

DCEO Regional Site Readiness Program Loan Agreement

THIS AGREEMENT (“Agreement”) entered into this ____ day of April, 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 shall 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. Lender shall not release any loan funds to Borrower until Borrower submits a request for funds to Lender with such supporting documentation regarding Borrower's readiness to use the funds as Lender shall reasonably require; however, no collateral or security shall be required of Borrower.
3. INTEREST RATE. The annual interest rate on the unpaid loan 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 loan balance until paid in full.
4. INSTALLMENT NOTE. Borrower shall execute an Installment Note in the form attached hereto and made a part hereof as Exhibit "A".
5. TERM. The term of the loan shall be twenty (20) years with an option for Lender, at its sole discretion, to extend the term for up to five (5) additional years.
6. 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.
7. 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.

8. 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.
9. 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

The City of Marengo,
an Illinois municipal corporation

By: _____
Michael Buehler, Chairman
McHenry County Board

By: _____
John Koziol, Mayor
City of Marengo

Attest: _____
Joseph Tirio
McHenry County Clerk

Attest: _____
Stephanie Matysiewski
City of Marengo Clerk