

**INSTALLMENT NOTE****Amount:** \$750,000.00**Date:** March \_\_\_\_, 2025

FOR VALUE RECEIVED, the undersigned, City of Marengo, Illinois, an Illinois municipal corporation, with its principal office located at 132 East Prairie Street, Marengo, Illinois 60152 (hereinafter “Borrower”) promises to pay to the order of The County of McHenry, a body politic, with its principal office located at 2200 North Seminary Avenue, Woodstock, Illinois 60098 (hereinafter “Lender”) the sum of Seven Hundred Fifty Thousand and 00/100 Dollars (\$750,000.00) (“Principal”) together with any interest on the unpaid Principal balance as provided for herein.

**Payments.** ~~Borrower shall pay Lender the Principal in ten (10) successive annual payments of Seventy Five Thousand and 00/100 Dollars (\$75,000.00) with the first payment due one year from the day upon which the first commercial property served by the water and sewer lines extended to the I-90/Route 23 interchange is issued a certificate of occupancy by Borrower.~~ The repayment period shall begin one year from the day upon which the first commercial property served by the water and sewer lines extended to the I-90/Route 23 interchange is issued a Certificate of Occupancy by Borrower and at such time as Property Tax, Sales Tax, and/or Video Gaming Tax is generated by said commercial development. At that time, Borrower will repay Lender an annual amount equal to at least 10% of the Borrower's portion of Property Tax, Sales Tax, and/or Video Gaming Tax generated by any commercial properties developed after the date of this agreement and served by the extended I-90/Route 23 water and sewer utilities until such time as the principal balance is paid in full. Each annual payment thereafter shall be due on the same month and day as the first payment until the Principal balance is paid in full. If the first commercial property served by the water and sewer lines extended to the I-90/Route 23 interchange is issued a certificate of occupancy by Borrower on a leap day, the parties agree that each annual payment required hereunder shall be due on the 28<sup>th</sup> day of February. Borrower may, at its option at any time on or after the date of this Installment Note listed above, prepay, in whole or in part, without premium or penalty, the Principal balance hereunder.

**Interest.** The annual interest rate on the unpaid Principal balance shall be zero (0) percent per annum through the date of maturity. Interest shall accrue after the date of maturity (whether by acceleration or otherwise) at three (3%) percent per annum on the unpaid Principal balance until paid in full.

**Events of Default.** Borrower shall be in default hereunder: if any amount hereunder is not paid when due; or if Borrower shall otherwise fail to perform any covenant or promise to be performed by Borrower hereunder, under any security agreement, or if Borrower fails to perform any

covenant or promise contained in the DCEO Regional Site Readiness Program Loan Agreement between Borrower and Lender; or if any other party liable with respect to the obligations hereunder who is a natural person dies; or upon the commencement of an assignment for the benefit of creditors, bankruptcy, receivership, insolvency, reorganization, dissolution or liquidation proceedings by or against, or the entry of any judgment, levy attachment, garnishment or other process against Borrower, or any other party liable with respect to the obligations hereunder, or against any of the collateral, or any of the collateral under a separate security agreement signed by Borrower, or there be a deterioration or impairment of any of the collateral hereunder, or any of the collateral under any security agreement executed by Borrower, or any other party liable with respect to the obligations hereunder.

**Acceleration Remedies.** Whenever Borrower shall be in default as aforesaid, (1) the entire unpaid amount of the Principal shall become immediately due and payable; (2) Lender may, at its option sell all or any of the collateral at public or private sale, without notice or advertisement, upon such terms and conditions as Lender may deem proper, and Lender may purchase any or all of the collateral at any such sale, and Lender may apply the net proceeds, after deducting all costs, expenses, attorneys' fees incurred at any time in the collection, protection and sale of the collateral and the obligations, to the payment of this Installment Note and/or any of the other obligations, returning the excess proceeds, if any, to Borrower with Borrower remaining liable for any amount remaining unpaid after such application, with interest; and (3) Lender may, at its option, exercise from time to time any rights and remedies available under the Uniform Commercial Code of Illinois.

**Waiver.** Borrower waives the benefit of any law that would otherwise restrict or limit Lender in the exercise of its right, which is hereby acknowledged; appropriate at any time hereafter to apply any indebtedness owing from Lender to Borrower to any or all of the obligations hereunder. Borrower does hereby assign and transfer to Lender any and all cash, negotiable instruments, documents of title, chattel paper, securities, certificates of deposit, deposit accounts, other cash equivalents and other assets of Borrower in the possession or control of Lender for any purpose. Borrower waives every defense, counterclaim or set-off which Borrower may now have or hereafter may have to any action by Lender in enforcing this Installment Note or the collateral and ratifies and confirms whatever Lender may do pursuant to the terms hereof and with respect to the

collateral and agrees that Lender shall not be liable for any errors of judgment or mistakes of fact or law.

Borrower waives presentment, demand, notice of dishonor, protest, cause of action, and all other notices and demands in connection with the enforcement of Lender's rights hereunder, and hereby consents to, and waives notice of the release with or without consideration of any of Borrower or of any collateral. Any failure of Lender to exercise any right available hereunder or otherwise shall not be construed as a waiver of the right to exercise the same or any other right at any other time.

**Miscellaneous.** Borrower agrees to pay all costs of collection and reasonable attorneys' fees in enforcing any of Lender's rights hereunder or in connection with the collateral, promptly on demand of Lender.

Lender may, at any time, transfer this Installment Note and Lender's rights in any or all of the collateral, and Lender thereafter shall be relieved from all liability with respect to such collateral. Borrower represents and warrants that the execution and delivery of this Installment Note has been duly authorized by an ordinance heretofore adopted by the City Council of Borrower in accordance with the laws of the State of Illinois and that said ordinance has not been amended, rescinded, or repealed, and is in full force and effect and that the Mayor executing and delivering this Installment Note for and on behalf of Borrower, is duly authorized so to act. Lender, in extending funds to Borrower, is expressly acting and relying upon the aforesaid representations and warranties.

This Installment Note shall be governed and construed in accordance with the laws of the State of Illinois and shall be binding upon Borrower and its respective heirs, legal representatives, successors, and assigns. Wherever possible, each provision of this Installment Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Installment Note shall be prohibited by or invalid under such law, such provisions shall be severable, and be ineffective to the extent of such prohibition of invalidity, without invalidating the remaining provisions of this Installment Note.

The City of Marengo,  
an Illinois municipal corporation

By: \_\_\_\_\_  
John Koziol, Mayor  
City of Marengo

Attest: \_\_\_\_\_  
Stephanie Matysiewski  
City of Marengo Clerk