

DCEO Regional Site Readiness Program Loan Agreement

THIS AGREEMENT ("Agreement") entered into this ____ day of March, 2025 by and between the City of Marengo, Illinois, an Illinois municipal corporation, with its principal office located at 132 East Prairie Street, Marengo, Illinois 60152 (hereinafter "Borrower") and The County of McHenry, a body politic, with its principal office located at 2200 North Seminary Avenue, Woodstock, Illinois 60098 (hereinafter "Lender"):

WITNESSETH:

WHEREAS, Borrower is a municipal corporation located in the State of Illinois.

WHEREAS, Lender is a body political located in the State of Illinois.

WHEREAS, Borrower intends to use the sum of \$750,000.00 from Lender to satisfy the 20% match requirement under the DCEO Regional Site Readiness Program in order for Borrower to obtain a grant of \$3,750,000.00 for Borrower's extension of water and sewer lines to land served by the I-90/Route 23 interchange located within Borrower's municipal boundaries.

WHEREAS, Article VII, Section 10 of the Illinois Constitution of 1970 grants broad power for units of local government to enter into contracts to obtain government services, to combine and transfer functions of government, and to use their credit and revenues to finance intergovernmental activities.

WHEREAS, Section 3 of the Intergovernmental Cooperation Act allows units of local government to jointly exercise any power or powers, privileges, functions, or authority exercised and enjoyed by any unit of local government.

THEREFORE, in consideration of the mutual covenants and conditions contained herein the parties hereby agree as follows:

1. RECITALS. All recitals set forth above are incorporated herein and made a part hereof as if fully set forth herein.

2. LOAN AMOUNT. Lender shall loan to Borrower the sum of Seven Hundred Fifty Thousand and 00/100 Dollars (\$750,000.00) which funds shall be used by Borrower for the purposes set forth in the recitals above.
3. INSTALLMENT NOTE. Borrower shall execute an Installment Note in the form attached hereto and made a part hereof as Exhibit "A".
4. FINANCIAL RECORDS. Borrower shall furnish Lender interim financial statements and reports as well as other reports which relate to its operations as the same may become available from time to time. Said reports shall be prepared in accordance with generally accepted accounting principles and practices. Borrower shall furnish Lender with a fiscal year-end financial statement and provide other information as may be reasonably requested from time to time. Borrower shall maintain a modern, adequate system of accounting and controls. In the event that any financial company (i.e. bank or loan association) is making a loan concurrently with this loan or the Lender has used a financial company to determine Borrower's credit worthiness or compliance with Lender's parameters for lending, Borrower hereby releases any and all such financial companies to provide to Lender all documentation provided to such financial companies by Borrower.
5. AUDIT OF RECORDS. Borrower shall deal with the Finance and Audit Committee of the McHenry County Board as to all matters affecting this Agreement. Lender shall have at any time, the right to audit records of Borrower relating to this Agreement to verify that all information is accurate and complete.
6. ACCELERATION. Lender may, at its sole option, declare the entire principal of the loan due and payable immediately upon occurrence of any one of the following events:
 - a. Borrower's failure to pay any installment of principal on the Installment Note or any other payment due under the terms of any agreement, when the same shall become due and payable.

- b. The determination that any representation or warranty made by Borrower in any agreement or statement, notice, invoice, schedule, consignment, designation, document, or other instrument delivered to Lender in connection with any agreement was false or misleading in any material respect.
- c. Borrower's failure to observe or perform any of the covenants or promises contained in this Agreement or the Installment Note.
- d. The occurrence and continuance of any event which constitutes a default under this Agreement or the Installment Note.
- e. Bankruptcy or insolvency of Borrower.

7. ACCESS CONTROL AND RIGHT-OF-WAY MANAGEMENT. Borrower, as a condition of receiving the funds provided for herein from Lender, expressly agrees with the following:

- a. Borrower shall comply with the McHenry County Access Control and Right-of-Way Management Ordinance, as amended from time to time.
- b. Within Borrower's jurisdiction or planning jurisdiction, Borrower shall require that development along County Routes identified on Exhibit "B", attached hereto and made a part hereof, be in substantial conformance with the full access locations identified on Exhibit "B".
- c. Within Borrower's jurisdiction or planning jurisdiction, Borrower shall require public internal access roads, frontage roads and/or public cross access easements for property adjacent to the County Routes identified on Exhibit "B".
- d. Within Borrower's jurisdiction or planning jurisdiction, Borrower shall require that development along Illinois Route 23 be in substantial conformance with the full access locations identified on Exhibit "B".
- e. Within the Borrower's jurisdiction or planning jurisdiction, Borrower shall require public internal access roads, frontage roads and/or public cross access easements for property adjacent to Illinois Route 23 identified on Exhibit "B".
- f. This Agreement shall be recorded against all properties along Illinois Route 23 and County Routes where proposed full access locations are identified on Exhibit "B".

IN WITNESS WHEREOF, the County of McHenry has caused this Agreement to be executed by its Chairman of the County Board and Borrower has executed this Agreement on the date and year first written above.


The County of McHenry,
a body politic

By: _____
Michael Buehler, Chairman
McHenry County Board

Attest: _____
Joseph Tirio
McHenry County Clerk

The City of Marengo,
an Illinois municipal corporation

By:  _____
John Koziol, Mayor
City of Marengo

Attest:  _____
Stephanie Matysiewski
City of Marengo Clerk

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").

Payments. 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 28th 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.

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.

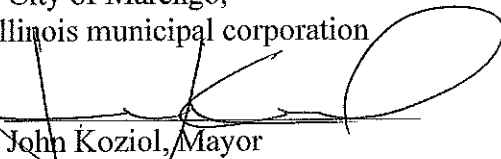
Miscellaneous. Borrower agrees to pay all costs of collection and reasonable attorneys' fees in enforcing any of Lender's rights hereunder or in connection with the collateral, promptly on demand of Lender.

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