

**FIRE TRUCK REVOLVING LOAN PROGRAM  
LOAN AGREEMENT**

This Loan Agreement is dated as of \_\_\_\_\_, 20\_\_, by and between the ILLINOIS FINANCE AUTHORITY, a body politic and corporate, organized and existing under the laws of the State of Illinois (together with its successors and assigns, the “Authority”) and City of Rochelle, a City organized and existing under the Constitution and laws of the State of Illinois and located in the State of Illinois (the “Borrower”).

**WHEREAS**, the Borrower desires to purchase the Property (as such term is defined herein below), and the Authority desires to make a loan to the Borrower to enable it to purchase the Property, subject to the terms and conditions of and for the purposes set forth in this Agreement; and

**WHEREAS**, the Authority is authorized to make a loan to the Borrower for the purchase of the Property pursuant to the powers granted to it by the Illinois Finance Authority Act, 20 ILCS 3501/801-1 *et seq.*; and

**WHEREAS**, the Illinois General Assembly has appropriated certain funds to be used by the Authority for the purpose of making loans to fire departments, fire protection districts, and township fire departments to enable such departments and districts to purchase the type of items included in the Property; and

**WHEREAS**, the Borrower is authorized under the 1970 Constitution and laws of the State of Illinois to enter into this Agreement on the terms and conditions and for the purposes set forth herein;

**NOW THEREFORE**, for and in consideration of the respective representations and agreements hereinafter contained, the parties agree as follows:

**ARTICLE I**  
**Definitions**

SECTION 1.1. Unless the context or use indicates another meaning or intent, the following capitalized words and terms, as used in this Agreement, shall have the following meanings:

“Acceptance Memorandum” means a certificate or certificates, as applicable, from the Office of the Illinois State Fire Marshal indicating that the State Fire Marshal has reviewed and approved a description of the Property (which may be the same type of fire truck but a different make or model from that set forth in the Loan Application delivered to the State Fire Marshal with respect thereto) for purchase by the Borrower.

“Agreement” means this Loan Agreement, dated as of the date set forth above, by and between the Authority and the Borrower, as the same may be amended, restated, amended and restated, supplemented or otherwise modified and in effect from time to time, in each case in accordance with the terms hereof.

“Authority” has the meaning set forth in the preamble to this Agreement.

“Borrower” has the meaning set forth in the preamble to this Agreement.

“Commencement Date” means the date on which the Borrower’s obligation, if any, to make regularly scheduled payments of interest on the Loan commences, which date shall be the first day of the month following the month in which the Loan is disbursed unless a different Commencement Date is set forth on Exhibit B attached hereto and by this reference made a part hereof.

“Full Insurable Value” means the full replacement value of the Property.

“Loan” means the funds that the Authority loans to the Borrower for the purchase of the Property that is subject to the repayment terms and other provisions of this Agreement.

“Loan Application” means the application with respect to the Loan submitted by the Borrower to the Office of the Illinois State Fire Marshal on forms provided by and following procedures established by the State Fire Marshall and the Authority.

“Loan Payments” means the basic payments of principal and, if any, interest payable by the Borrower pursuant to the provisions of this Agreement during the Term, payable in consideration of the right of the Borrower to buy the Property during the then current portion of the Term. Loan Payments shall be payable by the Borrower to the Authority or its successors and assigns in the amounts and at the times during the Term set forth in Exhibit B.

“Property” means (a) the property described in Exhibit A and (b) all substitutions therefor, additions, accessions, alterations, improvements and supplements thereto and repairs, replacements, modifications, renewals, products and proceeds thereof.

“Resolution” means the resolution, ordinance or other action duly adopted by the governing authority or other governing body of the Borrower authorizing its acceptance and execution and delivery of this Agreement and the performance and observance of its obligations hereunder.

“Term” means the Term provided for in this Agreement, as set forth in Article 2 hereof.

“Vendor” means the corporation, limited liability company, partnership, or other entity from which the Borrower will be purchasing the Property

SECTION 1.2. The words “hereof,” “herein,” “hereunder” and other words of similar import refer to this Agreement as a whole.

SECTION 1.3. References to Articles, Sections, and other subdivisions of this Agreement are to the designated Articles, Sections, and other subdivisions of this Agreement.

SECTION 1.4. The headings of this Agreement are for convenience only and shall not define or limit the provisions hereof.

## **ARTICLE II** **Term**

### SECTION 2.1 – Commencement of Term.

The Term of this Agreement shall commence on the last dated signature of this Agreement, provided, however, that interest, if any, payable hereunder shall not begin accruing until the Commencement Date, and the Term of this Agreement shall terminate as provided in Section 2.2 below.

### SECTION 2.2 – Termination of Term.

The Term will terminate upon the earlier to occur of the following events:

- (a) The expiration of the Term on the date of the final Loan Payment as indicated in Exhibit B, which date constitutes the last day of the Term;
- or
- (b) A default by the Borrower and the Authority's election to terminate this Agreement under Article X.

Upon the termination of this Agreement pursuant to Section 2.2(a) hereof and the payment of all amounts payable hereunder by the Borrower, at the expense of the Borrower, the Authority shall take all actions reasonably requested by the Borrower to transfer whatever remaining interest it may have in the Property to the Borrower.

## **ARTICLE III** **Payments of Loan Payments and Other Amounts**

### SECTION 3.1 – Payments to Constitute a General Obligation of the Borrower.

The Authority and the Borrower understand and intend that the obligations of the Borrower to make Loan Payments and payments of other amounts hereunder shall constitute a pledge of the general obligation of the Borrower.

The Borrower hereby represents and warrants to the Authority that the payments required under the terms of this Agreement and the total amount payable to the Authority hereunder, together with all currently outstanding indebtedness of the Borrower, do not exceed the statutory and constitutional limitations as to the incurring of indebtedness or other obligations by the Borrower.

### SECTION 3.2 – Payments of Loan Payments and Other Amounts.

The Borrower shall make the Loan Payments and all payments of other amounts hereunder exclusively from legally available funds in lawful money of the United States of

America to the Authority, or, if Authority's rights under this Agreement shall be assigned, then the assignee. Payment shall be by check, payable to the Illinois Finance Authority-Fire Truck Revolving Loan Fund, and shall be delivered to: Illinois Finance Authority, 160 N. LaSalle Street, Suite S-1000, Chicago, IL 60601-3124 **Attn: Illinois Fire Truck Revolving Loan Program**. The Loan Payments during the Term shall be the respective amounts in the "Loan Payment" column, as set forth in Exhibit B, and in each case shall be due and payable on the applicable payment due date with respect thereto set forth in Exhibit B. Each Loan Payment shall include a payment of interest on the then unpaid principal portion of the Loan at the interest rate (if any) specified in Exhibit B, which interest (if any) shall be due and payable on each payment due date with respect to the principal portion of the Loan. In the event a Loan Payment is not received by the Authority or its assignees on or before the fifteenth calendar day following the payment due date therefor, the Borrower shall pay, in addition to any other interest then due and payable, additional interest on such Loan Payment from such payment due date to the date such Loan Payment is received at the rate of five percent (5%) per annum of such Loan Payment; provided, however, that, such late payment interest shall be waived when the postmark date on the envelope used to submit the applicable Loan Payment is dated five days or more before the end of the 15-day grace period. Notwithstanding anything to the contrary set forth in this Agreement, the Borrower may prepay all or a portion of the Loan at any time and from time to time without penalty, provided, however, that, the Borrower first contacts the Authority to obtain the total amount of principal and accrued interest on the Loan due and payable on the proposed date of any such prepayment.

#### SECTION 3.3 – Interest Component.

The principal portion of the Loan outstanding from time to time shall bear interest at the per annum interest rate (if any) specified in Exhibit B, which interest shall be due and payable in accordance with Section 3.2.

#### SECTION 3.4 – Loan Payments.

The obligation of the Borrower to make the payments required hereunder, including, without limitation, those required in Sections 3.2 and 3.3 hereof, shall be absolute and unconditional and shall not be subject to diminution by setoff, counterclaim, abatement or otherwise; and until such time as all amounts payable by the Borrower hereunder, including, without limitation, Sections 3.2 and 3.3 hereof, shall have been indefeasibly paid in full, the Borrower: (i) will not suspend or discontinue, or permit the suspension or discontinuance of, any payments provided for in Sections 3.2 or 3.3; (ii) will perform and observe all of its other covenants and agreements contained in this Agreement; and (iii) will not terminate this Agreement for any cause, including, without limiting the generality and specifications therefor, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Property, commercial frustration of purpose, any change in the tax or other laws or administrative rulings of or administrative actions by the United States of America or the State of Illinois or any political subdivision of either, or any failure of the Authority to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or in connection with this Agreement.

There shall be no abatement or reduction for any reason of any Loan Payment or any other amount payable by the Borrower hereunder. The Borrower shall not assert and hereby waives any right of setoff or counterclaim against its obligation to make any such payment and, notwithstanding any dispute between the Borrower and the Authority, the Vendor, or any other person or entity, the Borrower shall make all Loan Payments and payments of other amounts payable by the Borrower hereunder in the respective amounts and at the respective times required hereunder pending final resolution of such dispute.

**ARTICLE IV**  
**Disbursement of Funds; Acquisition of Property**

**SECTION 4.1** – Disbursement of Funds.

On the latest of (a) the last dated signature to this Agreement, (b) satisfaction of all terms, covenants and provisions set forth herein and (c) receipt of the Acceptance Memorandum, the Authority shall provide for disbursement of funds from the Locally-Held Fire Truck Revolving Loan Fund directly to the Borrower.

**SECTION 4.2** – Acquisition of the Property.

The Borrower shall arrange for the acquisition of the Property, and as proof thereof, the Borrower shall take all steps necessary to ensure the delivery of the Acceptance Memorandum to the Authority. In order to facilitate the payment process referenced in Section 4.1 above, the Borrower further agrees to provide any additional material, information or documentation that the Authority may request relative to the acquisition of the Property. Within thirty (30) days after it has taken delivery of the Property, the Borrower shall file with the Authority all certificates of title with respect to the Property.

**ARTICLE V**  
**Acceptance and Sale of Property**

**SECTION 5.1** – Sale or Pledge of Property.

By execution of this Agreement, the Borrower hereby represents, warrants and covenants to the Authority that as long as any portion of the Loan, or any other amount payable by the Borrower hereunder, remains outstanding, it will not sell, pledge, place a lien upon, mortgage or otherwise encumber or permit any claim with respect to the Property without the express written consent of the Authority, which consent the Authority may grant or withhold in its sole discretion.

**ARTICLE VI**  
**Representations of the Borrower**

SECTION 6.1 The Borrower makes the following representations to the Authority as the basis for the undertakings on its part and the Authority's part herein contained:

- (a) The Borrower is a City located in the State of Illinois, duly organized and validly existing under the 1970 Constitution and laws of the State of Illinois, and by proper action of its governing body under terms and provisions of the Resolution, duly adopted, is authorized and empowered to enter into the transactions contemplated by this Agreement and to carry out its obligations hereunder. This Agreement is a legal, valid and binding obligation of the Borrower and is enforceable in accordance with its terms, and the aggregate payments by the Borrower required under the terms of this Agreement and the total amount due and payable to the Authority hereunder, including any interest, penalties or fees, do not cause the Borrower to exceed any statutory, Constitutional or contractual limitation as to the incurring of indebtedness or other obligations by the Borrower.
- (b) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated herein conflicts with or results in a breach of, or default under, the Borrower's statutory or Constitutional authority or any contract to which the Borrower or any of its property or assets is bound.
- (c) The Borrower has complied, and will continue to comply, with all applicable laws and regulations that relate to its entering into this Agreement and carrying out its terms, including, but not limited to, any applicable public bidding requirements and any applicable budgeting requirements.
- (d) This Agreement under which the Borrower is purchasing the Property is the sole method employed by the Borrower in financing the acquisition of the Property, and the Borrower hereby expressly approves the execution and delivery of this Agreement by the appropriate officers.

**ARTICLE VII**  
**Title to Property**

SECTION 7.1 – Title to the Property.

Title to the Property will be with the Borrower, and the Borrower hereby represents and warrants to the Authority that upon delivery of the Property to and acceptance of the Property by the Borrower, the Borrower shall hold title thereto free and clear.

The Borrower shall not directly or indirectly create, incur or suffer to exist any mortgage, pledge, lien, charge, security interest, encumbrance or other claim on or with respect to the Property other than pursuant to this Agreement.

SECTION 7.2 – Security for the Loan

Each loan will be secured by (1) the Borrower’s general funds or, if available, a direct property tax levy; (2) the state revenue intercept; (3) possession of the certificate or certificates of title to the Property; and (4) if requested by the Authority, in its sole discretion, a perfected lien on and security interest in the Property and all proceeds thereof.

**ARTICLE VIII**

**Use; Maintenance; Modifications; Taxes; Insurance and Other Charges**

SECTION 8.1 – Use of Property by the Borrower.

The Borrower shall use the Property solely in operations for which the Borrower is duly authorized under the laws of the jurisdiction in which the Borrower’s operation of the Property is subject and shall not use or permit the Property to be used for any purpose for which the Property is not designed or reasonably suitable.

The Borrower represents and warrants to the Authority that the functions for which the Borrower intends to use the Property are essential to the efficient operation of the Borrower.

SECTION 8.2 – Maintenance of Property by the Borrower.

The Borrower agrees that, at all times during the Term, the Borrower will, at the Borrower’s own cost and expense, service, repair, overhaul, maintain, preserve, and keep the Property or cause the Property to be serviced, maintained, preserved, and kept in good repair, working order and condition and that the Borrower will from time to time make or cause to be made all necessary and proper repairs, replacements, and renewals which shall be included under the terms of this Agreement. The Authority, its successors or assigns shall not have any responsibility in any of these matters or for the making of any substitutions for all or any part of the Property, or any additions, accessions, alterations, improvements or supplements thereto or repairs, replacements or modifications thereof.

No substitutions for, additions, accessions, alterations, improvements or supplements to or any repairs, replacements or modifications of all or any part of the Property, shall in any way damage the Property or cause it to be used for purposes other than those authorized under the Federal and State of Illinois Constitutional provisions and laws applicable to the Borrower or the Property, as the case may be.

The Property, as improved or altered upon completion of any substitutions for all or any part of the Property, any additions, accessions, alterations, improvements or supplements thereto or any repairs, replacements or modifications thereof, shall not be of a value less than the value of the Property immediately prior to the making thereof.

SECTION 8.3 – Taxes, Other Governmental Charges and Utility Charges.

In the event the Property is found to be subject to taxation in any form, the Borrower will pay as the same respectively become due all taxes and governmental charges of any kind whatsoever together with any interest and penalties that may at any time be lawfully assessed or levied against or with respect to the Property, including but not limited to the ownership, leasing, rental, sale, purchase, or possession thereof and any property acquired by the Borrower in substitution for, as a renewal or replacement of, or as a modification, improvement, or addition to the Property, as well as all other charges incurred in the operation, maintenance, use and upkeep of the Property; provided, however, that with respect to any governmental charges that may lawfully be paid in installments over a period of years, the Borrower shall be obligated to pay only such installments as are required to be paid during the Term. Upon the expiration or earlier termination of this Agreement, the Borrower shall pay to the Authority, its successors or assigns any *ad valorem* real estate property or excise taxes assessed but not yet due and payable.

#### SECTION 8.4 – Provisions Regarding Insurance.

At its own expense, the Borrower shall continuously keep the Property insured, from and including its acquisition date until termination of this Agreement, against liability for damage, theft, fire and other calamity and extended coverage to protect the Full Insurable Value of the Property and for personal injuries, death or property damages, arising or in any manner occasioned by the acts or negligence of the Borrower, its employees, agents or others in the custody, operation or use of, or with respect to said Property in an amount satisfactory to the Authority and to protect the Authority from liability in all events or shall demonstrate to the satisfaction of the Authority that adequate self-insurance is provided with respect thereto. All insurance proceeds from casualty losses shall be payable as hereinafter provided in this Agreement. Upon disbursement of funds as referenced in Section 4.1 and on each payment date thereafter with respect to any Loan Payment, the Borrower shall furnish to the Authority certificate(s) evidencing such coverage throughout the Term. Alternatively, the Borrower may insure the Property under a blanket insurance policy or policies which cover not only the Property but other properties.

Any insurance policy issued pursuant to this Section 8.4 shall be so written or endorsed as to make losses, if any, payable to the Authority, its successors or assigns, as their respective interests may appear. Each insurance policy provided for in this Section 8.4 shall contain a provision to the effect that the insurance company shall not cancel the policy or modify it materially and adversely to the interest of the Authority, its successors or assigns, without first giving written notice thereof to the Authority, its successors or assigns at least thirty (30) days in advance of such cancellation or modification.

#### SECTION 8.5 – Advances.

In the event the Borrower shall fail to maintain the full insurance coverage required by this Agreement or shall fail to keep the Property in good repair and operating condition, the Authority may (but shall be under no obligation to) purchase the required policies of insurance and pay the premiums on the same or may make such repairs or replacements as are necessary and provide for payment thereof; and all amounts so advanced therefor by the Authority shall constitute additional obligations of the Borrower hereunder, which obligations, together with

interest thereon at the rate of five percent (5%) per annum or to the maximum extent allowed by law, whichever is less, shall be immediately due and payable by the Borrower.

SECTION 8.6 – Other Charges.

A one-time fee of \$500.00 will be charged to the Borrower by the Authority for origination, processing and servicing of the Loan. This fee shall be due and payable by the Borrower upon the closing of the Loan. At the time this Loan Agreement is submitted by the Borrower, a check is due in the amount of \$500.00, made payable to the Illinois Finance Authority. Please mail to: Office of the State Fire Marshal, Attn: Illinois Fire Truck Revolving Loan Program, 1035 Stevenson Drive, Springfield, IL 62703-4259.

**ARTICLE IX**  
**Assignment and Subleasing**

SECTION 9.1 – Assignment by the Authority.

The Authority may assign all of its right, title and interest in, under and to this Agreement, including its right to receive all payments hereunder and proceeds thereof to one or more assignees. The Borrower hereby consents and agrees to such assignment to one or more assignees, agrees to execute and deliver such further acknowledgements, agreements and other instruments as may be reasonably requested by the Authority to effect such assignment and agrees that all payments due under this Agreement shall, upon such assignment, be made to the one or more assignees, without defense or setoff for any reason whatsoever including any dispute between the Borrower and the Authority or the Borrower and the one or more assignees. All rights of and indemnifications to the Authority will inure to any assignee hereof. Any such assignee will not be obligated to perform any of the obligations of the Authority.

Upon execution of such Assignment, all references herein to the Authority shall include the assignee and its successors and assigns.

The Authority's interest in this Agreement may not be assigned or reassigned in whole or in part unless (1) the document by which such assignment or reassignment is made discloses the name and address of the assignee and (2) the Borrower receives a duplicate original counterpart of the document by which such assignment or reassignment is made. The Borrower covenants and agrees with the Authority and each subsequent assignee of the Authority to maintain for the full Term of this Agreement a written record of each such assignment and reassignment.

SECTION 9.2 – Assignment and Encumbrance of the Property by the Borrower.

This Agreement and the interest of the Borrower in the Property may not be assigned or, except pursuant to the terms of this Agreement, encumbered by the Borrower for any reason.

**ARTICLE X**  
**Events of Defaults and Remedies**

SECTION 10.1- Events of Default Defined.

The following shall be “Events of Default” under this Agreement and the terms “Events of Default” and “Default” shall mean, whenever they are used in this Agreement, any one or more of the following events:

(a) Failure by the Borrower to pay any Loan Payment or other payment required to be paid hereunder at the time specified herein; or

(b) Failure by the Borrower to observe and perform any covenant, condition, agreement or other obligation or undertaking on its part to be observed or performed, other than as referred to in Section 10.1 (a), (c), (d), (e), (f), (g) or (i), for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, unless the Authority or its assignee shall agree in writing to an extension of such time prior to its expiration; or

(c) Proceedings under any bankruptcy, insolvency, reorganization or similar legislation shall be instituted by or against the Borrower, or a receiver, custodian or similar officer shall be appointed for the Borrower, or any of its property, and such proceedings (other than any such proceedings instituted by the Borrower) or appointments shall not be vacated, or fully stayed, within twenty (20) days after the institution or occurrence thereof; or

(d) Any warranty, representation or statement made by the Borrower is found to be incorrect or misleading in any material respect on the date made; or

(e) An attachment, levy or execution is levied upon or against any of the Property by a third party; or

(f) Failure by the Borrower to comply with all requirements regarding protecting and insuring the Property; or

(g) Failure by the Borrower to keep the Property free from security interests, liens and other encumbrances, except for any such security interest, lien or other encumbrance granted to the Authority pursuant to the terms of this Agreement;

(h) The removal for a period of more than seven (7) days of the Property, accessories and devices, from the Borrower’s jurisdiction without the Authority’s prior written consent; or

(i) Failure by the Borrower to expend the proceeds of the Loan exclusively for the purpose of purchasing the Property in accordance with the Loan Application and the Borrower’s policies and procedures related thereto; or

(j) Failure by the Borrower to pay promptly all charges, fees or penalties when imposed, assessed or becoming due and payable in connection with this Agreement.

SECTION 10.2 – Remedies on Default.

Whenever any Event of Default referred to in Section 10.1 hereof shall have happened and be continuing, the Authority shall have the right, at its option, without any further demand or notice, to take one or any combination of the following remedial steps:

(a) Declare the principal component of the Loan Payments to be immediately due and payable pursuant to this Agreement and the principal component of the Loan Payments plus accrued and unpaid interest payable hereunder shall become and be immediately due and payable. In the event of an Event of Default referred to in Section 10.1(a) hereof that is not cured within 90 calendar days by payment of the amount owed to the Authority, the Authority shall notify the Office of the Comptroller to deduct the amount owed from any payments by the State of Illinois to the Borrower and the Borrower shall be ineligible for additional loans under the Illinois Fire Truck Revolving Loan Program or Illinois Ambulance Revolving Loan Program until it has cured the default by making payment to the Authority of the amount due.

(b) Protect and enforce this Agreement by such judicial proceedings as the Authority or its assignee shall deem most effectual, either by suit in equity or by action at law, whether for the specific performance of any covenant or agreement contained in this Agreement, or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the Authority or its assignee by this Agreement or by law; or

(c) Take possession of the Property and exclude the Borrower from using it until the default is cured, holding Borrower liable for the Loan Payments and other amounts payable by Borrower prior to such taking of the Property under and pursuant to this Agreement and the curing of such default; or

(d) Take whatever action at law or in equity may appear necessary or desirable to collect the Loan Payments (and all other accrued and unpaid interest payable hereunder) then due and thereafter to become due with respect to the Property, or enforce performance and observance of any obligation, agreement or covenant of the Borrower under this Agreement; or

(e) Terminate this Agreement as to all or any of the Property and use, operate, lease or hold the Property as the Authority or its assignee in its sole discretion may decide.

SECTION 10.3 – No Remedy Exclusive.

No remedy herein conferred upon or served to the Authority is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as may be deemed expedient. In order to entitle the Authority to exercise any remedy reserved to it in Section 10.2 hereof, it shall not be necessary to give any notice, other than such notice as may be required in Section 10.1 hereof.

**ARTICLE XI**  
**Disclaimer of Warranties**

THE BORROWER ACKNOWLEDGES AND AGREES THAT IT HAS SELECTED THE PROPERTY AND EACH ITEM, TYPE, QUALITY, QUANTITY AND VENDOR OF THE PROPERTY BASED ON ITS OWN JUDGEMENT AND AGREES THAT THE PROPERTY IS OF A DESIGN, SIZE, QUALITY AND CAPACITY REQUIRED BY THE BORROWER AND IS SUITABLE FOR ITS PURPOSES. THE AUTHORITY, NOT BEING THE VENDOR OF THE PROPERTY, NOR A DEALER IN SIMILAR PROPERTY, HAS NOT MADE AND DOES NOT MAKE ANY REPRESENTATION, WARRANTY OR COVENANT, EXPRESS OR IMPLIED, WITH RESPECT TO THE DESIGN, CONDITION (INCLUDING WITHOUT LIMITATION ENVIRONMENTAL CONDITION), DURABILITY, SUITABILITY, FITNESS FOR USE OR MERCHANTABILITY OF THE PROPERTY IN ANY RESPECT, AND AS BETWEEN THE AUTHORITY AND THE BORROWER, ALL PROPERTY SHALL BE ACCEPTED AND PURCHASED BY THE BORROWER “WHERE IS,” “AS IS,” AND “WITH ALL FAULTS,” AND THE AUTHORITY SHALL NOT BE RESPONSIBLE FOR ANY PATENT OR LATENT DEFECTS THEREIN OR ANY DAMAGES RESULTING THEREFROM. THE BORROWER AGREES TO SETTLE ALL SUCH CLAIMS DIRECTLY WITH THE VENDOR AND WILL NOT ASSERT ANY SUCH CLAIM AGAINST THE AUTHORITY, THE AUTHORITY HEREBY APPOINTS THE BORROWER AS ITS AGENT FOR PURPOSES OF SELECTION AND PROCUREMENT OF THE PROPERTY. THE AUTHORITY SHALL NOT BE RESPONSIBLE FOR, NOR SHALL THE VALIDITY OF THIS AGREEMENT BE AFFECTED BY, ANY DELAY IN OR FAILURE OF DELIVERY OF THE PROPERTY.

**ARTICLE XII**  
**Indemnification Covenants**

SECTION 12.1 –The Borrower assumes liability for and hereby agrees (whether or not the Authority is otherwise insured therefor) to indemnify, protect, save and keep harmless the Authority and its agents, attorneys and employees to the extent permitted by law, from and against any and all liabilities, obligations, losses, damages, penalties, claims, tax claims, actions, suits and proceedings (including without limitation, counsel fees and expenses) of whatsoever kind and nature, imposed on, incurred by or asserted against the Authority (or any such agent, attorney or employee, as the case may be) arising out of the ownership of the Property or any accident, claim or occurrence in connection with the operation, use, condition, possession, storage, or return of any units of Property resulting in damage to property or injury to or death to any person and any breach of any covenant or representation or warranty in this Agreement, including without limitation any violation of any federal or state environmental law, regulation or administrative or judicial order. The indemnification arising under this Section shall continue in full force and effect notwithstanding the full payment of all obligations under this Agreement or the termination of the Term for any reason. The Authority agrees to promptly notify the Borrower should the Authority receive written notice of any claim as to which the Authority intends to seek indemnification hereunder and the Authority agrees that the Borrower will be permitted to defend, settle or otherwise handle such claim only if it is reasonably assured that the Authority will not be adversely affected. Notwithstanding the above, the Authority shall have no affirmative duty to solicit information concerning possible or pending claims, and any prejudice

resulting from any delay in the giving of such notice shall not be borne by the Authority. The Borrower agrees not to withhold or abate any portion of the payments required pursuant to this Agreement for any reason whatsoever, including, without limitation, by reason of any defects, malfunctions, breakdowns, or infirmities of any part of the Property.

**ARTICLE XIII**  
**Destruction; Damage and Use of Net Proceeds**

**SECTION 13.1** - Damage and destruction.

The Borrower assumes all risk of loss or damage to the Property from any cause whatsoever, and no such loss or damage to the Property shall relieve the Borrower of the obligation to make payment of all amounts payable under this Agreement. If prior to the termination of the Term (a) the Property or any portion thereof is destroyed (in whole or in part), stolen or is damaged by any fire or other casualty or (b) title to, or the temporary use of, the Property or any part thereof or the estate of the Borrower or the Authority in the Property or any part thereof shall be taken under the exercise of the power of eminent domain by any person, firm or corporation acting under governmental authority, the Borrower and the Authority will cause the Net Proceeds (as hereinafter defined) of any insurance claim to be applied to the prompt repair, replacement, restoration, modification, or improvement of the Property. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to the Borrower.

For the purposes of Section 13.1 of this Agreement and this Article XIII, term “Net Proceeds” shall mean the amount remaining from the gross proceeds of any insurance claim after deducting all expenses (including reasonable attorneys’ fees) incurred in the collection of such claim or award.

**SECTION 13.2** – Insufficiency of Net Proceeds.

If the Net Proceeds are insufficient to pay in full the cost of repair, replacement, restoration, modification, or improvement referred to in Section 13.1 hereof, the Borrower shall continue to make Loan Payments hereunder and pay any cost in excess of the amount of the Net Proceeds. The Borrower shall make any payments pursuant to the provisions of this Section 13.2, without any right to any reimbursement therefor from the Authority and without any right to any diminution of the amounts payable under this Agreement.

**ARTICLE XIV**  
**Waiver**

Any waiver by the Authority of the Borrower’s breach of any term, covenant or condition hereof shall not be a waiver of any subsequent breach of the same or any other such term, covenant or condition.

**ARTICLE XV**  
**Miscellaneous**

**SECTION 15.1** – Notices.

All notices, directions and other communications to be given under this Agreement shall be made in writing and delivered or mailed to the other party at its address set forth herein or at such address as the party may provide in writing from time to time. Any such notice, direction and other communication shall be deemed to have been given when delivered or when sent certified or registered mail postage prepaid addressed as follows:

If to Authority, at: Illinois Finance Authority  
Attention: General Counsel  
160 N. LaSalle Street, Suite S-1000  
Chicago, Illinois 60601-3124  
Attention: Illinois Fire Truck Revolving Loan Program

If to the Borrower: City of Rochelle  
401 5th Avenue  
Rochelle, Illinois 61068  
Attention: Lieutenant

**SECTION 15.2** – Binding Effect.

This Agreement shall inure to the benefit of and shall be binding upon the Authority and the Borrower and their respective successors and assigns; provided, however, that the Borrower may not assign all or any part of its rights or obligations hereunder without the prior written consent of the Authority which consent may be granted or withheld in its sole discretion.

**SECTION 15.3** – Severability.

In the event any provision of this Agreement shall be held invalid or enforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof or thereof.

**SECTION 15.4** – Amendments, Changes, and Modifications.

This Agreement may not be amended or otherwise modified by the Authority and the Borrower except by written agreement executed by the parties hereto; provided, however, that no such amendment which affects the rights of any assigns of the Authority shall be effective unless it shall have been consented to by said assignee in addition to the Authority and the Borrower.

**SECTION 15.5** – Execution in Counterparts.

This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 15.6 – Delivery of Related Documents.

The Borrower will execute and/or deliver, before the Authority will initiate the disbursement of funds referenced in Section 4.1, the following documents and other supporting information, as deemed satisfactory to the Authority, in its sole judgment:

- (a) This Agreement, along with a copy of the Resolution indicating:
  - i. Borrower has authorization and accepts responsibility to enter into the Loan Agreement and the Loan Application executed and delivered by the Borrower in connection with the Loan;
  - ii. Source and amount of repayment;
  - iii. Borrower agrees to a state intercept agreement, if appropriate; and
  - iv. Borrower agrees to the grant of a security interest in the Property, if required by the Authority.

The Authority, in its sole discretion, may accept alternate documentation, including but not limited to the Loan Application, an appropriations ordinance or board approved budget for the fiscal year of the first repayment, as evidence of the items set forth above provided, however, that, upon written request of the Authority (which may be in a single or multiple requests), the Borrower agrees, as soon as reasonably practical, to adopt a resolution or ordinance, or, in the case some but not all of the above items have been covered, a supplemental resolution or supplemental ordinance covering the items set forth above and to promptly provide a copy to the Authority.

- (b) If the Borrower has taken delivery of the Property:
  - i. Evidence of liability and casualty insurance, as required by Section 8.4, naming the Authority and its assigns as loss payee; and
  - ii. Delivery of the applicable certificate(s) of title to the Property (which may be preceded with delivery of a Certificate of Origin while the title is in process).

If the Borrower has not yet taken delivery of the Property, the Borrower hereby agrees to provide evidence of liability and casualty insurance and delivery of title to the Property (which may be preceded with delivery of a Certificate of Origin while the title is in process) to the Authority within 30 days after the Borrower takes delivery of the Property.

- (c) Supporting documentation for the source of repayment as follows:
  - i. For general fund or specified revenues, submit a current budget approved by the governing body of the Borrower that reflects the identified revenue source and amount (or if the expenditure and loan payments will occur during a subsequent fiscal year of the Borrower, the Resolution, any letter of intent with respect to the Property, or alternate written documentation provided by the Borrower and acceptable to the Authority that evidences the Borrower's intention to include the specified revenue source in its next fiscal year budget, when adopted); or,

- ii. For direct property tax levy, submit a copy of the levy and the ordinance authorizing same, prior to funding (or if the tax levy ordinance will be adopted during the subsequent fiscal year, the Resolution, any letter of intent with respect to the Property, or alternate written documentation provided by the Borrower and acceptable to the Authority that evidences the Borrower's intent to adopt the levy during the next fiscal year).
- (d) Application origination and processing fee of \$500.00 made payable to the Authority as indicated in Section 8.6 of this Agreement, provided, if such payment has not been received, the Authority may deduct this fee from the funds being disbursed.
- (e) Any other document as reasonably requested by the Authority.

SECTION 15.7 – Applicable Law.

This Agreement shall be governed by and construed in accordance with the internal laws of the State of Illinois, applicable to contracts to be performed wholly within the State of Illinois and without regard to its conflict of laws principles.

SECTION 15.8 – Entire Agreement.

This Agreement together with the Exhibits hereto, constitutes the entire Agreement between the parties and shall not be modified, amended, altered or changed except as agreed to, in writing, by the parties.

**IN WITNESS WHEREOF**, the Authority and the Borrower have caused the execution of this Agreement by their duly authorized representatives and delivery of this Agreement as of the respective dates set forth below.

**ILLINOIS FINANCE AUTHORITY**

\_\_\_\_\_  
Christopher B. Meister, Executive Director

\_\_\_\_\_  
Date

Legal Name of Borrower: \_\_\_\_\_

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

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

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Witness:

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

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

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

**EXHIBIT A—DESCRIPTION OF THE PROPERTY – See Attachments**

- OSFM Acceptance Memorandum
- Excerpt from Loan Application (p. 2)
- Supplemental Correspondence (if applicable)

**EXHIBIT B - LOAN PAYMENT SCHEDULE – See Attachment**

Exhibit B

**LOAN PAYMENT SCHEDULE**

**Loan Amount \$ 350,000.00 / 20 Years**

<b>Commencement Date:</b>	<b>11/1/2019</b>
<b>Loan Amount</b>	<b>\$ 350,000.00</b>
<b>Term</b>	<b>20 years</b>
<b>Initial Payment Date</b>	<b>11/1/2020</b>
<b>Interest Rate</b>	<b>1.89%</b>
<b>Interest Expense</b>	<b>\$ 69,457.50</b>
<b>Principal</b>	<b>\$ 350,000.00</b>
<b>Total Payments</b>	<b>\$ 419,457.50</b>

Payment No.	Payment Due Date	Principal	Interest	Scheduled Loan Payment
1.	November 1, 2020	\$ 17,500.00	\$ 6,615.00	\$ 24,115.00
2.	November 1, 2021	\$ 17,500.00	\$ 6,284.25	\$ 23,784.25
3.	November 1, 2022	\$ 17,500.00	\$ 5,953.50	\$ 23,453.50
4.	November 1, 2023	\$ 17,500.00	\$ 5,622.75	\$ 23,122.75
5.	November 1, 2024	\$ 17,500.00	\$ 5,292.00	\$ 22,792.00
6.	November 1, 2025	\$ 17,500.00	\$ 4,961.25	\$ 22,461.25
7.	November 1, 2026	\$ 17,500.00	\$ 4,630.50	\$ 22,130.50
8.	November 1, 2027	\$ 17,500.00	\$ 4,299.75	\$ 21,799.75
9.	November 1, 2028	\$ 17,500.00	\$ 3,969.00	\$ 21,469.00
10.	November 1, 2029	\$ 17,500.00	\$ 3,638.25	\$ 21,138.25
11.	November 1, 2030	\$ 17,500.00	\$ 3,307.50	\$ 20,807.50
12.	November 1, 2031	\$ 17,500.00	\$ 2,976.75	\$ 20,476.75
13.	November 1, 2032	\$ 17,500.00	\$ 2,646.00	\$ 20,146.00
14.	November 1, 2033	\$ 17,500.00	\$ 2,315.25	\$ 19,815.25
15.	November 1, 2034	\$ 17,500.00	\$ 1,984.50	\$ 19,484.50
16.	November 1, 2035	\$ 17,500.00	\$ 1,653.75	\$ 19,153.75
17.	November 1, 2036	\$ 17,500.00	\$ 1,323.00	\$ 18,823.00
18.	November 1, 2037	\$ 17,500.00	\$ 992.25	\$ 18,492.25
19.	November 1, 2038	\$ 17,500.00	\$ 661.50	\$ 18,161.50
20.	November 1, 2039	\$ 17,500.00	\$ 330.75	\$ 17,830.75
	<b>Total:</b>	<b>\$ 350,000.00</b>	<b>\$ 69,457.50</b>	<b>\$ 419,457.50</b>