printed Name: \_\_\_\_\_  
Its: \_\_\_\_\_ Title: \_\_\_\_\_

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**EXHIBIT A**

**PRIMARY DELIVERY POINT**

[DELIVERY POINT OR POINTS]

**EXHIBIT B**

**DAILY CONTRACT QUANTITIES (MMBTU PER DAY)**

[Daily Contract Quantities (MMBtu/Day)]

**EXHIBIT C**

**PROJECT PARTICIPANTS AND THEIR ANNUALIZED  
DAILY CONTRACT QUANTITIES**

**EXHIBIT D**

**FEDERAL TAX CERTIFICATE**

This Federal Tax Certificate is executed in connection with the Gas Sales Contract dated as of \_\_\_\_\_, 2018 (the "Supply Agreement"), by and between PEFA, Inc. and [Project Participant] ("Gas Purchaser"). Capitalized terms used and not otherwise defined herein shall have the meanings given to them in the Supply Agreement, in the Tax Certificate and Agreement, or in the Indenture.

WHEREAS Gas Purchaser acknowledges that PEFA, Inc. is issuing the Bonds to fund the prepayment price under the Prepaid Gas Agreement; and

WHEREAS the Bonds are intended to qualify for tax exemption under Section 103 of the Internal Revenue Code of 1986, as amended; and

WHEREAS Gas Purchaser's use of Gas acquired pursuant to the Supply Agreement and certain funds and accounts of Gas Purchaser will affect the Bonds' qualification for such tax exemption.

NOW, THEREFORE, GAS PURCHASER HEREBY CERTIFIES AS FOLLOWS:

1. Gas Purchaser is a [municipal corporation/gas district/joint action agency/municipal gas or electric utility] organized under the laws of the State of \_\_\_\_\_.
2. Gas Purchaser will resell all of the Gas acquired pursuant to the Supply Agreement to its retail Gas customers within its Gas service area, with retail sales in all cases being made pursuant to regularly established and generally applicable tariffs or under authorized requirements contracts. For purposes of the foregoing sentence, the term "service area" means (x) the area throughout which Gas Purchaser provided Gas transmission or distribution service at all times during the 5-year period ending on December 31, 2017, and from then until the date of issuance of the Bonds (the "Closing Date"), and (y) any area recognized as the service area of Gas Purchaser under state or federal law.
3. The annual average amount during the testing period of Gas purchased (other than for resale) by customers of Gas Purchaser who are located within the service area of Gas Purchaser is \_\_\_\_\_ MMBtu. The maximum annual amount of Gas in any year being acquired pursuant to the Supply Agreement is \_\_\_\_\_ MMBtu. The maximum volumes of Gas being acquired annually pursuant to the Supply Agreement are \_\_\_\_\_ MMBtu (\_\_\_\_\_ MMBtu per day) between \_\_\_\_\_, 2019 and \_\_\_\_\_, 2049. The maximum annual amount of Gas which Gas Purchaser otherwise has a right to acquire, as of the Closing Date, is \_\_\_\_\_ MMBtu between \_\_\_\_\_, 2019 and \_\_\_\_\_, 2049. The maximum annual amount of Gas which Gas Purchaser holds in storage as of the Closing Date is \_\_\_\_\_ MMBtu. The sum of (a) the maximum amount of Gas in any year being acquired pursuant to the Supply Agreement, (b) the amount of Gas which Gas Purchaser otherwise has a right to acquire, and (c) the annual average amount of Gas which Gas Purchaser holds in storage is \_\_\_\_\_ between \_\_\_\_\_, 2019 and \_\_\_\_\_, 2049. Accordingly, the amount of Gas to be acquired under the Supply Agreement by Gas Purchaser, supplemented by the amount of Gas otherwise

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available to Gas Purchaser as of the Closing Date, during any year does not exceed the sum of (i) \_\_\_\_\_% of the annual average amount during the testing period of Gas purchased (other than for resale) by customers of Gas Purchaser who are located within the service area of Gas Purchaser; and (ii) the amount of Gas to be used to transport the prepaid Gas to Gas Purchaser during such year. For purposes of this paragraph 3, the term "testing period" means the 5 calendar years ending December 31, 2017, and the term "service area" means (x) the area throughout which Gas Purchaser provided Gas transmission or distribution service at all times during the testing period or electric service at all times during the testing period, (y) any area within a county contiguous to the area described in (x) in which retail Gas customers of Gas Purchaser are located if such area is not also served by another utility providing Gas services, and (z) any area recognized as the service area of Gas Purchaser under state or federal law.

4. Gas Purchaser expects to pay for Gas acquired pursuant to the Supply Agreement solely from funds derived from its Gas distribution operations. Gas Purchaser expects to use current net revenues of its Gas distribution system to pay for current Gas acquisitions. There are no funds or accounts of Gas Purchaser or any person who is a Related Person to Gas Purchaser in which monies are invested and which are reasonably expected to be used to pay for Gas acquired more than one year after it is acquired. No portion of the proceeds of the Bonds will be used directly or indirectly to replace funds of Gas Purchaser or any persons who are Related Persons to Gas Purchaser that are or were intended to be used for the purpose for which the Bonds were issued.

\_\_\_\_\_, 2018

By: \_\_\_\_\_  
[Name]  
[Title]

EXHIBIT E

**FORM OF OPINION OF COUNSEL TO PEFA INC.**

\_\_\_\_\_, 2018 [to be dated the date of closing]

[Gas Purchaser]

Re: Gas Supply Agreement dated \_\_\_\_\_, 2018, by and between PEFA, Inc. and [Project Participant].

Ladies and Gentlemen:

We have acted as counsel to PEFA, Inc. in conjunction with the above-captioned Gas Supply Agreement (the "Agreement") between PEFA, Inc. and [Project Participant] ("Gas Purchaser").

This opinion is being delivered pursuant to Section 22.1 of the Agreement. Unless otherwise specified herein, all terms used but not defined in this opinion shall have the same meanings as are ascribed to them in the Agreement.

In rendering this opinion, we have examined a copy of the Agreement and such records and other documents as we have deemed necessary and relevant for the purposes of this opinion. In our examination, we have assumed that [Gas Purchaser] has the right, power, authority and capacity to enter into the Agreement and that the Agreement has been duly authorized, executed and delivered by [Gas Purchaser], and we have assumed the genuineness of all signatures (other than those of officers or representatives of PEFA, Inc.), the authenticity of all documents submitted to us as originals, and the conformity of all original documents submitted to us as certified or photostatic copies.

As to factual matters, we have relied solely upon the documents described above, the representations and warranties of PEFA, Inc. contained in the Agreement, the certificate of incorporation of PEFA, Inc., and various certificates and other documents furnished to us by PEFA, Inc.'s officers and its Board of Directors and the correctness of any facts stated in any such documents, without undertaking to verify the same by independent investigation. Except as otherwise stated in this opinion, we have undertaken no investigation or verification of such matters.

Based on such examinations and assumptions, and subject to the qualifications that follow, we are of the opinion, on the date hereof, that:

1. PEFA, INC. is a non-profit corporation duly organized and existing under the laws of the State of Iowa and, in particular, Iowa Code Chapter 504, as amended from time to time, and has the power and authority to own its properties, to carry on its business as now being conducted, and to enter into and to perform its obligations under the Agreement.
2. The execution, delivery, and performance by PEFA, Inc. of the Agreement have been duly authorized by all necessary corporate action of PEFA, Inc. and do not and will not require, subsequent to the execution of the Agreement by PEFA, Inc., any consent or approval of the Board of Directors or any officers of PEFA, Inc.

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3. The Agreement is the legal, valid, and binding obligation of PEFA, Inc., enforceable in accordance with its terms, except as such enforceability may be subject to (i) the exercise of judicial discretion in accordance with general principles of equity and (ii) bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted, to the extent constitutionally applicable.

4. As of the date of this opinion, there is no pending or, to our knowledge, threatened action or proceeding at law or in equity or by any court, government agency, public board or body affecting or questioning the existence of PEFA, Inc. or the titles of its officers to their respective offices or affecting or questioning the legality, validity, or enforceability of the Agreement, nor to our knowledge is there any basis therefor.

5. To our knowledge, after due inquiry of representatives of PEFA, Inc. and longstanding counsel of PEFA, Inc., the execution and delivery of the Agreement and compliance by PEFA, Inc. with the provisions thereof will not conflict with or constitute on the part of PEFA, Inc. a material breach of or default under any agreement or instrument to which PEFA, Inc. is a party, or violate any existing law, administrative regulation, court order or consent decree to which PEFA, Inc. is subject.

Notwithstanding anything to the contrary contained above, the foregoing opinions are expressly made subject to the following exceptions, qualifications, and assumptions:

- (a) We express no opinion with respect to the validity or enforceability of any provisions of the Agreement or any other documents that may be read to require PEFA, Inc. to indemnify any party.
- (b) We express no opinion as to the enforceability of provisions of the Agreement waiving, directly or indirectly, expressly or impliedly, defenses to obligations or rights granted by law, where such waivers are prohibited by law or are against public policy or any provision which is qualified by the phrase "to the extent permitted by law" or words of similar impact.
- (c) We except from this opinion any provision contained in the Agreement that purports to prevent any party from raising an affirmative defense thereto, such as estoppels, illegality, etc., if such affirmative defense arises or is asserted to have arisen out of any action by any party which has not been brought to our attention, or which purports to prevent any party from raising a claim of fraud.
- (d) We except from this opinion any provision contained in the Agreement that could be construed as waiving service of process or any applicable statute of limitations defense or which establishes any right to specific performance.
- (e) Our opinion as to enforceability is limited by standards of good faith, fair dealing, materiality, and reasonableness that may be applied by a court to the exercise of certain rights and remedies; limitations based on statutes or on public policy limiting a contracting's right to waive the benefit of statutory provisions or of a common law right; and limitations releasing a party from or indemnifying a party against liability for its own wrongful or negligent act when such release or indemnification is contrary to public policy.



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- (f) Our opinion is limited to the matters stated herein and no opinion may be inferred or implied beyond the matters expressly stated herein. The opinions expressed in this letter are given solely for your use and benefit in connection with the transactions referred to herein and no other person may use or rely upon this opinion letter, nor may it be used or relied upon in any other transaction which is not related to the transactions referred to herein without our prior express written consent. This opinion is provided to you as a legal opinion only and not as a warranty or guarantee on the matter described herein or in the documents referred to herein.
- (g) We are licensed to practice only in the State and we do not hold ourselves out as being experts in, nor do we express any opinion as to, the laws of any jurisdiction other than the State. Accordingly, for purposes of the foregoing opinions we have assumed that any agreement, contract or other instrument that is governed under any laws other than the laws of the State are enforceable in accordance with the terms of that document under the laws of such foreign jurisdiction.
- (h) The scope of this opinion is limited to those issues and parties specifically considered herein and no further or more expansive opinion is implied or should be inferred from any opinion expressed herein. On such basis, any variation or difference in the facts upon which this opinion is based might affect our conclusions in an adverse manner and make them inaccurate.
- (i) In this opinion letter issued in our capacity as counsel to PEFA, Inc., we are opining only upon those matters set forth herein, and we are not passing upon the accuracy, adequacy or completeness of any statements made in connection with the execution and delivery of the Agreement or any federal or state tax consequences arising from the receipt or accrual of payments under the Agreement.
- (j) No attorney-client relationship has existed or exists between us and anyone other than PEFA, Inc. in connection with the Agreement by virtue of this opinion.
- (k) In basing the opinions and other matters set forth herein on "our knowledge," the words "our knowledge" signify that, in the course of our representation of PEFA, Inc. in matters with respect to which we have been engaged by them, no information has come to our attention that would give us actual knowledge or actual notice that any such opinion or other matters are not accurate or that any of the foregoing documents, certificates, reports and information on which we have relied are not accurate and complete. The words "our knowledge" and similar language used herein are intended to be limited to the knowledge of the lawyers within our firm who have devoted substantive attention to the transaction contemplated by the Agreement and not to knowledge of the firm generally.

The foregoing opinion is rendered solely for the use and benefit of Gas Purchaser in connection with the Agreement and may not be relied upon other than in connection with the transactions contemplated by the Agreement, or by any other person or entity for any purpose whatsoever, nor may it be quoted in whole or in part or otherwise referred to in any document or delivered to any other person or entity without the prior written consent of the undersigned. The information set forth herein is as of the date hereof, this opinion is given as of the date hereof and no opinion is expressed as to the effect of future applicable laws and court decisions. We assume no obligation, and expressly disclaim any obligation, to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or as to any change in laws that may hereafter occur.

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Sincerely,

**EXHIBIT F**

**FORM OF OPINION OF COUNSEL  
TO GAS PURCHASER**

\_\_\_\_\_, 2018 [to be dated the date of closing]

[PEFA, Inc.]

J. Aron & Company  
200 West Street  
New York, NY 10282-2198

Goldman Sachs & Company  
200 West Street  
New York, NY 10282

Bank of New York Mellon Trust Company, N.A.  
Birmingham, Alabama

[Commodity Swap Counterparty]

Re: Gas Supply Agreement Between [Project Participant] and PEFA,  
Inc. dated \_\_\_\_\_, 2018

Ladies and Gentlemen:

We are Counsel to [Participant] ("Gas Purchaser"). We are furnishing this opinion to you in connection with the Gas Supply Agreement between PEFA, Inc. and Gas Purchaser dated as of \_\_\_\_\_ 1, 2018 (the "Supply Agreement").

Unless otherwise specified herein, all terms used but not defined in this opinion shall have the same meaning as is ascribed to them in the Supply Agreement.

In connection with this opinion, we have examined originals or copies, certified or otherwise identified to our satisfaction, of the following:

(a) The Constitution and laws of the State of \_\_\_\_\_ (the "State") including, as applicable, acts, ordinances, certificates, articles, charters, bylaws, and agreements pursuant to which Gas Purchaser was created and by which it is governed;

(b) Resolution No. [\_\_\_\_], duly adopted by Gas Purchaser on [\_\_\_\_\_] (the "Resolution") and certified as true and correct by certificate and seal, authorizing Gas Purchaser to execute and deliver the Supply Agreement;

(c) A copy of the Supply Agreement executed by Gas Purchaser; and

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(d) All outstanding instruments relating to bonds, notes, or other indebtedness of or relating to Gas Purchaser and Gas Purchaser's natural gas distribution system.

We have also examined and relied upon originals or copies, certified or otherwise authenticated to our satisfaction, of such records, documents, certificates, and other instruments, and made such investigations of law, as in our judgment we have deemed necessary or appropriate to enable us to render the opinions expressed below.

Based upon the foregoing, we are of the opinion that:

1. Gas Purchaser is a [municipal corporation/gas district/joint action agency/municipal gas or electric utility] of the State, duly organized and validly existing under the laws of the State, and has the power and authority to own its properties, to carry on its business as now being conducted, and to enter into and to perform its obligations under the Agreement.

2. The execution, delivery, and performance by Gas Purchaser of the Supply Agreement have been duly authorized by the governing body of Gas Purchaser and do not and will not require, subsequent to the execution of the Supply Agreement by Gas Purchaser, any consent or approval of the governing body or any officers of Gas Purchaser.

3. The Supply Agreement is the legal, valid, and binding obligation of Gas Purchaser, enforceable in accordance with its terms, except as such enforceability may be subject to (i) the exercise of judicial discretion in accordance with general principles of equity and (ii) bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted, to the extent constitutionally applicable.

4. No approval, consent or authorization of any governmental or public agency, authority, commission or person, or, to our knowledge, of any holder of any outstanding bonds or other indebtedness of Gas Purchaser, is required with respect to the execution, delivery and performance by Gas Purchaser of the Supply Agreement or Gas Purchaser's participation in the transactions contemplated thereby other than those approvals, consents and/or authorizations that have already been obtained.

5. The authorization, execution and delivery of the Supply Agreement and compliance with the provisions thereof (a) will not conflict with or constitute a breach of, or default under, (i) any instrument relating to the organization, existence or operation of Gas Purchaser, (ii) any ruling, regulation, ordinance, judgment, order or decree to which Gas Purchaser (or any of its officers in their respective capacities as such) is subject or (iii) any provision of the laws of the State relating to Gas Purchaser and its affairs, and (b) to our knowledge will not result in, or require the creation or imposition of, any lien on any of the properties or revenues of Gas Purchaser pursuant to any of the foregoing.

6. Gas Purchaser is not in breach of or default under any applicable constitutional provision or any law or administrative regulation of the State or the United States or any applicable judgment or decree or, to our knowledge, any loan or other agreement, resolution, indenture, bond, note, resolution, agreement or other instrument to which Gas Purchaser is a party or to which Gas Purchaser or any of its property or assets is otherwise subject, and to our knowledge no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument.

7. Payments to be made by Gas Purchaser under the Supply Agreement shall constitute operating expenses of Gas Purchaser's utility system payable solely from the revenues and other available

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funds of Gas Purchaser's utility system as a cost of purchased gas. The application of the revenues and other available funds of Gas Purchaser's utility system to make such payments is not subject to any prior lien, encumbrance or other restriction.

8. As of the date of this opinion, to the best of our knowledge after due inquiry, there is no pending or threatened action or proceeding at law or in equity or by any court, government agency, public board or body affecting or questioning the existence of Gas Purchaser or the titles of its officers to their respective offices or affecting or questioning the legality, validity, or enforceability of this Supply Agreement nor to our knowledge is there any basis therefor.

This opinion is rendered solely for the use and benefit of the addressees listed above in connection with the Supply Agreement and may not be relied upon other than in connection with the transactions contemplated by the Supply Agreement, or by any other person or entity for any purpose whatsoever, nor may this opinion be quoted in whole or in part or otherwise referred to in any document or delivered to any other person or entity, without the prior written consent of the undersigned.

Very truly yours,

**EXHIBIT G**

**FORM OF REMARKETING ELECTION NOTICE**

[PEFA, Inc.]  
[Address]

[J. Aron]  
[Address]

[Trustee]  
[Address]

To the Addressees:

The undersigned, duly authorized representative of the [Gas Purchaser]] (the "Gas Purchaser"), is providing this notice (the "Gas Remarketing Election Notice") pursuant to the Gas Supply Agreement, dated as of \_\_\_\_\_, 2018 (the "Supply Agreement"), between PEFA, Inc. and the Gas Purchaser. Capitalized terms used herein shall have the meanings set forth in the Supply Agreement.

Pursuant to Section 5.3(b) of the Supply Agreement, the Gas Purchaser has elected to have its DCQ for each Gas Day of each Month of the applicable Reset Period remarketed beginning with the month of [\_\_\_\_\_] 20[\_\_\_], and that the resumption of deliveries in any future Reset Period shall be in accordance with Section 5.3(e) thereof.

Given this [\_\_\_] day of [\_\_\_\_\_] 20[\_\_\_].

[GAS PURCHASER]

By: \_\_\_\_\_  
Name:

Title:

EXHIBIT H

**FORM OF CLOSING CERTIFICATE**

**CLOSING CERTIFICATE OF GAS PURCHASER**

\_\_\_\_\_, 2018

Re: PEFA, Inc.  
Gas Project Revenue Bonds  
Series 2018

The undersigned \_\_\_\_\_ of the \_\_\_\_\_, \_\_\_\_\_ (the "*Gas Purchaser*"), hereby certifies as follows in connection with the Gas Supply Agreement dated as of \_\_\_\_\_ 1, 2018 (the "*Agreement*") between the Gas Purchaser and PEFA, Inc. and the issuance and sale by PEFA, Inc. of the above-referenced bonds (the "*Bonds*") (capitalized terms used and not defined herein shall have the meanings given to them in the Agreement):

1. Gas Purchaser is a [ \_\_\_\_\_ ], duly created and validly existing and in good standing under the laws of the State of \_\_\_\_\_ (the "*State*"), and has the corporate power and authority to enter into and perform its obligations under the Agreement.

2. By all necessary official action on its part, the Gas Purchaser has duly authorized and approved the execution and delivery of, and the performance by the Gas Purchaser of the obligations on its part contained in the Agreement, and such authorization and approval has not been amended, supplemented, rescinded or modified in any respect since the date thereof.

3. The Agreement constitutes the legal, valid and binding obligation of the Gas Purchaser.

4. The authorization, execution and delivery of the Agreement and compliance with the provisions on the Gas Purchaser's part contained therein (a) will not conflict with or constitute a breach of or default in any material respect under (i) any instrument relating to the organization, existence or operation of Gas Purchaser, (ii) any ruling, regulation, ordinance, judgment, order or decree to which Gas Purchaser (or any of its officers in their respective capacities as such) is subject or (iii) any provision of the laws of the State relating to Gas Purchaser and its affairs, and (b) will not result in, or require the creation or imposition of, any lien on any of the properties or revenues of Gas Purchaser pursuant to any of the foregoing.

5. The Gas Purchaser is not in breach of or default in any material respect under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Gas Purchaser is a party or to which the Gas Purchaser or any of its property or assets are subject, and no event has occurred and is continuing which constitutes or with the

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passage of time or the giving of notice, or both, would constitute a default or event of default in any material respect by the Gas Purchaser under any of the foregoing.

6. Payments to be made by the Gas Purchaser under the Agreement shall constitute operating expenses of the Gas Purchaser's utility system payable solely from the revenues and other available funds of Gas Purchaser's utility system as a cost of purchased gas. The application of the revenues and other available funds of the Gas Purchaser's utility system to make such payments is not subject to any prior lien, encumbrance or other restriction.

7. No litigation, proceeding or tax challenge is pending or, to its knowledge, threatened, against the Gas Purchaser in any court or administrative body which would (a) contest the right of the officials of the Gas Purchaser to hold and exercise their respective positions, (b) contest the due organization and valid existence of the Gas Purchaser, (c) contest the validity, due authorization and execution of the Agreement or (d) attempt to limit, enjoin or otherwise restrict or prevent the Gas Purchaser from executing, delivering and performing the Agreement, nor to the knowledge of the Gas Purchaser is there any basis therefor.

8. All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Gas Purchaser of its obligations under the Agreement have been duly obtained.

9. The representations and warranties of the Gas Purchaser contained in the Agreement were true, complete and correct on and as of the date thereof and are true, complete and correct on and as of the date hereof.

10. The statements and information with respect to the Gas Purchaser contained in the Official Statement dated \_\_\_\_\_, 2018 with respect to the Bonds, including Appendix B thereto (the "*Official Statement*"), fairly and accurately describe and summarize the financial and operating position of the Gas Purchaser for the periods shown therein, and such statements and information did not as of the date of the Official Statement and do not as of the date hereof contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such statements and information, in the light of the circumstances under which they were made, not misleading.

11. No event affecting the Gas Purchaser has occurred since the date of the Official Statement which should be disclosed therein in order to make the statements and information with respect to the Gas Purchaser contained therein, in light of the circumstances under which they were made, not misleading in any material respect.

IN WITNESS WHEREOF the undersigned has executed this Certificate on and as of the date first written above.

[Project Participant]



**DRAFT FORM OF GAS SUPPLY AGREEMENT  
OCTOBER 2018**

By \_\_\_\_\_  
Name:  
Title:

**RESOLUTION NO. 15-19**

**RESOLUTION AUTHORIZING AMENDMENT TO NATURAL GAS  
MANAGEMENT AGREEMENT REGARDING  
THE PURCHASE OF NATURAL GAS FROM PEFA, INC.**

**WHEREAS**, the Village of Morton is party to a natural gas management agreement with Utility Gas Management; and

**WHEREAS**, the Village of Morton contemplates entering into a natural gas supply agreement with PEFA, Inc., and

**WHEREAS**, the Director of Public Works has recommended the amendment of the existing Natural Gas Management Agreement with Utility Gas Management to extend the term of the natural gas management agreement to coincide with the expiration of the natural gas supply agreement.

**NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF MORTON**, Tazewell County, Illinois, as follows:

1. That the Amendment to Natural Gas Management Agreement Regarding the Purchase of Natural Gas from PEFA, Inc. attached to this resolution is hereby approved.
2. That the President of the Board of Trustees and Village Clerk are authorized to execute the agreement on behalf of the Village of Morton.

**BE IT FURTHER RESOLVED** that this resolution shall be in full force and effect upon its passage and approval.

**PASSED AND APPROVED** at a regular meeting of the President and Board of Trustees of the Village of Morton, Tazewell County, Illinois, this \_\_\_\_ day of \_\_\_\_\_, 2018; and upon roll call the vote was as follows:

AYES:

NAYS:

ABSENT:

ABSTAINING:

**APPROVED** this \_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
**President**

**ATTEST:**

\_\_\_\_\_  
**Village Clerk**

**REVISED AGENDA**  
**PLAN COMMISSION OF THE VILLAGE OF MORTON, ILLINOIS**  
**7:00 P.M.**  
**MONDAY, OCTOBER 22, 2018**  
**FREEDOM HALL, 349 W. BIRCHWOOD, MORTON, ILLINOIS**

**I. Call to Order / Roll Call**

**II. Appoint Acting Chairperson for this meeting**

**III. Approval of Minutes** **Regular Meeting – September 24, 2018**

**IV. Public Hearing(s):**

**Petition No. 18-09 SP:** Subject property is located at 138 and 140 S. Main St., zoned B-2. Requested Special Use Permit will allow for mixed use.

**Staff Comment:** This would be consistent with the plan for our downtown. A Special Use once granted must commence within one year. This did not happen, so it's back again.

**Petition No. 18-10 SP:** Subject property is located at 4001 W. Jackson St., zoned I-2. Requested Special Use Permit will allow for open air storage, automobile sales and the display of new or used automobiles.

**Staff Comment:** This is a reasonable use of this property. With the natural landscape that exists and construction of a fence, this should look acceptable.

**V. Other Business: None**

**VI. Roger Spangler:**

**VII. Adjourn**

**MORTON PLAN COMMISSION  
MINUTES-OCTOBER 22, 2018**

The Plan Commission met on Monday, October 22, 2018, at the Freedom Hall, at 7:00 P.M., Acting Chairman Ritterbusch presiding. Present: Zobrist, Ritterbusch, Smock, Deweese, Knepp, and Fick. Absent: Ferrill, Westlake, and Keach. Also in attendance: Planning and Zoning Officer Roger Spangler and Attorney Pat McGrath.

Zobrist made a motion to approve Ritterbusch as Acting Chairman in the absence of Chairman Ferrill. Smock seconded the motion, followed by a vote to approve Ritterbusch as Acting Chairman.

Knepp	Yes	Ritterbusch	Yes
Fick	Yes	Zobrist	Yes
Smock	Yes	Deweese	Yes

**Motion to approve Ritterbusch as acting Chairman: Approved**

Zobrist made a motion to approve the minutes of the September 24, 2018 meeting. Knepp seconded them. With a voice roll call, they were unanimously approved.

**Public Hearing(s):**

**Petition No. 18-09 SP:** Subject property is located at 138 and 140 S. Main St., zoned B-2. Requested Special Use Permit will allow for mixed use. The Petitioner, William Derek Grimm expressed that he would like to build three apartments above the existing retail space at this location. The tentative start date for construction would be the spring of 2019. Planning and Zoning Officer Spangler noted there will be 3 parking spaces which meets the required parking needs. With no further discussion, a motion to approve was made by Fick. A second to approve was made by Smock, followed by a vote to approve.

Knepp	Yes	Ritterbusch	Yes
Fick	Yes	Deweese	Yes
Smock	Yes	Zobrist	Yes

**Petition No. 18-09 SP: Approved**

**Petition No. 18-10 SP:** Subject property is located at 4001 W. Jackson St., zoned I-2. Requested Special Use will allow for open air storage, automobile sales and the display of new or used automobiles. Dan Kniep stated that he would like to display autos and campers for sale at this location. Mr. Kniep also explained where the fence will be located. It will be an 8' metal privacy fence. Mr. Kniep also will be cleaning up the current property.

Keith Kohler from 105 Sycamore Ave. spoke from the public. Mr. Kohler expressed concerns about the location of the property line that the fence will be installed on. Mr. Kohler questioned the hours of operation in which Mr. Kniep stated the hours would be either 8 a.m. to 1 p.m. or 8

a.m. to 5 p.m.

Paul Cone from 103 Sycamore Ave spoke from the public. Mr. Cone also expressed concern that the fence be installed in the correct location, and that it will not be on his property. Mr. Cone had concerns over the condition of the fence over time. Mr. Cone was concerned that a metal fence will become rusted and not have a good appearance over time. Mr. Cone was concerned over the weed growth that could happen under the fence. Mr. Kniep stated he plans on being a good neighbor. With no further discussion, a motion to approve was made by Zobrist. A second to approve was made by Deweese, followed by a vote to approve.

Knepp	Yes	Ritterbusch	Yes
Fick	Yes	Zobrist	Yes
Smock	Yes	Deweese	Yes

**Petition No. 18-10 SP: Approved**

**Other Business: None**

**Roger Spangler:** Planning and Zoning Officer Spangler had nothing more to report.

With no further business, Knepp made a motion to adjourn; seconded by Zobrist, followed by a unanimous voice vote approval. The next regular meeting for the Plan Commission will be held on Monday, November 26, 2018 at 7:00 P.M.

PETITION FOR ZONING AMENDMENT / SPECIAL USE PERMIT

Petition Number 18-09 SP Date 9/28/2018

1. Legal Description: SEE ATTACHED

Street Address: 138 & 140 South Main Street, Morton, IL 615

2. Area of subject property: + 4800 sq.ft. or \_\_\_\_\_ Ac.

3. Present land use: Commercial

Proposed land use or special use: Mixed Use: Commercial / Residential

Requested zoning change: from \_\_\_\_\_ District to \_\_\_\_\_ District

4. Surrounding zoning districts: North B2 East B2 South B2 West B2

5. Subject property is owned by:

Name: William Derde & Jenna Grimm

Address: 1026 East Forestwood  
MORTON, IL 61550

(If subject property is owned by a trustee, a written statement must be furnished by the trustee, disclosing the names of all beneficial owners. A change in any of the beneficial owners during the amendment/special use process must be disclosed immediately.)

6. List names and addresses of all property owners in the petition area (within 250 feet of the area affected by this petition):

Furnished by Village  
of Morton

7. A statement is attached hereto, indicating why, in our opinion, the amendment or special use requested is necessary for the preservation and enjoyment of substantial property rights, and why such amendment or special use will not be detrimental to the public welfare, nor the property of other persons located in the vicinity thereof.

8. Additional exhibits submitted by the petitioner:

FLOOR PLAN / ELEVATION

9. Petitioners' Signature:

Name (printed)	Address (printed)	Signature
<u>William Derde Grimm</u>	<u>1026 EAST FORESTWOOD</u>	<u>William D. Grimm</u>
<u>Jenna Grimm</u>	<u>Morton, IL 61550</u>	<u>Jenna D. Grimm</u>

SPECIAL USE REQUEST  
3-STORY APARTMENT ADDITION  
140 S. MAIN ST. MORTON, ILLINOIS  
PART OF PINS 06-06-20-233-007 & 06-06-20-233-008

We propose to add a two-story apartment building on top of the existing single-story structure at 140 S. Main St. in Morton, IL. This structure will be a total of three stories with a roof deck and will be at or under the 40 feet height allowed by zoning ordinance, similar in height to the adjacent Jefferson building that was recently constructed at 39'-9". The structure will contribute to the beautification of the downtown area of Morton and provide additional housing close to local businesses. As such, we feel that granting special use is in the best interest of the community.

All applicable city codes, building codes, zoning ordinances, and setbacks will be followed with respect to this structure. As the neighboring properties zoning and uses are similar in nature, the proposed apartment addition will complement the downtown area.

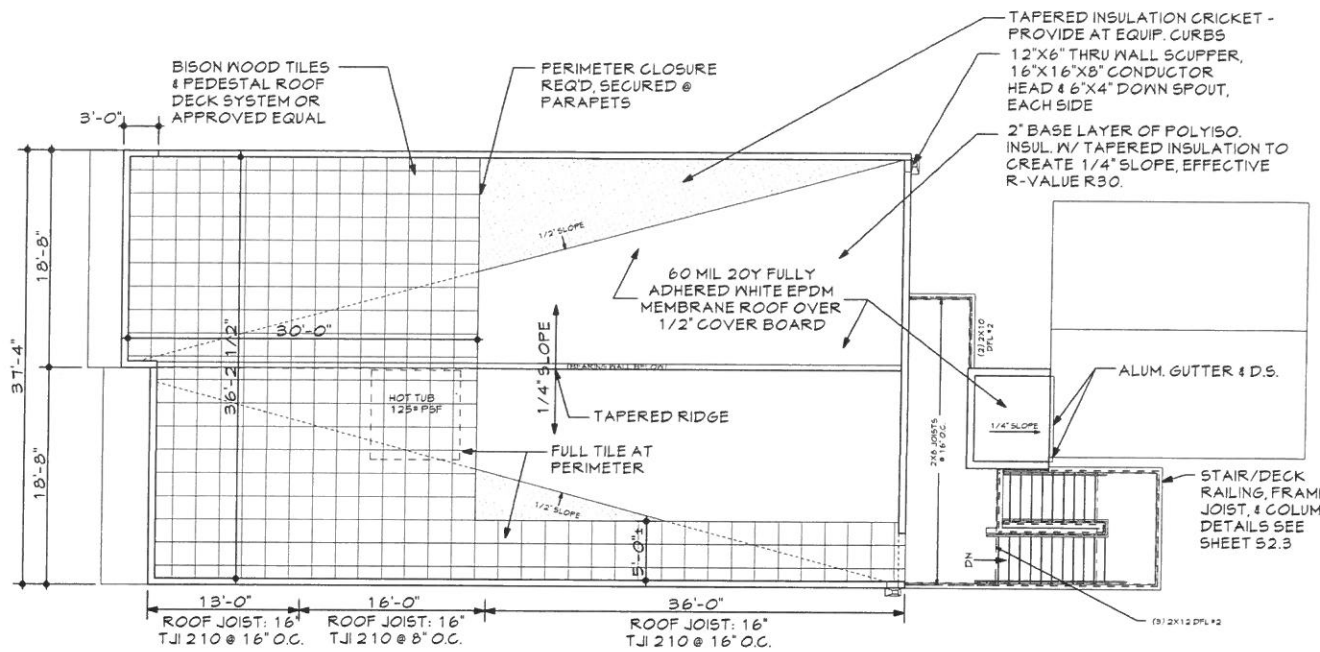


	Name	Address 1	City	State	Zip	Street	Apt
	CLEARPATH IT SOLUTIONS LLC	135 S 1ST AVE	MORTON	IL	61550-2035	135 S 1ST AVE	
	<del>MORTON, VILLAGE OF</del>	<del>PO BOX 28</del>	<del>MORTON</del>	<del>IL</del>	<del>61550-0028</del>	204 S 1ST AVE	
	BAUM INVESTMENTS	866 N MAIN ST	MORTON	IL	61550-1602	206 S 1ST AVE	
	WASSI GROUP INC, THE	13824 W SOMMERFIELD RD	HANNA CITY	IL	61536-9606	208 S 1ST AVE	
	AMERICAN LEGION	PO BOX 220	MORTON	IL	61550-0220	24 E ADAMS ST	
	EMERALD CITY INVESTMENTS	25 E ADAMS ST	MORTON	IL	61550-2056	25 E ADAMS ST	
PO	PARROTT, GAYLE & SAM	PO BOX 426	MORTON	IL	61550-0426	110 W ADAMS ST	
	<del>PARROTT, GAYLE &amp; SAM</del>	<del>PO BOX 426</del>	<del>MORTON</del>	<del>IL</del>	<del>61550-0426</del>	110 W ADAMS ST	
PO	<del>PARROTT, GAYLE &amp; SAM</del>	<del>PO BOX 426</del>	<del>MORTON</del>	<del>IL</del>	<del>61550-0426</del>	112 W ADAMS ST	
	<del>THE DOWNTOWN DINER</del>	<del>112 W ADAMS ST</del>	<del>MORTON</del>	<del>IL</del>	<del>61550-1802</del>	112 W ADAMS ST	
	GLUECK, WILLIAM A	116 W ADAMS ST	MORTON	IL	61550-1802	116 W ADAMS ST	
	NATIONAL CITY BANK OF MI/IL	80 E JEFFERSON ST	MORTON	IL	61550	80 E JEFFERSON ST	
	COLDWELL BANKER HONIG-BELL	320 WATER STONE WAY	JOLIET	IL	60431-7963	101 W JEFFERSON ST	
PO	MCCLELLAN, HARRIET	135 E MADISON ST	MORTON	IL	61550-2012	104 W JEFFERSON ST	
	<del>HOME INSTEAD SENIOR CARE</del>	<del>104 W JEFFERSON ST</del>	<del>MORTON</del>	<del>IL</del>	<del>61550-1812</del>	104 W JEFFERSON ST	
	ZOBRIST, WESLEY M	95 COMMERCE DR	MORTON	IL	61550-9197	107 W JEFFERSON ST	
	BRASS BULL TAVERN INC	111 W JEFFERSON ST	MORTON	IL	61550-1811	111 W JEFFERSON ST	
	BENCKENDORF & BENCKENDORF	101 NE RANDOLPH AVE	PEORIA	IL	61606-1920	100 N MAIN ST	
PO	<del>BENCKENDORF &amp; BENCKENDORF</del>	<del>101 NE RANDOLPH AVE</del>	<del>PEORIA</del>	<del>IL</del>	<del>61606-1920</del>	110 N MAIN ST	
	<del>BENCKENDORF &amp; BENCKENDORF</del>	<del>101 NE RANDOLPH AVE</del>	<del>PEORIA</del>	<del>IL</del>	<del>61606-1920</del>	110 N MAIN ST	
PO	BUTLER, SUSAN	100 S MAIN ST STE A	MORTON	IL	61550-2063	100 S MAIN ST	STE C
	<del>BUTLER, SUSAN</del>	<del>100 S MAIN ST STE A</del>	<del>MORTON</del>	<del>IL</del>	<del>61550-2063</del>	100 S MAIN ST	
	GLASS LOGIC INC	100 S MAIN ST STE C	MORTON	IL	61550-2063	100 S MAIN ST	STE C
	<del>BUTLER, SUSAN</del>	<del>100 S MAIN ST STE A</del>	<del>MORTON</del>	<del>IL</del>	<del>61550-2063</del>	100 S MAIN ST	STE B
	DOUBLE BOGEY INVESTMENTS LLC	102 W JEFFERSON ST	MORTON	IL	61550-1812	101 S MAIN ST	
PO	MCCLELLAN, HARRIET	135 E MADISON ST	MORTON	IL	61550-2012	105 S MAIN ST	
	<del>BINKLEY, BRUCE</del>	<del>105 S MAIN ST</del>	<del>MORTON</del>	<del>IL</del>	<del>61550-2029</del>	105 S MAIN ST	
	UPSCALE RESALE	PO BOX 16	MORTON	IL	61550-0016	109 S MAIN ST	- A
	RUMMEL, NICHOLAS & LAURA	23601 VETERANS RD	MORTON	IL	61550-9579	113 S MAIN ST	- A
	BAKIRDAN, HAYRI NEZIDE	117 E MAYWOOD ST	MORTON	IL	61550-2885	117 S MAIN ST	
	LEDGESTONE INS GROUP INC	118 S MAIN ST	MORTON	IL	61550-2030	118 S MAIN ST	
	DEJURE FORMAL WEAR	121 S MAIN ST	MORTON	IL	61550-2029	121 S MAIN ST	
	<del>LEDGESTONE INS GROUP INC</del>	<del>122 S MAIN ST</del>	<del>MORTON</del>	<del>IL</del>	<del>61550-2030</del>	122 S MAIN ST	
	PARROTT, GAYLE & SAM	149 S MAIN ST	MORTON	IL	61550-2029	123 S MAIN ST	
	THE GREAT AMERICAN POPCORN	126 S MAIN ST	MORTON	IL	61550-2030	126 S MAIN ST	
	RAYS HAIRPORT	132 S MAIN ST	MORTON	IL	61550-2030	132 S MAIN ST	
	GRIMM, SARA F	138 S MAIN ST	MORTON	IL	61550-2030	138 S MAIN ST	
	GRIMM, DEAN	140 S MAIN ST	MORTON	IL	61550-2030	140 S MAIN ST	
PO	ROTH, ANITA	774 WILDWOOD DR	GROVELAND	IL	61535-9562	142 S MAIN ST	
	<del>CROWNE REALTY LLC</del>	<del>2002 FOX CREEK RD</del>	<del>BLOOMINGTON</del>	<del>IL</del>	<del>61701-9530</del>	142 S MAIN ST	
	GRIMM, SARA F	215 W JEFFERSON ST STE B	MORTON	IL	61550-1813	150 S MAIN ST	
	<del>PARROTT, SAM</del>	<del>PO BOX 426</del>	<del>MORTON</del>	<del>IL</del>	<del>61550-0426</del>	151 S MAIN ST	
	DAVID MILLS CPA LLC	PO BOX 5296	MORTON	IL	61550-5296	153 S MAIN ST	
	<del>DAVID MILLS CPA LLC</del>	<del>PO BOX 5296</del>	<del>MORTON</del>	<del>IL</del>	<del>61550-5296</del>	155 S MAIN ST	
PO	DESTINATION EXCELLENCE	404 E FRANKLIN ST	TREMONT	IL	61568-8773	201 S MAIN ST	
	<del>MORTON FIREHOUSE PIZZA LLC</del>	<del>201 S MAIN ST</del>	<del>MORTON</del>	<del>IL</del>	<del>61550-2031</del>	201 S MAIN ST	
	<del>FRONTIER COMMUNICATIONS SITE #</del>	<del>PO BOX 2440</del>	<del>SPOKANE</del>	<del>WA</del>	<del>99210-2440</del>	210 S MAIN ST	
	DESTINATION EXCELLENCE	404 E FRANKLIN ST	TREMONT	IL	61568-8773	213 S MAIN ST	
	CARIUS & CARIUS	86 FORESTVIEW RD	MORTON	IL	61550-1104	214 S MAIN ST	
	<del>DESTINATION EXCELLENCE</del>	<del>404 E FRANKLIN ST</del>	<del>TREMONT</del>	<del>IL</del>	<del>61568-8773</del>	217 S MAIN ST	
	HEARTLAND BANK & TRUST	200 W COLLEGE AVE	NORMAL	IL	61761-2552	223 S MAIN ST	
		223 S Main St	Morton		61550		

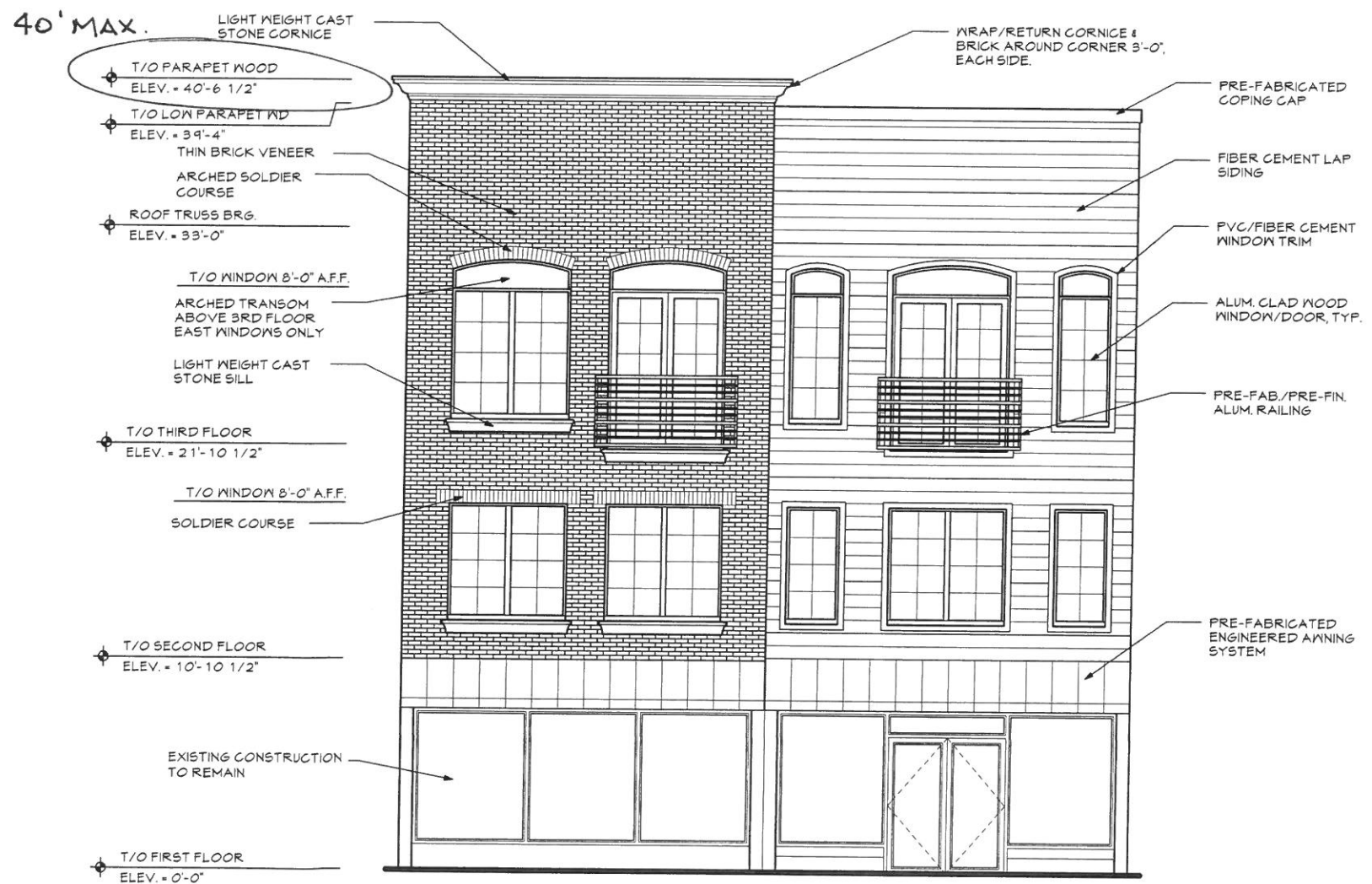








NORTH  
14 ROOF PLAN  
SCALE: 1/8" = 1'-0"



8 EAST ELEVATION  
SCALE: 1/4" = 1'-0"



EXPIRES: 11/30/18  
DATE: 09/13/18

## BID DOCUMENTS

PROJECT NAME:

## GRIMM MIXED USE

140 S. Main St.  
Morton, IL 61550

SHEET TITLE:

## ROOF PLAN & ELEVATION

DATE: SEPTEMBER 13, 2018

PROJECT NO. 17021

SHEET NUMBER

A1.3

PETITION FOR ZONING AMENDMENT / SPECIAL USE PERMIT

Petition Number 18-10 SP Date 10-3-18

1. Legal Description: Sec 12 T 25N R 4W Gardena NW 1/4 and NE 1/4 Sec 12 Lot T (Exc NW Tract) + All Lot U of B

Street Address: 4001 W. Jackson St. Morton IL NE 1/4

2. Area of subject property: 10,513 sq.ft. or 2.37 Ac.

3. Present land use: Sales + service of large trucks

Proposed land use or special use: outside storage + sales

Requested zoning change: from I-2 District to I-2 special use District

4. Surrounding zoning districts: North N/A East R-1 South B-3 West N/A

5. Subject property is owned by:

Name: Alice M. Hoffer Farms LLC to Carl A. Ross

Address: 1612 Timber Rail Dr.  
Washington, IL 61571

(If subject property is owned by a trustee, a written statement must be furnished by the trustee, disclosing the names of all beneficial owners. A change in any of the beneficial owners during the amendment/special use process must be disclosed immediately.)

6. List names and addresses of all property owners in the petition area (within 250 feet of the area affected by this petition):

See attached list

7. A statement is attached hereto, indicating why, in our opinion, the amendment or special use requested is necessary for the preservation and enjoyment of substantial property rights, and why such amendment or special use will not be detrimental to the public welfare, nor the property of other persons located in the vicinity thereof.

8. Additional exhibits submitted by the petitioner:

9. Petitioners' Signature:

Name (printed)

Address (printed)

Signature

Dan Knigo

342 Detroit Ave

[Signature]

Carl A. Ross

1612 Timber Rail Dr.

[Signature]

Washington, IL 61571

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7. I am asking for a special use permit for outdoor storage and sales at 4001 West Jackson St. I will be fencing in the east side of the property for outside storage. I will be selling outside the fence on the south and west sides. All amendments/special uses will be non-detrimental to the area. They will actually clean up the area and beautify it. This will also help with congestion at my current location, 340-342 Detroit Avenue. Thank you in advance for your consideration.







WILLOW CT.

K AVE.

I-2

SYCAMORE AVE.

RAVINE ST.

BEVERLY AVE.

MAGNOLIA AVE.

LOTUS DR.

ELM ST.

R-1

SYCAMORE AVE.

CYPRESS AVE.

OAK ST.

BEVERLY AVE.

TAMARACK AVE.

B-3

B-2

SUBJECT  
PROPERTY

S

S

B-3

RS

ROUTE 150

SPRUCE ST.

W. SASSAFRAS DR.

BURR OAK DR.

PIN OAK DR.

POST OAK DR.

RED OAK DR.

BLACK OAK DR.



	Name	Address 1	City	State	Zip	Street	Apt
	STEEL A SIGN LLC	43 NEWPORT CT	MORTON	IL	61550-3039	4000 W JACKSON ST	
	HOFFER, FARMS LLC ALICE M	C/O CARL ROSS	WASHINGTON	IL	61571-2270	4001 W JACKSON ST	
	BAC LOCAL #6	3691 COUGAR DR STE A	PERU	IL	61354-9302	4005 W JACKSON ST	
PO	KRUMHOLZ, RON	202 TWIN OAKS CT	EAST PEORIA	IL	61611-4646	4009 W JACKSON ST	
	<del>DEALERS COMMERCIAL AUTOBODY</del>	<del>4001 W JACKSON ST STE 2</del>	<del>MORTON</del>	<del>IL</del>	<del>61550-4519</del>	4009 W JACKSON ST	
	CONE, PAUL & BETH	103 SYCAMORE AVE	MORTON	IL	61550-1036	103 SYCAMORE AVE	
	KOHLER, KEITH W	105 SYCAMORE AVE	MORTON	IL	61550-1036	105 SYCAMORE AVE	
	WICKS, LOUIS & KIMBERLY	107 SYCAMORE AVE	MORTON	IL	61550-1036	107 SYCAMORE AVE	
	WEBB, PAULA & NORM	201 SYCAMORE AVE	MORTON	IL	61550-1038	201 SYCAMORE AVE	
	VINCENT, PEGGY	203 SYCAMORE AVE	MORTON	IL	61550-1038	203 SYCAMORE AVE	
	CAVITT, JENNIFER R	205 SYCAMORE AVE	MORTON	IL	61550-1038	205 SYCAMORE AVE	