



## **Urbana Fire Department**

400 South Vine Street  
Urbana, Illinois 61801  
(217) 384-2420 - Phone  
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## **Memorandum**

**DATE:** November 12, 2015  
**TO:** Mayor Prussing and City Council Members  
**FROM:** Brian Nightlinger, Fire Chief  
**RE:** Fire Truck Revolving Loan

**Introduction:** Attached is a resolution approving a State Fire Marshal Fire Truck Revolving Loan Program loan agreement.

**Discussion:** The Illinois Office of the State Fire Marshal (OSFM) makes available to local units of government interest-free and low interest loans for the purchase of fire trucks by a fire department, fire protection district, or township fire department. In December 2014, the Urbana Fire Department applied for the program's maximum allowable amount of \$350,000 to assist in funding the replacement of a fire pumper truck. The loan application was approved on November 3, 2015 at a zero percent interest rate. The loan agreement requires that the City of Urbana budget repayment of this loan per the terms of the repayment schedule for the next twenty (20) fiscal years (see Exhibit B).

**Fiscal Impact:** A new engine has been ordered and is currently being built. There is a balance of \$282,673.00 on this piece of equipment. Given the significant cost of this engine, along with the fact that there is another engine up for replacement in FY17, this funding source will help minimize the impact on the VRF budget, which is currently unable to sustain both of these purchases at the current funding levels.

**Recommendation:** It is recommended that **A Resolution Approving A State Fire Marshal Fire Truck Revolving Loan Program Loan Agreement** be approved.

**A RESOLUTION APPROVING A STATE FIRE MARSHAL FIRE TRUCK REVOLVING  
LOAN PROGRAM LOAN AGREEMENT**

**(No-Interest Loan Agreement to Acquire Fire Pumper Truck)**

WHEREAS, the City of Urbana (the "City") is a home rule unit of local government pursuant to Article VII, Section 6, of the Illinois Constitution, 1970, and may exercise any power and perform any function pertaining to its government and affairs, and the passage of this Resolution constitutes an exercise of the City's home rule powers and functions as granted in the Illinois Constitution, 1970; and

WHEREAS, pursuant to its home rule authority, the City has the authority to enter into one or more loan agreements with other governmental agencies; and

WHEREAS, in 2014, the Urbana Fire Department applied to the Illinois Office of the State Fire Marshal for a low-interest or no-interest loan pursuant to the State Fire Marshal's Fire Truck Revolving Loan Program in order to acquire and finance the acquisition of a new fire pumper truck; and

WHEREAS, by letter dated November 3, 2015, the State Fire Marshal advised the Urbana Fire Department that it had approved the Urbana Fire Department's application for a loan and further advised that the State Fire Marshal, pursuant to its Fire Truck Revolving Loan Program, has offered to make a no-interest loan to the City in the amount of \$350,000.00 with annual repayments to be made over a twenty-year period with the first annual payment due on November 1, 2016; and

WHEREAS, as a condition of accepting the offer of loan and for the State Fire Marshal to disperse the loan proceeds, the City is required to commit to include repayment of the loan in each of its annual budgets during

the period any portion of the loan principal is due and owing to the Office of the State Fire Marshal; and

WHEREAS, the Urbana City Council deems it appropriate to accept the State Fire Marshal's offer of the loan on the terms and conditions provided for in the offer of loan and to enter into the loan agreement attached to this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1. That an Agreement providing for a no-interest loan in the amount of \$350,000.00 with principal payment amortization to be made over a twenty-year period with the first payment due and payable on November 1, 2016, in substantially the form appended hereto and entitled "Fire Truck Revolving Loan Program Loan Agreement (hereinafter, "Agreement") which is incorporated herein by reference shall be and hereby is authorized and approved.

Section 2. The City, by passage of this Resolution shall and does hereby commit to provide in its budget for FY 2016-2017 and in each of the next 19 consecutive budgets or the next 19 consecutive fiscal years, repayment of the aforesaid loan as provided in Exhibit B of the Agreement.

Section 3. That the Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute and deliver and the City Clerk of the City of Urbana, Illinois, be and the same is authorized to attest to said execution of said Agreement in substantial the form appended hereto as the exhibit as so authorized and approved for and on behalf of the City of Urbana, Illinois.

PASSED by the City Council this \_\_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_.

AYES:

NAYS:

ABSTAINS:

\_\_\_\_\_  
Phyllis D. Clark, City Clerk

APPROVED by the Mayor this \_\_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_.

\_\_\_\_\_  
Laurel Lunt Prussing, Mayor

**FIRE TRUCK REVOLVING LOAN PROGRAM  
LOAN AGREEMENT**

This Loan Agreement is dated as of October 1, 2015, by and between the ILLINOIS FINANCE AUTHORITY, a body politic and corporate, organized and existing under the laws of the State of Illinois (the "Authority") and Urbana Fire Department (City of), a City organized and existing under the Constitution and laws of the State of Illinois (the "Borrower").

**WHEREAS**, the Borrower desires to purchase the property, as set forth in Exhibit A attached hereto and made a part hereof (the "Property"), and the Authority desires to make a loan to the Borrower to enable it to purchase the Property, subject to the terms and conditions of and for the purposes set forth in this Agreement (the "Loan"); and

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

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

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

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

**ARTICLE I**  
**Definitions**

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

"Acceptance Memorandum" means the certificate or certificates from the Office of the Illinois State Fire Marshal indicating that the State Fire Marshal has reviewed and approved the Property for purchase by the Borrower.

"Agreement" means this Loan Agreement, dated as of October 1, 2015, by and between the Authority and the Borrower relating to the purchase of the Property.

"Authority" means the Illinois Finance Authority, a body politic and corporate of the State of Illinois, and its successors and assigns.

"Borrower" means the Urbana Fire Department (City of), a City located in the State of Illinois.

“Commencement Date” is the date when the term of this Agreement begins and the Borrower’s obligations to pay Loan Payments accrues, which date shall be as of November 1, 2016.

“Full Insurable Value” as used herein shall mean the full replacement value of the Property.

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

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

“Property” means the property described in Exhibit A and which is the subject of this Agreement.

“Resolution” means the Resolution or Ordinance adopted by the governing authority of the Borrower authorizing its acceptance and execution of this Agreement.

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

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

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

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

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

## **ARTICLE II**

### **Term**

#### SECTION 2.1 – Commencement of Term.

The Term of this Agreement shall commence on the Commencement Date and shall terminate as provided in Section 2.2 below.

#### SECTION 2.2 – Termination of Term.

The Term will terminate upon the earliest of any of the following events:

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

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

### **ARTICLE III** **Payments of Loan Payments**

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

The Authority and the Borrower understand and intend that the obligation of the Borrower to pay Loan Payments hereunder shall constitute a pledge of the general obligation of the Borrower, provided, however, the Authority acknowledges that the obligation of the Borrower hereunder are not secured by general ad valorem taxes to be levied without limitation as to rate or amount.

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

#### **SECTION 3.2** – Payments of Loan Payments.

The Borrower shall pay the Loan Payments exclusively from legally available funds in lawful money of the United States of America to the Authority, or, if Authority's rights under this Agreement shall be assigned, then the assignee. Payment shall be by check, payable to the Illinois Finance Authority-Fire Truck Revolving Loan Fund, and shall be delivered to: Illinois Finance Authority, 160 N. LaSalle Street, Suite S-1000, Chicago, IL 60601 **Attn: Fire Truck Revolving Loan Program**. The Loan Payments during the Term shall be the amounts in the "Loan Payment" column, as set forth in Exhibit B attached hereto and made a part hereof. The Loan Payments shall include interest on the unpaid Principal Portion at the interest rate (if any) specified in Exhibit B and shall be due on the dates set forth in Exhibit B. In the event a Loan Payment is not received by the Authority or its assignees on or before the "Payment Date" as provided in Exhibit B, the Borrower shall pay as an additional payment above any other interest due, interest on the "Principal Portion" then due from the "Payment Date" to the date the Loan Payment is received at the rate of five percent (5%) per annum of the payment due; however, the late payment penalty shall be waived when the postmark date on the envelope used to submit the payment is dated five days or more before the end of the 15-day grace period.

SECTION 3.3 – Interest Component.

The funds loaned by the Authority to the Borrower shall bear interest at the per annum “interest rate” specified in Exhibit B).

SECTION 3.4 – Loan Payments.

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

There shall be no abatement or reduction of Loan Payments or any other payment required hereunder for any reason, the Borrower shall not assert any right of setoff or counterclaim against its obligation to make such payments required under this Agreement and notwithstanding any dispute between the Borrower and the Authority, any vendor, or any other person, the Borrower shall make all payments of Loan Payments or other payments due hereunder pending final resolution of such dispute.

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

SECTION 4.1 – Disbursement of Funds.

On the date of execution and delivery of this Agreement, satisfaction of all terms, covenants and provisions set forth herein and receipt of the Acceptance Memorandum, the Authority shall provide for disbursement of funds from the Locally-Held Fire Truck Revolving Loan Fund directly to the Borrower.

SECTION 4.2 – Acquisition of the Property.

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



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

**SECTION 5.1** – Sale of Property.

By execution of this Agreement, the Borrower hereby represents warrants and covenants that as long as any portion of the loan remains outstanding, it will not sell, pledge, encumber, place a lien upon or mortgage the Property without the express written consent of the Authority, which consent the Authority may grant in its sole discretion.

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

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

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

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

**SECTION 7.1** – Title to the Property.

Title to the Property and any and all additions, repairs, replacements or modifications will be with the Borrower, and the Borrower hereby represents and warrants to the Authority that upon delivery of the Property to and acceptance of the Property by the Borrower, the Borrower shall hold title free and clear.

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

**SECTION 7.2** – Security for the Loan

Each loan will be secured by the Borrower's (1) general funds or, if available, a direct property tax levy; (2) state revenue intercept; (3) possession of the title to the property; and (4) if requested by the Authority, at its sole discretion, a lien on the equipment purchased.

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

**SECTION 8.1** – Use of Property by Borrower.

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

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

**SECTION 8.2** – Maintenance of Property by the Borrower.

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

Such substitutions, additions, modifications and improvements shall not in any way damage the Property nor cause it to be used for purposes other than those authorized under the Federal and State of Illinois Constitutional provisions and laws applicable to the Borrower.

The Property, as improved or altered upon completion of any substitutions, modifications and improvements made pursuant to this Article VIII, shall be of a value not less than the value of the Property immediately prior to the making of the substitutions, modifications and improvements.

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

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

SECTION 8.4 – Provisions Regarding Insurance.

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

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

SECTION 8.5 – Advances.

In the event the Borrower shall fail to maintain the full insurance coverage required by this Agreement or shall fail to keep the Property in good repair and operating condition, the Authority may (but shall be under no obligation to) purchase the required policies of insurance and pay the premiums on the same or may make such repairs or replacements as are necessary and provide for payment thereof; and all amounts so advanced therefore by the Authority shall become additional payments for the Term, which amounts, together with interest thereon at the rate of five percent (5%) per annum or to the maximum extent allowed by law, whichever is less, the Borrower agrees to pay.

SECTION 8.6 – Other Charges.

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

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

SECTION 9.1 – Assignment of Seller.

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

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

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

SECTION 9.2 – Assignment and Subleasing by the Borrower.

This Agreement and the interest of the Borrower in the Property may not be assigned or encumbered by the Borrower for any reason.

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

SECTION 10.1- Events of Default Defined.

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

- (a) Failure by the Borrower to pay any Loan Payment or other payment required to be paid hereunder at the time specified herein; or
- (b) Failure by the Borrower to observe and perform any covenant, condition, agreement or other obligation or undertaking on its part to be observed or performed, other than as referred to in Section 10.1 (a), (c), (d), (e), (f) or (g), for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, unless the Authority or its assignee shall agree in writing to an extension of such time prior to its expiration; or
- (c) Proceedings under any bankruptcy, insolvency, reorganization or similar legislation shall be instituted by or against the Borrower, or a receiver, custodian or similar officer shall be appointed for the Borrower, or any of its property, and such proceedings or appointments shall not be vacated, or fully stayed, within twenty (20) days after the institution or occurrence thereof; or
- (d) Any warranty, representation or statement made by the Borrower is found to be incorrect or misleading in any material respect on the date made; or
- (e) An attachment, levy or execution is levied upon or against any of the Property by a third party; or
- (f) Failure by the Borrower to comply with all requirements regarding protecting and insuring the Property; or
- (g) Failure by the Borrower to keep the Property free from liens and encumbrances;
- (h) The removal for a period of more than seven (7) days of the Property, accessories and devices, from the Borrower’s jurisdiction without the Authority’s prior written consent; or
- (i) Failure by the Borrower to pay promptly all charges, fees or penalties when imposed, assessed or becoming due and payable in connection with the Agreement.

## SECTION 10.2 – Remedies on Default.

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

(a) Declare the principal component of the Loan Payments to be immediately due and payable pursuant to this Agreement and the principal component of the Loan Payments plus accrued and unpaid interest, including Late Payment Interest, shall become and be immediately due and payable. In the event of a payment default that is not cured within 90 calendar days by payment of the amount owed to the Authority, the Authority shall notify the Office of the Comptroller to deduct the amount owed from any payments by the State to the Borrower and the Borrower shall be ineligible for additional loans under this Program until it has cured the default by making payment to the Authority of the amount due.

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

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

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

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

## SECTION 10.3 – No Remedy Exclusive.

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

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

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

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

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

payments required pursuant to this Agreement for any reason whatsoever, including with limitation, by reason of any defects, malfunctions, breakdowns, or infirmities of any part of the Property.

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

**SECTION 13.1** - Damage and destruction.

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

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

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

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

**ARTICLE XIV**  
**Waiver**

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



**ARTICLE XV**  
**Miscellaneous**

**SECTION 15.1** – Notices.

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

If to Authority, at: Illinois Finance Authority  
Attention: General Counsel

160 N. LaSalle Street, Suite S-1000  
Chicago, Illinois 60601  
Attention: Fire Truck Revolving Loan Program

If to the Borrower: Urbana Fire Department, City of  
400 South Vine Street  
Urbana, IL 61801

Attention: Chief Kyle Hensch

**SECTION 15.2** – Binding Effect.

This Agreement shall inure to the benefit of and shall be binding upon the Authority and the Borrower and their respective successors and assigns.

**SECTION 15.3** – Severability.

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

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

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

**SECTION 15.5** – Execution in Counterparts.

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

SECTION 15.6 – Delivery of Related Documents.

The Borrower will execute and/or deliver, before the Authority will initiate the voucher process referenced in Section 4.1, the following documents and information satisfactory to the Authority:

- (a) This Agreement, along with a copy of the Resolution of the Borrower stating:
  - i. Borrower has authorization and accepts responsibility to enter into the Loan Agreement;
  - ii. Source and amount of repayment;
  - iii. Borrower agrees to the state intercept agreement, if appropriate; and
  - iv. Borrower agrees to a lien on the equipment, if required by the Authority.
  
- (b) Evidence of liability and casualty insurance, as required by Section 8.4, naming the Authority and its assigns as loss payee; and
  
- (c) Supporting documentation for the source of repayment as follows:
  - i. For general fund or specified revenues, submit a current board approved budget that reflects the identified revenue source and amount; or,
  - ii. For direct property tax levy, submit a copy of the levy and the ordinance authorizing same, prior to funding.
  
- (d) Application origination and processing fee of \$500.00 made payable to the Authority as indicated in Section 8.7 of this Agreement.
  
- (e) Any other document as reasonable requested by the Authority.

SECTION 15.7 – Applicable Law.

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

SECTION 15.8 – Entire Agreement.

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

**IN WITNESS WHEREOF**, the Authority and the Borrower have caused the execution hereof effective as of \_\_\_\_\_ day of \_\_\_\_\_, 2015.

**ILLINOIS FINANCE AUTHORITY**

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

\_\_\_\_\_  
Date

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

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

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

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

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

Witness:

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

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

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

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

\_\_\_\_\_

**EXHIBIT A**

**DESCRIPTION OF THE PROPERTY**

2015 Spartan Metro Star Cab and Chassis; Spartan ERV Star Series Rescue Pumper; Star Stainless Steel Body.

**EXHIBIT A**

**DESCRIPTION OF THE PROPERTY**

2015 Spartan Metro Star Cab and Chassis; Spartan ERV Star Series Rescue Pumper; Star Stainless Steel Body.

Exhibit B

**INSTALLMENT PAYMENT SCHEDULE**

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

		Principal	Interest	Total Payment
1.	November 1, 2016	\$ 17,500.00	\$ -	\$ 17,500.00
2.	November 1, 2017	\$ 17,500.00	\$ -	\$ 17,500.00
3.	November 1, 2018	\$ 17,500.00	\$ -	\$ 17,500.00
4.	November 1, 2019	\$ 17,500.00	\$ -	\$ 17,500.00
5.	November 1, 2020	\$ 17,500.00	\$ -	\$ 17,500.00
6.	November 1, 2021	\$ 17,500.00	\$ -	\$ 17,500.00
7.	November 1, 2022	\$ 17,500.00	\$ -	\$ 17,500.00
8.	November 1, 2023	\$ 17,500.00	\$ -	\$ 17,500.00
9.	November 1, 2024	\$ 17,500.00	\$ -	\$ 17,500.00
10.	November 1, 2025	\$ 17,500.00	\$ -	\$ 17,500.00
11.	November 1, 2026	\$ 17,500.00	\$ -	\$ 17,500.00
12.	November 1, 2027	\$ 17,500.00	\$ -	\$ 17,500.00
13.	November 1, 2028	\$ 17,500.00	\$ -	\$ 17,500.00
14.	November 1, 2029	\$ 17,500.00	\$ -	\$ 17,500.00
15.	November 1, 2030	\$ 17,500.00	\$ -	\$ 17,500.00
16.	November 1, 2031	\$ 17,500.00	\$ -	\$ 17,500.00
17.	November 1, 2032	\$ 17,500.00	\$ -	\$ 17,500.00
18.	November 1, 2033	\$ 17,500.00	\$ -	\$ 17,500.00
19.	November 1, 2034	\$ 17,500.00	\$ -	\$ 17,500.00
20.	November 1, 2035	\$ 17,500.00	\$ -	\$ 17,500.00

Loan Amount	\$ 350,000.00
Term	20 years
Payment Date	11/1/2016
Interest Rate	0.00%
<b>Total Payments</b>	<b>\$ 350,000.00</b>