

GUARANTY
(Specific Debt - Limited)

DATE AND PARTIES. The date of this Guaranty is November 28, 2016. The parties and their addresses are:

LENDER:

Holcomb State Bank

108 W Main St
PO Box 105
Holcomb, IL 61043
Telephone: (815) 393-4413

BORROWER:

Greater Rochelle Economic Development Corporation

an Illinois Corporation
420 N 6th St
Rochelle, IL 61068

GUARANTOR:

City Of Rochelle,

an Illinois Municipal Corporation
420 N 6th St.
PO Box A
Rochelle, IL 61068

1. DEFINITIONS. As used in this Guaranty, the terms have the following meanings:

A. Note. "Note" refers to the document that evidences the Borrower's indebtedness, and any extensions, renewals, modifications and substitutions of the Note.

C. Property. "Property" means any property, real, personal or intangible, that secures performance of the obligations of the Note, Debt, or this Guaranty.

D. Loan. "Loan" refers to the Note entered into by Greater Rochelle Economic Development Corporation, in the amount of \$697,095.00 (Principal), dated November 28, 2016, including obligations and duties arising from the terms of all documents prepared or submitted for this transaction.

E. Loan Documents. "Loan Documents" refer to all the documents executed as a part of or in connection with the Loan.

2. SPECIFIC DEBT GUARANTY. For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and to induce the City of Rochelle, at its option, to make loans or engage in any other transactions with the Borrower from time to time, it absolutely and unconditionally agree to all terms of and guaranty to the City of Rochelle the payment and performance of the following described Debt(s) of the Borrower including without limitation, all principal, accrued interest, attorneys' fees and collection costs, when allowed by law, that may become due from the Borrower to you in collecting and enforcing the Debt and all other agreements with respect to the Borrower and the costs associated with the purchase of rail right of way.

The City of Rochelle's liability will not exceed \$697,095.00 of the principal amount outstanding at default, plus accrued interest, attorneys' fees and collection costs, when allowed by law, and all other costs, fees and expenses agreed to be paid under all agreements evidencing the Debt and securing the payment of the Debt. Lender may not apply this Guaranty to any other Debt of the Borrower.

3. EXTENSIONS. The City of Rochelle must be notified and consent in writing, which is subject to City Council approval, to all renewals, extensions, modifications and substitutions of the Debt of the Borrowers, which may be made by the City of Rochelle upon such terms and

conditions as it may see fit from time to time. All parties to this Guaranty understand and acknowledge that this Guaranty shall not apply to any renewals, extensions, modifications and substitutions of the Note by Borrower without the express written consent of the City of Rochelle. Should a renewal, extension, modification and substitution of the Debt of the Borrowers occur without written notice to the City of Rochelle, this Guaranty shall be deemed null and void.

4. ENFORCEMENT OF THE GUARANTY. Lender must first take all necessary actions against Borrower before seeking any relief against the City of Rochelle. Further, in the event of a default by Borrower, the City of Rochelle shall receive notice of Borrower's default within 30 days of the default. Thereafter, Borrower and the City of Rochelle shall have SIXTY (60) days to cure the default before Lender seeks any relief. The City of Rochelle may only be liable under this Guaranty, if and only if Lender first pursues any of its remedies against the Borrower, against any other maker, surety, guarantor or endorser of the Debt or against any Property, before seeking relief against the City of Rochelle. The City of Rochelle will remain obligated to pay on this Guaranty even if the Borrower, has such obligation discharged in bankruptcy, foreclosure, or otherwise discharged by law.

5. BANKRUPTCY. If a bankruptcy petition should at any time be filed by or against the Borrower and the Note between Borrower and Lender is discharged in the bankruptcy, the maturity of the Debt, so far as my liability is concerned, shall be accelerated and the Debt shall be immediately payable by the City of Rochelle. The City of Rochelle acknowledges and agrees that this Guaranty, and the Debt secured hereby, will remain in full force and effect at all times, notwithstanding any action or undertakings by, or against, you or against any Property, in connection with any obligation in any proceeding in the United States Bankruptcy Courts, so long as the Note is found to be legal and enforceable by the Courts. Such action or undertaking includes, without limitation, valuation of Property, election of remedies or imposition of secured or unsecured claim status upon claims by you, pursuant to the United States Bankruptcy Code, as amended. In the event that any payment of principal or interest received and paid by any other guarantor, borrower, surety, endorser or co-maker is deemed, by final order of a court of competent jurisdiction, to have been a voidable preference under the bankruptcy or insolvency laws of the United States or otherwise, then the City of Rochelle's obligation will remain as an obligation to it and will not be considered as having been extinguished.

6. REVOCATION. Subject to the terms set forth in this Guaranty, the City of Rochelle agrees that this is an absolute and unconditional Guaranty. This Guaranty cannot be revoked and will remain in effect until the Debt is paid in full, except as set forth in this Guaranty.

7. LIMITATIONS ON CROSS-COLLATERALIZATION. The cross-collateralization clause on any existing or future loan, but not including this Loan, is void and ineffective as to this Loan, including any extension or refinancing.

The Loan is not secured by a previously executed security instrument if a non-possessory, non-purchase money security interest is created in "household goods" in connection with a "consumer loan," as those terms are defined by federal law governing unfair and deceptive credit practices. The Loan is not secured by a previously executed security instrument if you fail to fulfill any necessary requirements or fail to conform to any limitations of the Real Estate Settlement Procedures Act, (Regulation X), that are required for loans secured by the Property or if, as a result, the other debt would become subject to Section 670 of the John Warner National Defense Authorization Act for Fiscal Year 2007.

The Loan is not secured by a previously executed security instrument if you fail to fulfill any necessary requirements or fail to conform to any limitations of the Truth in Lending Act, (Regulation Z), that are required for loans secured by the Property.

8. PROPERTY. The City of Rochelle agrees that any Property may only be assigned, exchanged, or released in whole or in part with notice to it. The City of Rochelle's obligation shall be terminated if it is not given written notice of any one of these events set forth in the preceding sentence.

9. DEFAULT. The City of Rochelle will be in default if any of the following events (known separately and collectively as an Event of Default) occur:

A. Payments. The Borrower or Guarantor fail to make a payment in full when due and after being given written notice of said overdue payment.

B. Insolvency or Bankruptcy. The death, dissolution or insolvency of, appointment of a receiver by or on behalf of, application of any debtor relief law, the assignment for the benefit of creditors by or on behalf of, the voluntary or involuntary termination of existence by, or the commencement of any proceeding under any present or future federal or state insolvency, bankruptcy, reorganization, composition or debtor relief law by or against the City of Rochelle, Borrower, or any co-signer, endorser, surety or guarantor of this Guaranty or any Debt.

C. Failure to Perform. The City of Rochelle fails to perform any condition or to keep any promise or covenant of this Guaranty.

D. Other Documents. A default occurs under the terms of any other document relating to the Debt.

E. Other Agreements. The City of Rochelle is in default on any other debt or agreement it has with Lender.

F. Misrepresentation. The City of Rochelle makes any verbal or written statement or provide any financial information that is untrue, inaccurate, or conceals a material fact at the time it is made or provided.

G. Forfeiture. The Property is used in a manner or for a purpose that threatens confiscation by a legal authority.

H. Property Transfer. The City of Rochelle transfers all or a substantial part of its money or property.

I. Property Value. Lender determines in good faith that the value of the Property has declined or is impaired.

J. Insecurity. Lender determines in good faith that a material adverse change has occurred in Borrower's or Guarantor's financial condition from the conditions set forth in the most recent financial statement before the date of this Guaranty or that the prospect for payment or performance of the Debt is impaired for any reason.

10. WAIVERS AND CONSENT. To the extent not prohibited by law and subject to the terms of this Guaranty, the City of Rochelle waives protest, presentment for payment, demand, notice of acceleration, notice of intent to accelerate and notice of dishonor.

A. Additional Waivers. In addition, to the extent permitted by law and subject to the terms of this Guaranty, the City of Rochelle consents, only after receiving written notice of a default and failing to cure said default in accordance with the time frame set forth in this Guaranty, to certain actions Lender may take, and generally waives defenses that may be available based on these actions or based on the status of a party to the Debt or this Guaranty.

(1) Lender may renew or extend payments on the Debt, regardless of the number of such renewals or extensions.

(2) Lender may release any Borrower, endorser, guarantor, surety, accommodation maker or any other co-signer.

(3) Lender may release, substitute or impair any Property.

(4) Lender, or any institution participating in the Debt, may invoke your right of set-off.

(5) Lender may enter into any sales, repurchases or participations of the Debt to any person in any amounts and I waive notice of such sales, repurchases or participations.

(6) The City of Rochelle agrees that the Borrower is authorized to modify the terms of the Debt or any instrument securing, guarantying or relating to the Debt, only if the City of Rochelle consents in writing.

(7) Lender may undertake a valuation of any Property in connection with any proceedings under the United States Bankruptcy Code concerning the Borrower or the City of Rochelle, regardless of any such valuation, or actual amounts received by you arising from the sale of such Property.

(8) The City of Rochelle agrees to waive reliance on any anti-deficiency statutes, through subrogation or otherwise, and such statutes in no way affect or impair its liability.

Any Guarantor who is an "insider," as contemplated by the United States Bankruptcy Code, 11 U.S.C. 101, as amended, makes these waivers permanently. (An insider includes, among others, a director, officer, partner, or other person in control of the Borrower, a person or an entity that is a co-partner with the Borrower, an entity in which the Borrower is a general partner, director, officer or other person in control or a close relative of any of these other persons.) Any Guarantor who is not an insider makes these waivers until all Debt is fully repaid.

B. No Waiver By Lender. Lender's course of dealing, or forbearance from, or delay in, the exercise of any of Lender's rights, remedies, privileges or right to insist upon my strict performance of any provisions contained in the Debt instruments, shall not be construed as a waiver by Lender, unless any such waiver is in writing and is signed by Lender.

C. Waiver of Claims. I waive all claims for loss or damage caused by your acts or omissions where you acted reasonably and in good faith.

11. REMEDIES. If , the Borrower or the City of Rochelle default, after being given notice and the opportunity to cure any default, Lender may at its option do any one or more of the following.

A. Acceleration. Lender may make all or any part of the amount owing by the terms of this Guaranty immediately due.

B. Sources. Lender may use any and all remedies you have under state or federal law or in any documents relating to the Debt.

C. Insurance Benefits. Lender may make a claim for any and all insurance benefits or refunds that may be available on default.

D. Payments Made on the Borrower's Behalf. Amounts advanced on the Borrower's behalf will be immediately due and may be added to the balance owing under the Debt.

E. Set-Off. The City of Rochelle may use the right of set-off. This means the City of Rochelle may set-off any amount due and payable under the terms of this Guaranty against any right Lender has to receive money from Borrower or Guarantor.

Lender's right to receive money from the City of Rochelle includes any deposit or share account balance it has with Lender; any money owed to the City of Rochelle on an item presented to you or in your possession for collection or exchange; and any repurchase agreement or other non-deposit obligation. "Any amount due and payable under the terms of this Guaranty" means the total amount to which the Lender is entitled to demand payment under the terms of this Guaranty at the time of the City of Rochelle's set-off is credited.

Subject to any other written contract, if Lender's right to receive money from the Borrower or the City of Rochelle is also owned by someone who has not agreed to pay the Debt, the City of Rochelle's right of set-off will apply to Lender's interest in the obligation and to any other amounts Lender could withdraw on Lender's sole request or endorsement.

The City of Rochelle's right of set-off does not apply to an account or other obligation where Lender's rights arise only in a representative capacity. It also does not apply to any Individual Retirement Account or other tax-deferred retirement account.

F. Waiver. Except as otherwise required by law, by choosing any one or more of these remedies Lender does not give up your right to use any other remedy. Lender does not waive a default if it chooses not to use a remedy. By electing not to use any remedy, Lender does not waive its right to later consider the event a default and to use any remedies if the default continues or occurs again.

12. COLLECTION EXPENSES AND ATTORNEYS' FEES. On or after the occurrence of an Event of Default, to the extent permitted by law, the City of Rochelle agrees to pay all expenses of collection, enforcement or protection of Lender's rights and remedies under this Guaranty or any other document relating to the Debt. To the extent permitted by law, expenses include, but are not limited to, reasonable attorneys' fees, court costs and other legal expenses. In addition, to the extent permitted by the United States Bankruptcy Code, The City of Rochelle agrees to pay the reasonable attorneys' fees incurred by Lender to protect its rights and interests in connection with any bankruptcy proceedings initiated by or against the Borrower or Guarantor.

13. WARRANTIES AND REPRESENTATIONS. The City of Rochelle has the right and authority to enter into this Guaranty. The execution and delivery of this Guaranty will not violate any agreement governing it or to which it is a party.

In addition, the City of Rochelle represents and warrants that this Guaranty was entered into at the request of the Borrower, and that the City of Rochelle is satisfied regarding the Borrower's financial condition and existing indebtedness, authority to borrow and the use and intended use of all Debt proceeds. The City of Rochelle further represents and warrants that it has not relied on any representations or omissions from Lender or any information provided by you respecting the Borrower, the Borrower's financial condition and existing indebtedness, the Borrower's authority to borrow or the Borrower's use and intended use of all Debt proceeds.

14. RELIANCE. The City of Rochelle acknowledges that Lender is relying on this Guaranty in extending credit to the Borrower, and the City of Rochelle has signed this Guaranty to induce Lender to extend such credit. The City of Rochelle represents and warrants to Lender that it has a direct and substantial economic interest in the Borrower and expects to derive substantial benefits from any loans and financial accommodations resulting in the creation of indebtedness guaranteed hereby.

15. Applicable Law. This Guaranty is governed by the laws of Illinois, the United States of America, and to the extent required, by the laws of the jurisdiction where the Property is located, except to the extent such state laws are preempted by federal law. In the event of a dispute, the exclusive forum, venue and place of jurisdiction will be in Ogle County, Illinois, unless otherwise required by law.

16. AMENDMENT, INTEGRATION AND SEVERABILITY. This Guaranty may not be amended or modified by oral agreement. No amendment or modification of this Guaranty is effective unless made in writing and executed by you and me. This Guaranty and the other Loan Documents are the complete and final expression of the agreement. If any provision of this Guaranty is unenforceable, then the unenforceable provision will be severed and the remaining provisions will still be enforceable.

17. Assignment. If Lender assigns any of the Debts, Lender may not assign all or any part of this Guaranty without notice to the City of Rochelle or its written consent, and this Guaranty will not inure to the benefit of Lender's assignee until such written consent has been provided. Lender will continue to have the unimpaired right to enforce this Guaranty as to any of the Debts that are not assigned. This Guaranty shall inure to the benefit of and be enforceable by Lender and its successors and assigns and any other person to whom you may grant an interest in the Debts and shall be binding upon and enforceable against the City of Rochelle and its successors, heirs and assigns.

18. Interpretation. Whenever used, the singular includes the plural and the plural includes the singular. The section headings are for convenience only and are not to be used to interpret or define the terms of this Guaranty.

19. NOTICE, FINANCIAL REPORTS AND ADDITIONAL DOCUMENTS. Unless otherwise required by law, any notice will be given by delivering it or mailing it by first class mail to the appropriate party's address listed in the DATE AND PARTIES section, or to any other address designated in writing. Notice to one Guarantor will be deemed to be notice to all Guarantors. Guarantor will inform Lender in writing of any change in its name, address or other

application information. The City of Rochelle will provide Lender any correct and complete financial statements or other information Lender requests. The City of Rochelle agrees to sign, deliver, and file any additional documents or certifications that Lender may consider necessary to perfect, continue, and preserve its obligations under this Guaranty. Time is of the essence.

20. SIGNATURES. By signing, I agree to the terms contained in this Guaranty. I also acknowledge receipt of a copy of this Guaranty.

GUARANTOR:

City Of Rochelle

By _____

David Plyman, City Manager

LENDER:

Holcomb State Bank

By _____

Date _____

Bruce Seldal, Executive Vice President