

|  |    |
|--|----|
| Council Agenda   | 2  |
| Council Minutes  | 4  |
| Police Report  | 7  |
| Street Report  | 8  |
| Water Report   | 10 |
| Building Department Report                                   | 11 |
| Finance Committee Agenda & Minutes                           | 14 |
| Resolution - NICDC Loan Agreement                            | 16 |
| Resolution - Resub-SCL-Retail-Subdivision                    | 46 |
| Ordinance 2nd Reading - Loves Park Marathon B Liquor License | 47 |
| Ordinance 2nd Reading - Quality Inn F Liquor License         | 49 |
| Ordinance 2nd Reading - R-4 Liquor License amendment         | 51 |

**LOVES PARK CITY COUNCIL AGENDA– APRIL 20, 2020- 6 P.M.**  
**VIRTUAL MEETING HELD AT WWW.CITYOFLOVEPARK.COM AND THE**  
**CITY OF LOVES PARK’S FACEBOOK PAGE**

- I. CALL TO ORDER**
- II. INVOCATION & PLEDGE OF ALLEGIANCE**
  - 1. Invocation given by City Clerk Bob Burden followed by the Pledge of Allegiance.**
- III. ROLL CALL**
- IV. APPROVAL OF CITY COUNCIL MINUTES OF PREVIOUS MEETING**
- V. COMMUNICATIONS, MAYOR’S REPORT AND ANNOUNCEMENTS**
- VI. APPROVE PAYMENT OF BILLS**
- VII. OFFICER’S REPORTS**
  - 1. Public Safety**
  - 2. Public Works**
- VIII. COMMITTEE REPORTS**
  - 1. Finance and Administration/Jacobson (Finance, Personnel, Buildings & Grounds, Purchasing, Recreation & Beautification)**
  - 2. Public Safety/Allton (Police, Fire, Public Safety & Health)**
  - 3. Public Works/Schlensker (Street, Water & Utilities)**
  - 4. Codes and Regulations/Peterson (Ordinances & Licenses)**
  - 5. Community Development/Frykman (Development, Planning, Zoning, Annexation, Building & Drainage)**
- IX. UNFINISHED BUSINESS**

**X. NEW BUSINESS**

**XI. RESOLUTIONS & MOTIONS**

- 1. Resolution authorizing the City of Loves Park to enter into a loan agreement with the Northern Illinois Community Development Corporation.**
- 2. Resolution authorizing the Resubdivision of Lot 2 of SCL Retail Subdivision.**

**XII. ORDINANCES 2<sup>ND</sup> READING**

- 1. Ordinance approving a Class B Liquor License for Loves Park Marathon, 5905 North Second Street.**
- 2. Ordinance approving a Class F Liquor License for Quality Inn, 4313 North Bell School Road.**
- 3. Ordinance amending Chapter 6, Section 6-43 (a)(5)(d) of the Loves Park Code of Ordinances regarding R-4 Liquor Licenses.**

**XIII. ORDINANCES 1<sup>ST</sup> READING**

**XIV. PUBLIC COMMENT**

**Anyone wishing to speak at the city council meeting shall contact the City Clerk's office preceding the scheduled meeting at 815-654-5034.**

**XV. EXECUTIVE SESSION**

**XVI. GOOD OF THE ORDER**

**XVII. ADJOURNMENT**

**CITY COUNCIL, CITY OF LOVES PARK, ILLINOIS**

Journal of Proceedings

Regular Meeting, Monday, April 13, 2020

Virtual Meeting held at [www.cityoflovespark.com](http://www.cityoflovespark.com)

Mayor Gregory Jury called to order the online live-streamed meeting of the Loves Park City Council, as necessitated by the COVID-19 Virus Pandemic, at 6:00 p.m.

Mayor Gregory Jury opened the meeting with an invocation followed by the pledge of allegiance.

Present: Mayor Gregory Jury

Aldermen A. Marie Holmes, Rob Schlensker, Doug Allton, Nancy Warden, John Jacobson, Jim Puckett, Clint Little, John Pruitt, Charles Frykman, Mark Peterson

Also Present: City Clerk Bob Burden  
City Attorney Gino Galluzzo

1. Approve Minutes 04/06/20 The Journal of Proceedings for the regular meeting of April 6, 2020 was approved as submitted by the city clerk on a motion by Alderman Little. Second by Alderman Schlensker. Motion carried. 10 Ayes (Aldermen Holmes, Schlensker, Allton, Warden, Jacobson, Puckett, Little, Pruitt, Frykman, Peterson)
2. Child Abuse Prevention Mayor Jury read a proclamation, proclaiming the month of April 2020 to be "Child Abuse Prevention Month" in the City of Loves Park.
3. Thanks Police Department Mayor Jury thanked the Loves Park Police Department for taking time out of their day to drive by the houses of kids who have had birthdays during the COVID-19 pandemic.
4. Water Department Bills Alderman Jacobson presented the Water Department bills dated April 6, 2020 in the amount of \$71,605.54, and moved that they be paid. Second by Alderman Peterson. Motion carried. 10 Ayes (Aldermen Holmes, Schlensker, Allton, Warden, Jacobson, Puckett, Little, Pruitt, Frykman, Peterson)
5. General Fund Bills Alderman Jacobson presented the General Fund bills dated April 6, 2020 in the amount of \$288,650.60, and moved that they be paid. Second by Alderman Peterson. Motion carried. 10 Ayes (Aldermen Holmes, Schlensker, Allton, Warden, Jacobson, Puckett, Little, Pruitt, Frykman, Peterson)
6. Public Safety Report Alderman Allton presented the Police Department Report dated April 13, 2020, to be placed on file.
7. Public Works Report Alderman Schlensker presented the Street Department Report dated April 13, 2020; presented the Water Department Report dated April 13, 2020, to be placed on file.
8. Finance & Administration Committee Alderman Jacobson of the Finance and Administration Committee presented General Fund and all other bills dated April 13, 2020 in the amount of \$264,323.32; for consideration at next week's city council meeting; presented the minutes from the committee meeting held April 6, 2020, to be placed on file.

9. Public Works Committee  
Alderman Schlensker of the Public Works Committee presented the Water Department list of bills dated April 13, 2020 in the amount of \$169,750.13, for consideration at next week's city council meeting; presented the minutes from the committee meeting held March 9, 2020, to be placed on file.
  
10. Codes & Regulations  
Alderman Peterson of the Codes and Regulations Committee presented the minutes from the committee meeting held October 28, 2019, to be placed on file.
  
11. Water Department To Hire Infosend Inc. For Water Bill Services  
Alderman Schlensker presented the following resolution and moved for its adoption: **RESOLVED**, that by the adoption of this Resolution, that the Water Department Manager is authorized to enter into an agreement for professional services with Infosend Inc., 4240 E. La Palma Avenue, Anaheim, California 92807, for water bill printing and mailing services. Second by Alderman Peterson. Motion carried. 10 Ayes (Aldermen Holmes, Schlensker, Allton, Warden, Jacobson, Puckett, Little, Pruitt, Frykman, Peterson)  
**RESOLUTION NO. 20-024**
  
12. Water Department To Hire Midwest Well Services To Drill Test Well B At Windsor Road  
Alderman Schlensker presented the following resolution and moved for its adoption: **RESOLVED**, that by the adoption of this Resolution, that the Water Department Manager is authorized to hire Midwest Well Services, Inc., dba Municipal Well & Pump, 1212 Storbeck Drive, Waupun, WI 53963, to drill test well "B" at 930 Windsor Road for the cost of \$74,354.00. Funds shall be drawn from Account No. 31-00-1991 (Well 7 Capital Project). Second by Alderman Jacobson. Motion carried. 10 Ayes (Aldermen Holmes, Schlensker, Allton, Warden, Jacobson, Puckett, Little, Pruitt, Frykman, Peterson)  
**RESOLUTION NO. 20-025**
  
13. ORD 4331-20  
Special Temporary Powers  
Alderman Jacobson presented for second reading an ordinance as amended granting special temporary powers and authority to the Mayor of the City of Loves Park, Illinois in response to a declaration of a local state of emergency, and moved for passage of the ordinance. Second by Alderman Peterson. Motion carried. 10 Ayes (Aldermen Holmes, Schlensker, Allton, Warden, Jacobson, Puckett, Little, Pruitt, Frykman, Peterson)  
**ORDINANCE NO. 4331-20**
  
14. ORD 4332-20  
Text Amendment Chapter 102, Article IX, Section 102-336  
Alderman Frykman presented for second reading an ordinance providing for a text amendment for Chapter 102 Zoning, Article IX, Planned Development, 102-336, North Second Street Overlay District for Auto Sales & Service, and moved for passage of the ordinance. Second by Alderman Warden. 8 Ayes (Aldermen Holmes, Schlensker, Allton, Warden, Jacobson, Puckett, Frykman, Peterson) 2 Nays (Aldermen Little, Pruitt)  
**ORDINANCE NO. 4332-20**
  
15. ORD 4333-20  
SUP For 5312-5400 North Second Street/Auto Sales  
Alderman Frykman presented for second reading an ordinance providing for a Special Use Permit for 5312/5400 North Second Street to allow auto sales and service, and moved for passage of the ordinance. Second by Alderman Warden. 7 Ayes (Aldermen Schlensker, Allton, Warden, Jacobson, Puckett, Frykman, Peterson) 3 Nays (Aldermen Holmes, Little, Pruitt)  
**ORDINANCE NO. 4333-20**
  
16. Ordinances First Reading  
Alderman Peterson presented for first reading agenda Items 1-3, from Ordinances First Reading.
  
17. 1<sup>st</sup> Reading  
Liquor License For 5905 North Second Street  
Alderman Peterson presented for first reading an ordinance approving a Class B Liquor License for Loves Park Marathon, 5905 North Second Street, and moved to waive the reading of the ordinance as all aldermen have been provided copies. Second by Alderman Warden. Motion carried. 10 Ayes (Aldermen Holmes, Schlensker, Allton, Warden, Jacobson, Puckett, Little, Pruitt, Frykman, Peterson) Laid over

18. 1<sup>st</sup> Reading  
Liquor License  
For 4313 Bell  
School Rd  
Alderman Peterson presented for first reading an ordinance approving a Class F Liquor License for Quality Inn, 4313 North Bell School Road, and moved to waive the reading of the ordinance as all aldermen have been provided copies. Second by Alderman Warden. Motion carried. 10 Ayes (Aldermen Holmes, Schlensker, Allton, Warden, Jacobson, Puckett, Little, Pruitt, Frykman, Peterson) Laid over
19. 1<sup>st</sup> Reading  
Amend R-4  
Liquor Licenses  
Alderman Peterson presented for first reading an ordinance amending Chapter 6, Section 6-43 (a)(5)(d) of the Loves Park Code of Ordinances regarding R-4 Liquor Licenses, and moved to waive the reading of the ordinance as all aldermen have been provided copies. Second by Alderman Warden. Motion carried. 10 Ayes (Aldermen Holmes, Schlensker, Allton, Warden, Jacobson, Puckett, Little, Pruitt, Frykman, Peterson) Laid over
20. Public Speaking  
Mayor Jury commented that anyone wishing to speak at the city council meeting shall contact the City Clerk's office preceding the scheduled meeting at 815-654-5034.
21. Alderman Little  
Alderman Little commended Woodward and Rock River Painting for donating supplies to the Loves Park Fire Department in an effort to help combat the COVID-19 pandemic.
22. Adjourn  
Alderman Jacobson moved that the meeting be adjourned. Second by Alderman Schlensker. Motion carried by voice vote. The meeting was adjourned at 6:20 p.m.

**APPROVED:**


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**Robert J. Burden, City Clerk**

**STANDING COMMITTEE MEETINGS:**

|                             |  |
|-----------------------------|--|
| Community Development:      | Following City Council Meeting<br>6:15 p.m.        |
| Finance and Administration: | Prior to Council Meeting<br>5:40 p.m.              |
| Public Works:               | Prior to Council Meeting<br>5:15 p.m.              |
| Zoning Board of Appeals:    | 3 <sup>rd</sup> Thursday of the Month<br>5:30 p.m. |



# **LOVES PARK** **POLICE**

540 Loves Park Drive, Loves Park, IL 61111

Phone 815/654-5015 Fax 815/633-0555

To: Alderman Doug Allton

From: Chief Charles Lynde

Date: 04/20/2020

Subject: Police Activity Report

Police activity report for the week of 04/05/2020 through 04/11/2020

Calls for Service 279

Total Number of Arrests 18

Accidents 3

MICHAEL MCCAMMOND  
DEPUTY CHIEF OF POLICE

CHARLES LYNDE  
CHIEF OF POLICE

SHANE LYNCH  
DEPUTY CHIEF OF POLICE

**Department of Public Works**  
**Street Department Weekly Activity Report**

Submitted by: Shannon Messinger  
Street Department Manager

Week of April 13, 2020 thru April 20, 2020

**Previous week's activity:**

1. Continued working on trucks.
2. Started taking plow equipment off trucks.
3. Helped Water Dept.
4. Continued street sweeping.

**Proposed work:**

1. Continued working on trucks and equipment.
2. Finish taking plow equipment off trucks.
3. Help Water Dept. as needed.
4. Continue sweeping residential street.
5. Start saw cutting concrete repairs.
6. We are still a bit short staffed due to self-quarantining.





# **Loves Park Water Department**

## **Weekly Activity Report**

Submitted by: Craig McDonald  
Department Manager

Date: **4/8/20-4/15/20**

Previous week's activity:

1. Routine work:
  - a. Install new meters
  - b. JULIE locates
  - c. Chemical tests
  - d. Back wash wells as needed
  - e. Read commercial and residential meters
2. Repaired main break in the 500 block of Riverside Blvd.
3. Repaired main break in the 4100 block of Applewood Lane.

Work anticipated for this week:

1. Routine work
2. Repair service leak at 4602 Arlington St.

## MONTHLY BUILDING REPORT LOVES PARK FEBRUARY 2020 SUMMARY

|   |                          | VALUATION                  |
|---|--------------------------|----------------------------|
| COMMERCIAL/ASSEMBLY NEW CONSTRUCTION*   | 0 UNITS                  | \$0.00                     |
| RESIDENTIAL NEW CONSTRUCTION  | 0 UNITS                  | \$129,312.00               |
| OTHERS (Remodels, Additions, Accessory Structures, Roofs, Siding etc. <u><i>This total is building permits only</i></u> ) | 6                        | \$176,812.00               |
| <i>Valuation Grand Total</i>  |                          | <b><i>\$306,124.00</i></b> |
| TOTAL PERMITS ISSUED (ALL TRADES)   | <b><i>40</i></b>         |                            |
| PERMIT FEES COLLECTED   | <b><i>\$3,719.00</i></b> |                            |

## MONTHLY FEES COLLECTED- MACHESNEY PARK FEBRUARY 2020 SUMMARY

|                 |                          |
|-----------------|--------------------------|
| PERMIT FEES     | <b><i>\$2,932.63</i></b> |
| INSPECTION FEES | \$0.00                   |
| TOTAL           | <b><i>\$2,932.63</i></b> |

|   |                    |                            |                       |
|---|--------------------|----------------------------|-----------------------|
| <b>FEBRUARY 2020 RESIDENTIAL/NEW CONSTRUCTION</b> |                    |                            |                       |
| ADDRESS   | STREET NAME        | BUILDING EST VALUE (\$)    | BLDG PERMIT APPL DATE |
|   |                    |                            |                       |
| <b><i>TOTAL COMMERCIAL/ASSEMBLY</i></b>           |                    | <b><i>\$0.00</i></b>       |                       |
|   |                    |                            |                       |
| 1010  | CONEY ISLAND DRIVE | \$129,312.00               | 03-Feb-20             |
| <b><i>TOTAL RESIDENTIAL</i></b>                   |                    | <b><i>\$129,312.00</i></b> | <b><i>1</i></b>       |

## MONTHLY BUILDING REPORT LOVES PARK MARCH 2020 SUMMARY

|   |                           | VALUATION                 |
|---|---------------------------|---------------------------|
| COMMERCIAL/ASSEMBLY NEW CONSTRUCTION*   | 0 UNITS                   | \$0.00                    |
| RESIDENTIAL NEW CONSTRUCTION  | 0 UNITS                   | \$0.00                    |
| OTHERS (Remodels, Additions, Accessory Structures, Roofs, Siding etc. <u><i>This total is building permits only</i></u> ) | 18                        | \$23,050.00               |
| <i>Valuation Grand Total</i>  |                           | <b><i>\$23,050.00</i></b> |
| TOTAL PERMITS ISSUED (ALL TRADES)   | <b><i>64</i></b>          |                           |
| PERMIT FEES COLLECTED   | <b><i>\$50,282.00</i></b> |                           |

## MONTHLY FEES COLLECTED- MACHESNEY PARK MARCH 2020 SUMMARY

|                 |                          |
|-----------------|--------------------------|
| PERMIT FEES     | <b><i>\$2,926.52</i></b> |
| INSPECTION FEES | \$0.00                   |
| TOTAL           | <b><i>\$2,926.52</i></b> |

**CITY OF LOVES PARK  
AGENDA  
FINANCE & ADMINISTRATION COMMITTEE  
APRIL 20, 2020 – 5:40 P.M.  
VIRTUAL MEETING HELD AT [WWW.CITYOFLOVESPARK.COM](http://WWW.CITYOFLOVESPARK.COM) AND ON THE CITY  
OF LOVES PARK'S FACEBOOK PAGE**

**1. CALL TO ORDER**

**2. ROLL CALL**

**3. APPROVAL OF MINUTES**

**4. ITEMS FOR CONSIDERATION**

- 1. Resolution authorizing the City of Loves Park to enter into a loan agreement with the Northern Illinois Community Development Corporation.**

**5. LIST OF BILLS**

**6. GENERAL DISCUSSION/PUBLIC COMMENT**

**Anyone wishing to speak at the city council meeting shall contact the City Clerk's office preceding the scheduled meeting at 815-654-5034.**

**7. ADJOURN**

FINANCE AND ADMINISTRATION COMMITTEE  
MEETING MINUTES  
VIRTUAL MEETING HELD AT WWW.CITYOFLOVESPARK.COM

DATE OF MEETING: April 13, 2020

CALLED TO ORDER: 5:40 P.M.

MEMBERS PRESENT: Aldermen John Jacobson, Mark Peterson, Charles Frykman, John Pruitt

ALSO PRESENT: Mayor Jury, Clerk Burden, Steve Thompson, Attorney Galluzzo,  
Aldermen Robert Schlensker, Doug Allton, Nancy Warden, Clint Little,

MINUTES APPROVAL: April 6, 2020

Alderman Peterson moved to approve minutes. Second by Alderman Frykman.  
Motion carried. 4 Ayes – 0 Nays

ITEMS FOR CONSIDERATION

1. List of Bills: No questions or concerns.

2. General Discussion

Anyone wishing to speak at the city council meeting shall contact the City Clerk's office preceding the scheduled meeting at 815-654-5034.

3. Adjournment.

Alderman Peterson moved for adjournment. Second by Alderman Frykman.  
Motion carried. 4 Ayes – 0 Nays

Adjournment: 5:49 P.M.

RESPECTFULLY SUBMITTED: CHAIRMAN JACOBSON OF THE FINANCE COMMITTEE

## **CITY OF LOVES PARK**

**ALDERMAN JOHN JACOBSON**

**RESOLUTION NO.**

**DATE: APRIL 20, 2020**

**COMMITTEE: FINANCE &  
ADMINISTRATION**

### **A RESOLUTION AUTHORIZING THE CITY OF LOVES PARK, ILLINOIS TO ENTER INTO A LOAN AGREEMENT WITH THE NORTHERN ILLINOIS COMMUNITY DEVELOPMENT CORPORATION**

**WHEREAS**, the City has previously passed a Resolution approving participation in an emergency loan fund supporting area businesses to be administered by the Northern Illinois Community Development Corporation ("NICDC") in the amount of Two Hundred Twenty-Five Thousand Dollars (\$225,000); and

**WHEREAS**, at the direction of the Council pursuant to said Resolution, the City Attorney has negotiated the terms of such participation and the Mayor is prepared to execute the loan documents with the approval of the City Council.

**NOW, THEREFORE, BE IT RESOLVED**, by the Mayor and the City Council of the City of Loves Park, County of Winnebago and County of Boone, Illinois, that by the adoption of this resolution, that the Mayor and the City Council hereby agree as follows:

1. The above recitals are hereby incorporated into this Resolution as if fully stated herein.
2. The Mayor is authorized to sign the necessary documents on behalf of the City in order to consummate the loan to the NICDC in a form substantially similar to that of the documents attached hereto.
3. Should any provision of this Resolution be declared invalid by a court of competent jurisdiction, the invalidity of such provision shall not affect any of the other provisions of this Resolution.
4. This Resolution shall be in full force and effect from and after its passage and approval.

Passed and adopted by City Council of the City of Loves Park this 20th day of April 2020.



\_\_\_\_\_  
Mayor Gregory R. Jury

\_\_\_\_\_  
Attest: City Clerk

\_\_\_\_\_  
Chairman John Jacobson

\_\_\_\_\_  
Alderman Mark Peterson

\_\_\_\_\_  
Alderman John Pruitt

\_\_\_\_\_  
Alderman Charles Frykman

MOTION:

SECOND:

VOTING:

April \_\_\_\_\_, 2020  
Loves Park, Illinois

\$225,000.00

**SECURED NOTE**

For value received the undersigned promises to pay to the order of **City of Loves Park, Illinois, an Illinois Municipal Corporation ("Lender")**, at its office or such other place as may be designated by the holder of this Note, the principal sum of **Two Hundred Twnty-Five Thousand Dollars (\$225,000.00)**, or so much thereof as may be outstanding from time to time, Including accrued interest until fully **paid at a rate of zero percent (0.0%)** per annum payable in full no later than April 1, 2021. Upon default, such periodic rate shall be increased to the rate of three percent (3.0%) per annum. Interest is computed for the actual number of days principal is unpaid on the basis of a three hundred sixty (360) day year.

The principal sum and all outstanding interest shall be due and payable on or before April 1, 2021.

At the Note Holder's option, the undersigned shall pay a "late charge" not exceeding five percent (5%) of any installment when paid more than ten (10) days after the due date thereof and all sums expended by the Note Holder including attorney's fees, to cover the extra expenses involved in collecting and handling delinquent payments.

In this Note and the instrument securing it, the singular shall include the plural and the masculine shall include the feminine and neuter. This obligation shall be governed as to validity, interpretation, construction, effect and in all other respects by the laws and decisions of the State of Illinois. All modifications of the terms of this obligation shall be made in writing. All makers, sureties, guarantors, and endorsers are primarily jointly and severally liable on this Note, and the same is binding upon them, their heirs, personal representatives and assigns.

The undersigned further agrees that if default be made in the payment of any payment of principal or of interest, or in any representations or warranties contained in any Loan and Security Agreements associated with this Note, the principal sum above mentioned or any balance that may be paid thereon, together with all interest, expenses, costs and reasonable attorney's fees thereon, and advances made, plus interest thereon, shall, at the option of the Note Holder, its successors or assigns, become immediately due and payable without notice and shall be collectible immediately, anything hereinbefore contained to the contrary notwithstanding. The undersigned further agrees that upon any default of this obligation, or the instrument securing it, the default rate of interest stated above on the unpaid balance of this indebtedness may be charged for the period of such defaults.

The makers, sureties, guarantors, and endorsers of this Note, jointly and severally hereby waive notice of and consent to any and all extension of this Note or any part thereof, and each hereby waives demand, presentment for payment, notice of nonpayment and protest and all other notices required by law or applicable regulations.

The undersigned shall have the right to prepay at any time, without penalty, the principal amount outstanding in whole or in part.

**IN WITNESS WHEREOF**, the undersigned has executed this Note, this \_\_\_\_\_ day of April, 2020.

**Borrower:**  
**Northern Illinois Community Development Corporation**

By: \_\_\_\_\_  
Its: Executive Director

## LOAN AGREEMENT

THIS LOAN AGREEMENT ("Agreement"), made as of this \_\_\_\_ day of April, 2020, by and between NORTHERN ILLINOIS COMMUNITY DEVELOPMENT CORPORATION, an Illinois corporation, ("NICDC") ("Borrower") and the CITY OF LOVES PARK, ILLINOIS, an Illinois Municipal Corporation ("Lender").

In consideration of the promises, covenants and agreements herein contained, the parties agree as follows:

### ARTICLE I DEFINITIONS

**Section 1.01. Defined Terms.** As used in the Agreement, the following terms have the following meanings:

- (a) "Agreement" means this Loan Agreement, as amended in writing from time to time.
- (b) "Event of Default" means any of the events specified in Article VIII.
- (c) "GAAP" means generally accepted accounting principles in the United States.
- (d) "Indebtedness" shall mean all items which, in accordance with GAAP, would be included in determining total liabilities as shown on the liability side of a balance sheet as at the date Indebtedness is to be determined and, in any event, shall include any liability secured by any mortgage, pledge, lien, or security interest on property owned or acquired, whether such liability shall have been assumed, and guarantees, endorsements (other than for collection in the ordinary course of business), and other contingent obligations in respect of the obligations of others. A lease or any other commitment required to be capitalized in accordance with GAAP creates Indebtedness for purposes of this definition.
- (e) "Loan Documents" means this Loan Agreement, the Secured Note, Security Agreement, UCC filings and any other documents executed in regard to this Loan.
- (f) "Obligations" means any and all Indebtedness, liabilities, and obligations of Borrower to Lender of every kind and description, direct or indirect, secured or unsecured, joint or several, absolute or contingent, due or to become due, whether now existing or hereafter contracted or arising, including all extensions and renewals thereof and future advances, and all interest, taxes, advances, costs, expenses and attorneys' fees chargeable to Borrower or incurred by Lender under this Agreement or any Loan Document.

- (g) "Person" means an individual, partnership, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority, or other entity of whatever nature.

**Section 1.02. Accounting Terms.** All accounting terms not specifically defined herein shall be construed in accordance with GAAP consistent with those applied in the preparation of the financial statements referred to in Section 5.04, and all financial data submitted pursuant to this Agreement shall be prepared in accordance with such principles.

## **ARTICLE II**

### **AMOUNT AND TERMS OF TERM LOAN**

**Section 2.01. Term Loan.** Subject to the terms and conditions of this Agreement, the Lender shall lend to the Borrower the sum of Two Hundred Twenty-Five Thousand Dollars (\$225,000) ("Loan").

**Section 2.02. Term.** The obligation of the Borrower hereunder shall commence upon execution of the Loan Documents and shall continue until the Loan is fully repaid per the terms of the Note (hereinafter referred to as the "Note").

**Section 2.03. Note.** The Borrower's obligation to repay the Loan shall be evidenced by its Note. The interest rate on the Note shall be zero percent (0.0%).

**Section 2.04. Method of Payment.** The Borrower shall make each payment under this Agreement and under the Note on the date when due in lawful money of the United States in immediately available funds.

**Section 2.05. Use of Proceeds.** The proceeds of the Term Loan shall be used by the Borrower for the express purpose of making bridge loans to Winnebago County area businesses adversely affected by COVID-19 (the "COVID-19 Relief Loans"), with said loans in amounts ranging from \$5,000.00 to \$50,000.00 for the purposes of Working Capital (i.e., cash flow, inventory payroll) or Business Interruption. It is expressly understood and agreed by Borrower that said COVID-19 Relief Loans are not intended to pay rent or other debt, and any applicant must demonstrate relief from both for an acceptable period. In order to be eligible for said COVID-19 Relief Loans, businesses must (i) be for-profit entities with less than 100 employees, (ii) demonstrate business interruption or cash flow issues, (iii) have owners with a credit score in excess of 650, (iv) have suffered a discernable physical or economic impact from COVID-19 and have applied for disaster relief. The COVID-19 Relief Loan are intended to be bridge loans to allow borrowers the necessary time to obtain SBA financing through its Disaster Relief Fund.

### **ARTICLE III**

#### **SECURITY FOR THE LOAN**

In order to secure payment of the Loan, Borrower agrees to provide to Lender as security for Loan the following:

**Section 3.01. Collateral.** Borrower grants to Lender a security interest pursuant to the terms of Security Agreement on the property described therein and on the attached Exhibit A. Lender's position shall be subordinate to the first priority security interest of Illinois Bank & Trust in the amount not to exceed \$1,200,000 and pari passu with loans from City of Rockford and Winnebago County, if applicable. This loan is secured only by the pool of loans made from the funds referenced herein together with up to \$1,200,000 from Illinois Bank & Trust and is non-recourse to NICDC.

### **ARTICLE IV**

#### **CONDITIONS PRECEDENT**

The Lender shall not be obligated to make any loans or to disburse any monies hereunder until it has received the following:

**Section 4.01. Resolution.** A currently dated certified copy of such resolutions of the Board of Directors of Borrower authorizing the officers to execute and deliver the Loan Documents.

**Section 4.02. Loan Documents.** All executed Loan Documents.

**Section 4.03. Commitment Letter** – Satisfactory compliance with all matters contained in the Commitment Letter issued by Lender and accepted by Borrower.

### **ARTICLE V**

#### **REPRESENTATIONS AND WARRANTIES**

The Borrower hereby warrants and represents unto the Lender, each such warranty and representation to remain true and in effect so long as any Obligations of the Borrower to the Lender remains unpaid, that:

**Section 5.01. Corporation in Good Standing.** Borrower is a corporation duly organized and existing under the laws of the State of Illinois, in good standing and duly authorized to transact business in the State of Illinois, has corporate power and authority to own its properties, conduct its business substantially as presently is conducted and is proposed to be conducted by it and to enter into it and perform all of the obligations under this Agreement.

**Section 5.02. Corporate Power and Authority.** The execution and delivery of the Loan Documents and the transactions hereby contemplated are being done in the usual and ordinary course of the business of the corporation, are not in violation of its Articles of Incorporation,

Bylaws and existing contracts or corporation resolutions, and are validly and expressly authorized and permitted by Resolutions adopted by the Board of Directors and do not require a resolution adopted by the shareholders of the corporation. Additionally, the Resolutions of the Board of Directors of the corporation authorizing the commitment set forth in this Agreement were validly adopted, are now in full force and effect and have not in any manner been modified and are the only corporate resolutions required.

**Section 5.03. Legally Enforceable Loan Document.** The Loan Documents will be, legal, valid, and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms, except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency, and other similar laws affecting creditor's rights generally.

**Section 5.04. Financial Statements And Other Records.** The financial statements of the Borrower heretofore furnished to the Lender are complete and correct and fairly present the financial conditions of the Borrower as at such dates and the results of the operations of such party for the periods covered by such statements, all in accordance with GAAP consistently applied (subject to year end adjustments in the case of the interim financial statements), and since the date of the most recent financial statement there has been no material adverse change in the condition (financial or otherwise), business, or operations of that party. There are no liabilities of the Borrower, fixed or contingent, which are material but are not reflected in the financial statements or in the notes thereto, other than liabilities arising in the ordinary course of business since the date of the most recent financial statements. No information, exhibit, or report furnished by the Borrower to the Lender in connection with the negotiation of this Agreement contained any material misstatement of fact or omitted to state a material fact or any fact necessary to make the statement contained therein not materially misleading. All other financial statements and other records or information required or given by the Borrower to the Lender hereunder, are and will be, true and correct and accurately reflect the information or conditions therein set forth.

**Section 5.05. Labor Disputes And Acts Of God.** Borrower is not currently affected by any fire, explosion, accident, strike, lockout or other labor dispute, drought, storm, hail, earthquake, embargo, act of God or of the public enemy, or other casualty (whether or not covered by insurance) materially and adversely affecting its business or operation.

**Section 5.06. Other Agreements.** The Borrower is not a party to any indenture, loan, or credit agreement, or to any lease or other agreement or instrument, or subject to any charter or corporate restriction which could have a material adverse effect on the business, properties, assets, operations, or conditions, financial or otherwise, of the Borrower to carry out its obligations under the Loan Documents to which it is a party. The Borrower is not in default in any respect in the performance, observance, or fulfillment of any of the obligations, covenants, or conditions contained in any agreement or instrument material to Borrower's business.

**Section 5.07. Absence of Adverse Condition or Claims.** There is no judgment decree or order outstanding, or litigation or governmental proceeding or investigation pending, or, to the knowledge of the Borrower, threatened against Borrower, which might have a material adverse effect upon their position, financial, operating or otherwise.

**Section 5.08. No Defaults On Outstanding Judgments Or Orders.** The Borrower has satisfied all judgments, and the Borrower are not in default with respect to any judgment, writ, injunction, decree, rule, or regulation of any court, arbitrator, or federal, state, municipal, or other governmental authority, commission, board, bureau, agency, or instrumentality, domestic or foreign.

**Section 5.09. Operation Of Business.** Borrower possesses all licenses, permits, franchises, patents, copyrights, trademarks, and trade names, or rights thereto, to conduct its business substantially as now conducted and as presently proposed to be conducted and is not in violation of any valid rights of others with respect to any of the foregoing.

**Section 5.10. Taxes.** The Borrower has filed all tax returns (federal, state, and local) required to be filed and have paid all taxes, assessments, and governmental charges and levies thereon to be due, including interest and penalties.

**Section 5.11. Third Party Consent.** No consent or approval of any Person, no waiver of any lien or other similar right, and no consent, license, approval, authorization, or declaration of any governmental authority, bureau, or agency is or will be required in connection with the execution, delivery, performance, validity, or enforcement or priority of this Agreement or any other agreement, instrument, or document to be executed and delivered in connection herewith.

**Section 5.12. Solvent Financial Condition.** The present value of Borrower's assets, including its right to operate the company valued, as a going concern and including the amount of subordinated debt classified as equity, is greater than the amount required to pay its liabilities, after giving effect to the obligations incurred hereunder, and Borrower is and will be able to pay its debts as they mature and will maintain such solvent condition, as long as Borrower is obligated to Lender.

## **ARTICLE VI**

### **AFFIRMATIVE COVENANTS**

The Borrower covenants and agrees that so long as any Obligations of the Borrower to the Lender remain unpaid, and all other Obligations hereunder either have been paid or performed in full, and unless prior written consent of the Lender is obtained to the contrary, the Borrower will:

**Section 6.01. Maintenance Of Existence.** Preserve and maintain Borrower's corporate existence in good standing in Illinois.

**Section 6.02. Maintenance Of Records.** Borrower shall keep adequate records and books of account of its business in which complete entries will be made in accordance with GAAP consistently applied, reflecting all its financial transactions.



**Section 6.03. Conduct Of Business.** Continue to engage in an efficient and economical manner in a business of the same general type as now conducted by Borrower on the date of this Agreement.

**Section 6.04. Compliance With Laws.** Comply in all respects with all applicable laws, rules, regulations, and orders, such compliance to include, without limitation, paying before the same become delinquent all taxes, assessments, and governmental charges imposed upon property used in the business of Borrower which are not being contested in good faith and by appropriate legal proceedings. Borrower shall notify Lender immediately upon the occurrence of any tax delinquent situation.

**Section 6.07. Right Of Inspection.** At any reasonable time and from time to time, permit the Lender or any agent or representative thereof to examine and make copies of and abstracts from the records and books of account of, and visit the properties used in the business of Borrower, and to discuss the affairs, finances, and accounts of the Borrower with any of its respective officers and directors and its independent accountants.

**Section 6.08. Reporting Requirements.** Furnish to the Lender:

- (a) Annual Audited Financial Statements. As soon as available and as deemed necessary by Lender, in any event within ninety (90) days after the end of each fiscal year of the Borrower the audited financial statements of the Borrower, including the balance sheet of the Borrower as of the end of such fiscal year and a statement of income and retained earnings for such fiscal year and a statement cash flows for such fiscal year, all in reasonable detail and stating in comparative form the respective figures for the corresponding date and period in the prior fiscal year and all prepared in accordance with GAAP consistently applied and compiled by the independent certified accounting firm at such time servicing the Borrower;
- (b) Notice of Litigation. Promptly after the commencement thereof, notice of all actions, suits, and proceedings before any court or governmental department, commission, board, bureau, agency, or instrumentality, domestic or foreign, affecting the Guarantors and Borrower which shall exceed in amount Fifty Thousand Dollars (\$50,000.00);
- (c) Notice of Event of Default. As soon as possible and in any event within thirty (30) days after the occurrence of each Event of Default, a written notice setting forth the details of such Event of Default and the action which is proposed to be taken by the Borrower with respect thereto;
- (d) Report to Other Creditors. Promptly after the furnishing thereof, copies of any statement or report furnished to any other party pursuant to the terms of any indenture, loan, credit or similar agreement and not otherwise required to be furnished to the Lender pursuant to any other clause of this Section 6.08, except if such statements or report is prevented by applicable law.;



- (e) Loan Reports. Borrower shall regularly report to Lender regarding the loans made to third parties fulfilling the purpose of this Loan Agreement by providing to Lender the names, loan amounts, and loan status of any such loans. Borrower shall not compromise or forgive any such loans, all of which are collateral for this Agreement, without the express, written consent of Lender. Lender shall have the right, but not the obligation, to pursue collection on any such loan provided that any senior lender has been paid in full;
- (f) General Information. Such other information in respect to the condition or operations, financial or otherwise, of the Borrower as the Lender may from time to time reasonably request.

## **ARTICLE VII**

### **NEGATIVE COVENANTS**

The Borrower covenants and agrees that so long as any Obligations of the Borrower to the Lender remains unpaid, and unless prior written consent of the Lender is obtained to the contrary, they will not:

**Section 7.01. Mergers, Etc.** Merge or consolidate with, or sell, assign, lease, or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to any Person, or acquire all or substantially all of the assets or the business of any one Person.

**Section 7.02. Sale and Leaseback.** Sell, transfer, or otherwise dispose of any real or personal property to any Person and thereafter directly lease back the same or similar property.

**Section 7.03. Sales of Assets.** Sell, lease assign, transfer, or otherwise dispose of, any of its now owned or hereafter acquired assets except (a) for inventory disposed of in the ordinary course of business; (b) the sale other disposition of assets no longer used or useful in the conduct of its business; and (c) sell useful assets if replaced, provided however, that if the asset which is the subject of the sale is in existence and used in the Business as of the date hereof or if proceeds from the Secured Note or from the Secured Creditor's notes were or are utilized to purchase the asset, that asset, if replaced, shall not be subject to a purchase money security interest.

## **ARTICLE VIII**

### **EVENTS OF DEFAULT**

**Section 8.01 Default.** The occurrence of any of the following events or conditions shall, at the option of the Lender and without notice to or demand on the Borrower, constitute an Event of Default hereunder:

- (a) Default be made in the due and punctual payment of the Note or any payment due in accordance with the terms thereof, either of principal or interest which continues after ten (10) days of the due date thereof; or

- (b) The Borrower of the Note hereby shall file a petition in voluntary bankruptcy for liquidation or reorganization, or any similar law, state or federal, whether now or hereafter existing, or any answer admitting insolvency or inability to pay its debts, or fail to obtain a vacation or stay of involuntary proceedings within sixty (60) days, as hereinafter provided; or
- (c) The Borrower shall be adjudicated a bankrupt, or a trustee or a receiver shall be appointed for or any court shall have taken jurisdiction over all of the property of Borrower, or the major part thereof in any involuntary proceeding for the reorganization, dissolution, liquidation or winding up of the Borrower and such trustee or receiver shall not be discharged or such jurisdiction relinquished, vacated or stayed on appeal or otherwise stayed within sixty (60) days; or
- (d) The Borrower shall make an assignment for the benefit of creditors, or shall in writing admit its inability to pay its debts generally as they become due, or shall consent to the appointment of a receiver or trustee or liquidator of all of its property or the major part thereof; or
- (e) Default shall be made in the due observance or performance of any other of the covenants, agreements or conditions in this Agreement, required to be kept or performed or observed by the Borrower or default shall be made in the due observance or performance of any of the covenants, agreements or conditions contained, required to be kept or observed by Borrower , in any of the Loan Documents; then and in every such case the whole of the indebtedness hereby secured, following notice providing fifteen (15) days to cure any non-monetary default, at the option of Lender, shall become immediately due and payable, provided, that, if a non-monetary default is incapable of being cured within the fifteen (15) day period, then the time to cure shall be extended for such reasonable additional time as may be necessary to complete the cure, but in no event shall the period be extended beyond sixty (60) days from the date of the notice to cure the default; or
- (f) Dissolution or termination of the existence of Borrower or the relocation of the day-to-day business operations of Borrower for a period of more than thirty (30) days from Winnebago County; and
- (g) Failure of Borrower to make required payments pursuant to the Note with Illinois Bank and Trust or any other secured lender.

## **ARTICLE IX**

### **REMEDIES**

**Section 9.01 Remedies.** Upon a default the Lender at its option may declare all unpaid Indebtedness of the Borrower to the Lender immediately due and payable, without further notice to or demand upon the Borrower. Thereupon the Lender, in addition to all other rights and remedies which the Lender may have, shall have all of the rights and remedies conferred upon it in the Loan Documents. No right or remedy of the Lender shall be exclusive of any other right or

remedy, and every right or remedy shall be cumulative and in addition to every other right or remedy available to the Lender. All rights and remedies available to the LENDER may be exercised concurrently or consecutively, at the LENDER's option.

## **ARTICLE X** **MISCELLANEOUS**

**Section 10.01. Waiver.** The exercise of or omission to exercise any right of LENDER shall not affect any other subsequent right of the LENDER to exercise the same, and no default shall be waived by the LENDER except in writing and no waiver of any default shall operate as a waiver of any other default or of the same default at a future time.

**Section 10.02 Notice.** Any notice required or given hereunder shall be deemed to have been given when mailed, first class postage prepaid, or personally delivered:

If to the LENDER to:  
Mayor Gregory Jury  
100 Heart Boulevard  
Loves Park, IL 61111

If to the Borrower to:  
John Phelps, Executive Director  
ROCKFORD LOCAL DEVELOPMENT CORPORATION  
120 West State Street, Suite 306  
Rockford, IL 61101

**Section 10.03. Governing Law.** This Agreement, including the rights and duties hereunder, shall be governed by the laws of the State of Illinois.

**Section 10.04. Descriptive Headings.** Titles to paragraphs are for information purposes only.

**Section 10.05. Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

**IN WITNESS WHEREOF**, the undersigned have caused this Agreement to be executed at Rockford, Illinois on the day and year first noted above.

**BORROWER:**  
**Northern Illinois Community  
Development Corporation**

**Lender:**

By: \_\_\_\_\_  
**John J. Phelps, Executive Director**

By: \_\_\_\_\_  
Gregory Jury, Mayor

Attest:

By: \_\_\_\_\_  
Robert Burden, City Clerk

**CORPORATE BORROWER ACKNOWLEDGMENT**

STATE OF ILLINOIS            )  
  ) SS.  
WINNEBAGO COUNTY        )

I, the undersigned, a Notary Public in and for said County and State, do hereby certify that John J. Phelps personally known to me to be the same persons whose names are as Executive Director of Northern Illinois Community Development Corporation appeared before me this day in person and acknowledged to me that they being thereunto duly authorized, signed and delivered such instrument as their own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

Given under my hand and notarial seal this \_\_\_\_\_ day of April, 2020.

\_\_\_\_\_  
Notary Public

## **Exhibit A**

### **Schedule of Secured Property**

All accounts, contract rights, chattel paper, instruments and documents of the loans made specifically from the Covid-19 Emergency Loan Pool, said loans of which have been funded by Illinois Bank & Trust through loan documents dated April \_\_\_\_, 2020.

## SECURITY AGREEMENT

This Security Agreement made of this \_\_\_\_ day of April, 2020 by and between NORTHERN ILLINOIS COMMUNITY DEVELOPMENT CORPORATION, an Illinois corporation, ("NICDC") ("Borrower") and the City of Loves Park, Illinois, an Illinois Municipal Corporation ("Lender").

LENDER and BORROWER have entered into a Loan Agreement dated as of April \_\_, 2020 ("Loan Agreement"). Each capitalized term used herein shall have the meaning assigned in the Loan Agreement unless otherwise defined herein.

1. To secure the payment of the indebtedness of BORROWER owing the LENDER in the sum of Two Hundred Twenty-Five Thousand Dollars (**\$225,000**), as evidenced by BORROWER'S Note and all of the BORROWER's other payment and performance obligations under the Loan Agreement of even date, BORROWER hereby grants to LENDER a continuing security interest in and to all of the property and interests in property of BORROWER identified below by a marking in the space applicable thereto, whether such property is now owned or existing or hereafter acquired or arising and wheresoever located (hereinafter termed the "Collateral"):

- |              |       |   |
|--------------|-------|---|
| <u>  X  </u> | (i)   | All accounts, contract rights, chattel paper, instruments and documents of the loans made specifically from the Covid-19 Emergency Loan Pool, said loans of which have been funded by Illinois Bank & Trust through loan documents dated April __, 2020;  |
| <u>  X  </u> | (ii)  | All choses in action, causes of action and all other intangible personal property of every kind and nature including, without limitation, corporate or other business records, deposit accounts, inventions, designs, patents, patent applications, trademarks, trade names, trade secrets, goodwill, copyrights, registrations, licenses, franchises, tax refund claims and any letters of credit, guarantee claims, security interest or other security held by or granted to BORROWER; |
| <u>  X  </u> | (iii) | All insurance proceeds relating to any of the foregoing;  |
| <u>  X  </u> | (iv)  | All books and records relating to any of the foregoing; and   |
| <u>  X  </u> | (v)   | All accessions and additions to, substitutions for, and replacements, products and proceeds of any of the foregoing.  |

2. BORROWER shall make appropriate entries on its financial statements and books and records disclosing LENDER's security interest in the Collateral.

3. At LENDER's request, BORROWER shall execute and/or deliver to LENDER, at any time or times hereafter, all Security Documents that LENDER may reasonably request, in form and substance acceptable to LENDER, and pay the costs of any recording or filing of the same. Upon the occurrence of a Default, BORROWER hereby irrevocably makes, constitutes and appoints LENDER (and all Persons designated by LENDER for that purpose) as BORROWER's true and lawful attorney (and agent-in-fact) to sign the name of BORROWER on any of the Security Documents and to deliver any of the Security Documents to such Persons as LENDER, in its sole discretion, may elect. BORROWER agrees that a carbon, photographic, photostatic, or other reproduction of this Security Agreement or of a financing statement is sufficient as a financing statement.

4. LENDER (by any of its officers, employees and/or agents) shall have the right, at any time or times during BORROWER's usual business hours, without prior notice, to inspect the Collateral, all records related thereto (and to make extracts from such records) and the premises upon which any of the Collateral is located, to discuss BORROWER's affairs and finances with any Person and to verify the amount, quality, quantity, value and condition of, or any other matter relating to, the Collateral.

5. BORROWER's chief executive office, principal place of business and all other offices and locations of the Collateral and books and records related thereto (including, without limitation, computer programs, printouts and other computer materials and records concerning the Collateral) have been previously furnished LENDER. BORROWER shall not remove its books and records or the Collateral from any such locations (except for removal of Inventory upon its sale) and shall not open any new offices or relocate any of its books and records or the Collateral except within the continental United States of America with at least thirty (30) days prior written notice thereof to LENDER.

6. BORROWER shall not sell or dispose of any Collateral other than in the ordinary course of business.

7. BORROWER has not, during the preceding five (5) years, been known as or used any other corporate or fictitious name.

8. Upon and after the occurrence of a Default, LENDER shall have the following rights and remedies;

- (i) All of the rights and remedies of a secured party under the Uniform Commercial Code or other applicable law, all of which rights and remedies shall be cumulative, and none exclusive, to the extent permitted by law, in addition to any other rights and remedies contained in the Loan Agreement or in this Security Agreement;
- (ii) The right to (a) enter upon the premises of BORROWER or any other place or places where the Collateral is located and kept, without any obligations to pay rent to BORROWER, through self-help and without judicial process or first obtaining a final judgment or giving BORROWER notice and opportunity for a hearing on the validity of LENDER's claim, and remove the Collateral from such premises and places to the premises of LENDER or any agent of LENDER, for such time as LENDER may require to collect or liquidate the Collateral, and/or (b) require BORROWER to deliver the Collateral to LENDER at a place to be designated by LENDER.
- (iii) The right to sell or to otherwise dispose of all or any Collateral in its then condition, or after any further manufacturing or processing thereof, at public or private sale or sales, for cash or any credit, all as LENDER, in its sole discretion, may deem advisable. At any such sale or sales of the Collateral, the Collateral need not be in view of those present and attending the sale, nor at the same location at which the sale is being conducted. LENDER shall have the right to conduct such sales on BORROWER's premises or elsewhere and shall have the right to use BORROWER's premises without charge for such sales for such time or times as LENDER may see fit. LENDER is hereby granted a license or other right to use, without charge, BORROWER's labels, patents, copyrights, rights of use of any name, trade secrets, trade names, trademarks and advertising matter, or any property of a similar advertising matter, or any property of a similar nature, as it pertains to the Collateral, in advertising for sale and selling any Collateral and BORROWER's rights under all licenses and all franchise agreements shall inure to LENDER's benefit. LENDER may purchase all or any part of the Collateral at public or, if permitted by law, private sale and, in lieu of actual payment of such purchase price, may set off the amount of such prices against the Loan.

9. Any notice required to be given by LENDER of a sale, lease, other disposition of the Collateral or any other intended action by LENDER, which is deposited in the United States mail, registered mail, return receipt requested, duly addressed to BORROWER, at the address set forth in the Loan Agreement, ten (10) days prior to such proposed action, shall constitute commercially reasonable and fair notice thereof to BORROWER.

**IN WITNESS WHEREOF**, BORROWER and LENDER have caused this Security Agreement to be executed as of the day and year first above written.

**BORROWER:**  
**Northern Illinois Community**  
**Development Corporation**

**Lender:**  
**City of Loves Park, Illinois, an Illinois Municipal**  
**Corporation**

By: \_\_\_\_\_  
John J. Phelps, Executive Director

By: \_\_\_\_\_  
Gregory Jury, its Mayor

Attest:

By: \_\_\_\_\_  
Robert Burden, City Clerk

**CORPORATE BORROWER ACKNOWLEDGMENT**

STATE OF ILLINOIS    )

) SS.

WINNEBAGO COUNTY        )

I, the undersigned, a Notary Public in and for said County and State, do hereby certify that John J. Phelps personally known to me to be the same persons whose names are as Executive Director of Northern Illinois Community Development Corporation appeared before me this day in person and acknowledged to me that they being thereunto duly authorized, signed and delivered such instrument as their own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

Given under my hand and notarial seal this \_\_\_\_\_ day of April, 2019.

\_\_\_\_\_  
Notary Public



**Exhibit A**

**Schedule of Secured Property**

All accounts, contract rights, chattel paper, instruments and documents of the loans made specifically from the Covid-19 Emergency Loan Pool, said loans of which have been funded by Illinois Bank & Trust through loan documents dated April \_\_\_\_, 2020.

## **SUBORDINATION AND INTERCREDITOR AGREEMENT**

This SUBORDINATION AND INTERCREDITOR AGREEMENT (this “Agreement”) is made as of April \_\_\_\_, 2020 by and among NORTHERN ILLINOIS COMMUNITY DEVELOPMENT CORPORATION, an Illinois corporation (“Borrower”), ILLINOIS BANK & TRUST, an Illinois state-chartered bank (“Senior Lender”), and the CITY OF LOVES PARK, ILLINOIS, an Illinois municipal corporation (“Junior Lender”).

### **RECITALS**

A. Borrower and Senior Lender have entered into that certain Loan Agreement dated as of April \_\_\_\_, 2020 (as heretofore or hereafter amended from time to time, the “Senior Loan Agreement”), pursuant to which Senior Lender has made or has agreed to make a loan to Borrower in the principal amount of \$1,200,000.00 (the “Senior Loan”). The Senior Loan is evidenced by a Revolving Line of Credit Note (the “Note”, which together with the Senior Loan Agreement and all other documents evidencing, securing and/or guarantying the payment of the Note, in their respective original form and as amended, modified and restated from time to time, are collectively referred to herein as the “Senior Loan Documents” and each a “Senior Loan Document”).

B. Borrower is indebted to Junior Lender in the principal amount of \$225,000.00 pursuant to that certain Promissory Note (sometimes called “Junior Note” or “Junior Loan”), a copy of which is attached hereto as Exhibit A.

C. Junior Lender has agreed to (i) subordinate the Junior Indebtedness (hereinafter defined) and all right to payment of the Junior Indebtedness to the payment of all Senior Indebtedness (as hereinafter defined) and (ii) has agreed to the extent that any Junior Indebtedness is secured by a lien or security interest in or upon any of the Borrower’s property, such lien and/or security interest shall be subordinated to the payment in full of all Senior Indebtedness and to all liens or security interests in any of the Borrower’s property which secure payment of any Senior Indebtedness.

**NOW, THEREFORE**, in consideration of the agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

1. **Recitals**. The above recitals are true and correct and are hereby incorporated herein by this reference.

2. **Definitions**. All capitalized terms used and not otherwise defined herein shall have the respective meanings assigned thereto in the Senior Loan Documents. For all purposes of this Agreement, the following terms shall have the respective meanings hereinafter specified:

“**Enforcement Action**” shall mean either or both of (a) the commencement of the rights, and/or (b) the exercise of any remedies available under the Senior Loan Documents, the Junior Loan or under any provision of applicable law against Borrower in respect of

the Junior Indebtedness, Junior Liens, Senior Indebtedness or Senior Liens, including without limitation, the commencement of any litigation or proceeding, including the exercise of any set-off rights, the requirement to prepay any obligation, the commencement of any Insolvency Proceeding or foreclosure proceeding, the exercise of any power of sale available under the UCC or otherwise, the sale by advertisement, the taking of a deed or assignment in lieu of foreclosure, the obtaining of a receiver or the taking of any other action with respect to, or the enforcement of any remedy against, any of the property, assets or obligations of Borrower.

**“Insolvency Proceeding”** shall mean any proceeding under Title 11 of the United States Code (11 U.S.C. Sec. 101 et seq.) or any other insolvency, liquidation, reorganization or other similar proceeding concerning Borrower, any action for the dissolution of Borrower, any proceeding (judicial or otherwise) concerning the application of the assets of Borrower for the benefit of its creditors, the appointment of, or any proceeding seeking the appointment of, a trustee, receiver or other similar custodian for all or any substantial part of the assets of Borrower or any other action concerning the adjustment of the debts of Borrower, the cessation of business by Borrower, except following a sale, transfer or other disposition of all or substantially all of the assets of Borrower in a transaction, if any, permitted under the Senior Loan Documents.

**“Junior Debt Default”** shall mean any default with respect to the Junior Loan or under the Junior Loan Documents.

**“Junior Debt Default Notice”** shall mean a written notice from the Junior Lender to Senior Lender pursuant to which Senior Lender is notified of a Junior Debt Default.

**“Junior Indebtedness”** shall mean all of the present and future obligations, liabilities and indebtedness (whether in the nature of principal, interest, fees, costs, expenses, indemnities or otherwise) owing from Borrower to Junior Lender, whether or not evidenced by or incurred pursuant to the Junior Loan Documents (or any of them), all whether fixed or contingent, matured or unmatured, liquidated or unliquidated, including but not limited to the Junior Loan.

**“Junior Liens”** shall mean all liens and security interests previously, concurrently or hereafter granted by Borrower to or for the benefit of Junior Lender, securing in whole or in part the Junior Indebtedness.

**“Junior Loan Documents”** shall mean all present and future agreements, documents, and/or instruments, if any, evidencing, documenting, securing or otherwise relating to any or all of the Junior Indebtedness or Junior Liens, all as the same may be amended, extended, renewed or restated from time to time to the extent and only if permitted under the terms of this Agreement.

**“Senior Indebtedness”** shall mean all present and future obligations, liabilities and indebtedness (whether in the nature of principal, interest, fees, costs, expenses, indemnities or otherwise) owing from Borrower to Senior Lender, whether or not

evidenced by or incurred pursuant to the Senior Loan Documents (or any of them), all whether fixed or contingent, matured or unmatured, liquidated or unliquidated, and including, to the extent permitted hereunder, any or all of the foregoing arising out of any amendments, modifications, extensions, renewals or restatements of any of the Senior Loan Documents, including but not limited to the Senior Loan.

**“Senior Lender Collateral”** shall mean all of the property, rights and assets of the Borrower, and all cash and non-cash proceeds thereof, described as collateral in the Senior Loan Documents, or any of them, or in which Borrower has or hereafter may grant to Senior Lender a lien upon or security interest in for the purpose of collateralizing payment of any of the Senior Indebtedness.

**“Senior Liens”** shall mean all liens and security interests (and rights associated therewith) previously, concurrently or hereafter granted by Borrower to or for the benefit of Senior Lender, securing in whole or in part all or any of the Senior Indebtedness.

**“Subordination Termination Event”** shall mean the earlier to occur of: (i) payment in full of the Senior Indebtedness and the termination of the Senior Lender’s obligation to make additional loans or financial accommodations to Borrower or (ii) agreement by Senior Lender to a termination of this Agreement.

**“UCC”** shall mean the Uniform Commercial Code as adopted in the State of Illinois, as may be amended from time to time.

### 3. **Subordination.**

(a) **Generally.** Irrespective of: (i) the time, order, manner or method of creation, attachment or perfection of the respective security interests, guaranties and/or liens, if any, granted to Junior Lender by Borrower, or to Senior Lender by Borrower, in or with respect to any or all of the property or assets of Borrower; (ii) the time or manner of the filing of Junior Lender’s or of Senior Lender’s respective financing statements or mortgages, if any; (iii) whether Junior Lender or Senior Lender or any bailee or agent thereof holds possession of any or all of the property or assets of Borrower; (iv) the dating, execution or delivery of any agreement, document or instrument granting to Junior Lender or Senior Lender any security interests and/or liens in or on any or all of the property or assets of Borrower; (v) the giving or failure to give notice of the acquisition or expected acquisition of any purchase money or other security interests; and/or (vi) any provision of the UCC or any other applicable law to the contrary, Junior Lender agrees that the Junior Indebtedness, the Junior Loan Documents, the Junior Liens and all claims, rights and interests therein or arising therefrom or related thereto against Borrower, any of Borrower’s property or the Senior Lender Collateral, or any part thereof (including without limitation the Junior Liens), are hereby subjected and subordinated to the Senior Indebtedness, the Senior Loan Documents, the Senior Liens and the Senior Lender Collateral, in lien, priority, right, claim, payment and collection.

(b) **Payment and Performance.** Until the occurrence of a Subordination Termination Event, Borrower shall only make payments of interest and scheduled principal under the Junior Note to Junior Lender; provided, however, that Borrower shall not pay, and the Junior Lender shall not accept, any payments of the Junior Debt following the occurrence and during the continuance of an Event of Default under any of the Senior Loan Documents and Junior Lender shall not demand any other payment of any Junior Indebtedness. Until the occurrence of a Subordination Termination Event, Junior Lender agrees to and does hereby subordinate its claim and right to receive payment of the Junior Indebtedness, or any part thereof, to Senior Lender's claim and right to receive payment in full of the Senior Indebtedness, in the manner and to the extent set forth in this Agreement, and hereby agrees not to accept payment of the Junior Indebtedness, whether any such payment is made by or received from Borrower, until the occurrence of a Subordination Termination Event. Should any payment or distribution of any kind or character be received by Junior Lender on the Junior Indebtedness in violation of this Agreement, Junior Lender shall receive and hold the same in trust, as trustee, for the benefit of Senior Lender and shall forthwith deliver the same to Senior Lender in precisely the form received (except for the endorsement or assignment by Junior Lender where necessary) for application against the Senior Indebtedness, whether due or not due, and, until so delivered, the same shall be held in trust by Junior Lender as the property of Senior Lender.

(c) **Remedies.**

(i) Junior Lender agrees that until the occurrence of a Subordination Termination Event or, in respect to any particular loan made by Borrower to any third-party, until Senior Lender has been paid in full any obligation owed to it thereby, it will not initiate, alone or together with any other creditor, any Enforcement Action with respect to the Junior Indebtedness and in no event shall Junior Lender retain any funds collected pursuant to or in settlement of an Enforcement Action except as and to the extent (if any) permitted under the terms of this Agreement.

(ii) Borrower shall not make, grant, give or permit, directly or indirectly, in any manner including by way of loan, set-off, sale of participating interest, or otherwise, any payment or prepayment, or grant any liens or security interests in any of its property, other than as may be expressly permitted by this Agreement, in respect to, or to secure payment of, any of the Junior Indebtedness.

(d) **Bankruptcy.** In the event of any Insolvency Proceeding with respect to Borrower or any significant part of Borrower's properties or assets or any assignment for the benefit of Borrower's creditors, or any other marshalling of its assets, then and in any such event, the Senior Indebtedness shall be paid in full or otherwise satisfied by agreement with Senior Lender before any payment or distribution of any character, whether in cash, securities or other property, shall be made on account of the Junior Indebtedness. Junior Lender further agrees that, until the occurrence of a Subordination Termination Event, it shall not object to or oppose any efforts by Senior Lender to obtain

relief from the automatic stay under Section 362 of the United States Bankruptcy Code, and Junior Lender hereby waives any said right to object to any request or motion by Senior Lender for an order establishing that proceeds, products, rents and/or profits of any of Borrower's property shall constitute cash collateral under §363 of the Bankruptcy Code ("Cash Collateral") and Junior Lender hereby consents to any application by Senior Lender to have such Cash Collateral applied as a permanent repayment of the Senior Indebtedness prior to the application of any such sums to the Junior Indebtedness. If Senior Lender objects to the use of any so-called "cash collateral", Junior Lender shall also object and Senior Lender agrees that it shall notify Junior Lender of Senior Lender's consent or objection not later than five (5) days prior to the expiration of the period provided by applicable laws or by court order to so consent or object.

(e) **Miscellaneous.** Borrower and Junior Lender shall cause all instruments, if any, evidencing any of the Junior Indebtedness to be marked in such manner as shall be effective to give proper notice of the provisions of this Agreement.

4. **Prohibition of Subsequent Rights.** From and after the date hereof, Junior Lender shall not acquire, by subrogation, contract or otherwise, any lien upon or other estate, right or interest in any property of Borrower (including, without limitation, any lien, estate, right or interest that may arise with respect to real estate taxes, assessments or other governmental charges) or any rents or revenues therefrom that is or may be prior in right to or on parity with the Senior Lender Collateral.

5. **Junior Indebtedness.**

(a) **No Assignment.** Junior Lender shall not assign or otherwise transfer its interests in the Junior Indebtedness unless it has provided Senior Lender with prior written notice of same and the assignee or transferee thereof has agreed in writing to be bound by the provisions of this Agreement on the same terms as the Junior Lender.

(b) **No Amendment.** Without the prior written consent of Senior Lender, Borrower and Junior Lender will not amend or modify the Junior Indebtedness or the Junior Loan Documents, if any, in any way that will (i) increase the frequency or amount of payments required by the Junior Loan Documents, (ii) increase the principal amount of the Junior Indebtedness, (iii) collateralize the Junior Indebtedness or cross-collateralize the Junior Indebtedness with any other loan, or (iv) add additional default provisions to any of the Junior Loan Documents or delete existing notice and cure periods for any default.

(c) **Representations.** Junior Lender hereby represents and warrants to Senior Lender that:

(i) To the knowledge of Junior Lender, there exists as of the date hereof no default, event of default or circumstance or state of facts that, with the giving of notice, or the passage of time, or both, could constitute a Junior Debt Default.

(ii) Junior Lender has the power, authority and legal right to execute, deliver and perform this Agreement. This Agreement has been duly authorized by all necessary action of Junior Lender, has been duly executed and delivered by Junior Lender and constitutes the valid and binding obligation of Junior Lender enforceable against Junior Lender in accordance with its terms, subject to applicable bankruptcy, insolvency and similar laws affecting rights of creditors generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(iii) Neither the execution, delivery or performance by Junior Lender of this Agreement nor compliance by it with the terms and provisions hereof (A) will contravene any provision of any law, statute, rule or regulation or any order, writ, injunction or decree of any court or governmental instrumentality applicable to it, (B) will conflict or be inconsistent with, or result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, credit agreement, loan agreement, partnership agreement or any other agreement, contract or instrument to which Junior Lender is a party or by which it or any of its property or assets is bound or to which it may be subject, or (C) will violate any provision of the organizational documents of Junior Lender.

(iv) No order, consent, approval, license, authorization or validation of, or filing, recording or registration with (except as have been obtained or made prior to the date hereof), or exemption by, any governmental or public body or authority, or any subdivision thereof, is required to authorize, or is required in connection with (A) the execution, delivery and performance by Junior Lender of this Agreement or (B) the legality, validity, binding effect or enforceability of this Agreement with respect to Junior Lender.

(v) Junior Lender made its own underwriting analysis in connection with the Junior Loan, its own credit review of Borrower and investigated all matters which Junior Lender deemed pertinent thereto.

(d) **Junior Lender Default Notice.** Junior Lender shall use commercially reasonable efforts (consistent with customary requirements applicable to junior lenders in similar circumstances) to give Senior Lender a copy of all written notices sent to Borrower with respect to any Junior Debt Default and to send such notices at the same time and in the same manner delivered to Borrower; provided, however, that any such notice that Junior Lender fails to provide a copy of to Senior Lender shall have no effect upon Senior Lender and shall not constitute a Junior Debt Default Notice.



## 6. Senior Loan.

(a) Borrower and Senior Lender may at any time, and from time to time, without the consent of Junior Lender and without incurring liability or responsibility to Junior Lender, and without impairing or releasing any of Senior Lender's rights hereunder, alter the terms of the Senior Loan Documents or any other instrument or agreement in any way relating to the Senior Indebtedness. Senior Lender shall use commercially reasonable efforts to provide written notice to Junior Lender of any said changes

(b) **Senior Lender Representations.** Senior Lender hereby represents and warrants to Junior Lender that:

(i) Senior Lender has the power, authority and legal right to execute, deliver and perform this Agreement. This Agreement has been duly authorized by all necessary action of Senior Lender, duly executed and delivered by Senior Lender and constitutes the valid and binding obligation of Senior Lender enforceable against Senior Lender in accordance with its terms, subject to applicable bankruptcy, insolvency and similar laws affecting rights of creditors generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(ii) Neither the execution, delivery or performance by Senior Lender of this Agreement nor compliance by it with the terms and provisions hereof (A) will contravene any provision of any law, statute, rule or regulation or any order, writ, injunction or decree of any court or governmental instrumentality, (B) will conflict or be inconsistent with or result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any lien upon any of the property or assets of Senior Lender pursuant to the terms of any indenture, mortgage, deed of trust, credit agreement, loan, agreement, partnership agreement or any other agreement, contract or instrument to which Senior Lender is a party or by which it or any of its property or assets is bound or to which it may be subject, or (C) will violate any provision of the organizational documents of Senior Lender.

(iii) No order, consent, approval, license, authorization or validation of, or filing, recording or registration with (except as have been obtained or made prior to the date hereof), or exemption by, any governmental or public body or authority, or any subdivision thereof, is required to authorize, or is required in connection with (A) the execution, delivery and performance by Senior Lender of this Agreement or (B) the legality, validity, binding effect or enforceability of this Agreement with respect to Senior Lender.



(c) **Senior Lender Default Notices.** Senior Lender shall use commercially reasonable efforts consistent with requirements applicable to senior lenders in similar circumstances to give Junior Lender a copy of all written notices sent to Borrower with respect to any Default or Event of Default under the Senior Loan Agreement and to send such notices at the same time and in the same manner delivered to Borrower. In addition, Senior Lender shall use commercially reasonable efforts to notify Junior Lender of all Enforcement Actions taken by Senior Lender, but failure to give any notice provided for under this paragraph 6(c) shall not affect or impair any rights of Senior Lender.

7. **Miscellaneous Provisions.**

(a) **Notices.** All notices or other written communications hereunder shall be deemed to have been properly given (i) if served in person, upon acceptance or refusal of delivery; (ii) if mailed by certified or registered mail, return receipt requested, postage prepaid, on the third (3rd) day following the day such notice is deposited in any post office station or letter box; (iii) if sent by recognized overnight courier, on the first (1st) day following the day such notice is delivered to such carrier or (iv) by email to a generally known email address with a copy of regular mail. Any party by notice to the other in the manner provided herein may designate additional or different addresses for subsequent notices or communications:

If to Borrower: Northern Illinois Community Development Corporation  
120 West State Street, Suite 306  
Rockford, IL 61101  
Attention: John J. Phelps  
Email: john@rlcdc.us

If to Junior Lender: City of Loves Park  
100 Heart Boulevard  
Rockford, IL 61111  
Attention: Gregory Jury, Mayor  
Email: GregJury@CityofLovesPark.com

If to Senior Lender: Illinois Bank & Trust  
6855 East Riverside Blvd.  
Rockford, IL 61114  
Attn: Amy S. Brewer  
E-Mail: abrewer@illinoisbank.com

(b) **Continuing Validity.** Except as provided in this Agreement the terms and provisions of the Junior Loan Documents and the Senior Loan Documents shall remain in full force and effect.

(c) **Obligations of Borrower Absolute.** Nothing contained in this Agreement is intended to or shall impair, as between Borrower and its creditors other than Senior Lender, the obligations of Borrower to Junior Lender to pay any Junior

Indebtedness as and when such Junior Indebtedness shall become due and payable in accordance with its terms, or to affect the relative rights of the Junior Lender and creditors of Borrower other than the Senior Lender.

(d) **Conflict with Documents.** To the extent of any conflict between the provisions of this Agreement and the Senior Loan Documents, the provisions of this Agreement shall control. Similarly, to the extent of any conflict between the provisions of this Agreement and the Junior Loan Documents, the provisions of this Agreement shall control.

(e) **Payment Set Aside.** To the extent any payment under the Senior Loan Documents (whether by or on behalf of Borrower, as proceeds of Collateral or enforcement of any right of set-off or otherwise) is declared to be fraudulent or preferential, set aside or required to be paid to a trustee, receiver or other similar party under any Insolvency Proceeding, then if such payment is recovered by, or paid over to, such trustee, receiver or other similar party, the Senior Loan or part thereof originally intended to be satisfied by such payment shall be deemed to be reinstated and outstanding by the amount thereof as if such payment had not occurred. This Section shall survive the termination of this Agreement.

(f) **Subrogation; Payment by Junior Lender.** Subject to the full and final satisfaction of all of the Senior Indebtedness, Junior Lender shall be subrogated to the rights of Senior Lender to receive distributions and payments with respect to the obligations under the Senior Loan Documents until the obligations under the Senior Loan Documents are paid in full. Junior Lender agrees that in the event all or any part of a payment made with respect to the Senior Indebtedness is recovered from Senior Lender in an Insolvency Proceeding or otherwise, any payment or distribution received by Junior Lender with respect to the Junior Indebtedness at any time after the date of the payment that is so recovered, shall be deemed to have been received by Junior Lender in trust as property of the Senior Lender and Junior Lender shall forthwith deliver the same to the Senior Lender for application to the Senior Indebtedness until the Senior Indebtedness is paid in full. A payment or distribution made pursuant to this Agreement to Senior Lender which otherwise would have been made to Junior Lender is not, as between the Borrower and Junior Lender, a payment by Borrower to or on account of the Senior Indebtedness.

(g) **Binding Effect.** This Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns.

(h) **Complete Agreement; No Waiver.** This Agreement contains all of the agreements and conditions made between the parties regarding the subject matter hereof, supersedes prior negotiations and agreements regarding the subject matter hereof, and may not be modified orally or in any manner other than by an agreement in writing signed by Senior Lender, Junior Lender and Borrower. No failure or delay on the part of any party hereto in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right,

power or remedy preclude any other or future exercise therefor or the exercise of any other right, power or remedy hereunder.

(i) **Applicable Law; Specific Performance.** This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois. Each party hereto acknowledges that to the extent that no adequate remedy at law exists for breach of its obligations under this Agreement, in the event such party fails to comply with its obligations hereunder, the other party or parties shall have the right to obtain specific performance of the obligations of such defaulting party, injunctive relief or such other equitable relief as may be available.

(j) **Counterparts.** This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement. Receipt of an executed signature page to this Agreement by facsimile or other electronic transmission shall constitute effective delivery thereof. Electronic records of executed Loan Documents maintained by the Bank shall be deemed to be originals thereof.

(k) **Further Assurances.** Junior Lender and/or Borrower, as applicable, will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, all such further acts, deeds, conveyances, mortgages, assignments, transfers, pledges and assurances as Senior Lender reasonably may require or deem desirable for the better assuring and confirming the subordination as described herein.

(l) **Exhibits.** All exhibits referenced herein, if any, are incorporated in this Agreement by reference.

(m) **Terminology.** All personal pronouns used in this Agreement whether used in the masculine, feminine or neuter gender shall include all other genders. The singular shall include the plural, and vice versa. Titles of sections hereof are for convenience only and neither limit nor amplify the substantive provision of this Agreement itself.

(n) **No Third-Party Beneficiary.** All of the undertakings, agreements, representations and warranties contained herein are solely for the benefit of Senior Lender and Junior Lender and there are no other persons (including Borrower) who are intended to be benefitted, in any way, by this Agreement. A breach of this Agreement by either Senior Lender or Junior Lender shall not allow Borrower or any third party to assert such breach in any action by either Senior Lender or Junior Lender, or as a counterclaim or basis for setoff or recoupment against either Senior Lender or Junior Lender.

**SIGNATURE PAGE FOLLOWS**

**IN WITNESS WHEREOF**, Senior Lender, Junior Lender and Borrower have executed and delivered this Subordination and Intercreditor Agreement under seal as of the date first above written.

**JUNIOR LENDER:**

CITY OF LOVES PARK, ILLINOIS,  
an Illinois municipal corporation

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

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

Its: \_\_\_\_\_

**BORROWER:**

NORTHERN ILLINOIS COMMUNITY  
DEVELOPMENT CORPORATION,  
an Illinois corporation

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

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

Its: \_\_\_\_\_

**SENIOR LENDER:**

ILLINOIS BANK & TRUST,  
an Illinois state-chartered bank

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

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

Its: \_\_\_\_\_

**EXHIBIT A**

Subordinated Promissory Note

See Attached

**CITY OF LOVES PARK**

**BY ALDERMAN: Chuck Frykman**

**RESOLUTION NO:**

**COMMITTEE: Community Development**

**DATE: April 13, 2020**

Resolved, by the adoption of this Resolution,

that ***Resubdivision of Lot 2 of SCL Retail Subdivision***, being a subdivision of part of the Southeast quarter of the Northeast quarter of section 2 being situated in township 44 North, range 2 East of the third principal meridian, City of Loves Park, Winnebago County, Illinois, be approved as recommended by the City of Loves Park Community Development Committee.

MOTION:

SECOND:

**Community Development Committee:**

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Alderman Chuck Frykman, Chairman

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Alderman A. Marie Holmes

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Alderman Doug Allton

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Alderman Nancy Warden

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Mayor Greg Jury

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ATTEST - Clerk Robert Burden

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE APPROVING THE ISSUANCE OF A CLASS “B” LIQUOR LICENSE TO HREEM, INC d/b/a “LOVES PARK MARATHON” PURSUANT TO CHAPTER 6, SECTION 6-37 OF THE CODE OF ORDINANCES OF THE CITY OF LOVES PARK, ILLINOIS**

WHEREAS, Chapter 6, Sections 6-37 and 6-43 of the Loves Park Code of Ordinances (“Code”) of the City of Loves Park (“City”) regulate the number and classes of liquor licenses, respectively, existing within the City; and

WHEREAS, a Class “B” liquor license authorizes the retail sale of packaged alcoholic liquor but not for consumption on the premises where sold; and

WHEREAS, the City now desires to approve the issuance of a Class “B” liquor license to HREEM, Inc., doing business as “Loves Park Marathon” (“Licensee”), pursuant to Chapter 6, Section 6-37 of the Code; and

WHEREAS, said liquor license shall be issued for use only within that part of the building located at 5905 North Second Street, Loves Park, Illinois, 61111; and

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LOVES PARK, WINNEBAGO COUNTY, ILLINOIS, AS FOLLOWS:

1. The above recitals are incorporated by reference herein and made a part hereof.
2. The issuance of a Class “B” liquor license to the Licensee for use at the Premises is hereby approved pursuant to Chapter 6, Section 6-37 of the Code.
3. Final issuance of the liquor license by the local liquor commissioner will be subject to review and approval of the liquor license application by the local liquor commissioner along with compliance by Licensee with all Ordinances of the City of Loves Park and all applicable State and/or Federal laws.
4. All other provisions of the Code and any City Ordinances or Resolutions shall remain in effect as previously enacted except that those Ordinances, Resolutions or parts thereof in conflict with the provisions of this Ordinance are hereby repealed.
5. This Ordinance shall be in full force and effect from and after its passage, approval, and publication in pamphlet form as provided by law.

APPROVED:

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Mayor Greg Jury

ATTEST:

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City Clerk Robert Burden

PASSED:

APPROVED:

PUBLISHED: In pamphlet form as required by Ordinance.



**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE APPROVING THE ISSUANCE OF A CLASS “F” LIQUOR LICENSE  
TO SHREEJI BAPA MOTEL, INC d/b/a “QUALITY INN AND SUITES” PURSUANT  
TO CHAPTER 6, SECTION 6-37 OF THE CODE OF ORDINANCES OF THE CITY OF  
LOVES PARK, ILLINOIS**

WHEREAS, Chapter 6, Sections 6-37 and 6-43 of the Loves Park Code of Ordinances (“Code”) of the City of Loves Park (“City”) regulate the number and classes of liquor licenses, respectively, existing within the City; and

WHEREAS, a Class “F” liquor license authorizes the retail sale and consumption of alcoholic liquor within the building located on the premises, provided the licensed premises also has, locates, maintains and lawfully operates video gaming terminals (as defined under the Illinois Video Gaming Act, 230 ILCS 40/1 et seq.) within the class “F” licensed establishment.

WHEREAS, the City now desires to approve the issuance of a Class “F” liquor license to SHREEJI BAPA MOTEL, Inc., doing business as “Quality Inn and Suites” (“Licensee”), pursuant to Chapter 6, Section 6-37 of the Code; and

WHEREAS, said liquor license shall be issued for use only within that part of the building located at 4313 North Bell School Road, Loves Park, Illinois, 61111; and

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LOVES PARK, WINNEBAGO COUNTY, ILLINOIS, AS FOLLOWS:

1. The above recitals are incorporated by reference herein and made a part hereof.
2. The issuance of a Class “F” liquor license to the Licensee for use at the Premises is hereby approved pursuant to Chapter 6, Section 6-37 of the Code.
3. Final issuance of the liquor license by the local liquor commissioner will be subject to review and approval of the liquor license application by the local liquor commissioner along with compliance by Licensee with all Ordinances of the City of Loves Park and all applicable State and/or Federal laws.
4. All other provisions of the Code and any City Ordinances or Resolutions shall remain in effect as previously enacted except that those Ordinances, Resolutions or parts thereof in conflict with the provisions of this Ordinance are hereby repealed.
5. This Ordinance shall be in full force and effect from and after its passage, approval, and publication in pamphlet form as provided by law.

APPROVED:

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Mayor Greg Jury

ATTEST:

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City Clerk Robert Burden

PASSED:

APPROVED:

PUBLISHED: In pamphlet form as required by Ordinance.

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE AMENDING CHAPTER 6, SECTION 6-43 (a)(5)(d) OF THE CODE OF ORDINANCES OF THE CITY OF LOVES PARK, ILLINOIS**

WHEREAS, Chapter 6, Section 6-43 (a)(5)(d) of the Loves Park Code of Ordinances (“Code”) of the City of Loves Park (“City”) created the class “R-4” liquor license; and

WHEREAS, a Class “R-4” liquor license authorizes the retail sale of beer and wine to be consumed within the premises of a retail business which sells tangible personal property; and

WHEREAS, the City added a “look back” clause to Chapter 6, Section 6-43 (a)(5)(d) that discontinues any class “R-4” liquor license without City Council approval by April 30, 2020; and

WHEREAS, the City desires to amend Chapter 6, Section 6-43 (a)(5)(d) of the Code to delete the “look back” clause; and

WHEREAS, pursuant to 235 ILCS 5/4-1 and other statutory provisions, the City of Loves Park is authorized and empowered to adopt and enforce the provisions of this Ordinance.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LOVES PARK, WINNEBAGO COUNTY, ILLINOIS, AS FOLLOWS:

Class R-4 Licenses shall authorize the retail sale of beer and wine to be consumed within the premises of a retail business which sells tangible personal property and where the sale of beer, wine, food and gaming revenue shall cumulatively account for less than 10% of the gross receipts of all sales of the business from the premises. Notwithstanding the forgoing, consumption of beer and wine may take place at the exterior of the premises in accordance of plans approved by the liquor commissioner. No packaged liquor shall be sold for consumption off premises. No signage shall be visible from the exterior of the premises which indicates that alcohol sales or video gaming are taking place within the premises. No businesses participating in the sale and/or service of motorized vehicles, guns, gun ranges, and/or ammunition shall be eligible for a class R-4 license. There may not be more than 5 class R-4 licenses issued within the City at any given time. No business may hold a class R-4 license for a location while also holding any other liquor license issued by the City for the same location. The class R-4 license may not be held by any retail business location exceeding 10,000 square feet. The annual license fee for the year commencing on May 1 of each year for such R-4 license shall be \$1,000.00.

APPROVED:

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Mayor Greg Jury

ATTEST:

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City Clerk Robert Burden

PASSED:

APPROVED:

PUBLISHED: In pamphlet form as required by Ordinance.