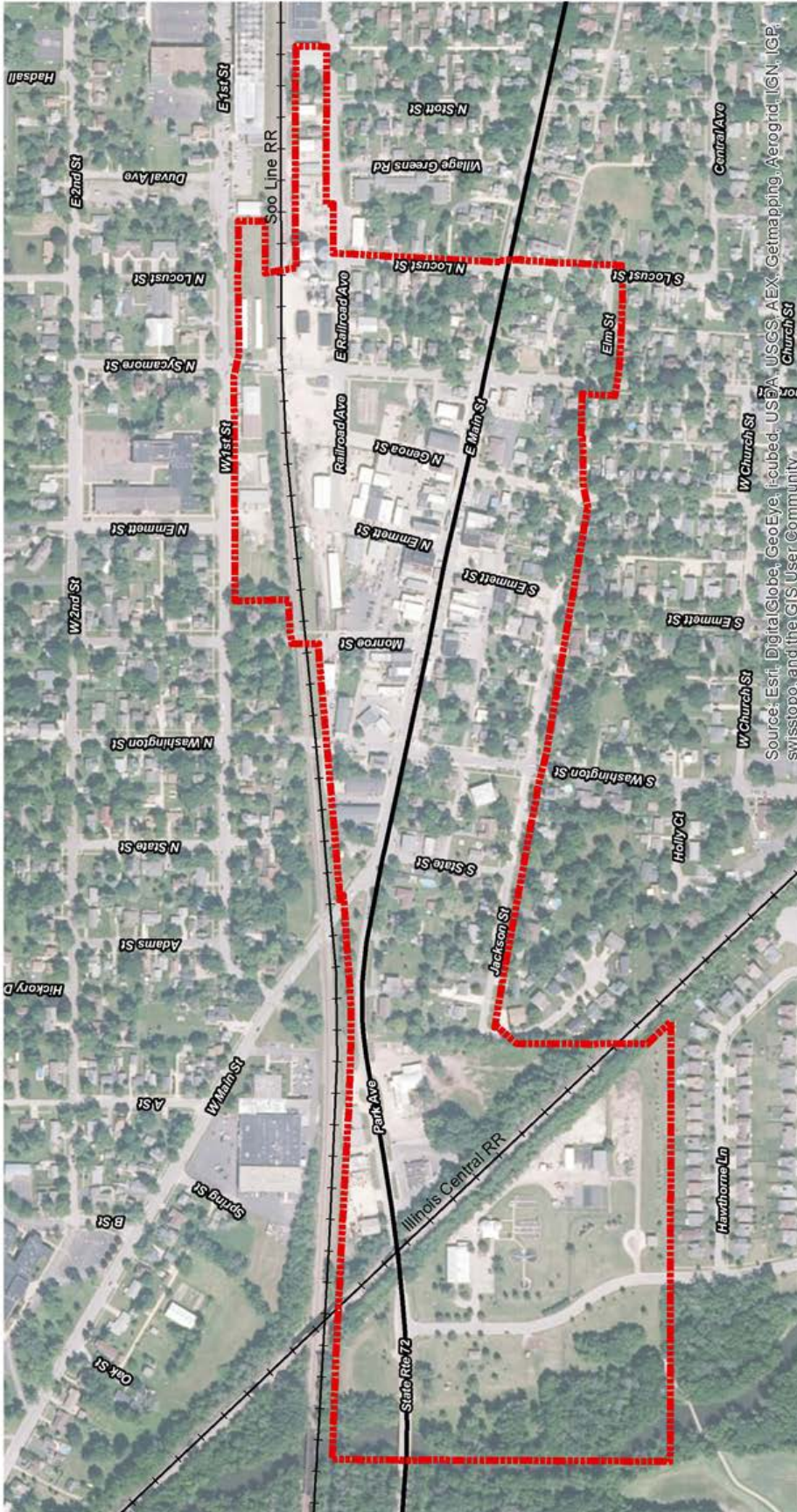




Revolving Loan Fund
Application Packet
(Exhibit A)

City of Genoa
333 East First Street
Genoa, IL 60135

Eligible Business Area (Proposed TIF Area)



A. Overview:

The City of Genoa Revolving Loan Fund Program provides direct financing to businesses at a below market, fixed rate of interest in cooperation with loans made through private financing. The program is designed to assist with the retention and growth of the existing commercial base providing needed financial assistance to new expanding businesses. The application process is designed to be straight forward, treat all applicants the same, supplement, and not compete, with the private loan industry, churn loans quickly and limit loan amounts to provide more funds to more downtown area businesses.

Funds for this program are disbursed on a reimbursement basis. The first draw from the loan amount must be within 6 months of the Revolving Loan agreement and all work must be done within 18 months of the Revolving Loan agreement.

Eligible uses of loan proceeds include:

- Purchase of a building
- Construction/renovation
- Leasehold improvements
- Purchase of machinery/equipment/ furniture

This fund may not be used for working capital, refinancing existing debt, professional services (legal, architectural, engineering, etc.) or purchasing inventory. Additionally, the loan may not be received in conjunction with a City economic development incentive (i.e. sales tax incentive or property tax abatement).

B. Requirements:

Loans can be made to eligible businesses within the identified downtown area (proposed TIF area) which demonstrate that the project will result in the creation of jobs.

- The City of Genoa will not fund more than 50% of the out of pocket costs, up to a maximum of \$60,000. The term of each loan shall be for a maximum of 60 months with an interest rate of 3% per annum to cover administrative costs, offset investment interest lost by the program, and grow the available pool of loan funds.
- For every \$15,000 which is loaned, at least (1) Full-Time Equivalent (FTE) must be created. A FTE job can be created by a combination of one or more part-time jobs.
- One loan per property, provided that when 50% of that loan's principal has been paid, a second loan can be applied for provided that the outstanding principal on both loans cannot exceed \$60,000.

A pre-application meeting with City Staff is required to go over application materials and terms prior to submitting a Revolving Loan Fund application. Each Revolving Loan Fund application made to the City will undergo the same review process. First, the application will be reviewed by City Staff for completeness and then it will be presented to the City Council, who will consider the application and make the final determination regarding each Revolving Loan Fund application.

The review process will take several weeks and is on a first come, first served basis. Applications that meet the City's criteria and demonstrate the greatest potential for job creation, economic development, and improve area aesthetics will be viewed more favorably. All loans are contingent upon availability of funds. The City Council reserves the right to deny any application, at any time and for any reason.

C. Required Submittals

The loan application must include all of the following items:

1. Completed application for financing, including agreement with exhibits
2. Personal resume(s) of principals and managers
3. Business plan attached as being complete and reasonably viable by the Waubensee Community College Small Business Development Center (SBDC) or for an established company without a business plan, three (3) years operating results consisting of balance sheets and profit and loss statements or tax returns with projected forecasts reviewed by the Waubensee SBDC.* Evaluation includes likelihood of proposed FTE job creation.
4. List of project components, estimated cost per component, and total cost
5. \$50 Application Fee
6. Detailed list of items to be purchased with Revolving Loan proceeds and estimated cost of each.
7. List and description of assets pledged as collateral, their estimated value, and any liens or encumbrances against them. Must equal or exceed loan amount.
8. Applicant must submit an original and 2 copies of loan application and supporting documents.
9. Required follow-ups following loan approval:
 - a. Quarterly meeting with Waubensee Community College SBDC. No report to City required.
 - b. Quarterly status meeting with City Staff while project is in process.

Any incomplete application will not be reviewed by Staff or the City Council. Other information may be requested by the Staff or City Council during its review of the request.

*Note: Applicant must give Waubensee Community College SBDC personnel permission to discuss their project with the City.

For additional information, please contact Assistant City Administrator Alyssa Seguss at (815) 784- 7106.

D. CITY OF GENOA REVOLVING LOAN FUND APPLICATION

Name of Project: _____

Applicant Name: _____

Title: _____

Phone and Email Address: _____

Company: _____

Company Address: _____

Company Phone and Email Address: _____

Company Website: _____

Management *Please provide **Name, Position, Address, Phone and Email** below for **any** proprietor, partners, officers, directors, and stockholders owning 20% or more of outstanding stock)*

1. _____

2. _____

3. _____

4. _____

5. _____

Attach additional sheet(s) if necessary.

Attorney Representing Company: _____

Firm: _____

Address: _____

City & Zip: _____

Telephone #: _____

Email: _____

Accountant Representing Company: _____

Firm: _____

Address: _____

City & Zip: _____

Telephone #: _____

Email: _____

1) Provide a summary description of the proposed project:

How many full-time equivalent jobs will be created by proposed project within 18 months of project completion? _____

*(*full-time equivalent jobs equal 1,950 hours worked annually)*

Estimated Total Project Cost: \$_____

Amount of loan requested from the Genoa Revolving Loan Fund: \$_____

% of Funding Provided by the City of Genoa: _____%

Other Proposed Financing: (i.e. bank, owner equity, etc.)

Source/Contact Name/ Address/ Phone/ Email	\$ Amount / % of Project	Terms
_____	_____	_____
_____	_____	_____
_____	_____	_____

Total Project Cost: \$_____ / 100%

Source of monthly City of Genoa Revolving Loan payment will be:

Applicant reaffirms that all information provided to the City of Genoa is correct and accurate:

(Printed Name of Applicant)

(Signature)

(Date)

CITY OF GENOA REVOLVING LOAN FUND AGREEMENT

This agreement is entered into on the _____ day of _____, 20____ between the City of Genoa, hereafter "the City" and _____ (Borrower) for the business commonly known as _____ (to be) located at _____, Genoa, Illinois 60135.

The City of Genoa City Council has approved a Revolving Loan Fund recommendation to Borrower subject to the execution of this agreement and exhibits A, B, C, D, E, and F attached hereto and considered part of this agreement. This program is for the purpose of economic development and churning new businesses within the Downtown. Borrower desires to accept the loan and to abide by the terms of this agreement.

The City has approved a loan recommendation in the amount of \$_____ of project costs to be paid back over _____ months at a 3% interest rate. The interest rate of this loan is intended to be approximately 50% of the lowest commercial loan rate provided by commercial lenders.

The parties agree as follows:

1. Borrower reaffirms that all information provided to the City of Genoa is correct and accurate.
2. Borrower has read and agrees to abide by the provisions and requirements of the City's Revolving Loan Program.
3. All work performed by the Borrower will be consistent with the approval by the City of Genoa. If Borrower decides to make any changes in the project, Borrower will obtain written approval from the City before implementing such changes. The City is not required to approve any changes.
4. For every \$15,000 which is loaned, at least (1) Full-Time Equivalent (FTE) must be created. A Full-Time Equivalent job can be created by a combination of one or more part-time jobs.
5. Funds for this loan are disbursed on a reimbursement basis. The first draw from the loan amount must be within 6 months of this loan agreement. The interest will begin accruing at the time the first reimbursement is made. All work and final inspections must be completed within 18 months of the date of the last signature on this loan agreement. If the work is not completed within 18 months, disbursements will cease and the loan amount will be reduced to the amount withdrawn within the first 18 months following the agreement. Prior to any disbursement, upon the request of the City, the Borrower shall certify the number and length of employment of all of its full-time employees, and the City reserves the right to reduce or refuse to make a disbursement and may also call the entire loan principle due, if the Borrower is not in compliance with the Employee hiring and retention provisions of this Agreement as determined by the City of Genoa City Council.
6. The applicant must certify the number of full-time employees employed upon request of the City. Failure to employ the number of employees required by the loan amount may result in a recall of the remaining loan principal at the discretion of the City Council based on the overall objectives of the program being achieved.
7. During the period of the construction, Borrower or its contractor agrees to keep in full force a policy of commercial liability insurance in an amount not less than one million (\$1,000,000) and to name the City and its employees, officers, and agents as additional insured on such policy.
8. Borrower agrees to indemnify and hold harmless the City and its employees, offices, and agents from any and all claims arising out of work performed.
9. The borrower and guarantor agree to provide any information and permissions required for any check of credit or financial well-being the City deems prudent with due regard for confidentiality of such information.

10. Borrower will notify the City if the Borrower’s interest in the subject property changes in any way. This agreement is not assignable by Borrower without prior written approval by the City, which will not be unreasonably withheld.
11. In further consideration of the loan, Borrower hereby agrees that finished improvements will not be altered from the approved plan without the written approval of the City, which approval will not be unreasonably withheld.
12. Borrower hereby grants the City the right to use pictures, renderings, or descriptions of the work for any and all promotional purposes.
13. Installment payment of principal and the 3% interest will be paid monthly to the City after the first disbursement of the loan is made, with a maximum term of 60 months. If the loan is not paid within the parameters of the contract, the City will seek to withhold the collateral and/or file a lien on the property for the amount due.
14. Binding Effect: This Agreement, including application materials, the Note and Security Documents, constitute valid and binding agreements of Borrower.
15. Expenses. Borrower shall pay on demand all out-of-pocket expenses incurred by the City in connection with the perfection of the City’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 City in connection with this Agreement or with the borrowings hereunder.
16. 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 shall be outstanding and unpaid.
17. Severability. Wherever possible, each provision of this agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision shall be invalid under applicable law, such provision shall be ineffective to the extent of such invalidity without invalidating the remaining provisions of this agreement.
18. All Submittals and the following Exhibits are to be included and made a part of this agreement
 - Exhibit A- Application Packet
 - Exhibit B- Promissory Note
 - Exhibit C- Business plan certified by a Small Business Development Center at a local Community College to include job creation and total project budget, business objectives
 - Exhibit D- Continuing Guaranty
 - Exhibit E- Security Agreement
 - Exhibit F- Amortization Schedule

 Mayor
 City of Genoa

 Date

 Clerk
 City of Genoa

 Date

 Borrower

 Date

Exhibit B
Promissory Note

For value received, the undersigned, _____, (Borrower), hereby unconditionally promises to pay to the order of the City the principal sum of \$ _____ together with interest on the unpaid principal balance thereof at an interest rate per annum equal at all times to 3%. In the event of a default of this loan, 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 the City at a per annum rate of 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 evidenced shall be payable in _____ consecutive installments commencing on _____, 20____ and on the first day of each month until _____, 20____, Borrower shall pay the City \$ _____ and on _____, 20____, Borrower shall pay the City a final installment in the amount necessary to repay the unpaid principal amount of the loan made under this agreement in full.

This Promissory Note is executed in accordance with the terms of the City of Genoa Revolving Loan Fund Agreement between this Borrower and the City of Genoa, dated _____, 20____.

This Promissory Note may be prepaid in whole or in part at any time or from time to time without fee or penalty. Both principal and interest are payable and prepayable in lawful money of the United States of America to the City, in immediately available funds.

Borrower

Date

Exhibit C
Business Plan
(Attach, per Exhibit A(C) 3)

Exhibit D
Continuing Guaranty

To: City of Genoa

1. For valuable consideration, the undersigned Guarantor unconditionally guarantees payment and performance of all of the present and future obligation of Borrower _____ to the City of Genoa, Illinois, under the terms of the City of Genoa Revolving Loan Agreement between the Borrower and City dated _____, 20____, and hereafter amended, and under the terms of Borrower's promissory note to the City dated _____, 20____, as well as other liabilities of the Borrower to the City. The word "obligation" as used herein means all principal, interest, fees, expenses, costs, or indemnities which Borrower owes City pursuant to the agreement, whether recovery upon such obligation may be, or hereafter become, otherwise unenforceable.
2. This is a continuing guaranty relating to any indebtedness, including that arising under successive transactions which shall either continue the indebtedness or from time to time renew it after it has been satisfied.
3. Guarantor authorizes City, without notice or demand and without affecting its liability hereunder, from time to time to (a) renew, compromise, extend, accelerate, or otherwise change the time for payment of, or otherwise change the terms of the indebtedness or any part thereof, including increase or decrease of the rate of interest thereon; (b) take and hold security for the payment of this guaranty or the indebtedness guaranteed, and exchange, enforce, waive and release any such security; (c) apply such security and direct the order or manner of sale thereof as City in its discretion may determine; (d) settle, release, compromise, collect or otherwise liquidate the indebtedness; and (e) release or substitute any one or more endorsers or guarantors. City may without notice assign this guaranty in whole or in part.
4. Guarantor waives any right to require the City to (a) proceed against Borrower; (b) proceed against or exhaust any security held from Borrower; or (c) pursue any other remedy in City's power whatsoever. Guarantor waives any defense arising by reason of any disability or other defense of Borrower or by reason of the cessation from any cause whatsoever of the liability of Borrower. Until all indebtedness of Borrower to City shall have been paid in full, Guarantor shall have no right of subrogation, and waives any right to enforce any remedy which City now has or may hereafter have against Borrower, and waives any benefit of, and any right to participate in any security now or hereafter held by City. Guarantor waives all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, and notices of acceptance of this guaranty and of the existence, creation, or incurring of new or additional indebtedness.
5. This guaranty shall be continuing and shall not be discharged, impaired, or affected by (a) the power or authority or lack thereof of Borrower to incur the indebtedness; (b) the validity or invalidity of the documents evidencing the indebtedness or securing the same; (c) any defenses whatsoever the Borrower may or might have to the payment of the indebtedness or to the performance of the other obligations described in the documents evidencing the indebtedness; or (d) any right of offset, counterclaim, or defense other than the borrower may have accepted by the City of Genoa.

Guarantor

Name and Title

Printed Name

Printed Name

Exhibit E
Security Agreement

This Security Agreement between the City of Genoa ("City") and _____, ("Borrower") is dated as of _____, 20_____. City and Borrower have entered into a City of Genoa Revolving Loan Fund Agreement dated as of _____, 20_____ ("Loan Agreement").

1. To secure the Loan and all of the Borrower's other payment and performance obligations under the Loan Agreement, Borrower hereby grants to the City a continuing security interest in and to all of the property and interests in property of Borrower identified below by marking in the space applicable thereto, whether such property is now owned or existing or hereafter acquired or arising and wheresoever located (hereinafter termed the "Collateral")
 - a. _____ All accounts, contracts, rights, chattel paper, instruments, and documents related solely to Borrower's ownership of and operation of a business at _____ Genoa, IL 60135.
 - b. _____ All equipment and fixtures, including without limitations, furniture, machinery, vehicles and trade fixtures, together with any and all accessories, parts and appurtenances thereto, substitutions therefore and replacements thereof located at _____, Genoa, IL 60135. Such equipment is identified in Exhibit F of this Agreement, if applicable.
 - c. _____ All causes in action, causes of action and all other intangible personal property of every kind and nature including, without limitation, corporate or other business records, deposit accounts, inventions, designs, patents, patent applications, trademarks, trade names, trade secrets, goodwill, copyrights, registrations, licenses, franchises, tax refund claims and any letters of credit, guarantee claims, security interests or other security held by or grantee to Borrower with respect only to Borrower's ownership and operation of a business at _____ Genoa, IL 60135.
 - d. _____ All inventory, goods, merchandise and other personal property, including without limitation, goods in transit, wheresoever located, which are or may at any time be held for sale or lease, furnished under any contract of service or held as raw materials, work in process, supplies or materials used or consumed in Borrower's business located at _____ Genoa, IL 60135.
 - e. _____ All insurance proceeds relating to any of the foregoing
 - f. _____ All books and records relating to any of the foregoing; and
 - g. _____ All accessions and additions to, substitutions for, and replacements, products and proceeds of any of the foregoing.
2. Borrower shall make appropriate entries on its financial statements and books and records disclosing City's security interest in the Collateral.
3. At City's request, Borrower shall execute and/or deliver to City, at any time or times hereafter, all Security Documents that City may reasonably request, in form and substance acceptable to City, and pay the costs of any recording or filing of the same. Upon the occurrence of a Default, Borrower hereby irrevocably makes, constitutes and appoints City (and all Persons designated by City for that purpose) as City's true and lawful attorney (and agent-in-fact) to sign name of Borrower on any of the Security Documents and to deliver any of the Security Documents to such Persons as Lender, in its sole discretion, may elect. Borrower agrees that a carbon, photographic, photostatic, or other

reproduction of this Security Agreement or of a financing statement is sufficient as a financing statement.

4. City (by any of its officers, employees and/or agents) shall have the right, at any time or times during the Borrower's usual business hours, without prior notice, to inspect the Collateral, all records related thereto (and to make extracts from such records) and the premises upon which any of the Collateral is located, to discuss Borrower's affairs and finances with any Person and to verify the amount, quality, quantity, value and condition of, or any other matter relating to, the Collateral.
5. Borrower's chief executive office, principal place of business and all other offices and locations of the Collateral and books and records related thereto (including, without limitation computer programs, printouts and other computer materials and records concerning the Collateral) are set forth on Exhibit F attached hereto and made a part hereof. Borrower shall not remove its books and records or the Collateral from any such locations (except for removal of inventory upon its sale) and shall not open any new offices or relocate any of its books and records or the Collateral except within the continental United States of America with at least thirty (30) days prior written notice thereof to City.
6. Borrower shall at all times keep the Collateral in good repair.
7. Borrower shall not sell or dispose of any Collateral except for sales of inventory in the ordinary course of its business.
8. Borrower has not, during the preceding five years, been known as or used any other corporate or fictitious name, Borrower will not in the future change its name or use any other corporate or fictitious name without providing at least (30) days prior written notice thereof to City.
9. Upon and after the occurrence of a default, City shall have the following rights and remedies: All remedies of a secured party under the Illinois Uniform Commercial Code.
10. Any notice required to be given by City of a sale, lease, other disposition of the Collateral or any other intended action by City, which is deposited in the United States mail, registered mail, return receipt requested, duly addressed to Borrower, at the address set forth in this loan agreement, ten (10) days prior to such proposed action, shall constitute commercially reasonable and fair notice thereof to Borrower.

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

Mayor, Jonathon Brust

Date

Clerk, Kendra Braheny

Date

Borrower

Date

Printed Name