CITY OF PEORIA

REVOLVING LOAN FUND PLAN

STRATEGIC GOALS
AND OPERATING PROCEDURES
UPDATE - 2/16/16

Prepared by:

City of Peoria
Economic Development Department
419 Fulton Street
Peoria, IL 61602
309-494-8640

www.growpeoria.com

TABLE OF CONTENTS

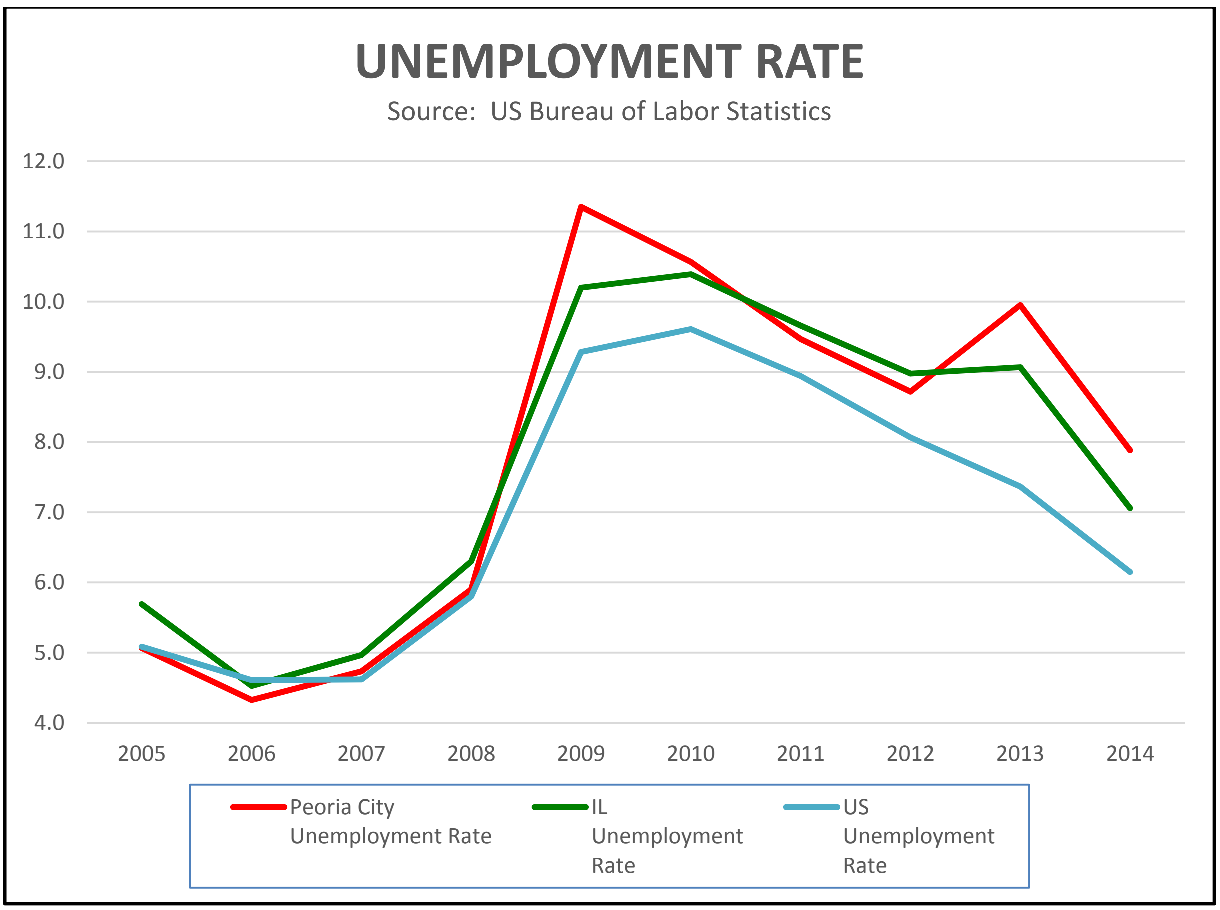
PART I: REVOLVING LOAN FUND STRATEGY

A. ECONOMIC ADJUSTMENT PROGRAM OVERVIEW

1. Economic Adjustment Challenge

The City of Peoria's economy, as with many American cities over the past several decades, has shifted from being a predominantly manufacturing economy to a service-based economy. There also has been a shift in demand for more educated, skilled, and productive workforce caused by global competition and technological advancement. These market forces coupled with the great recession of 2009 have created challenges for the City of Peoria's economy, which include:

Unemployment Rate - The unemployment rate for the City is greater than the State and the US and has yet to recover to pre-recession rates (see Chart below). The unemployment rate in Peoria is 6.3% which is higher than the State of IL at 5.9% and US at 5.3% as of June 2015 (US Bureau of Labor Statistics). In addition the City's post-recession unemployment rate (2011 to 2014) has averaged 9.0% which is four percentage points greater than the pre-recession unemployment rate (2005 to 2008) of 5.0%.



Structural Employment Gap - While previous recessions were cyclical in nature and the jobless were able to re-enter the job market as the economy improved, the recession of

2009 has been enduring and represents a structural if not permanent change in the job market. While job opportunities may exist, workers may not have the skill-set to match current job opportunities, especially among disadvantaged groups such as minorities, women, and others.

Capital Access for Small Business & Start-Ups – The availability of funds for small business start-up and growth continues to be a challenge. Private debt financing for small business start-ups continues to be scarce. The recession of 2009 has curtained lending for small businesses due to a loss of sales, loss of collateral, loss of community banks, and tightening of bank regulations (see Forbes article by Karen Mills of 8/4/2014 (http://www.forbes.com/sites/hbsworkingknowledge/2014/08/04/why-small-business-lending-has-not-recovered/).

With an unemployment rate of 6.3% as of June 2015 the City has 3,462 residents (US Bureau of Labor Statistics) looking for employment, many of whom could benefit from jobs created through a project financed by the Revolving Loan Fund (RLF) program.

2. Plans & Strategies

The Comprehensive Economic Development Strategy (CEDS) includes the City of Peoria and covers the five county region of Greater Peoria consisting of Logan, Mason, Peoria, Tazewell, and Woodford counties. The CEDS was developed in 2012-2013 through a collaboration of public and private partners in Greater Peoria led by an economic development consulting firm, Vital Economy, and managed by the Greater Peoria Economic Development Council.

The CEDS includes four main goals: a) Act Regional, b) Expand Economic Performance, c) Improve Human Capital, and d) Value & Enhance Quality of Life. These goals and their supporting strategies facilitate the creation, attraction, retention, and expansion of business and industry and should serve to reduce the unemployment rate, reduce the employability gap, and improve access to capital for small businesses.

3. RLF – Strategic Alignment with CEDS

The overall goal of the RLF is to provide employment opportunities to Peoria residents and expand the local tax base and economy by facilitating the creation, attraction, retention, and expansion of business and industry.

Specific activities in the CEDS the RLF will support and address include:

a. The creation of jobs (I.2.A)
b. Positively impact mid-size businesses (II.B.) through financing (II.B.2)
c. Increase the pace of entrepreneurship (II.C.2)
d. Implement targeted talent development strategies in under-performing areas (III.B.3)
e. Attract young professionals to the region (III.B.3)
f. Increase access to jobs for low income and under-represented populations (III.C.4)

B. BUSINESS DEVELOPMENT STRATEGY

1. Goals and Objectives

The primary goal of the RLF is to develop job opportunities for Peoria residents by facilitating the creation, attraction, retention, and expansion of business and industry. Specific goals/objectives of the Revolving Loan Fund are:

a. Support existing businesses with their retention and expansion projects.
b. Encourage the start-up of new businesses, especially minority-owned, women-owned, and those businesses owned by other economically disadvantaged groups.
c. Attract businesses from key industries (advanced manufacturing, health care/medicine, and innovation/technology).
d. Create and preserve employment opportunities for area residents, especially the under-served.

2. Targeted Businesses

The characteristics of the businesses targeted for the RLF include the following segments:

a. Start-Up Businesses – Newly formed businesses seeking start-up funds that have developed feasible and bankable business plans.
b. Micro/Small/Medium Enterprises - Businesses which employ less than 5 (micro), 50 (small), and 250 (medium) employees, especially those that are non-subsidiary, independent firms.
c. Underserved Ownership Groups – Businesses whose ownership (51%) represents economic/socially disadvantaged individuals (Black, Latino, Asian, Native Americans, and Disabled) whose ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities.
d. Redevelopment Areas – Businesses located or seeking a location within Peoria's special redevelopment districts--Enterprise Zone, River Edge Redevelopment Zone, Highly Under-utilized Business Zone, and Tax Increment Financing Districts.
e. Industry Targets – Businesses within industries targeted for growth based on local/regional assets which include: a) manufacturing (specialize/mobile machining), b) health care (medical schools), and c) innovation/technology (Ag Lab, Next Innovation Center).

3. Assistance Needed by Targeted Businesses

The needs of a business largely depends on its life cycle stage. As the business moves from start-up, infancy, growth, maturity, and decline or reinvention, its requirements for assistance will change. Based on previous loan program experience the following business assistance has been identified:

a. Entrepreneurial Training & Development – Professional training is needed for entrepreneurs to start and grow businesses through each stage of the business life cycle from infancy, growth, maturity, and reinvention.
b. Workforce Training –The development of existing employees and of the unemployed will required continual skill-enhancement training to maintain competitiveness in the market place, and to fill job vacancies of the larger employers, especially from targeted industries.

c. Technical Assistance – Business owners/operators need specific assistance at critical points in their start-up and growth. This would include: business planning assistance, project feasibility, financial analysis, market demand analysis, exporting, etc.
d. Market Growth Opportunities – New market opportunities are needed to provide increased sales and job growth. This is developed though participation in key networks (government procurement), subsidizing marketing channels (trade missions), and collaborating marketing efforts (special events).
e. Gap Financing – Financing for start-up and growing companies (under 5 yrs.) are in great need but funds are not readily available through traditional lending institutions. Gap financing from public/non-profit agencies in the form or grants and loans are critical to businesses in their start-up and growth stages.
f. Incubator Space – Affordable space for office, R&D, and manufacturing space provides a nurturing environment to assist business from start-up and into their growth phase.
g. Regulatory Assistance – Business upgrading facilities in redevelopment areas will require more regulatory assistance to meet code. The associated cost of dealing with deterioration, obsolescence, hazardous materials and/or contaminated soils and public infrastructure will require both grants and loans to make projects feasible.

4. Other Programs and Activities Addressing Need

The needs of targeted businesses are being served by the City and other local economic development partners and agencies. The services include loans, grants, training, and a variety of technical assistance. These partners include:

a. Illinois Business Financial Services - IBFS provides financing to small businesses through the SBA 504, 7a, and Patriot Express loan programs. Since 1981, IBFS has been supporting small business growth in Peoria and throughout the state of Illinois. It is a private, non-profit Certified Development Company (CDC) that works with Small Business Administration (SBA) and private lenders to provide debt financing.
b. Bradley University's Turner Center for Entrepreneurship (includes Small Business Development Center, International Trade Center and Illinois Procurement Technical Assist Center) - The Turner Center for Entrepreneurship provides business counseling, technical assistance, training, exporting assistance, and educational activities for individuals interested in starting and growing their businesses. The Turner Center is a not-for-profit organizations located at Bradley University and supported in part by federal funds.
c. Peoria Next Innovation Center - The Innovation Center provides incubator space and commercialization assistance for entrepreneurs and technologists to transform innovative ideas into successful free standing businesses. The Innovation Center compliments the strengths of Caterpillar Inc., the USDA Agriculture Laboratory, Bradley University, and other health-science and technology organizations throughout the region to help with the start-up and growth of innovative, high tech companies.
d. Greater Peoria Economic Development Council – GPEDC is a regional economic development group that provides strategic direction and investments to improve the economic performance for Peoria, Tazewell, Woodford and Mason counties. The GPEDC is comprised of private investors, municipalities, and economic development organizations working collaboratively to retain and attract new business, and grow an educated and trained workforce based on the region's unique assets. The group has

identified targeted industries to build a growing economy which include advanced manufacturing, health care/medicine, and innovation/technology

e. Illinois Manufacturing Excellence Center - IMEC was established in 1996 to improve the productivity and competitiveness of Illinois' small and mid-sized manufacturing firms. IMEC links long-term plans and related goals with on-site implementation services by identifying performance gaps, solving these gaps, and building a culture to support sustained improvements. IMEC helps optimize operating capacity, implement advanced product and process innovations, increase sales and enter new markets, and improve profitability. IMEC customizes every solution to address the client's specific needs, uses training to transfer knowledge and skills to the client's employees, and serves as a mentor and coach to sustain success.
f. Peoria Area Chamber of Commerce - The Peoria Area Chamber of Commerce provides advocacy and network opportunities for member businesses. The Chamber delivers value to its members by cultivating a thriving business community, presenting the united voice of local business to government, offering continuously upgraded products and services for business enhancement and providing strategic business advisory services.
g. SCORE Peoria - SCORE Peoria provides free and confidential business mentoring tailored to meet the needs of the entrepreneur or small business owner. SCORE volunteers are real-world professionals with time-tested knowledge who donate thousands of hours to help small businesses succeed. Mentors have backgrounds and experience in such areas as accounting, finance, marketing, manufacturing, management and business plan preparation.

Through collaborative efforts the City and its development partnerships will work to achieving the goals and objectives of the Revolving Loan Fund.

C. FINANCING STRATEGY

1. Financing Needs

Start-up, early-stage, growing, and small long-standing businesses have difficulty getting conventional financing due to either their short operating history and/or low collateral positions. In addition, lending institutions have become more conservative in response to increased regulations and tightening credit markets caused by the Great Recession of 2008/2009. While new market opportunities for start-ups, new innovations, and new export opportunities continue, financing these projects continues to be a challenge due to their high risk of failure.

2. Local Capital Market

The local capital market includes both private, public, and not-for-profit sources for mostly debt financing with only a few equity financing sources. These sources include:

Private Financing

According to www.multifunding.com, there were 18 private banking institutions with 52 branch offices in Peoria that have provided small business loans (from \$100,000 to \$1.0 million). These branches have loan receivables (active loan base) of \$255.5 million to small businesses as of September, 2014. The 2014 Office of the Controllers on Currency

Survey reported that credit underwriting practices for small business loans have continued to ease since the 2009 credit crisis. While underwriting standards have eased to near pre-recession levels, there are structural factors that constrain small business lending, according to a Forbes article by Karen Mills of 8/4/2014. (http://www.forbes.com/sites/hbsworkingknowledge/2014/08/04/why-small-business-lending-has-not-recovered/). They include:

- Loss of Sales Potential - Income of the typical household headed by a self-employed person declined 19 percent in real terms between 2007 and 2010, according to the Federal Reserve's Survey of Consumer Finances.
- Loss of Collateral - Collateral owned by small businesses lost value during the financial crisis, potentially making small business borrowers less creditworthy today—in fact, small business credit scores are lower now than before the Great Recession. The PAYDEX score, a credit rating for businesses, for the average small company surveyed went from 53.4 in 2003 to 44.7 in 2011.
- Tightening Regulation - Banks have been raising their capital reserves to comply with new standards initiated by risk-averse bank examiners and other regulators post-crisis.
- Loss of Capital Access - Community banks have long been crucial to small business lending have been consolidated into large banks. Also community bank failures have been high and few new ones have started up since the Great Recession.
- Less Profitable for Banks – Small business lending of less than $1.0 million is riskier, more difficult to underwrite, and overall less profitable for banks.

Local equity financing is available through Central Illinois Angels that provides seed and early stage (Series A) investments, or Atollo, which enables the creation and growth of social businesses.

Public Financing

Public financing is available from federal, State, regional, and local sources. There exist "up-front" funds in the form of debt financing and grants. There are also "back-end" types of financing instruments such as tax deduction, tax credits, tax abatements, tax rebates, to reduce or reimburse cost of project. The financing instruments that are available include:

Tax Increment Financing

The City of Peoria has 11 TIF Districts with funds available in the form of grants or loans. These TIF districts provide façade grants (a 50% match up to $5,000), redevelopment reimbursements (50% of tax increment generated from project), and potentially loans on improvements to properties within the TIF redevelopment districts.

Enterprise Zone Financing Program

The City of Peoria's E-Zone offers a variety of tax benefits through the State and City. State benefits include: a) tax exemption on the retailers' occupation tax paid on building materials, b) an investment tax credit of .5 percent of qualified property, c) tax exemption on purchases of personal property used or consumed in the manufacturing process or in the operation of a pollution control facility, d) an exemption on the state utility tax for electricity, natural gas and the Illinois Commerce Commission's administrative charge and telecommunication excise tax for companies meeting jobs and investment thresholds. Local benefits include: a) property tax abatements of 50% the first three years and 25% the following two years, b) waiver of building permits, and c) local portion of sales tax exemption on building materials.

River Edge Redevelopment Zone

The City of Peoria's RERZ Program offers sales tax exemption and property tax abatement similar to the Enterprise Zone with the addition of historical tax credits and environmental remediation tax credits.

Peoria County Government Assistance Program (GAP)

The County provides financing for new or existing businesses, up to $150,000 or $10,000 per job created/retained, whichever is less. A fixed rate, low interest (3%) loan is funded through funds from Community Development Assistance Program. In order to be eligible, a business must provide evidence that the project and related investment would not occur without GAP involvement. Preference is given to projects in manufacturing, service and distribution that attract principal revenues from a customer base outside of Peoria County.

Tri-County River Valley Development Authority (TCRVDA)

TCRVDA can issue bonds, a quasi-guarantee loan by the State, which provides lower interest, fixed-rate, and longer term financing for businesses in which debt service is payable exclusively from the earnings of the borrower. Projects over $2.0 million are required to achieve the cost savings associated with originating and underwriting the loan.

Private Activity Bonds (Industrial Development Bonds)

Private Activity Bonds (PABs) are low-interest tax-exempt bonds which are used to fund industrial and other projects. The federal government limits the amount of PABs each state may issue. The Illinois Department of Revenue monitors the state's allocation process, but the City of Peoria issues the PABs. The proceeds from the sale of the bonds are made available to finance projects under loans, leases, or installment sale agreements with private, credit-worthy companies.

Illinois Business Financial Services - IBFS is a Certified Development Company (CDC), a private, non-profit organization that works with Small Business Administration (SBA) and private sector lenders to provide financing to small businesses through the SBA 504, 7a, and Patriot Express loan programs. Since 1981, IBFS has been supporting small business growth in Peoria and throughout the state of Illinois.

Illinois Finance Authority (IFA)

IFA, since its creation in January 2004, has provided access to low-cost capital to public and private institutions that are aligned with their mission of fostering economic development, creating and retaining jobs, and improving quality of life for Illinois residents. IFA financing programs have spanned every county and helped capitalize thousands of projects.

Illinois State Trade and Export Program

Illinois' State Trade and Export Promotion (ISTEP) program, supported by both state and federal funding, provides Illinois' small and medium-sized businesses with both financial and technical assistance to raise the dollar value of their export sales. Federal funding for the ISTEP program is provided through OTI's SBA State Trade and Export Promotion (STEP) grant award. The ISTEP program includes 3 options for Illinois' companies to grow their export sales: a) Group Trade Missions, b) Individual Foreign Market Sales Missions, and c) assistance to achieve product compliance certifications.

Small Business Administration - Loan Programs

SBA Microloan Program

Loans up to $50,000 are available to help small businesses and certain not-for-profit childcare centers start up and expand. The average microloan is about $13,000. The SBA provides funds to specially designated intermediary lenders, which are nonprofit community-based organizations, with experience in lending as well as management and technical assistance. These intermediaries administer the Microloan program for eligible borrowers.

SBA 7(a) Loan Guaranty Program

Loan guarantees to businesses are available at 85% for loans up to $150,000, and 75% for loans more than $150,000 with a maximum guarantee or exposure of $3.75 million. Thus, a business can receive a private loan of $5 million backed by a guaranty to the lender of $3.75 million, or 75 percent.

504 Certified Development Company Program

Financing up to 40% of the project is available for acquiring land, buildings, machinery and equipment, and for building new or improving existing facilities and sites. Certified Development Companies sell 100% SBA-guaranteed debentures to private investors in amounts up to 40% of the project.

Small Business Innovation Research Program (SBIR)

SBIR targets the entrepreneurial sector because that is where most innovation and innovators thrive. However, the risk and expense of conducting serious R&D efforts are often beyond the means of many small businesses. By reserving a specific percentage of federal R&D funds for small business, SBIR protects the small business and enables it to compete on the same level as larger businesses. SBIR funds the critical startup and development stages and it encourages the commercialization of the technology, product, or service, which, in turn, stimulates the U.S. economy.

<u>Role of Public/Private Lenders</u>

The private and public sectors are working collaboratively to support the business development strategy. The Greater Peoria Economic Development Council serves as the five county regional economic development group that brings both the private a public sectors to plan and implement the CEDS. As mentioned previously, private lenders have loaned out $255.5 million in the small business lending category of $100,000 to $1.0 million as of September of 2014, with addition funds being loaned to larger and more established businesses. Public sector lending continues through federal, State sources in addition to Peoria County.

<u>Financing Gaps</u>

Start-up, early-stage, growing, and small long-standing businesses often times will not meet the underwriting standards of private lenders (a debt service ratio of 1.25 debt service ratio and a loan-to-value ratio of 65%) due to poor collateral position, short operating history, and overall risk of small business ventures. In order for such projects to be "bankable" a financing instrument is needed that provides subordinate, low-interest, fixed-rate, and flexible-terms loans for a variety of assets such as working capital, inventory, machinery & equipment, and real estate.

3. **RLF Financing Niche**
The RLF fills a financing niche that is not currently addressed by conventional lending. By filling the financing gap, business opportunities are made possible. The RLF can be used to fund a business at any stage, with flexibility in types of financing and collateral requirements. Because the main function of the RLF is to fill a financing gap, the City understands that RLF loans may be higher-risk than conventional loans.

The City's RLF is primarily designed to meet a financing gap for start-up, early-stage, growing, and small long-standing businesses. Additionally, the RLF will target disadvantaged groups, key industries, and seek to drive investment in redevelopment areas.

Altogether the RLF will fill the financing gap with:
a) Subordinated or single source debt – The RLF funds will be in used a either a single source and in second position to the private loan, which will improve the loan-to-value ratio on the bank's portion of the loan;
b) Low-interest/fixed-rate – The lower cost to borrow and constant rate over the term will improve the debt service ratio; and
c) Flexible-terms - Financing assets from working capital to real estate and extending favorable maturation dates on loans will improve the underwriting standards for the bank.

D. FINANCING POLICIES

The following policies shall serve as the general terms and conditions for loans made through the City's RLF.

1. **Eligible Lending Area**
The RLF shall only fund projects within the corporate limits of the City of Peoria. Funds will be targeted for businesses that locate or expand within the Peoria Enterprise Zone, River Edge Redevelopment Zone, one of the City's Tax Increment Financing Districts, and/or Federal Highly Under-utilized Business Zones.

2. **Allowable Borrowers**
Private sector businesses are eligible to apply for loans. Public and not-for-profit organizations are ineligible. Funds will be targeted to:
a) Microenterprises – businesses with less than 5 employees
b) Minority Business Enterprises (MBEs) – businesses whose ownership is at least 51% owned by an African American, Asian American, Native American, and/or Hispanic American.
c) Small Disadvantage Business Enterprises (SDBEs) - businesses with less than 50 employees, and be 51% or more owned and control by one or more persons disadvantaged "socially and economically" as defined by the Small Business Administration.
d) Disrupted Business Enterprises (DBEs) - businesses that have or will be experience a disruption due to natural disasters, road construction, building construction, or other events deemed disruptive by the City Council.

e) Small Business Loans – debt financing requirements under $1.0 million.

No applicant shall be denied a loan on the basis of race, color, creed, national origin, religion, age, disability, gender, gender identity or expression, family or marital status, exercise of a protected right, military service or veteran status.

3. **Allowable Lending Activities**
All business activity as allowed by the City code is allowable provided it is consistent with EDA Regulations 13 CFR §307.17.

4. **Prohibited Lending Activities**
Restricted activities per EDA Regulations 13 CFR §307.17 include:
a. Acquire an equity position in a private business;
b. Subsidize interest payments on an existing RLF loan;
c. Provide for borrowers' required equity contributions under other Federal Agencies' loan programs;
d. Enable borrowers to acquire an interest in a business either through the purchase of stock or through the acquisition of assets, unless sufficient justification is provided in the loan documentation. Sufficient justification may include acquiring a business to save it from imminent closure or to acquire a business to facilitate a significant expansion or increase in investment with a significant increase in jobs. The potential economic benefits must be clearly consistent with the strategic objectives of the RLF;
e. Provide RLF loans to a borrower for the purpose of investing in interest-bearing accounts, certificates of deposit or any investment unrelated to the RLF; or
f. Refinance existing debt, unless:
    - The RLF Recipient sufficiently demonstrates in the loan documentation a "*sound economic justification*" for the refinancing (e.g., the refinancing will support additional capital investment intended to increase business activities). For this purpose, reducing the risk of loss to an existing lender(s) or lowering the cost of financing to a borrower shall not, without other indicia, constitute a sound economic justification; or
    - RLF Capital will finance the purchase of the rights of a prior lien holder during a foreclosure action which is necessary to preclude a significant loss on an RLF loan. RLF Capital may be used for this purpose only if there is a high probability of receiving compensation from the sale of assets sufficient to cover an RLF's costs plus a reasonable portion of the outstanding RLF loan within eighteen (18) months following the date of refinancing.

5. **Loan Size**
The amount of individual loans will be the lesser of: a) $250,000, b) $25,000 per job created/retained or $35,000 for MBEs, SDBEs, and DBEs or c) 33% of the total project cost, or up to 50% for MBEs, SDBEs, and DBEs. Under no circumstances will an individual loan cause the entire loan portfolio to the exceed $1 of RLF fund to $2 of private investment. The minimum loan for consideration is $5,000.

6. **Interest Rates**
The interest rate charged by the RLF will be four (4) percentage points below the lesser of the current money center prime interest rate quoted in the *Wall Street Journal*, or the maximum interest rate allowed under State law. In no event shall the interest rate be less than the lower of four (4) percent or 75 percent of the prime interest rate listed in the *Wall Street Journal*. Should the prime interest rate listed in the *Wall Street Journal* exceed fourteen (14) percent, the minimum RLF interest rate is not required to be raised above ten (10) percent. Should a loan be in default the interest rate will be 12% during the time loan is in default.

7. **Repayment Terms**
The borrower's repayment terms shall coincide with the life of the asset being funded by the RLF. The maximum repayment terms for a given asset are:

Real Estate:	up to ten (10) years
Machinery/Equipment:	up to ten (10) years
Inventory/Working Capital:	up to five (5) years

Under no circumstances shall the repayment terms be longer than that of the lead lender for the same class of asset.

8. **Fees**
Applicant shall pay all out-of-pocket expenses incurred by the RLF in connection with the transaction, including: legal fees, appraisal costs, title insurance premiums and other related title company costs, escrow fees, UCC search fees, and all recording fees even in the event the transaction is not consummated. In addition, the City may elect to charge: a) an upfront application fee between $50 to $100, and b) an underwriting/closing fee between 0.75% to 1.0% of the principal loan amount at closing (fee can be added to principal).

9. **Equity & Collateral:**
Private equity participation by the borrower will be required at a minimum level of ten percent (10 %) of the total project, with as low as five percent (5%) for MBEs, SDBEs, and DBEs. Private equity shall not include accrued equity in a borrower's assets.

Collateral requirements will vary greatly from loan to loan. Any loan that is being used in its entirety or in part to acquire real estate will require a mortgage for collateral. Additional collateral requirements that may be used depending upon the loan will include liens on accounts receivable, machinery and equipment, furniture and fixtures, inventory, other fixed assets, deposit accounts, etc. Any loan that does not appear to have adequate collateral will require a personal guaranty.

10. **Moratoria**
Moratoria will not be permitted on principal payments.

11. **Start-ups**
As previously mentioned, loans to start-up businesses are permitted under the same guidelines as retention or expansion of a current business.

12. Working Capital
Working Capital loans up to five years are allowed.

13. Credit not otherwise available
The loan applicant is required to provide documentation showing private capital is not otherwise available for their project, and demonstrate this through: a) "conditional letter of approval" from private lender; b) "turn down letter" from private lender, c) applicant's certification that private lender has rejected their request for financing, or d) applicant's written justification that other private lending terms unreasonably limits their capacity to operate their business, and City loan is critical to project.

E. PORTFOLIO STANDARDS AND TARGETS

1. **Targeted Percentage**
The RLF will be loaned on a first-come, first-served basis. While there are no portfolio standards based on land use, business stage, or asset, the RLF will be place marketing emphasis on: a) start-ups, b) redevelopment areas, and c) MBEs, SDBEs, and DBEs.

2. **Private Sector Leverage**
The RLF may fund up to one third, or 33% percent, of all project cost in portfolio. Thus for every one dollar of RLF loaned there shall be two dollars of private investment in the portfolio. Private investment may include: a) capital invested by the borrower and others, b) debt and equity financing from private entities, c) portions (90%) of SBA guaranteed loans, and d) 100% of other public financing. Private investment shall not include accrued equity in a borrower's asset.

3. **Job Cost Ratio**
The RLF may fund no more than $25, 000 per full-time equivalent (FTE) job created or retained. A FTE Job amounts to 2,080 hours of work per year or any combination of part-time workers that total 2,080 hours of work per year. Up to $35,000 per job may be loaned to MBEs, SDBEs, and DBEs.

F. RLF LOAN SELECTION CRITERIA

The following questions will be used by the Loan Review Panel to evaluate the economic impact of proposed loans.

1. Is the proposed loan consistent with the RLF Plan?
2. Does the proposed loan application capitalize on regional assets?
3. Will the proposed loan support and advance innovation and increase productivity in a particular industry or sector of the economy?
4. Is the potential borrower part of a targeted industry? Or a startup business?
5. To what extent will the potential borrower maximize private investment that would not otherwise come to fruition without the RLF's investment?

6. Will the proposed loan result in the creation or retention of higher-skill and higher-wage jobs? Or provide jobs to unemployed or disadvantaged workers?
7. Will the investment be made in a redevelopment area? Or in a minority business enterprise?
8. How will the project fiscally impact the City by generating tax revenue?

G. PERFORMANCE ASSESSMENT PROCESS

The RLF will be monitored on a continuous basis to ensure the program is accomplishing its stated objectives. The RLF Loan Review Panel will receive copies of the semi-annual portfolio reports that are submitted to the EDA. This will serve in part to monitor the effectiveness of the program.

1. Evaluation

The staff responsible for administering the program will meet annually with Loan Review Panel to seek input as to the success of the program as well as the need for any change in the program. As information is obtained, staff will look for trends and determine whether program modifications are necessary to better serve the needs of local business.

2. Updating

In compliance with EDA Regulations, the City of Peoria RLF Plan will be updated at least every five years or upon any significant economic change. Any modifications to the Plan will be based upon the continuous monitoring described above. As conditions change in the local economy or the needs of local businesses change, staff will begin the process of preparing Plan modifications. All modifications will be reviewed and approved by the RLF Loan Review Panel and the Peoria City Council prior to submittal to the Economic Development Administration for final approval.

PART II: REVOLVING LOAN OPERATING PROCEDURES

A. ORGANIZATION STRUCTURE

1. Critical Operational Functions

The RLF will be operated by the City of Peoria, Illinois. The City's Economic Development Office will have the overall responsibility in administering this program and has assigned a Senior Development Specialists as the Loan Administrator of the RLF. Many departments within the City and resource partners outside the City organizational structure will be instrumental in achieving maximum effectiveness of the Revolving Loan Fund. The functions and parties responsible are listed below:

FUNCTION	RESPONSIBLE PARTIES
Marketing the RLF (identifying and developing marketing channels)	Econ.Dev.Office (lead), private lenders would inform their clients, and business resource partners would make referrals.

Business assistance and advisory services to prospective and actual borrowers (identify the types and sources of services available)	Econ.Dev.Office (lead), SBDC, and business resource parties
Environmental review	Econ.Dev.Office (lead) with assistance from Community Development Department.
Loan processing (reviewing applications, conducting credit analysis, preparing loan write-ups and recommendations)	Econ.Dev.Office (lead) and private lenders.
Loan closings	Econ.Dev.Office (lead). All documents will need to be reviewed and approved by the Legal Department prior to execution.
Loan servicing (administering loan collections, handling defaulted loans and foreclosures)	Econ.Dev.Office (lead), Finance Department will be responsible for all accounting, collection and servicing activities. Legal Dept. Legal Department will handle any defaulted loans or foreclosure proceedings.
Organizational administration (financial record keeping, ensuring compliance with EDA requirements)	Econ.Dev.Office will be responsible for all other aspects of the Revolving Loan Fund including all EDA reporting requirements.

2. **Loan Administration Board**

The City Council shall serve as the loan administrative board and will make the final decision on loans. The City Manager will be authorized to approve loans of less than $15,000 and to recommend approval of loans $15,000 or greater to the City Council. Additionally, the City Council shall approve any modifications to the RLF Plan prior to submission to the Economic Development Administration for final approval.

The City Manager shall arrange an ad hoc Loan Review Panel (LRP) to analyze loan applications. The LRP will consist of, but not be limited to, City Manager or his/her designee, the loan administrator, and at least three other stakeholders from the community with experience in lending, finance, law, and business. The LRP shall review all loan applications and the loan summary prepared by the loan administrator and advise the City Manager on project feasibility, loan repayment capacity, and ensure loan is adequately collateralized according to the financial policies and procedures of the RLF Plan.

In the event a City loan and a County loan are being considered for the same project, the City Manager may elect to utilize the County's loan review panel as a substitute, provided the City's loan administrator takes part in the loan review.

3. Conflicts of Interest

An "Interested Party" is defined in 13 C.F.R. § 300.3 as "any officer, employee or member of the City Council of the City of Peoria, including any other parties that advise, approve, recommend or otherwise participate in the business decisions of the City of Peoria, such as agents, advisors, consultants, attorneys, accountants or shareholders." An Interested Party also includes the Interested Party's "Immediate Family" (defined in 13 C.F.R. § 300.3 as a person's spouse, parents, grandparents, siblings, children and grandchildren, but does not include distant relatives, such as cousins, unless the distant relative lives in the same household as the person) and other persons directly connected to the Interested Party by law or through a business organization. In addition, "Immediate Family" includes a person's "significant other" or partner in a domestic relationship with an "Interested Party."

The City of Peoria will establish safeguards to prohibit an Interested Party from using their position for a purpose that constitutes or presents the appearance of personal or organizational conflicts-of-interest or of personal gain. (See 13 C.F.R. § 302.17(a) and (b), 15 C.F.R. §§ 14.42 and 24.36(b)(3), and Forms SF-424B (Assurances – Non- Construction Projects) and SF-424D (Assurances – Construction Projects).) The City of Peoria shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts.

An Interested Party must not receive any direct or indirect, financial or personal benefits in connection with this Award or its use for payment or reimbursement of costs by or to the City of Peoria. A financial interest may include employment, stock ownership, a creditor or debtor relationship, or prospective employment with the organization selected or to be selected for a sub-award. An appearance of impairment of objectivity could result from an organizational conflict where, because of other activities or relationships with other persons or entities, a person is unable or potentially unable to render impartial assistance or advice. It also could result from non-financial gain to the individual, such as benefit to reputation or prestige in a professional field. (See 13 C.F.R. § 302.17(b).)

In addition to the rules set forth in 13 C.F.R. § 302.17(a) and (b), the City of Peoria must adhere to these special conflicts-of-interest rules set out in 13 C.F.R. § 302.17(c):

a) An Interested Party of a Recipient of an RLF Award shall not receive, directly or indirectly, any personal or financial benefits resulting from the disbursement of RLF loans.
b) A Recipient shall not lend RLF funds to an Interested Party.
c) Former board members of a Recipient and members of his or her Immediate Family shall not receive a loan from the RLF for a period of 2 years from the date that the board member last served on the RLF's board of directors.

B. <u>LOAN PROCESSING PROCEDURES</u>

1. Standard Loan Application Requirements

The RLF Application and Document Checklist is provided in Appendix A and B respectively. There are no application fees. Various fees for necessary financial audits, credit checks, appraisals, and filings fees at loan closing will be the responsibility of the applicant. All items on the checklist may not apply for a given loan and additional informational may be requested that is not listed.

2. **Credit and Financial Analysis**
The City's Loan Administrator will conduct its own credit and financial analysis of loan applicants and may utilize the credit and financial analysis provided from a participating bank. The two primary ratios that will be analyzed are the capacity of borrower to: a) pay the principal and interest payments per the agreed schedule through business operations (debt service ratio); and, b) payoff of principal balance through the sale of collateral (loan to value ratio). The desired required ratios shall be:

RATIO	Required	Desired
Debt Service Coverage Ratio	1.00 or greater	1.25 or greater
Loan to Value Ratio	none	75% or less

Please note while there is a desired Loan-to-Value Ratio of 75%, a maximum threshold does not exists because the RLF Program is designed to address a collateral gap. A personal guarantee will be sought on loans with a Loan-to-Value Ratio greater than 75%.

The analysis and verification of both ratios will be conducted by: a) obtaining and verifying all the required documentation as listed in the Document Checklist; b) conducting a quantitative and qualitative analysis of the business history/plan, owner's experience/equity, and financial statements in comparison to other businesses within the same industry; c) verifying revenue and expense items to determine if the debt service ratio are "acceptable"; and, c) verifying and securing the collateral needed to meet an "acceptable" loan to value ratio. The securitization of collateral would be conducted by obtaining: appraisals on various assets, mortgages on real estate, universal commercial code filings on machinery and equipment, assignment of rent, assignment of life insurance, title to vehicles, and corporate and personal guarantees.

3. **Environmental Reviews**
The City will ensure projects are compliance with applicable environmental laws and regulations, including but not limited to 13 CFR Parts 302 and 314, the National Environmental Policy Act of 1969 and other Federal environmental mandates. The Loan Administrator will utilize an Environmental Questionnaire to conduct and environmental review of loan applications with real estate and/or construction projects to access the following impacts:

a. <u>Environmental Impact</u> - Determine whether the project will result in a significant adverse environmental impact. The applicant may be asked to submit additional documentation as necessary to make the determination. *No activity shall be financed which would result in a significant adverse environmental impact unless that impact is to be mitigated to the point of insignificance*. When necessary to ensure compliance, any required mitigation shall be made part of the loan conditions.

b. Flood Plain Impact - Determine whether the project involves new above-ground development within a floodplain based on a review of the proposed development against FEMA Flood Insurance Rate Maps. *No activity shall be financed which would result in new above-ground development in a 100-year floodplain, per E.O. 11988*. This determination will be made by reviewing the proposed development against FEMA Flood Insurance Rate Maps.

c. Wetland Impact - Determine whether the project will be located within or adjacent to any wetland area. The applicant may be required to provide wetland delineation information as necessary. *No activity shall be financed which would result in alternation of any wetland or in any adverse impact on any wetland without consultation* with the U.S. Department of the Interior Fish and Wildlife Service and, if applicable, a Section 404 Permit with the Army Corp of Engineers shall be obtained.

d. Historic and Archaeological Impact - The City of Peoria shall notify the State Historic Preservation Officer (SHPO) of each approved loan that involves significant new construction and expansion and request and *receive comments on the effect of the proposed activity on historic and archaeological resources prior* to closing of the loan. In cases where SHPO has recommended actions or has determined an adverse impact, the City and loan applicant will work with the SHPO and EDA to address any issues identified before the loan is closed.

e. Hazardous Materials Exposure - The City of Peoria will indicate that all loan applicants are required to provide information regarding whether or not there are hazardous materials such as EPA listed hazardous substances (see 40 CFR 300), leaking underground storage tanks, asbestos, p polychlorinated biphenyls (PCB), or other hazardous materials present on or adjacent to the affected property that have been improperly handled and have the potential of endangering public health, If deemed necessary, loan applicant may be required to perform or provide evidence of performance of a Phase I Site Assessment to identify possible sources of contamination, a Phase II Site Assessment to test soil and/or groundwater samples, and a Phase III Site Remediation involving mitigation of applicable contaminants. *No activity shall be financed which involve unresolved site contamination issues*. Loan applicant shall be responsible for working with the appropriate state environmental agency office to resolve any outstanding issues before any loan can be approved for the affected site.

4. Loan Write-Up

The Loan Write-Up will include:

a) Loan Application - detailing sources and uses of funds along with:

- Firm History
- Management
- Product
- Production Capabilities
- Market Conditions
- Financing
- Collateral
- Repayment Ability
- Consistency with RLF Policy
- Environmental Concerns

b) Loan Summary – detailing credit history and financial analysis of:

- Credit Score
- Current Ratio
- Quick Ratio
- Working Capital
- Debt to Equity
- Days Receivable

- Days Inventory
- Days Payable
- Profit Margin
- Return on Investment
- Debt Service Coverage Ratio
- Loan to Value Ratio

Other pertinent information will be provided as needed to clarify and/or demonstrate the viability of the project, such as certification from borrower or lead lender that RLF financing is necessary for the project to proceed.

5. **Procedures for Loan Approval**

The loan approval process consists of the following steps:

a) Staff Review – Applicant meets with City's Loan Administrator to determine eligibility, loan structure, and collateral and documentation requirements.
b) Application Submittal – Applicant submits a completed application along with required documents to loan administrator for formal processing.
c) LRP Advisement – Loan Administrator prepares and presents a Loan Write-Up to the LRP for their review and advisement to the City Manager.
d) City Manager Approval or Recommendation - City Manager will either approve the loan or make a recommendation to City Council, based upon the advisement of the LRP. The City Council will authorize the City Manager to approve loans less than $15,000. Loans $15,000 or greater will be presented to City Council for final approval.
e) Council Approval – Applicant attends City Council meeting where the Resolution for Loan Approval are presented to City Council for approval. Loan approval by majority vote of the City Council is documented via a signed and authorized Council Resolution.
f) Loan Closing – Applicant attends loan closing meeting to sign all closing documents and receive the disbursement of funds per the agreement.

The documents obtained or created as part of the loan approval process are placed in the loan file under the applicant's or project name and stored in a locked, fire-proof, filing cabinet.

C. LOAN CLOSING AND DISBURSEMENT PROCEDURES

1. **Loan Closing Documents**

The documentation required to close on loans will vary from borrower to borrower based primarily on the collateral being used. A sample Loan Agreement is provided in Appendix C. Other documents to secure the loan, may include:

- Corporate Resolution for Partnership/Corporation to Borrow Funds
- Loan Agreement -
- Promissory Note
- Security Agreement
- Mortgage Agreement
- Continuing Guarantee - Corporate and/or Personal
- Assignments of: Rent, Life Insurance, Receivables
- Uniform Commercial Code - Personal Assets
- Title of Vehicles

- Subordinate/Inter-creditor Agreement

If a lead lender is involved, the closing shall be conducted in conjunction with the lead lender. At a minimum, the recording of all forms shall be done in conjunction with the lead lender to ensure that the RLF loan is in a second position to that of the lead lender.

Under no circumstances will the loan closing occur without all documents first having been reviewed and approved by the City's Legal Department. Loan closing documents subject to legal review are as follows:

- Loan application
- Loan agreement
- Board meeting minutes approving the loan
- Promissory note
- Security agreement(s)
- Deed of trust or mortgage (if applicable)
- Agreement of prior lien holder (if applicable)
- A signed "turn-down" letter demonstrating that credit is not otherwise available

2. Loan Agreement Provisions
Each Loan Agreement will clearly state the purpose of the loan and City staff will verify that loan funds were used for their intended purpose by conducting a review of the project to include one or more of the following: a) inspection of records documenting expenditures, b) visual inspection of business occupancy or improvements made, and/or c) an annual formal business visit.

Each Loan Agreement will contain a General Indemnification Clause that fully and completely indemnifies, defends and hold harmless the Federal government on all RLF loan documents and procedures and against all liabilities as a result of providing an RLF Grant to assist directly or indirectly in site preparation or construction, as well as the direct or indirect renovation or repair of any facility or site.

Each Loan Agreement will stipulate that borrower and all activities by borrowers, consultants, or contractor carried out with RLF funds must comply with Federal statutory and regulatory requirements.

3. Loan Disbursement
The disbursement of loan proceeds will take place according to and upon the execution of the loan agreement, closing documents, and loan disbursement agreement, if required.

Loan disbursement shall be made immediately upon closing, unless subject to a loan disbursement condition. Loan Disbursement Agreements shall be required for: a) any funds used for construction materials and labor that does not break ground within 4 months; or b) any funds planned for expenditure beyond one year. Such agreements shall include number of disbursement, amount of proceeds, and conditions for release.

Under no circumstances shall any funds be dispersed prior to the execution of all necessary closing documents as described above. It shall be the responsibility of the Loan Administrator to ensure that all documents have been executed.

Once verification has been made that all documents have been executed at closing, a voucher shall be submitted to the Finance Department which will then have the responsibility of issuing a check in accordance with the loan agreement and disbursement agreement and establishing the repayment schedule with the borrower.

D. LOAN SERVICING PROCEDURES

1. **Repayment**
   A loan repayment schedule providing for monthly payments will be approved in conjunction with project approval. Repayments shall be deposited into the RLF program for future projects as approved. To insure timely deposits of loan payments, the City will seek to establish ACH automatic withdrawals.

2. **Monitoring**
   The Loan Administrator will ensure loan conditions are being met by: a) receiving loan status repayments from finance to determine if loan payments are current, b) obtaining from the borrower annual updated financial statements, insurance renewals, and job creation/retention reports to verify loan conditions have been met, c) refiling UCC's prior to expiration, and d) conducting annual site visits, if necessary. The monitoring of FTE employees will be conducted using a job verification form that will require completion by the borrower on a yearly basis, or until the job goals for the loan have been achieved.

3. **Loan Files**
   Original loan closing documents shall be located in the Clerk's Office where files are placed in a vaulted, fire-proof safe. A copy of original notes, loan agreements, personal guarantees and security agreements will be stored electronically and in a RLF folder. The loan file should include, at minimum, the following documents:
   - All closing documents (see list above)
   - Copy of private lender loan agreement
   - Financial statements
   - Annual insurance certifications
   - Annual site visit reports, with job report
   - General correspondence

4. **Job Creation**
   The Loan Administrator will monitor job creation claims agreed upon in the loan agreement by obtaining forms and supporting documentation from borrower. A job verification form will be provided at the start of the loan period and collected from the borrower each year to determine the number of FTE jobs created/retained. The tally of jobs shall be placed in the report submitted to EDA on a bi-annual basis.

5. **Defaulted Loans**
   The Loan Administrator will make contact with any borrower that is 30 days past due. Once a borrower is past 90 days due, the Loan Administrator will contact the Legal Department for advice on the defaulted loan. Every effort will be made to collect on the loan before taking legal action. If necessary, the Legal Department will take appropriate legal action to ensure collection. In accordance with EDA Regulations, when the City

receives proceeds on a defaulted RLF loan that is not subject to liquidation, such proceeds shall be applied in the following order of priority:

a. First, towards any costs of collection;
b. Second, towards outstanding penalties and fees;
c. Third, towards any accrued interest to the extent due payable; and
d. Fourth, towards any outstanding principle balance.

6. **Write Offs**
The Legal Department will notify the Loan Administrator once a determination has been made that a loan is uncollectable. At this point, the Finance Department will make the appropriate adjustments to the appropriate financial accounts and the Loan Administrator will adjust the RLF reporting documents. If a loan is deemed uncollectable, the subsequent semi-annual report to EDA will reflect the changes in the loan portfolio documents.

E. ADMINISTRATIVE PROCEDURES

1. **Accounting**
The Finance Department has a system in place to ensure repayments and interest income are clearly identifiable and auditable. The EDA RLF portfolio and cash are clearly distinguished from any other loan program. The City ensures that the RLF is operating in accordance with Generally Accepted Accounting Principles (GAAP).

2. **Administrative Costs**
The City may elect to cover its administrative expenses from interest income and will follow EDA's Regulations pertaining to the applying of program income towards RLF portfolio administration expenses. Administrative costs in excess of RLF program income will be covered by the City of Peoria's general revenue fund, and/or fees charged to the borrower.

3. **Capital Utilization**
Staff will manage repayment and lending schedules to provide that at all times the appropriate amount of RLF capital is loaned or committed as per EDA Regulations.

4. **EDA Reporting**
The City will comply with any and all EDA RLF reporting.

5. **Audits**
The City will follow generally accepted accounting principles (''*GAAP*'') as in effect from time to time in the United States and the provisions outlined in OMB Circular A–133 and the Compliance Supplement, as applicable.

APPENDIX A

REVOLVING LOAN FUND APPLICATION

REVOLVING LOAN FUND PROGRAM

Guide & Application
2016

For Information Contact:

City of Peoria
Economic Development Office
419 Fulton Street, Suite 207
Peoria, IL 61606
Phone: 309-494-8640

Cesar Suarez – Senior Development Specialist
309-494-8645 - csuarez@peoriagov.org

REVOLVING LOAN FUND PROGRAM

GENERAL GUIDELINES

Program History & Background: The City's Revolving Loan Fund (RLF) was established in 1988 through funds from the US Economic Development Administration, and has grown to nearly $1.2 million.

Program Description: The RLF offers fixed-rate, low-interest, loans to assist businesses with start-up/location/expansion projects and growth opportunities that retain/create jobs and stimulate investment.

Eligible Projects/Borrowers: Any private for-profit entity that can meet all of the following criteria:
1. Project/Borrower must meet an evaluation of: a) market/project need, b) project readiness, c) financial feasibility & leveraging, d) commitment to job retention/creation, and e) environmental impact.
2. The City loan must be the lesser of: a) $250,00 , b) 33% of project cost, up to 50% if MBE, SDBE, and DBE, or c) $25,000 per job created/retained, up to $35,000 for MBE, SDBE, and DBE. A job is defined as "full-time equivalent job" equal to 2,050 hours of employment within a 12 month period. Minimum loan is $5,000. Jobs retained/created from loan must take place within 24 months after disbursement.
3. Private Investment must match $2 for every $1 of City loan. Private Investment may include: a) unencumbered cash, b) private equity and/or debt financing, and c) public financing. Expenditures made prior to loan will not be counted.
4. Owner Equity requirement is 10%, to as low as 5% for MBE, SDBE, and DBE, and shall not include accrued equity in a borrower's assets.
5. Demonstrate other funds are not sufficiently available to finance project costs.

MBE=Minority Business Enterprise (BE), SDBE=Socially Disadvantaged BE, and DBE=Disrupted BE

Ineligible Borrower: Not-for-profit organizations and an entity previously suspended, debarred or declared ineligible for Federal financial assistance programs.

Eligible Project Costs:
1. Fixed Assets: Land, building, machinery and equipment, including new construction and renovation/rehab of existing facilities.
2. Working Capital: Inventory, employee salaries and fringes, insurance, and other general operating expenses.

Ineligible Project Costs: Refinancing or acquiring an equity position in a private business.

Loan Terms: Loans term may not exceed: a) 10 years, b) loan term of lead lender, or 3) life of asset being collateralized. Interest rates for the program are fixed, below market rates of not less than: a) four percent, or c) 75% of the current money center prime interest rate published in the *Wall Street Journal.* There is no prepayment penalty.

Collateral: The City will require sufficient collateral secured by mortgages, liens, co-signers, assignments, and corporate guarantees. Personal guarantees may be required.

Program Fees: There are no application fees, but loan closing fees will be charged to borrower.

Approval Process: Varies 30-90 days depending on assets being financed. Typical process: a) submittal of preliminary application for staff review, b) forwarding a final application with documentation to a loan review panel for advisement, c) City Manager recommendation to Council, or City Manager approval for loans under $15,000, and e) City Council Approval for loans $15,000 or greater.

REVOLVING LOAN FUND PROGRAM
APPROVAL SCHEDULE - 2016

	INITIAL DISCUSSION Concept Review and Determination of Eligibility	MID-TERM APPLICATION Staff Reviewed and Revisions to Proposal	FINAL APPLICATION Determination of Completion & Schedule for Committee Review	RECOMMENDATION RLF Panel Thu. Mtg. - 10:30 am	DECISION City Manager Wed. - 12:00 pm	FINAL DECISION City Council Mon. Mtg. - 7:30 pm
1	December 10, 2015	December 17, 2015	December 24, 2015	December 31, 2015	January 6, 2016	January 12, 2016
2	December 24, 2015	December 31, 2015	January 7, 2016	January 14, 2016	January 20, 2016	January 26, 2016
3	January 7, 2016	January 14, 2016	January 21, 2016	January 28, 2016	February 3, 2016	February 9, 2016
4	January 21, 2016	January 28, 2016	February 4, 2016	February 11, 2016	February 17, 2016	February 23, 2016
5	February 4, 2016	February 11, 2016	February 18, 2016	February 25, 2016	March 2, 2016	March 8, 2016
6	February 18, 2016	February 25, 2016	March 3, 2016	March 10, 2016	March 16, 2016	March 22, 2016
7	March 10, 2016	March 17, 2016	March 24, 2016	March 31, 2016	April 6, 2016	April 12, 2016
8	March 24, 2016	March 31, 2016	April 7, 2016	April 14, 2016	April 20, 2016	April 26, 2016
9	April 7, 2016	April 14, 2016	April 21, 2016	April 28, 2016	May 4, 2016	May 10, 2016
10	April 21, 2016	April 28, 2016	May 5, 2016	May 12, 2016	May 18, 2016	May 24, 2016
11	May 12, 2016	May 19, 2016	May 26, 2016	June 2, 2016	June 8, 2016	June 14, 2016
12	May 26, 2016	June 2, 2016	June 9, 2016	June 16, 2016	June 22, 2016	June 28, 2016
13	June 9, 2016	June 16, 2016	June 23, 2016	June 30, 2016	July 6, 2016	July 12, 2016
14	June 23, 2016	June 30, 2016	July 7, 2016	July 14, 2016	July 20, 2016	July 26, 2016
15	July 7, 2016	July 14, 2016	July 21, 2016	July 28, 2016	August 3, 2016	August 9, 2016
16	July 21, 2016	July 28, 2016	August 4, 2016	August 11, 2016	August 17, 2016	August 23, 2016
17	August 11, 2016	August 18, 2016	August 25, 2016	September 1, 2016	September 7, 2016	September 13, 2016
18	August 25, 2016	September 1, 2016	September 8, 2016	September 15, 2016	September 21, 2016	September 27, 2016
19	September 8, 2016	September 15, 2016	September 22, 2016	September 29, 2016	October 5, 2016	October 11, 2016
20	September 22, 2016	September 29, 2016	October 6, 2016	October 13, 2016	October 19, 2016	October 25, 2016
21	October 6, 2016	October 13, 2016	October 20, 2016	October 27, 2016	November 2, 2016	November 8, 2016
22	October 20, 2016	October 27, 2016	November 3, 2016	November 10, 2016	November 16, 2016	November 22, 2016
23	November 10, 2016	November 17, 2016	November 24, 2016	December 1, 2016	December 7, 2016	December 13, 2016
24	November 24, 2016	December 1, 2016	December 8, 2016	December 15, 2016	December 21, 2016	December 27, 2016

** Note - 1) For further details please contact Cesar Suarez, Senior Development Specialist for City of Peoria 309-494-8645.*
2) Applicant must attend City Council Meeting.

Economic Development
Department

REVOLVING LOAN FUND - APPLICATION

I. Application Information:

Name of Business:	____________	Name of Applicant (if different):	____________
Address:	____________	Address of Project (if different):	____________
City/State/Zip:	____________	City/State/Zip:	____________
Owner/President:	____________	Relationship of Applicant to Business:	____________
Telephone:	____________	Telephone:	____________
Email:	____________	Email:	____________

Applicant is organized as: ☐ an Individual ☐ a Corporation ☐ a Partnership ☐ Other ____________

Date Business Established: ____________

Loan Amount Requested: ____________

II. Project Description: (please write or attach a summary)

III. History of Business /Applicant: (please write or attach a summary)

REVOLVING LOAN FUND - APPLICATION

IV. Project Financing:

Sources and Uses of Funds

Uses of Funds

Uses of Funds (Project Costs)	Total Amount	%	Total Amount - Breakout: Owner's Equity	Bank	City RLF	County RLF
Acquire Real Estate						
Construction/Renovation						
Infrastructure Improvements						
Machinery and Equipment						
Furniture & Fixtures						
Inventory						
Working Capital						
TOTAL PROJECT COST	$ 0					

Sources of Funds

Sources of Funds	Total Amount	%	Interest Rate	Term (years)	Collateral & Lien Position
Equity					
Bank					
City RLF					
City Other					
County - Micro Loan					
Other 1					
Other 2					
TOTAL SOURCES OF FUNDS	$ 0				

Documents Required (please provide after completing form and meeting with staff):

1 **Income/Cash Flow Statements** - Actual/Projected/Year-to-Date (3 years past/forward)
2 **Balance Sheet** - Business Actual/Projected/Year-to-Date (3 years past/forward)
3 **Sources and Uses of Funds** - Finance Commitment Letters
4 **Personal Financial Statement** - Current SBA Form 413
5 **Federal Tax Returns** - Business and Owners (of 20% or more) for 3 years past
6 **Schedule of Debt** - Mortgages, Loan Agreements, Promissory Notes, Liens
7 **Schedule of Collateral** - Valuation/Description of Asset, Appraisals, Titles
8 **Legal Documents** - Corporate By Laws, Partnership Agreements, Leases
9 **Startup Business** - Above docs plus: Business Plan, and monthly income statement in year 1

REVOLVING LOAN FUND - APPLICATION

V. JOB RETENTION & CREATION:

Employment characteristics of the company and project should be described below.

Employee Certification Form (EIC) must me submitted with the application for existing employees.

PLEASE NOTE: Job Projections should be based upon full-time equivalent positions (2080 hours = 1 FTE) after two years.

	Total Jobs	Sales Tax	Property Tax
Current			
To Be Retained			
To Be Created			
TOTAL IMPACT	0	$ 0	$ 0

VI. APPLICANT ASSURANCES

The applicant provides the following assurances of compliance according the City's RLF Program guidelines.

1. The applicant is an Equal Employment Opportunity Employer, pursuant to Federal guidelines
2. The applicant agrees to provide additional documentation, if necessary part of loan.
3. The applicant agrees to a personal credit check and business check as a condition of the loan.
4. The applicant agrees to sign a personal guarantee on the loan, if necessary.
5. The applicant agrees to provide project and financing information on a periodic basis to the City of Peoria.

______________________________ Signature of Applicant

________________ Date

The space below is reserved for the City of Peoria

Findings

No. of Retained Jobs	No. of New Jobs	Total Jobs		Factor	Maximum Loan	
(F.T.E)	(F.T.E)	(F.T.E)		$25,000	________	
______	______	______	times	$35,000	________	job basis
Total Private Investment		________	times	50%	________	PI basis
Total Project Cost		________	times	33 - 50%	________	PC basis

MAXIMUM LOAN AMOUNT $ -

APPENDIX B

REVOLVING LOAN FUND
APPLICATION CHECKLIST

ECONOMIC DEVELOPMENT
OFFICE

REVOLVING LOAN FUND PROGRAM

APPLICATION & DOCUMENT CHECK LIST

This checklist is provided to assist with gathering the necessary information to review and process your loan request. Please provide the information and complete necessary forms.

LOAN PROCESSING INFORMATION

1. ____ (Form A) LOAN APPLICATION – General information and use of funds
2. ____ (Form B) SCHEDULE OF COLLATERAL - Listing of collateral securing the Loan
3. ____ (Form C) SCHEDULE OF DEBT – Listing of all current debt
4. ____ (Form D) ENVIRONMENTAL QUESTIONNAIRE - Form needed if purchasing building or land.
5. ____ (Form E) SOURCE OF FUND COMMITMENTS – Letter/s committing non-city funds to project costs.

INFORMATION ON OWNERS, GUARANTORS, AND CO-SIGNERS (those owning 20% or more)

6. ____ (Form F) PERSONAL HISTORY STATEMENT – Statement of eligibility and experience.
7. ____ (Form G) PERSONAL FINANCE STATEMENTS – Provide personal net worth and income tax statements.

   Complete: IRS Form 4506-T
   SBA Form 413

8. ____ (Form H) PERSONAL CREDIT/CRIMINAL CHECK AUTHORIZATION. – Permission to conducted background check/s.

INFORMATION ON BUSINESS\COMPANY

9. ____ (Form I) BUSINESS HISTORY/PLAN - Provide business plan containing key information.
10. ____ (Form J) BUSINESS LEGAL DOCUMENTS - Provide legal documents, leases and certificates for operating a business.
11. ____ (Form K) BUSINESS FINANCE STATEMENTS - Furnish income tax returns, and other financial statements.
12. ____ (Form L) BUSINESS CREDIT REPORT AUTHORIZATION – Permission to conduct background check.
13. ____ (Form M) BUSINESS FED/STATE LAW COMPLIANCE - Statement of legal compliance with Fed/State laws.

LOAN CLOSING DOCUMENTS

A. ____ Loan Agreement/Promissory Note
B. ____ Mortgage Agreement
C. ____ Security Agreement
D. _____ Continuing Guarantee
E. _____ Corporate Resolution for Partnership/Corporation to Borrow Funds

OTHER DOCUMENTS

A. ____ City Resolutions -

*** If any photocopies are made, please sign and affix current date.**

APPENDIX C

STANDARD LOAN AGREEMENT

LOAN AGREEMENT
with

ABC Corp

City of Peoria
Economic Development Department
419 Fulton Street, Suite 409
Peoria, IL 61602
309-494-8640

LOAN AGREEMENT

THIS REVOLVING LOAN AGREEMENT ("Agreement") is made as of the ________ day of ____________________, 2015, by and between the **City of Peoria,** an Illinois municipal corporation ("Lender") and ***ABC Corp,*** a sole proprietorship, and ***John Doe and Jane Doe*** (collectively referred to as Borrower).

WHEREAS, the Lender is interested in expanding its economic base with the primary emphasis on creating and retaining jobs;

WHEREAS, the Borrower desires a loan to use for *locate their CNC machine* shop in the City of Peoria.

NOW, THEREFORE, the parties hereto do mutually agree as follows:

I. GENERAL DEFINITIONS

1.1 "Affiliate" shall mean any person which, directly and/or indirectly, owns or controls at least twenty percent (20%) of the outstanding voting securities of Borrower or any Subsidiary, or which is controlled by or is under common control with Borrower, or any stockholders or partners of Borrower, or any Subsidiary. For the purpose of this definition, "control" means the possession, directly or indirectly, or the power to direct or cause the direction of management and policies, whether through the ownership of voting securities, by contract or otherwise.

1.2 "Application" shall mean all materials submitted by Borrower to Lender in connection with its request for financial assistance.

1.3 "Budget" shall mean the budget as contained in the Project Description & Budget attached and incorporated herein as Exhibit B, which budget reflects the manner in which Loan proceeds will be expended on the Project.

1.4 "Collateral" shall mean all property of Borrower in which Lender has been granted a lien or security interest pursuant to the Security Documents.

1.5 "Default" shall mean the occurrence or existence of any one or more of the events described in Section 6.1 of this Agreement.

1.6 "Default Rate" shall mean an Interest Rate of twelve percent (12%) per annum.

1.7 "Interest Rate" shall mean the rate of interest specified in the Note as the rate of interest payable with respect to the outstanding principal amount of the Loan.

1.8 "Loan" shall mean the loan or loans made, or to be made, by Lender to Borrower under this Agreement.

1.9 "Note" shall mean the promissory note of even date herewith evidencing the Loan executed by Borrower payable to the order of Lender, the form of which is attached and incorporated herein as Exhibit A.

1.10 "Person" shall mean any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, institution, entity, party, or government (whether national, federal, state, county, city, municipal or otherwise, including, without limitation, any instrumentality, division, agency, body or department thereof).

1.11 "Project" shall mean the project described in the Project Description & Budget attached and incorporated herein as Exhibit B, which project is to be financed in whole or part by Loan proceeds.

1.12 "Security Agreement" shall mean the Security Agreement to which Borrower has granted Lender a security interest in the Collateral attached and incorporated herein as Exhibit D.

1.13 "Security Documents" shall mean the Security Agreement and all agreements, instruments, documents, financing statements, warehouse receipts, bills of lading, notices of assignment of accounts, schedules of accounts assigned, mortgages, guarantees and other written matter necessary or requested by Lender, which are listed in the Security Statement in Exhibit D, to perfect and maintain perfected Lender's security interest in the Collateral or to secure repayment of the Loan.

1.14 "Subsidiary" shall mean any corporation of which more than fifty percent (50%) of the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation is at the time, directly or indirectly, owned by Borrower and/or one or more subsidiaries of Borrower.

Any accounting terms used in this Agreement which are not specifically defined shall have the meanings customarily given them in accordance with Generally Accepted Accounting Principles.

II. THE LOAN

2.1 Agreement to Lend. Lender agrees on the terms and conditions set forth in this agreement, to lend to Borrower the sum of ***One Hundred Forty Four Thousand Dollars- $144,000*** The Loan is evidenced by the Note and is repayable in accordance with the terms thereof.

2.2 Term of Loan. The Loan is repaid in accordance with the terms of the "Note" (Exhibit A) of this Loan Agreement.

III. CONDITIONS TO LOANS

The obligation of Lender to make advances with respect to the Loan is subject to the satisfaction of the following conditions:

3.1 Representation and Warranties. On and as of the date each advance by Lender respect to the Loan is made, the representations and warranties set forth in Article IV is true.

3.2 No Default. On and as of the date each advance by Lender with respect to the Loan is made, no Default shall exist and be continuing.

LOAN AGREEMENT

3.3 Evidence of Other Financing. On or prior to the date of the initial advance of financing, Lender shall have received satisfactory evidence of the debt and equity financing of borrower as set forth in a Statement of Other Financing which is attached and incorporated herein as Exhibit C, is true and correct.

3.4 Note. On or prior to the date of the initial advance with respect to the Loan, the Note shall have been executed and delivered to Lender.

3.5 Collateral. On or prior to the date of the initial advance with respect to the Loan, the Security Document shall have been executed and delivered to the Lender and Lender is satisfied that its liens and security interests in the Collateral are perfected and subject only to those prior liens or security interests set forth on Exhibit D attached hereto and made a part hereof.

3.6 Corporate or Partnership Documents. If Borrower is a corporation or partnership, on or prior to the date of the initial advance with respect to the Loan, Lender shall have received a certified copy of the Borrower's Articles of Incorporation and By-Laws or Partnership Certificate and Partnership Agreement, as the case may be, evidence of Borrower's good standing and resolutions of the Board of Directors of the Borrower or the general partner, as the case may be, authorizing the borrowing under this Agreement and such additional supporting documents as Lender may request.

3.7 Legal Matters. On or prior to the date of the initial advance with respect to the Loan, all legal matters incident to this Agreement and the transactions contemplated hereby is satisfactory to Lender.

IV. REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants that: *****

4.1 Corporate or Partnership Existence and Power. If Borrower is a corporation or partnership, as the case may be, duly formed, validly existing and in good standing under the laws of Illinois, is duly licensed and duly qualified as a foreign corporation or a partnership, as the case may be, in good standing in all the jurisdictions in which the character of the property owned or leased or the nature of the business conducted by it requires such licensing or qualification and has all corporate or partnership powers, as the case may be, and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted.

4.2 Corporate or Partnership Authorization; Governmental Authorization. If Borrower is a corporation or partnership, the execution, delivery and performance by Borrower of this Agreement, the Note and the Security Documents are within Borrower's corporate or partnership powers, have been duly authorized by all necessary corporate or partnership action, require no action by or in respect of, or filing with, any governmental body, agency or official and do not contravene any provision of applicable law or regulation or of the Articles of Incorporation or By-Laws or Partnership Agreement of Borrower, as the case may be.

4.3 Binding Effect. This Agreement, the Note and the Security Documents constitute valid and binding agreements of Borrower.

4.4 Accuracy of Application. The Application is in all respects true and accurate except as modified by the Project Description (Exhibit B) and there are no omissions or other facts or circumstances which may be material to the Project except as disclosed in the Application or in Exhibit B.

4.5 Collateral. Borrower has good title to and ownership of the Collateral, free and clear of all liens, claims, security interests and encumbrances except those of Lender and those, if any, described in Exhibit D.

4.6 Financials. The financial statements delivered to Lender pursuant to the Application and Section 5.3 of this Loan Agreement fully and accurately represent the financial condition of Borrower and no material adverse change in the condition, financial or otherwise, of Borrower has occurred since the date of the financial statements, and date most recently delivered to Lender.

4.7 No Default. Borrower is not, and will not be, as a result of the execution, delivery and performance of this Agreement, in default in the performance, observation or fulfillment of any covenant or obligation contained in any material agreement or other instrument to which Borrower is a party.

4.8 Litigation. There are no actions or proceedings which are pending or, to the best of Borrower's knowledge, threatened against Borrower or any other Person which might result in any adverse material change in Borrower's operations, its assets or the collateral, except as previously disclosed by Borrower and acknowledged by Lender.

4.9 ERISA. Borrower has received no notice to the effect that it is not in full compliance with any of the requirements of the Employee Retirement Income Security Act of 1974, as amended, ("ERISA") and the regulations promulgated thereunder and, to the best of its knowledge there exists no event described in Section 4043 of ERISA, excluding subsections 4043(b) (2) and 4043(b) (3) thereof.

4.10 Taxes. Borrower has filed all federal, state and local tax returns and other reports, or has been included in consolidated returns or reports filed by an Affiliate, which Borrower is required by law to file and all charges that are due and payable have been paid.

4.9 Intellectual Property. To the best of Borrower's knowledge, Borrower has appropriate licenses, patents, patent applications, copyrights, trademarks and trade names to conduct its business, to undertake and complete the Project and to protect its proprietary information.

4.12 Bribery. Neither Borrower nor, to the best of Borrower's knowledge, any of Borrower's employees have been convicted of bribing or attempting to bribe an officer or employee of the City of Peoria, nor has the Borrower made an admission of guilt of such conduct which is a matter of record.

V. COVENANTS AND CONTINUING AGREEMENTS

Borrower agrees that so long as any amount of the Loan remains unpaid:

5.1 Project. Borrower shall at all times perform the Project in accordance with the description on Exhibit B and will use all proceeds of the Loan to finance the Project in accordance with the Budget set forth on Exhibit B.

5.2 Audit. Borrower shall keep detailed records of the Project and the use of Loan proceeds.

5.3 Financial Statements. Borrower shall furnish to Lender their federal tax returns no later than accepted by the Internal Revenue Service, or within a year of the Borrower's fiscal year. Furthermore, Borrower shall provide as often as requested by Lender, an unaudited financial statement of Borrower as at the end of the quarter of Borrower's fiscal year then elapsed, certified by Borrower's principal financial officer and prepared in accordance with Generally Accepted Accounting Principles and fairly presenting the financial position and results of all operations of Borrower for such quarter.

5.4 Corporate or Partnership Existence. If Borrower is a corporation or partnership, Borrower shall do all things necessary to preserve and keep in full force and effect its corporate or partnership existence, as the case may be.

5.5 Taxes, Etc. Borrower shall pay and discharge all taxes and governmental charges imposed upon it and shall maintain such workmen's compensation insurance, unemployment insurance, retirement benefits and health benefits as may be required by law.

5.6 Insurance. Borrower shall keep and maintain its property insured for its full insurable value against loss or damage by fire, theft, explosion, sprinklers and all other hazards and risks ordinarily insured against by other owners or users of such properties in similar businesses. If Borrower's property is located in an area designated as a flood hazard area, Borrower shall maintain federal flood insurance if such coverage is available. All insurance policies is in form, substance and amount satisfactory to Lender, and shall contain an endorsement showing loss payable to Lender, as its interest shall appear. Such endorsement shall provide that the insurance companies shall give Lender at least 30 days prior written notice before any such policy is altered or canceled and that no act or default of Borrower or any other person shall affect the right of Lender to recover under such policy in case of loss or damage. Borrower hereby directs all insurers under such policies to pay all proceeds payable thereunder directly to Lender. From and after a default, Borrower irrevocably makes, constitutes and appoints Lender as Borrower's attorney in-fact for the purpose of making, settling or adjusting claims under such policies, endorsing the name of Borrower on any check, draft, instrument or other item of payment for the proceeds of such policies and for making all determinations and decisions with respect to such policies. If Borrower fails to obtain or maintain any of the policies required by this Section 5.6 or to pay any premium relating thereto, then Lender, without waiving or releasing any obligation or default by Borrower hereunder, may (but is under no obligation to do so) obtain and maintain such policies of insurance and pay such premium and take any other action with respect thereto which Lender deems advisable.

5.7 Maintenance of Assets. Borrower shall at all times maintain its assets and shall not assign, sell, encumber, pledge or grant any lien or security interest in the Collateral except for sales in the ordinary course of business and as otherwise expressly provided for and consented to by Lender pursuant to this Agreement.

5.8 Corporate Reorganization. Borrower shall not, without Lender's prior written consent, merge or consolidate with any Person, sell or distribute a substantial portion of its assets or acquire capital stock or assets of any Person.

5.9 Capital Stock. Borrower shall not, without Lender's prior written consent, declare or pay any dividend or distribution on its capital stock which would materially adversely affect Borrower's ability to perform under the terms and conditions of this Agreement, or redeem, retire or purchase its capital stock or make any payment or distribution on account of its partnership interests, as the case may be, or make any material change in its capital structure.

5.10 Interested Transactions. Borrower shall not enter into any transaction with any Affiliate, officer, director, stockholder or partner of Borrower, as applicable, except in the ordinary course of and pursuant to the reasonable requirements of Borrower's business and upon fair and reasonable terms which are fully disclosed to Lender and are no less favorable to Borrower than Borrower would obtain in a comparable arm's length transaction with a Person not an Affiliate, officer, director, stockholder or partner of Borrower, as applicable.

5.11 Loans to Certain Persons. Borrower shall not make any loans or other advances of money (other than salary) to officers, directors, and individual stockholders of Borrower. Further, Borrower shall obtain Lender's prior written consent when making loans to partners or Affiliates of Borrower when said loan is made on terms and conditions less favorable to Borrower than Borrower would obtain in an arm's length transaction with a Person not an Affiliate or partner of Borrower, as applicable.

5.12 Compliance with Law. Borrower shall comply with all applicable state and federal law and regulations promulgated thereunder. Borrower shall comply with all applicable laws and regulations prohibiting discrimination on the basis of race, sex, religion, national origin, age or disability, including but not limited to the Illinois Human Rights Act, as now or hereafter amended, and the Equal Employment Opportunity Clause promulgated pursuant thereto. Borrower shall also comply with all provisions identified in Exhibit E.

5.13 WIA Use. Borrower agrees to utilize the Workforce Investment Act where possible.

VI. DEFAULTS

6.1 Defaults. If one or more of the following events ("Defaults") shall have occurred and be continuing:

(a) Borrower fails to pay within five (5) days of when due, any amount due under the Note or other amount payable to Lender under this Agreement;
(b) Borrower fails to observe or perform any covenant, requirement, or agreement contained in this Agreement, including the Exhibits hereto, for ten (10) days after written notice thereof has been given to the Borrower by Lender;
(c) Any representation, warranty, certificate or statement made by Borrower in this Agreement, including the Exhibits hereto, or in any certificate, report, financial statement of other document delivered pursuant to this Agreement is deemed by the Lender to have been incorrect when made in any material respect;

(d) A default occurs with respect to any indebtedness of Borrower for Borrowed money or with respect to any material agreement or instrument to which Borrower is a party;
(e) Borrower fails to observe or perform any covenant or agreement contained in any Security Document or a default occurs under any Security Document;
(f) Borrower commences a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or consents to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or makes a general assignment for the benefit of creditors, or fails generally to pay its debts as they become due, or takes any corporate action to authorize any of the foregoing;
(g) An involuntary case or other proceeding is commenced against Borrower seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or thereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceedings remains undismissed and unstayed for a period of 60 days; or an order for relief is entered against Borrower under the federal bankruptcy laws as now or hereafter in effect;
(h) There is entered one or more judgments or decrees against Borrower that would result in the collateral value to the City, given its lien position, being less than the principal amount of loan to the City, excluding judgments or decrees which have been vacated, discharged, stayed or bonded pending appeal within thirty (30) days from entry thereof and judgments to the extent covered by insurance;
(i) Borrower ceases to own 100 percent of the issued and outstanding voting stock or of any of the outstanding partnership interests, as the case may be, of Borrower;
(j) ***ABC Corp*** ceases business operations at
456 BlueSky Drive, CloudNine, IL 67777
in the Lender's community for any reason, including, but not limited to, fire or other casualty for one hundred and eighty (180) consecutive days;
(k) Borrower fails to create/retain jobs as identified in Exhibit B;
(l) Borrower relocates the business outside of the corporate limits of the Lender's community;
(m) Borrower sells the real property upon which the property is located;
(n) Borrower fails to maintain a minimum of equity interest in the project as described in Exhibit B;

Then, Lender may declare the Loan to be immediately due and payable without presentment, demand, protest or other notice of any kind, all which are hereby waived by Borrower.

6.2 Remedies with Respect to Collateral. If a Default shall have occurred, Lender shall have such rights with respect to the Collateral as are specified in the Security Documents.

6.3 Interest Upon Default. During such period as a Default shall have occurred and be continuing, interest on the Loan shall accrue and be payable at Default Rate.

VII. REMEDIES & TERMINATION

7.1 Notice and Cure. Upon the occurrence of an Event of Default, the non-defaulting party shall notify the defaulting party in writing of such Event of Default and material adverse impact it has caused, whereupon the defaulting party shall have thirty (30) days from its receipt of such notice to cure such Event of Default; provided, however, that if the Event of Default is not reasonably capable of being cured within thirty (30) days, the defaulting party shall not be deemed to be in default of its obligations hereunder so long as it begins to cure such failure or violation within such thirty (30) day period and thereafter pursues and implements a cure as set by Lender.

7.2 Remedies with Respect to Collateral. If a Default shall have occurred, Lender shall have such rights with respect to the Collateral as are specified in the Security Documents.

7.3 Alternative Remedies. After the applicable cure period for any Event of Default by Borrower expires without cure, the Lender may, as an alternative to the rights specified in this Loan Agreement, have the right to impose reasonable special conditions or restrictions upon Borrower with respect to the defaulted obligation, with which Borrower shall comply, inc1uding the following:

(a) Requiring additional, more detailed financial reports and monitoring monitoring;
(b) Requiring Borrower to obtain, at Borrower's expense, additional technical or management assistance in substitution for any technical. or management services failure which formed the basis of the default;
(c) establishing additional prior approvals;
(d) requiring Borrower, within a time period established by the Lender, to prepare a revised plan for implementation; or
(e) requiring Borrower to terminate defaulting Contractors.

7.4 Termination. If Borrower fails to cure any Event of Default upon notice and within the time for cure provided for herein, the Lender may, by written notice to Borrower, terminate this Agreement and may pursue such other rights and remedies as the Lender may be entitled to at law or equity.

VIII. MISCELLANEOUS

8.1 Notices. All notices, demands, consents requests, approvals, undertakings or other instruments required or permitted to be given in connection with this Mortgage shall be in writing and sent via: email, fax, personal service, or US Postal Service according to the following:

if to Borrower: John Doe
ABC Corp
1234 Alpha Way
Anytown, IL 66666
Email: xyz@abc.com
Fax: 309-333-4FAX

if to Lender: City of Peoria
419 Fulton Street, Suite 207
Peoria, Illinois 61602
Email: csuarez@peoriagov.org
Fax: 309-494-8556

8.2 General Indemnification. Borrower shall fully and completely indemnify, defend and hold harmless Lender for all losses, costs, expenses (including attorneys' fees and expenses and cost of settlement), damages, penalties, actions, judgments, suits or other liabilities, or disbursement of any kind, which Lender may incur or which may be imposed upon or asserted against Lender in any way relating to or arising out this Agreement or Borrower's use of the proceeds of the Loan.

8.3 Right of Inspection; Reporting. Lender shall have the right of access, at all reasonable hours, to Borrower's premises and books and records for purposes of inspection of the Collateral and determining compliance with this Agreement. In addition to the reporting specifically required hereunder, Borrower shall furnish to Lender such information as Lender may reasonably request with respect to this Agreement or the Project.

8.4 Expenses. Borrower shall pay on demand all out-of-pocket expenses incurred by Lender in connection with the perfection of Lender's rights in the Collateral (including recording and filing fees, UCC lien searches, mortgage taxes, title insurance and survey costs and documentary stamp and other taxes) and the enforcement of the rights of Lender in connection with this Agreement or with the borrowings hereunder.

8.5 Survivals. All covenants, agreements, representations and warranties made herein and in the certificates delivered pursuant hereto shall survive the making of the Loan herein contemplated and shall continue in full force and effect so long as any portion of the Loan is outstanding and unpaid.

8.6 No Waivers. No failure or delay by Lender in exercising any right, power or privilege hereunder or under any Security Document shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided is cumulative and not exclusive of any rights or remedies provided by law.

8.7 Severability. Wherever possible each provision of this Agreement is interpreted in such manner as to be effective and valid under applicable law, such provision is ineffective to the extent of such invalidity without invalidating the remaining provisions of this Agreement.

8.8 Integration. This Agreement represents the full and complete agreement between the parties with respect to the matters addressed herein and there are no oral agreements or understandings between the parties.

8.9 Borrower Not A Corporation or a Partnership. In the event that Borrower is not organized as a corporation or a partnership, Sections 3.6, 4.1, 4.2 and 5.4 shall not apply to Borrower, provided that Borrower represents and warrants that it possesses all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted.

8.10 Illinois Law. This Agreement is construed in accordance with and governed by the law of the State of Illinois.

8.11 Counterparts; Effectiveness. This Agreement may be signed in any number of counterparts, each of which is an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

8.12 Amendments. No modification of or waiver of any provision of this Agreement, the Note or any of the Security Documents is effective unless the same is in writing and signed by the parties hereto.

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

ABC Corp

Address: 1234 Alpha Way
Anytown, IL 66666

By: ________________________________
John Doe, Board Member

____
John Doe, as an individual

____
Jane Doe, Board Member

____
Jane Doe, as an individual

Attest: ________________________________
Cesar J. Suarez, Senior Project Specialist

City of Peoria

By: ________________________________
James Ardis, Mayor or Patrick Urick, City Manager

Address: Peoria City Hall
419 Fulton Street
Peoria, Illinois 61602

Attest: ________________________________
Beth Ball, City Clerk

EXHIBIT - A
TO LOAN AGREEMENT
BETWEEN CITY OF PEORIA &
ABC Corp

PROMISSORY NOTE

Peoria, Illinois **$144,000**

FOR VALUE RECEIVED, the undersigned, ***ABC Corp, and John Doe, and Jane Doe,*** (the "Borrower"), hereby unconditionally promises to pay to the order of the **CITY OF PEORIA** (the "Lender") the principal sum of ***One Hundred Forty Four Thousand Dollars - $144,000*** such lesser amount as may have been advanced by Lender under the Loan Agreement between Borrower and Lender, together with the interest on the unpaid principal balance thereof at an interest rate per annum equal at all times to ***three percent (3%).*** In the event of a "Default" as defined in the Loan Agreement, Borrower shall pay interest from the date of Default until payment in full of all principal and interest due on the loan or cure satisfactory to Lender at a per annum rate of twelve percent (12%). Interest shall be computed on the basis of a year of 360 days and actual days elapsed and shall be payable on the first day of each calendar month for the immediately preceding month.

The principal indebtedness and accruing interest evidenced hereby shall be payable according to the attached amortization schedule, which is summarized below:

a) the first day of the loan shall commence on ***September 1, 2015***,
b) the first payment of the loan shall be ***October 1, 2015,***
c) for the first payment and on the same day of each month thereafter, for ***ten (10) years,*** monthly payments, Borrower shall pay Lender a ***monthly installment of $1,390.47*** with all payments applied first to interest and then to principal.
d) on the last day of the loan, being ***September 1, 2025***, Borrower shall pay Lender a ***final payment of $1,387.01*** or an installment in the amount necessary to repay the unpaid principal amount of the loan and accrued interest made under the Loan Agreement in full.

This Promissory Note may be prepaid in whole or in part at any time without fee or penalty. Prior to the initiation of payment on principal pursuant hereto, Borrower shall pay accruing interest monthly. Both principal and interest are payable and pre-payable in lawful money of the United States of America to Lender at Peoria, Illinois in immediately available funds. All advances made by Lender to Borrower under the Loan Agreement and all payments made on account of principal and interest hereof shall be recorded by Lender on the books and records of Lender.

The Promissory Note is issued pursuant to the Loan Agreement and is subject to the terms thereof. Upon the happening of certain events described in the Loan Agreement, this Promissory Note may be declared by Lender to be immediately due and payable.

Should the indebtedness represented by this Promissory Note or any part thereof be collected at law or in equity or in bankruptcy, receivership or other court proceedings or this Promissory Note is placed in the hands of attorneys for collection after Default, Borrower agrees to pay, in addition to the principal and interest due and payable hereon, reasonable attorneys' fees and costs of collection.

Borrower and any endorser hereof hereby waive presentiment for payment, notice of dishonor, protest and notice of protest and other notices of every kind, and, to the fullest extent permitted by law, all rights to please any statute of limitations as a defense to any action hereunder. No delay on the part of the holder hereof in exercising any rights hereunder shall operate as a waiver of such rights.

This Promissory Note shall be governed by, and for all purposes construed in accordance with, the laws of the State of Illinois.

Dated this ______ day of ______________________________, 2015.

ABC Corp

Address: 1234 Alpha Way
Anytown, IL 66666

By:

____
John Doe, as Board Member

____
John Doe, as an individual

____
Jane Doe, as Board Member

____
Jane Doe, as an individual

Attest: ___________________________________
Cesar J. Suarez, Senior Development Specialist

ABC Corp
Loan Amortization Schedule

Enter values	
Loan amount	$ 144,000.00
Annual interest rate	3.00 %
Loan period in years	10
Number of payments per year	12
Start date of loan	9/1/2015
Optional extra payments	$ -

Lender name: City of Peoria

Loan summary	
Scheduled payment	$ 1,390.47
Scheduled number of payments	120
Actual number of payments	120
Total early payments	$ -
Total interest	$ 22,856.97
Scheduled Annual P & I	$ 16,685.70
1st Yr Interest Paid	$ 4,148.55
1st Yr Principal Paid	$ 12,537.15
Principal Remainig After 1st Yr	$ 131,462.85

Pmt No.	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest
1	10/1/2015	$ 144,000.00	$ 1,390.47	$ -	$ 1,390.47	$ 1,030.47	$ 360.00	$ 142,969.53	$ 360.00
2	11/1/2015	142,969.53	1,390.47	-	1,390.47	1,033.05	357.42	141,936.47	717.42
3	12/1/2015	141,936.47	1,390.47	-	1,390.47	1,035.63	354.84	140,900.84	1,072.26
4	1/1/2016	140,900.84	1,390.47	-	1,390.47	1,038.22	352.25	139,862.62	1,424.52
5	2/1/2016	139,862.62	1,390.47	-	1,390.47	1,040.82	349.66	138,821.80	1,774.17
6	3/1/2016	138,821.80	1,390.47	-	1,390.47	1,043.42	347.05	137,778.38	2,121.23
7	4/1/2016	137,778.38	1,390.47	-	1,390.47	1,046.03	344.45	136,732.35	2,465.67
8	5/1/2016	136,732.35	1,390.47	-	1,390.47	1,048.64	341.83	135,683.71	2,807.50
9	6/1/2016	135,683.71	1,390.47	-	1,390.47	1,051.27	339.21	134,632.44	3,146.71
10	7/1/2016	134,632.44	1,390.47	-	1,390.47	1,053.89	336.58	133,578.55	3,483.30
11	8/1/2016	133,578.55	1,390.47	-	1,390.47	1,056.53	333.95	132,522.02	3,817.24
12	9/1/2016	132,522.02	1,390.47	-	1,390.47	1,059.17	331.31	131,462.85	4,148.55
13	10/1/2016	131,462.85	1,390.47	-	1,390.47	1,061.82	328.66	130,401.03	4,477.20
14	11/1/2016	130,401.03	1,390.47	-	1,390.47	1,064.47	326.00	129,336.56	4,803.21
15	12/1/2016	129,336.56	1,390.47	-	1,390.47	1,067.13	323.34	128,269.43	5,126.55
16	1/1/2017	128,269.43	1,390.47	-	1,390.47	1,069.80	320.67	127,199.63	5,447.22
17	2/1/2017	127,199.63	1,390.47	-	1,390.47	1,072.48	318.00	126,127.15	5,765.22
18	3/1/2017	126,127.15	1,390.47	-	1,390.47	1,075.16	315.32	125,051.99	6,080.54
19	4/1/2017	125,051.99	1,390.47	-	1,390.47	1,077.84	312.63	123,974.15	6,393.17
20	5/1/2017	123,974.15	1,390.47	-	1,390.47	1,080.54	309.94	122,893.61	6,703.10
21	6/1/2017	122,893.61	1,390.47	-	1,390.47	1,083.24	307.23	121,810.37	7,010.34
22	7/1/2017	121,810.37	1,390.47	-	1,390.47	1,085.95	304.53	120,724.42	7,314.86
23	8/1/2017	120,724.42	1,390.47	-	1,390.47	1,088.66	301.81	119,635.76	7,616.67
24	9/1/2017	119,635.76	1,390.47	-	1,390.47	1,091.39	299.09	118,544.37	7,915.76
25	10/1/2017	118,544.37	1,390.47	-	1,390.47	1,094.11	296.36	117,450.26	8,212.13
26	11/1/2017	117,450.26	1,390.47	-	1,390.47	1,096.85	293.63	116,353.41	8,505.75
27	12/1/2017	116,353.41	1,390.47	-	1,390.47	1,099.59	290.88	115,253.82	8,796.63
28	1/1/2018	115,253.82	1,390.47	-	1,390.47	1,102.34	288.13	114,151.48	9,084.77
29	2/1/2018	114,151.48	1,390.47	-	1,390.47	1,105.10	285.38	113,046.38	9,370.15
30	3/1/2018	113,046.38	1,390.47	-	1,390.47	1,107.86	282.62	111,938.52	9,652.76
31	4/1/2018	111,938.52	1,390.47	-	1,390.47	1,110.63	279.85	110,827.89	9,932.61
32	5/1/2018	110,827.89	1,390.47	-	1,390.47	1,113.40	277.07	109,714.49	10,209.68
33	6/1/2018	109,714.49	1,390.47	-	1,390.47	1,116.19	274.29	108,598.30	10,483.97
34	7/1/2018	108,598.30	1,390.47	-	1,390.47	1,118.98	271.50	107,479.32	10,755.46
35	8/1/2018	107,479.32	1,390.47	-	1,390.47	1,121.78	268.70	106,357.54	11,024.16
36	9/1/2018	106,357.54	1,390.47	-	1,390.47	1,124.58	265.89	105,232.96	11,290.05
37	10/1/2018	105,232.96	1,390.47	-	1,390.47	1,127.39	263.08	104,105.57	11,553.14
38	11/1/2018	104,105.57	1,390.47	-	1,390.47	1,130.21	260.26	102,975.36	11,813.40
39	12/1/2018	102,975.36	1,390.47	-	1,390.47	1,133.04	257.44	101,842.32	12,070.84
40	1/1/2019	101,842.32	1,390.47	-	1,390.47	1,135.87	254.61	100,706.46	12,325.44
41	2/1/2019	100,706.46	1,390.47	-	1,390.47	1,138.71	251.77	99,567.75	12,577.21
42	3/1/2019	99,567.75	1,390.47	-	1,390.47	1,141.56	248.92	98,426.19	12,826.13
43	4/1/2019	98,426.19	1,390.47	-	1,390.47	1,144.41	246.07	97,281.78	13,072.20
44	5/1/2019	97,281.78	1,390.47	-	1,390.47	1,147.27	243.20	96,134.51	13,315.40
45	6/1/2019	96,134.51	1,390.47	-	1,390.47	1,150.14	240.34	94,984.37	13,555.74
46	7/1/2019	94,984.37	1,390.47	-	1,390.47	1,153.01	237.46	93,831.36	13,793.20
47	8/1/2019	93,831.36	1,390.47	-	1,390.47	1,155.90	234.58	92,675.46	14,027.78
48	9/1/2019	92,675.46	1,390.47	-	1,390.47	1,158.79	231.69	91,516.68	14,259.46
49	10/1/2019	91,516.68	1,390.47	-	1,390.47	1,161.68	228.79	90,354.99	14,488.26
50	11/1/2019	90,354.99	1,390.47	-	1,390.47	1,164.59	225.89	89,190.41	14,714.14
51	12/1/2019	89,190.41	1,390.47	-	1,390.47	1,167.50	222.98	88,022.91	14,937.12
52	1/1/2020	88,022.91	1,390.47	-	1,390.47	1,170.42	220.06	86,852.49	15,157.18
53	2/1/2020	86,852.49	1,390.47	-	1,390.47	1,173.34	217.13	85,679.15	15,374.31

ABC Corp
Loan Amortization Schedule

54	3/1/2020	85,679.15	1,390.47	-	1,390.47	1,176.28	214.20	84,502.87	15,588.51
55	4/1/2020	84,502.87	1,390.47	-	1,390.47	1,179.22	211.26	83,323.65	15,799.76
56	5/1/2020	83,323.65	1,390.47	-	1,390.47	1,182.17	208.31	82,141.49	16,008.07
57	6/1/2020	82,141.49	1,390.47	-	1,390.47	1,185.12	205.35	80,956.37	16,213.43
58	7/1/2020	80,956.37	1,390.47	-	1,390.47	1,188.08	202.39	79,768.28	16,415.82
59	8/1/2020	79,768.28	1,390.47	-	1,390.47	1,191.05	199.42	78,577.23	16,615.24
60	9/1/2020	78,577.23	1,390.47	-	1,390.47	1,194.03	196.44	77,383.20	16,811.68
61	10/1/2020	77,383.20	1,390.47	-	1,390.47	1,197.02	193.46	76,186.18	17,005.14
62	11/1/2020	76,186.18	1,390.47	-	1,390.47	1,200.01	190.47	74,986.17	17,195.60
63	12/1/2020	74,986.17	1,390.47	-	1,390.47	1,203.01	187.47	73,783.16	17,383.07
64	1/1/2021	73,783.16	1,390.47	-	1,390.47	1,206.02	184.46	72,577.14	17,567.53
65	2/1/2021	72,577.14	1,390.47	-	1,390.47	1,209.03	181.44	71,368.11	17,748.97
66	3/1/2021	71,368.11	1,390.47	-	1,390.47	1,212.05	178.42	70,156.06	17,927.39
67	4/1/2021	70,156.06	1,390.47	-	1,390.47	1,215.08	175.39	68,940.97	18,102.78
68	5/1/2021	68,940.97	1,390.47	-	1,390.47	1,218.12	172.35	67,722.85	18,275.13
69	6/1/2021	67,722.85	1,390.47	-	1,390.47	1,221.17	169.31	66,501.68	18,444.44
70	7/1/2021	66,501.68	1,390.47	-	1,390.47	1,224.22	166.25	65,277.46	18,610.69
71	8/1/2021	65,277.46	1,390.47	-	1,390.47	1,227.28	163.19	64,050.18	18,773.89
72	9/1/2021	64,050.18	1,390.47	-	1,390.47	1,230.35	160.13	62,819.83	18,934.01
73	10/1/2021	62,819.83	1,390.47	-	1,390.47	1,233.43	157.05	61,586.41	19,091.06
74	11/1/2021	61,586.41	1,390.47	-	1,390.47	1,236.51	153.97	60,349.90	19,245.03
75	12/1/2021	60,349.90	1,390.47	-	1,390.47	1,239.60	150.87	59,110.30	19,395.90
76	1/1/2022	59,110.30	1,390.47	-	1,390.47	1,242.70	147.78	57,867.60	19,543.68
77	2/1/2022	57,867.60	1,390.47	-	1,390.47	1,245.81	144.67	56,621.79	19,688.35
78	3/1/2022	56,621.79	1,390.47	-	1,390.47	1,248.92	141.55	55,372.87	19,829.90
79	4/1/2022	55,372.87	1,390.47	-	1,390.47	1,252.04	138.43	54,120.83	19,968.33
80	5/1/2022	54,120.83	1,390.47	-	1,390.47	1,255.17	135.30	52,865.66	20,103.64
81	6/1/2022	52,865.66	1,390.47	-	1,390.47	1,258.31	132.16	51,607.35	20,235.80
82	7/1/2022	51,607.35	1,390.47	-	1,390.47	1,261.46	129.02	50,345.89	20,364.82
83	8/1/2022	50,345.89	1,390.47	-	1,390.47	1,264.61	125.86	49,081.28	20,490.68
84	9/1/2022	49,081.28	1,390.47	-	1,390.47	1,267.77	122.70	47,813.51	20,613.39
85	10/1/2022	47,813.51	1,390.47	-	1,390.47	1,270.94	119.53	46,542.57	20,732.92
86	11/1/2022	46,542.57	1,390.47	-	1,390.47	1,274.12	116.36	45,268.45	20,849.28
87	12/1/2022	45,268.45	1,390.47	-	1,390.47	1,277.30	113.17	43,991.15	20,962.45
88	1/1/2023	43,991.15	1,390.47	-	1,390.47	1,280.50	109.98	42,710.65	21,072.43
89	2/1/2023	42,710.65	1,390.47	-	1,390.47	1,283.70	106.78	41,426.95	21,179.20
90	3/1/2023	41,426.95	1,390.47	-	1,390.47	1,286.91	103.57	40,140.05	21,282.77
91	4/1/2023	40,140.05	1,390.47	-	1,390.47	1,290.12	100.35	38,849.92	21,383.12
92	5/1/2023	38,849.92	1,390.47	-	1,390.47	1,293.35	97.12	37,556.57	21,480.25
93	6/1/2023	37,556.57	1,390.47	-	1,390.47	1,296.58	93.89	36,259.99	21,574.14
94	7/1/2023	36,259.99	1,390.47	-	1,390.47	1,299.82	90.65	34,960.16	21,664.79
95	8/1/2023	34,960.16	1,390.47	-	1,390.47	1,303.07	87.40	33,657.09	21,752.19
96	9/1/2023	33,657.09	1,390.47	-	1,390.47	1,306.33	84.14	32,350.76	21,836.33
97	10/1/2023	32,350.76	1,390.47	-	1,390.47	1,309.60	80.88	31,041.16	21,917.21
98	11/1/2023	31,041.16	1,390.47	-	1,390.47	1,312.87	77.60	29,728.29	21,994.81
99	12/1/2023	29,728.29	1,390.47	-	1,390.47	1,316.15	74.32	28,412.13	22,069.13
100	1/1/2024	28,412.13	1,390.47	-	1,390.47	1,319.44	71.03	27,092.69	22,140.16
101	2/1/2024	27,092.69	1,390.47	-	1,390.47	1,322.74	67.73	25,769.95	22,207.89
102	3/1/2024	25,769.95	1,390.47	-	1,390.47	1,326.05	64.42	24,443.90	22,272.32
103	4/1/2024	24,443.90	1,390.47	-	1,390.47	1,329.36	61.11	23,114.53	22,333.43
104	5/1/2024	23,114.53	1,390.47	-	1,390.47	1,332.69	57.79	21,781.84	22,391.21
105	6/1/2024	21,781.84	1,390.47	-	1,390.47	1,336.02	54.45	20,445.82	22,445.67
106	7/1/2024	20,445.82	1,390.47	-	1,390.47	1,339.36	51.11	19,106.46	22,496.78
107	8/1/2024	19,106.46	1,390.47	-	1,390.47	1,342.71	47.77	17,763.75	22,544.55
108	9/1/2024	17,763.75	1,390.47	-	1,390.47	1,346.07	44.41	16,417.69	22,588.96
109	10/1/2024	16,417.69	1,390.47	-	1,390.47	1,349.43	41.04	15,068.26	22,630.00
110	11/1/2024	15,068.26	1,390.47	-	1,390.47	1,352.80	37.67	13,715.45	22,667.67
111	12/1/2024	13,715.45	1,390.47	-	1,390.47	1,356.19	34.29	12,359.27	22,701.96
112	1/1/2025	12,359.27	1,390.47	-	1,390.47	1,359.58	30.90	10,999.69	22,732.86
113	2/1/2025	10,999.69	1,390.47	-	1,390.47	1,362.98	27.50	9,636.72	22,760.36
114	3/1/2025	9,636.72	1,390.47	-	1,390.47	1,366.38	24.09	8,270.33	22,784.45
115	4/1/2025	8,270.33	1,390.47	-	1,390.47	1,369.80	20.68	6,900.53	22,805.13
116	5/1/2025	6,900.53	1,390.47	-	1,390.47	1,373.22	17.25	5,527.31	22,822.38
117	6/1/2025	5,527.31	1,390.47	-	1,390.47	1,376.66	13.82	4,150.65	22,836.20
118	7/1/2025	4,150.65	1,390.47	-	1,390.47	1,380.10	10.38	2,770.56	22,846.57
119	8/1/2025	2,770.56	1,390.47	-	1,390.47	1,383.55	6.93	1,387.01	22,853.50
120	9/1/2025	1,387.01	1,390.47	-	1,387.01	1,383.54	3.47	0.00	22,856.97

EXHIBIT - B
TO LOAN AGREEMENT
BETWEEN CITY OF PEORIA &

ABC Corp

PROJECT DESCRIPTION & BUDGET

Project Description

ABC Corp, John Doe, and Jane Doe will utilize loan proceeds to locate their CNC machine shop in the City of Peoria. An investment of $184,000 will be used for building acquisition, machinery & equipment, furniture & fixtures, inventory, and working capital. The investment and start of the project is to take place immediately from City Council approval. The business will locate and operate at 456 BlueSky Drive, CloudNine, IL 67777 in a 25,560 sf facility, on 3.3 acres.

The project will create 10 jobs within two (2) years from start of loan. These jobs will be documented by the completion of the "Job Certification Form" and provided to the City.

The uses of funds and the financing required for the project are provided in the "Project Budget" below. The City's loan of $144,000 is being provided at three percent (3%) over a term of ten (10) years, monthly payments, amortized over ten (10) years. The loan will result in monthly payments of $1,390.47 or $16,685.70 annually. Funds will come from the RLF-EDA fund.

Project Budget

The uses and sources of funds for the project are shown below.

USES OF FUNDS

Building Improvements	$	3,000	5%
Machinery & Equipment	$	7,000	11%
Furniture & Fixtures	$	4,000	3%
Inventory	$	30,000	46%
Working Capital	$	140,000	36%
TOTAL USES	$	184,000	100%

SOURCES OF FUNDS

City of Peoria - (RLF)	$	144,000	46%
City BIG Program (Grant)	$	-	15%
Bank L.O.C.	$	20,000	29%
GDC (Other Grant)	$	-	0%
Owner's Equity	$	20,000	10%
TOTAL SOURCES	$	184,000	100%

EXHIBIT - C
TO LOAN AGREEMENT
BETWEEN CITY OF PEORIA &
ABC Corp

STATEMENT OF OTHER FINANCING

To carry out the project, ABC Corp, John Doe and Jane Doe have obtained financing as shown in the table below:

SOURCES OF FUNDS			Interest Rate	Term	Amortized	Lien Position
City (RLF) - CDAP Fund 28	$ 300,000	18%	3.00%	10 yrs	10 yrs	2nd
City (RLF) - CDBG Fund 25	$ 144,000	9%	3.00%	10 yrs	10 yrs	2nd
City (Grant)	$ 120,000	7%	3.00%	5 yrs	5 yrs	2nd
Bank Loan -	$ 194,000	12%	6.50%	5 yrs	5 yrs	1st
Bank Loan - LOC	$ 250,000	15%	5.00%	1 yr	1 yr	1st
Land Sale - 6.0 acres	$ 132,000	8%				
EDA Grant	$ 50,000	3%				
Owner's Equity	$ 473,962	28%				
TOTAL SOURCES	$ 1,663,962	100%				

EXHIBIT - D
TO LOAN AGREEMENT
BETWEEN CITY OF PEORIA &
ABC Corp

SECURITY STATEMENT

The City of Peoria will secure its loan through:

1) a Mortgage on 789 BlueSky Drive, CloudNine, IL 67777, or a Collateral Account setup to equal the Equity of 789 BlueSky Drive, CloudNine, IL 67777 upon sale of property.
2) a UCC-1 filing to the IL Secretary of the State for all business assets,
3) an Agreement to Pledge cash, certificate of deposits, or stocks certificates in the amount of
4) an Assignment of Life Insurance in the amount of $,
5) an Assignment on Rents
6) an Assignment of Receivables
7) a Vehicle Title on automobiles, vans, and trucks,
8) a Corporate Guarantee from ABC Corp,
9) a Continuing Guarantee from John Doe,
10) a Continuing Guarantee from Jane Doe,
11) a Continuing Guarantee from Jack Doe, and
12) a Continuing Guarantee from Jinger Doe.

List and Location of Collateralized Items

The list and location of collateral with their values are provided below and/or in the attached. In addition, all business assets will be used as collateral.

EXHIBIT - E
TO LOAN AGREEMENT
BETWEEN CITY OF PEORIA &
ABC Corp

REGULATORY REQUIREMENTS

1. Equal Employment Opportunity.

During the Performance of this Agreement the Firm agrees as follows:

a. The Borrower will not discriminate against any employee or applicant for employment because of race, creed, sex, color or national origin. The Borrower will ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, sex, color or national origin. Such action shall include but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; and selection for training, including apprenticeship. The Borrower agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Lender setting forth the provisions of this non-discrimination clause.
b. The Borrower, in all solicitation or advertisements for employees placed by or on behalf of the Borrower, states that all qualified applicants will receive consideration for employment without regard to race, creed, color, sex or national origin.
c. The Borrower will cause the foregoing provisions to be inserted in all contracts or subcontracts for any work covered by this Loan Agreement so that such provisions will be binding upon each contractor or subcontractor, provided that the forgoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

2. Civil Rights Act of 1964.

Under Title VI of the Civil Rights Act of 1964, no person shall, on the grounds of race, color, or national origin, be excluded from participating in, be denied by benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

3. Section 109 of the Housing and Community Development Act of 1974.

No person in the United States shall on the ground of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity funded in whole or in part with funds made available under this title.

4. Section 504 of the Rehabilitation Act of 1973.

The Borrower will not discriminate against any employee or applicant for employment for employment because of physical or mental handicap in regard to any position for which the employee or applicant for employment is qualified. The Borrower agrees to employ, advance in employment and otherwise treat qualified handicapped individuals without discrimination based upon their physical or mental handicap in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

5. Section 402.

The Borrower will not discriminate against any employee or applicant for employment because he or she is a disabled veteran or veteran of the Vietnam era in regard to any position for which the employee or applicant for employment is qualified. The Borrower agrees to employ, advance in employment and otherwise treat qualified disabled veterans of the Vietnam era without discrimination based upon their disability or veteran status in all employment practices such as the following: Employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection of training, including apprenticeship.

6. Age Discrimination Act of 1975, as Amended.

The Borrower will not discriminate against any employee or applicant on the basis of age.

7. The Federal Labor Standards Provisions.

The project to which the work covered by this Agreement pertains is being assisted by the United States of America and Federal Labor Standards Provisions shall apply in any contract or subcontract pursuant to this Loan Agreement.

8. Breach of Foregoing Federal Labor Standards Provisions.

In addition to the causes for termination of this Contract as herein elsewhere set forth, the Local Public Agency or Public Body reserves the right to terminate this Contract if the Contractor or any subcontractor whose subcontract covers any of the work covered by this Contract shall breach any of these Federal Labor Standards Provisions. A breach of these Federal Labor Standards may also be grounds for debarment as provided by the applicable regulations issued by the Secretary of Labor, United States Department of Labor.

EXHIBIT - F
TO LOAN AGREEMENT
BETWEEN CITY OF PEORIA &
ABC Corp

AGREEMENT TO COMPLY WITH THE
ILLINOIS PREVAILING WAGE RATE ACT

I hereby agree to the City of Peoria, Peoria County, Illinois, that all work under this project shall comply with the Prevailing Wage Rate Act (Act) of the State of Illinois, Illinois Compiled Statutes, 1987, Chapter 820, par. 130/31, et. seq, and as amended by Public Acts 86-799 and 86-693.

I understand that all contractors and subcontractors will be required to follow the Act found at the Illinois Department of Labor website at http://www.illinois.gov/idol/Laws-Rules/CONMED/Pages/prevailing-wage-rates.aspx. Per the Act, contractors and subcontractors are required, among other things, to complete and submit a "Certified Transcript of Payroll" (CTP) which includes:

1) an Affidavit – Weekly Statement of Compliance (Form IL452CM01 Cover Page)
2) a Payroll Record – Weekly report of payroll allotments for each employee (Form IL452CM01)

I agree that I will require the general contractor of the project to sign an affidavit with the City requiring them to: a) comply with the Act b) submit any bids on the project to be quoted with IL Prevailing Wage Rates for Peoria County, IL, c) collect the weekly CTP's for itself and all subcontractors on the project, and d) submit CTP's to the City no later than two weeks from end of a given pay period.

I also agree that if I or the general contractor fails to abide by the Act and meet the above requirements for the project, the City will consider this as a condition of Default under any agreement by which the funds were obtained for the project.

Funding Agreement: ***Loan***

Project Name: ***ABC Corp***

Project Location: ***1234 Alpha Way***

Authorized Signature: ______________________________

Printed Signature: ***Jane Doe***

Date Signed: ______________________________