

STATE SMALL BUSINESS CREDIT INITIATIVE  
CLIMATE BANK FINANCE PARTICIPATION LOAN PROGRAM

Master Participation Agreement No. \_\_\_\_\_  
Master Participation Agreement Addendum No. \_\_\_\_\_

MASTER PARTICIPATION AGREEMENT ADDENDUM FOR REVOLVING LINES OF CREDIT  
between

ILLINOIS FINANCE AUTHORITY  
and

\_\_\_\_\_  
(PARTICIPATING LENDER NAME)

\_\_\_\_\_  
(PARTICIPATING LENDER ADDRESS)

\_\_\_\_\_  
(PARTICIPATING LENDER CITY/STATE/ZIP + 4)

ATTN: \_\_\_\_\_  
(PARTICIPATING LENDER CONTACT / TITLE)

PHONE/FAX: \_\_\_\_\_  
(PARTICIPATING LENDER)

FEIN: \_\_\_\_\_  
(PARTICIPATING LENDER)

The Participating Lender does business as a (please check one):

- |   |  |
|---|--|
| <input type="checkbox"/> Individual (01)  | <input type="checkbox"/> Governmental (08)   |
| <input type="checkbox"/> Sole Proprietor (02)   | <input type="checkbox"/> Nonresident Alien (13)  |
| <input type="checkbox"/> Partnership/Legal Corporation (03)   | <input type="checkbox"/> Estate or Trust (10)  |
| <input type="checkbox"/> Tax Exempt (16)  | <input type="checkbox"/> Pharmacy (Non-Corp.) (11)   |
| <input type="checkbox"/> Corporation providing or billing<br>medical and/or health care services        | <input type="checkbox"/> Pharmacy/Funeral Home/<br>Cemetery (Corp.) (15)                     |
| <input type="checkbox"/> Corporation NOT providing or<br>billing medical and/or health<br>care services | <input type="checkbox"/> Limited Liability Company<br>(select applicable tax classification) |
|   | <input type="checkbox"/> D-Disregarded Entity  |
|   | <input type="checkbox"/> C-Corporation   |
|   | <input type="checkbox"/> P-Partnership   |

## MASTER PARTICIPATION AGREEMENT ADDENDUM FOR REVOLVING LINES OF CREDIT

This Master Participation Agreement Addendum (the "Addendum for Revolving Lines of Credit" or "Addendum") is effective as of \_\_\_\_\_, 202\_, through the ending date of June 30, 2033 (if not earlier terminated), and is by and between \_\_\_\_\_ (the "Lender"), a (national/state banking association, a Corporation, etc.), having its principal office at \_\_\_\_\_, and the Illinois Finance Authority (the "Authority"), a body corporate and politic created under the laws of the State of Illinois, having its principal office at 160 North LaSalle Street, Chicago, Illinois 60601.

### RECITALS

Whereas, the Authority and the Lender have previously entered into a Master Participation Agreement, Number \_\_\_\_\_, on \_\_\_\_\_, 202\_ (the "Master Agreement"), and now the Lender desires to sell to the Authority participations in Revolving Lines of Credit; and

Whereas, the Master Agreement shall set forth the terms and conditions of the Authority's participation in such Revolving Lines of Credit loans, except to the extent stated in this Addendum where the language contained herein shall prevail as to the Revolving Line of Credit loans over any contrary language in the Master Agreement and where the following Sections are numbered based on the corresponding provisions in the Master Agreement; and

Whereas, the overall purpose of the Climate Bank Finance Participation Loan Program (the "Program") is to foster economic development in Illinois by enhancing the availability of credit to small and medium-sized businesses from private sources of capital; and

Whereas, in pursuit of those goals, the Authority may be willing, from time to time, to purchase participation interests in loans, including principal and interest payable thereunder, made by the Lender to certain Program-eligible businesses.

Now therefore, in consideration of the premises and the agreements contained in the Master Agreement and this Addendum, the Lender and the Authority hereby agree to this Master Agreement Addendum as follows:

### 1. DEFINITIONS

In addition to the words and terms defined in the Master Agreement, each of the following words and terms used in this Addendum shall have the following meanings unless the context or use indicates a different meaning. Definitions shall be applicable to both the singular and plural forms of the terms as the context may require. Furthermore, all Definitions contained in the Master Agreement remain in effect, unless specifically amended herein to accommodate Revolving Line of Credit activity under this Addendum.

**"Participation Interest Account"** means the account established by the Lender pursuant to Section 2 hereof.

**"Revolving Line of Credit"** ("RLOC") and **"Loan"** may be used interchangeably for RLOCs except that a RLOC is a loan whereby the Lender agrees to lend up to a specific amount to a specified Borrower, and to allow sums to be borrowed, repaid and re-borrowed for a specified time period and at the end of the term the outstanding loan amount, including interest, fees, and penalties due, are to be fully repaid or refinanced without Authority participation.

"Revolving Line of Credit Documents" and "Loan Documents" shall have the same meaning with respect to a Revolving Line of Credit.

## 2. APPLICATIONS AND APPROVAL; SALE AND PURCHASE OF PARTICIPATION

**2.5 Establishment of Participation Interest Accounts by Lender.** The Lender shall establish in the name of the Authority an interest bearing account for each Revolving Line of Credit approved by the Authority (the "Participation Interest Account"). Upon the Authority's approval to purchase its Participation in the Revolving Line of Credit, it shall deposit into the Participation Interest Account funds in an amount equal to its full Participation Amount. The Authority shall at all times be the owner of the Participation Interest Account.

**2.6 Participation Interest Account Interest.** Each Participation Interest Account shall accrue interest at the rate of interest set forth in the Approval Letter. Such interest shall be paid to the Authority at least quarterly. Payments are to be made by check payable to the Illinois Finance Authority and sent to Climate Bank Finance, Illinois Finance Authority, 160 North LaSalle Street, Suite S-1000, Chicago, Illinois 60601, Attention: Manager of Finance and Administration.

**2.7 Participation Interest Account Reports.** The Lender shall furnish the Authority with a statement setting forth all transactions relating to the receipt and disbursement of funds in the Participation Interest Account at least quarterly.

**2.8 Liquidating of Participation Interest Accounts by Lender.** Upon termination of a Revolving Line of Credit, either by its terms, the Borrower's election upon payment in full, or the Lender for cause, the Lender shall remit all funds in the corresponding Participation Interest Account to the Authority in accordance with Section 6.1.

**2.9 Participation Interest Account Upon Default by Borrower.** Upon any Default of Borrower under the Closing Documents that causes the Authority's Participation Interest to be subordinated pursuant to Section 9, any funds in the Participation Interest Account shall be immediately returned to the Authority. Notwithstanding anything set forth in Section 8, the Lender has no right of offset against the Participation Interest Account as funds contained therein are not considered advanced to the Borrower.

## 6. COLLECTIONS, DISBURSEMENTS AND ADMINISTRATION

### 6.1 Extensions of Loans, and Collection and Transfer of Payments.

(A) The Lender, as servicer of the Loan, shall be obligated to collect, as the Authority's trustee with respect to the Authority's pro rata share thereof, all payments of interest and principal due and payable on the Loan, together with any charges, fees, costs, expenses and any and all other amounts due on or in connection with the Loan Documents, including without limitation all Servicing Expenses incurred by Lender. If the Borrower requests a draw upon its Line of Credit and the Lender is obligated to extend funds to the Borrower pursuant to the terms and conditions of the Closing Documents, then the Lender may withdraw funds from the Participation Interest Account in an amount equal to the Authority's pro rata amount of such amount. If the Lender receives, collects or applies a full interest payment with respect to a Revolving Line of Credit, the Lender will deposit into the Participation Interest Account an amount equal to the Authority's pro rata share of such payment at a rate equal to the Authority Rate. If the Lender receives, collects or applies only a partial interest payment with respect to a Revolving Line of Credit, the Lender will deposit into the Participation Interest Account an amount equal to the amount due the Authority under the preceding sentence times a fraction, the numerator of which is

the amount then received, collected or applied by the Lender from the Borrower and the denominator of which is the total amount then due by the Borrower to the Lender. If the Lender receives, collects or applies a principal payment or prepayment with respect to a Revolving Line of Credit that is not terminated, the Lender will deposit into the Participation Interest Account an amount equal to the Authority's pro rata share of such amount. If the Lender receives, collects or applies a principal payment with respect to a terminated, terminating or matured Revolving Line of Credit, the Lender will deposit into the Participation Interest Account the Authority's pro rata share of such amount.

**6.4 Application of Monies.** Except as provided in Section 6.7, all monies collected or received by the Lender in connection with any Revolving Line of Credit (other than the fees) shall be applied and distributed in the following order of priority; (i) to the payment of all Servicing Expenses; and (ii) to the payment of accrued and unpaid interest and/or to the payment of principal in accordance with the Revolving Line of Credit Agreement or, if not addressed in the Revolving Line of Credit Agreement, the direction of the Lender. Before any distribution to the Authority, with respect to any such application being made, the amount thereof shall be adjusted to the extent that any amount is owed by either party to the other, in accordance with the terms hereof.

## **8. LENDER'S RIGHT OF OFFSET**

**8.1 Lender's Right of Offset.** To the extent that at any time a Borrower, guarantor or any other party makes any payment under the relevant Loan Documents to the Lender by exercise of a right of offset of any kind, including any right applying to deposits, accounts, moneys or other property of such Borrower or guarantor deposited at or held by the Lender, (but excluding any property securing the Loan pursuant to the Loan Documents), such payments shall be applied to reduce the Loan. Immediately thereafter, the Borrower's outstanding balance shall be automatically readjusted to reflect such payment, and the Lender shall purchase from the Authority as much of the Participation Amount so as to return the Lender's and the Authority's respective interests to the percentages existing prior to the offset.

**8.2 Participation Interest Account Not Subject to Offset.** The Participation Interest Account shall not be subject to offset. The Lender has no right of offset against the Participation Interest Account as funds contained therein are not considered advanced to the Borrower.

## **19. MISCELLANEOUS**

**19.7 Entire Agreement.** This Addendum, in combination with the Master Agreement sets forth the entire understanding of the parties and supersedes any and all prior agreements, arrangements and understandings relating to the subject matter hereof. No representation, promise, inducement or statement of intent has been made by either party that is not embodied in this Addendum and the Master Agreement, and neither party shall be bound by or liable for any alleged representations, promise, inducement or statement of intention not expressly set forth herein. This Addendum shall be binding upon, and shall inure to the benefit of the Lender and the Authority and their respective successors and assigns.

**IN WITNESS WHEREOF**, the parties hereto have caused this Addendum to the Master Agreement to be executed on their behalf by their duly authorized officers as of the day and year first written above.

Lender's execution of this Addendum shall serve as its certification under oath that Lender has read, understands and agrees to all provisions of this Addendum and the Master Agreement and that the information contained in

the Addendum and Agreement is true and correct to the best of its knowledge, information and belief and that the Lender shall be bound by the same. Lender acknowledges that the individual executing this Addendum is authorized to act on the Lender's behalf. Lender further acknowledges that the award of Participations under this Addendum and the related Master Agreement is conditioned upon the above certification.

\_\_\_\_\_  
(Lender)

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

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

\_\_\_\_\_  
Printed Name  
Its: \_\_\_\_\_

ILLINOIS FINANCE AUTHORITY

By: \_\_\_\_\_  
Executive Director  
or other Authorized Officer

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

DRAFT

EXHIBIT A

SAMPLE APPROVAL LETTER - LINE OF CREDIT

Date

Name
Address
City, State Zip Code+4

Re: Master Participation Agreement No.
Master Participation Agreement Addendum No.

Dear :

The Illinois Finance Authority ("Authority") hereby agrees to purchase a (%) Participation interest in your revolving line of credit to for \$ which is percent (%) of the total Project on the terms and conditions described in the loan application related to such Loan submitted by you to the Authority. Among the terms applicable to this loan are the following:

- 1. Amount of Line of Credit: \$
2. Lender Portion: \$ Lender Percentage %
3. Authority Portion: \$ Authority Percentage %
4. Initial Lender Rate:
5. Initial Authority Rate: (Fixed/ Variable/ Adjustable)
6. Initial Note Rate: Spread\*
\*The difference between the Initial Lender Rate and the initial Authority Rate; this difference to be maintained in the event the initial Lender Rate changes between the date of this Approval Letter and the date of the Authority's closing its Participation in the subject Loan.
7. Loan Terms:
Lender Terms
AUTHORITY Terms Lender will advise the Authority in writing prior to its loan closing, of any changes to the Initial Lender Rate. This may require additional approvals being obtained from the Authority.
8. Address of Borrower:
9. Payments to the Authority (will/will not) be subordinate to the Lender in the event of default.

This approval, and any subsequent funding of the Participation, is subject to the following contingencies:

1. Lender shall provide one Note evidencing the full amount of the Lender's Line of Credit to include the Authority's Portion. In no case will the Authority term of obligation exceed the maturity date as shown on the Note.
2. At all times during which the Authority owns a Participation interest in a Loan or until the Loan is paid in full, Lender shall continue to own the Loan and shall not assign or sell an interest therein unless after such sale or assignment the Lender continues to maintain an interest equal to at least fifty percent (50%) of the total amount of the Loan. Additionally, the Authority's principal balance may never exceed the agreed upon Participation percentage of the Borrower's principal balance.
3. This purchase of a Participation in such Loan is made pursuant to and shall be governed by the Master Participation Agreement dated \_\_\_\_\_, 202\_\_, and the Master Participation Agreement Addendum for Revolving Lines of Credit, dated \_\_\_\_\_, 202\_\_, by and between you and the Authority (collectively, the "Master Agreement"). All capitalized terms used in this Approval Letter not otherwise defined herein shall have the meanings ascribed to them in the Master Participation Agreement.

In accepting this Approval Letter, you are making the Representations/Warranties as specified in Section 3 of the above Master Participation Agreement and certifying/recertifying that; a) The loan is not being made in order to place under the protection of the approved State program prior debt that is not covered under the approved State program and that is or was owed by the Borrower to you or to any affiliate of your institution, b) the Loan is not a refinancing of a Loan or Investment previously made to that Borrower by you or by any affiliate of yours, unless permitted under U.S. Treasury guidance, and c) you are not attempting to enroll any portion of an SBA-guaranteed loan or the unguaranteed portion of any other federal loan. You are also recertifying that no Principal of the Lender has been convicted of a sex offense against a minor (as such terms are defined in Section 111 of the Sex Offender Registration and Notification Act (42 U.S.C. § 16911)).

4. As per Section 3 of the Master Participation Agreement, the Authority's obligations will cease immediately, notwithstanding this Approval Letter, without penalty or further payment being required, (a) if the SSBCI Fund funds for the Program are no longer available (whether they have all been otherwise utilized or the Authority no longer has access to them) or (b) due to any other extenuating circumstances that are beyond the reasonable control of the Authority.
5. This Approval Letter does not obligate the Authority for an extension of credit beyond the Authority's terms as described above. It is mutually understood and agreed that this Approval Letter and/or the Master Agreement represents the entire understanding between the Lender and the Authority regarding the terms applicable to this Participation and that no oral representations or inducements regarding the terms applicable to this Participation that are not included or embodied in this letter and the Agreement shall be of any force and effect.
6. Lender is notified that the Authority is under no obligation, whatsoever, to participate in any refinancing of the line of credit or any future term.
7. The Lender certifies that it is in material compliance with all federal and state laws, rules, and regulations pertaining to the making of loans (including 31 C.F.R. § 103.121 and 31 C.F.R. § 1020.220); notwithstanding the above, if the Lender is under a Memorandum of Understanding or other regulatory action, it has submitted a certification from its Corporate Counsel affirming that the Lender has addressed the issues raised by the government and is in substantial compliance with the regulator's guidance.

Name of Lender  
Date  
Page Three

8. After the Lender closes the Loan it must provide an original Participation Certificate (Exhibit B of the Master Participation Agreement Addendum for Revolving Lines of Credit) and copies of the Lender's executed Loan Documents as described in Section 1(A) of the Master Participation Agreement within ten (10) business days of closing.

9. Payments will be made by check and forwarded to the Authority at the following address;  
Climate Bank Finance  
Illinois Finance Authority  
160 North LaSalle Street, Suite S-1000  
Chicago, Illinois 60601  
Attention: Manager of Finance and Administration

Please include with each payment the Monthly Report/ Payment Distribution Summary and Transmittal (**Exhibit C**) showing the receipt of the payment and the details of how the total payment was distributed. Additional matters affecting that status or quality of the credit will similarly be reported in the "Notes" section of **Exhibit C**. (**Sample Exhibit C attached**)

11. **The Loan must close within one hundred twenty (120) days of this Approval Letter, unless a written extension of time is granted by the Authority, otherwise this Approval Letter will expire.**

This will confirm your acceptance of these conditions. **Pursuant to the Master Participation Agreement, this approval letter will expire thirty (30) days from the date of this letter, unless a written extension is granted.** Please sign, date and return this original approval letter to:

\_\_\_\_\_  
(Loan Officer)  
Illinois Finance Authority  
160 North LaSalle Street, Suite S-1000  
Chicago, IL 60601

The staff of the Illinois Finance Authority looks forward to working with you. If you have any questions, please feel free to contact \_\_\_\_\_ (Loan Officer) at \_\_\_\_\_ (phone).

ILLINOIS FINANCE AUTHORITY

By: \_\_\_\_\_  
Executive Director or other Authorized Officer

\_\_\_\_\_  
(Lender)

\_\_\_\_\_  
Printed Name

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

Its: \_\_\_\_\_

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

Enclosures



EXHIBIT B

LINE OF CREDIT PARTICIPATION CERTIFICATE

The undersigned lender (the "Lender") and the Illinois Finance Authority ("Authority") have entered into a **Master Participation Agreement # \_\_\_\_\_, dated \_\_\_\_\_, 202\_\_, and a Master Participation Agreement Addendum for Revolving Lines of Credit # \_\_\_\_\_, dated \_\_\_\_\_, 202\_\_** (collectively, the "Master Agreement") pursuant to which such parties have agreed that the Authority from time to time may purchase from the Lender, Participations in lines of credit made by the Lender. This Participation Certificate shall acknowledge the purchase of such a participation (the "Participation") in a line of credit (the "Loan") of the Lender to \_\_\_\_\_ (the "Borrower") pursuant to the terms and conditions of that certain Authority Approval Letter dated \_\_\_\_\_, 202\_\_ (the "Approval Letter"). The Loan was made on \_\_\_\_\_, 202\_\_ on the terms and conditions described in the Approval Letter and those contained in the application related to the Loan submitted by the Lender to the Authority. **(The Authority has agreed to the subordination of payments in certain situations pursuant to Section 6.7 of the Master Agreement. – OR - the Authority will not subordinate payments in certain situations pursuant to Section 6.7 of the Master Agreement.)\***

The Lender represents to the Authority (a) that the Loan has been made on the terms and conditions described in the related application submitted to the Authority, (b) that it has provided to the Authority copies of the promissory note and all other documentation required by Section 2 of the Master Agreement, and such copies are true and correct as of the date hereof. This Participation shall be governed by all of the terms and conditions contained in the Master Agreement and the Approval Letter.

(LENDER)

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

Printed Name

Its: \_\_\_\_\_

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

Acknowledged:  
ILLINOIS FINANCE AUTHORITY

By: \_\_\_\_\_  
Executive Director or other Authorized Officer

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

EXHIBIT C

Date: \_\_\_\_\_ Climate Bank Finance Participation Loan Program  
Illinois Finance Authority

**Monthly Report/ Payment Distribution Summary and Transmittal**

Borrower: \_\_\_\_\_

Lender: \_\_\_\_\_

Due Date: \_\_\_\_\_ Amount Due: \_\_\_\_\_ Date Payment Received \_\_\_\_\_

	<b>Beginning Principal Balance</b>	<b>Total Payment Amount</b>	<b>Applicable Interest Rate</b>	<b>Amount Applied to Principal</b>	<b>Amount Paid to Interest</b>	<b>Ending Principal Balance</b>
<b>Lender</b>						
<b>IFA</b>						
<b>Borrower</b>						

**IFA's share of the Borrower's payment is to be sent and postmarked within 5 business days of receipt.**

Notes: Is this line of credit current? Yes/No If delinquent, how many days? \_\_\_\_\_

Other Comments: \_\_\_\_\_

\_\_\_\_\_

Lender Check #: \_\_\_\_\_

Contact: (Person to contact for detailed information about the payment):

Name: \_\_\_\_\_ Phone #: \_\_\_\_\_ Email: \_\_\_\_\_

**Please send Checks to:**  
**Climate Bank Finance**  
**Illinois Finance Authority**  
**160 North LaSalle Street**  
**Suite S-1000**  
**Chicago, Illinois 60601**  
**Attention: Manager of Finance and Administration**

EXHIBIT D

ILLINOIS FINANCE AUTHORITY  
LENDER'S APPLICATION FOR PARTICIPATION IN REVOLVING LOAN FACILITY ("RLOC")

Lender \_\_\_\_\_ Contact \_\_\_\_\_ Title \_\_\_\_\_

Address \_\_\_\_\_ FEIN# \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ Telephone \_\_\_\_\_ E-Mail \_\_\_\_\_

Applicant \_\_\_\_\_

We request Approval for: (check only one)  Loan Participation in RLOC;  Loan Participation in RLOC for Business Enterprises Owned and Controlled by Socially and Economically Disadvantaged Individuals (SEDI-Owned Businesses);  Loan Participation in RLOC for Very Small Business (VSB)

Amount of Facility: Lender Share: Authority Share: Total Project Cost:  
\$ \_\_\_\_\_ \$ \_\_\_\_\_ % \$ \_\_\_\_\_ % \_\_\_\_\_

Months (not to exceed 24) Lender's Rate: Authority Rate: Note Interest Rate  
\_\_\_\_\_ % \_\_\_\_\_ % \_\_\_\_\_ %

**The following must be completed and submitted:**

1. Lender's Application for Participation in Revolving Loan Facility.
2. Applicant's Project Proposal and Applicant's Certification.
3. Lender's Internal Loan Report to include:
  - a. Financial, Profitability and Repayment Analysis
  - b. Assessment of Applicant's Management Skill and Business Plan.
  - c. Collateral Analysis, including lien position and adequacy.
  - d. Lender's experience with the Applicant, including Strengths and Weaknesses.
  - e. Explain the need for State Assistance.
4. Applicant's Historical Balance Sheets and, to the extent available, Income Statements for up to three years, and other documentation addressing Applicant's sustainability as an ongoing business.
5. Applicant's Credit Report(s).

**LENDER'S CERTIFICATION**

I certify to the Authority that the facility represented by this application is approved subject to terms specified. Without the Authority's participation, as requested, we would not be willing to make this facility available, and in our opinion the financial assistance requested is not otherwise available on reasonable terms. I have reviewed and verified the information in the Applicant's Project Proposal, Applicant's Certification and the documentation supporting this application. I certify, to the extent of my knowledge, that the Applicant is an eligible small business (for the purposes of the SSBCI Program), the proceeds will be used for an eligible purpose in Illinois and the owners and managers of the Applicant business are of good character.

In submitting this Application for Participation, I hereby restate the Representations/Warranties as specified in Section 3 of the Illinois Finance Authority Master Participation Agreement, and certify/recertify that; a. The loan is not being made in order to place under the protection of the approved Authority program prior debt that is not covered under the approved Authority program and that is or was owed by the Borrower to us or to any affiliate of our institution, b) the Loan is not a refinancing of a Loan or Investment previously made to that Borrower by us or by any affiliate of ours, unless permitted under U.S. Treasury guidance, and c) we are not attempting to enroll any portion of an SBA-guaranteed loan or the unguaranteed portion of any other federal loan. We also recertify that no Principal of the Lender has been convicted of a sex offense against a minor (as such terms are defined in Section 111 of the Sex Offender Registration and Notification Act (42 U.S.C. § 16911)).

- Certifying Lender Signature-

-Title -

- Date -

\_\_\_\_\_

**EXHIBIT E  
ILLINOIS FINANCE AUTHORITY  
APPLICANT'S PROJECT PROPOSAL FOR REVOLVING LOAN FACILITY ("RLOC")**

Name of Applicant \_\_\_\_\_ Contact \_\_\_\_\_ Title \_\_\_\_\_  
 Address \_\_\_\_\_ Telephone \_\_\_\_\_ E-Mail \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ FEIN/Tax ID \_\_\_\_\_ Unemploy. Ins. No \_\_\_\_\_  
 Project Address \_\_\_\_\_ County \_\_\_\_\_ NAICS Code \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ Duns Number \_\_\_\_\_  
 Requested Revolving Loan Facility    Equity                    Other                    Other                    Total Project Cost  
 \$ \_\_\_\_\_                    \$ \_\_\_\_\_                    \$ \_\_\_\_\_                    \$ \_\_\_\_\_                    \$ \_\_\_\_\_

COMPLETE THE FOLLOWING (attach a separate page if necessary):

Briefly Describe The Project:

Describe how the Project fits within the definition of a "clean energy project", as defined in the Authority's Act or otherwise fosters the objectives and mission of the Climate Bank..

How will these loan funds be used?

Employment Impact: Describe your businesses employment (e.g. number, type, full & part time) now and after this project has been implemented.

How will this project modernize your business or improve its competitiveness?

          Wetlands will not be impacted because the use (s) of Authority funding is limited to repair, maintenance and/or renovation of existing buildings, facilities, lawns and ornamental plantings; purchase of machinery and equipment; and/or working capital financing.

          There is the potential for a wetland impact to occur because the uses(s) of AUTHORITY funding includes new construction or expansion of existing buildings or facilities or other alterations to the "footprint" of the facilities on the property. A plat map of the site is included with this application, so that Authority staff can compare the property's location against the National Wetlands Inventory (NWI) to identify wetlands located on or within 250 feet of the property.

**The following information is needed for tracking purposes. Please check all that apply:**

- The applicant is a SEDI-owned business (see SEDI-Owned Business Certification)
  
- The applicant, including its affiliates, has 9 or fewer employees

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I/We certify to the Lender and the Authority that the statements made in this Applicant's Project Proposal, the Applicant's Certification, and the documents submitted to the Lender are true, may be relied upon in considering this loan, and may be verified in any manner deemed appropriate, including the Illinois Department of Employment Security, Consumer Credit Bureau Services, business reporting services, and criminal history record check. The applicant(s) authorize the Lender and the Authority to release the information submitted to the Authority, (excluding % ownership, SSN, and Race/Gender/Disability) in announcements, press releases, and other public information documents. I/We acknowledge and agree that the Authority is committed to protecting the privacy of its vendors, grantees, and beneficiaries of programs and services. At times, the Authority may request social security numbers or other personal identifying information. Federal and state laws, rules, and regulations require the collection of this information for certain purposes relating to employment and/or payments for goods and services, including, but not limited to, grants. The Authority also collects confidential information for oversight and monitoring purposes. Furnishing personal identity information, such as a social security number, is voluntary; however, failure to provide required personal identity information may prevent an individual or organization from using the services/benefits provided by the Authority as a result of state or federal laws, rules and regulations.

- Applicant's Signature(s) -

- Title -

- Date -

\_\_\_\_\_  
\_\_\_\_\_  
-----

**NOTE: Please complete the demographic information on the following pages**

DRAFT

## OPTIONAL DEMOGRAPHIC DATA SURVEY

**Legal Name of Applicant/Borrower:** \_\_\_\_\_

This transaction is supported with funding provided through the State Small Business Credit Initiative (SSBCI), a federal program that supports small business lending and investment programs throughout the United States, its territories, and Tribal governments. In Illinois, the SSBCI Program is administered by the Illinois Department of Commerce and Economic Opportunity (DCEO) and the Illinois Finance Authority (IFA). The SSBCI program is designed to expand access to capital, promote economic resiliency, and create new jobs and economic opportunity. Filling out this form and providing demographic information is optional; applicants are not required to provide the requested information but are encouraged to do so. Neither DCEO, IFA, nor your lender can discriminate on the basis of whether an applicant provides this information, or based on any information provided on this form. If you decline to provide this information, it will not adversely affect your application. The demographics-related information collected can only be used for purposes of the SSBCI program and must not be used for any other purposes (e.g., marketing, sale to third parties). The information collected must also not be used in a manner that violates any applicable anti-discrimination laws, including, but not limited to, the following authorities: Title VI of the Civil Rights Act of 1964 (Title VI), 42 U.S.C. § 2000d-1 et seq., and Treasury's implementing regulations, 31 C.F.R. part 22; Section 504 of the Rehabilitation Act of 1973 (Section 504), 29 U.S.C. § 794; Title IX of the Education Amendments of 1972 (Title IX), 20 U.S.C. § 1681 et seq., and Treasury's implementing regulations, 31 C.F.R. part 28; the Age Discrimination Act of 1975, 42 U.S.C. § 6101 et seq., and Treasury's implementing regulations at 31 C.F.R. part 23.

If you believe you were discriminated against in connection with the provision of the information provided on this form, contact: Illinois Department of Commerce and Economic Opportunity, Office of Equal Opportunity Monitoring and Compliance, 555 West Monroe St., 12th Floor, Chicago, Illinois 60661. You may also contact Director, Office of Civil Rights and Diversity, U.S. Department of the Treasury, 1500 Pennsylvania Ave, N.W., Washington, DC 20220, or by email at [crcomplaints@treasury.gov](mailto:crcomplaints@treasury.gov)

**Applicants are encouraged to answer all of the questions below;**

This information is being collected to help ensure that communities' small business credit needs are being fulfilled and allow SSBCI to analyze the populations that SSBCI funding is benefiting.

### **1. Minority-owned or controlled business status**

For purposes of this form, minority individual means a natural person who identifies as American Indian or Alaska Native; Asian American; Black or African American; Native Hawaiian or Other Pacific Islander; Hispanic or Latino/a; or one or more than one of these groups.

For purposes of this form, an applicant is a minority-owned or controlled business if the business meets one or more of the following:

- (1) if privately owned, 51 percent or more is owned by minority individuals;
- (2) if publicly owned, 51 percent or more of the stock is owned by minority individuals;
- (3) in the case of a mutual institution, a majority of the board of directors, account holders, and the community which the institution services is predominantly comprised of minority individuals; or
- (4) one or more minority individuals have the power to exercise a controlling influence over the business.

Is the applicant a minority-owned or controlled business?

- Yes                       No                       Prefer not to respond

**2. Women-owned or controlled business status**

For purposes of this form, an applicant is a women-owned or controlled business if the business meets one or more of the following:

- (1) if privately owned, 51 percent or more is owned by women;
- (2) if publicly owned, 51 percent or more of the stock is owned by women;
- (3) in the case of a mutual institution, a majority of the board of directors, account holders, and the community which the institution services is predominantly comprised of women; or
- (4) one or more individuals who are women have the power to exercise a controlling influence over the business.

Is the applicant a women-owned or controlled business?  
 Yes                       No                       Prefer not to respond

**3. Veteran-owned or controlled business status**

For purposes of this form, an applicant is a veteran-owned or controlled business if the business meets one or more of the following:

- (1) if privately owned, 51 percent or more is owned by veterans;
- (2) if publicly owned, 51 percent or more of the stock is owned by veterans;
- (3) in the case of a mutual institution, a majority of the board of directors, account holders, and the community which the institution services is predominantly comprised of veterans; or
- (4) one or more individuals who are veterans have the power to exercise a controlling influence over the business.

Is the applicant a veteran-owned or controlled business?  
 Yes                       No                       Prefer not to respond

Each principal owner of the applicant is encouraged to answer the questions below. This information is being collected to help ensure that communities' small business credit needs are being fulfilled and allow SSBCI to analyze the populations that SSBCI funding is benefiting. For purposes of this form, a principal owner of the applicant is a natural person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, owns 25 percent or more of the equity of the business. If a trust owns, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, 25 percent or more of the equity interests of the business, the trustee is a principal owner. For each principal owner of the applicant, indicate which of the following categories the principal owner identifies with. Submit a separate copy of this table for each principal owner of the applicant (up to four).

<b>1. Ethnicity</b>		
<input type="checkbox"/> Hispanic or Latino/a	<input type="checkbox"/> Not Hispanic or Latino/a	<input type="checkbox"/> Prefer not to respond
<b>2. Race (select all that apply)</b>		
<input type="checkbox"/> American Indian or Alaska Native	<input type="checkbox"/> Asian (Other)	
<input type="checkbox"/> Asian	<input type="checkbox"/> Black or African American	
<input type="checkbox"/> Indian	<input type="checkbox"/> Native Hawaiian or Other Pacific Islander	
<input type="checkbox"/> Chinese	<input type="checkbox"/> Guamanian or Chamorro	
<input type="checkbox"/> Filipino	<input type="checkbox"/> Native Hawaiian	
<input type="checkbox"/> Japanese	<input type="checkbox"/> Samoan	
<input type="checkbox"/> Korean	<input type="checkbox"/> Pacific Islander (Other)	
<input type="checkbox"/> Vietnamese	<input type="checkbox"/> White	
	<input type="checkbox"/> Prefer not to respond	

**3. Middle Eastern or North African Ancestry**

- Middle Eastern or North African       Not Middle Eastern or North African  
 Prefer not to respond

**4. Gender**

- Female  
 Male  
 Non-binary  
 Prefer to self-describe: \_\_\_\_\_  
 Prefer not to respond

**5. Sexual Orientation**

- Gay or lesbian  
 Bisexual  
 Straight, that is, not gay, lesbian, or bisexual  
 Something else  
 Prefer not to respond

**6. Veteran Status**

- Veteran       Non-veteran       Prefer not to respond

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EXHIBIT F  
APPLICANT'S CERTIFICATION

The undersigned acknowledges that a participation interest (the "Participation") in the loan (the "Loan") for which it has applied from \_\_\_\_\_ (the "Lender") may be sold to the Illinois Finance Authority (the "Authority") pursuant to the Illinois Finance Authority Act (20 ILCS 3501/801-1 et seq). The Lender will continue to handle and service the entire Loan and all payments will be made to the Lender. In order to induce the Authority to purchase a Participation in the Loan, the undersigned agrees and certifies to the Lender and the Authority as follows:

1. The undersigned agrees to submit annual progress reports to the Authority in the form provided by the Authority in the time requested by the Authority. The annual progress report will request information about job creation/retention, additional investment in the business, and the business's revenue and net income for the prior year.
2. The project of the undersigned for which Loan funds are to be used (the "Project") would not be undertaken unless the Loan is provided.
3. The purchase of the Participation will cause a Project to be undertaken in Illinois which has the potential to create or retain substantial employment or to modernize or improve the competitiveness of the undersigned in relation to the amount of the Loan.
4. The Project is a new plant start-up, modernization, expansion, or a new venture opportunity in Illinois and is not a relocation of an existing business from another site within the State of Illinois unless that relocation results in substantial employment growth.
5. The undersigned is ready to implement the Project and has the financial ability to carry out the Project.
6. The undersigned is a credit-disadvantaged firm, such as a business start-up or micro-enterprise, or other young firm, or an industrial expansion, modernization, environmental upgrade, or other mature firm, or is a small business responding to and recovering from the economic effects of the COVID-19 pandemic, or is a business owned by socially or economically disadvantaged individuals, (a "SEDI-owned small business"), or a Very Small business with 9 or fewer employees, (a "VSB").
7. The undersigned is a not-for-profit corporation, for-profit corporation, or limited liability corporation, partnership, or sole proprietorship having seven hundred fifty (750) or fewer employees and is authorized to conduct business in the State of Illinois. The number of employees of the Borrower, including those from a temp agency or PEO and any Borrower affiliates, is \_\_\_\_\_.
8. The undersigned is **not**:
  - (a) a business engaged in speculative activities that develop profits from fluctuations in price rather than through normal course of trade, such as wildcatting for oil and dealing in commodities futures, unless those activities are incidental to the regular activities of the business and part of a legitimate risk management strategy to guard against price fluctuations related to the regular activities of the business or through the normal course of trade;
  - (b) a business that earns more than half of its annual net revenue from lending activities; unless the business is (1) a CDFI that is not a depository institution or a bank holding company or (2) a Tribal enterprise lender that is not a depository institution or a bank holding company, and the CDFI or Tribal enterprise lender uses Program funds for a re-lending transaction that complies with Program requirements;

(c) a business engaged in pyramid sales, where a participant's primary incentive is based on the sales made by an ever-increasing number of participants;

(d) a business engaged in activities that are prohibited by federal law or applicable law in the jurisdiction where the business is located or conducted (this includes businesses that make, sell, service, or distribute products or services used in connection with an illegal activity, such as selling drug paraphernalia or operating a motel that knowingly permits illegal prostitution, unless such use can be shown to be completely outside of the business's intended market); this category of businesses includes direct and indirect marijuana businesses, as defined in SBA Standard Operating Procedure 50 10 6, (available at <https://www.sba.gov/document/sop-50-10-lenderdevelopment-company-loan-programs-0> (If document at the link is not accessible, a copy may be requested from the Authority));

(e) a business engaged in gambling enterprises, unless the business earns less than thirty-three percent (33%) of its annual net revenue from legal gambling activities;

(f) a business that operates a discriminatory club, as defined in Section 1 of the Discriminatory Club Act (775 ILCS 25/1); or

(g) in the business of manufacturing or selling at wholesale, tobacco products, liquor, or sexually explicit materials or in the business of manufacturing or selling firearms at wholesale or retail.

9. The undersigned is not, and is not controlled by, an executive officer, director, or principal shareholder of the Lender; or a member of the immediate family of an executive officer, director, or principal shareholder of the Lender; or a related interest of such executive officer, director, principal shareholder, or member of the immediate family. For purposes of this paragraph, the terms "executive officer," "director," "principal shareholder," "immediate family", and "related interest" refer to the same relationship to a lender as the relationship described in part 215 of title 12 of the Code of Federal Regulations, or any successor to such part. In addition, the undersigned is not a business or entity in which (i) any director, officer or owner of an ownership interest of more than 7-1/2% in the business or entity, in its own name or that of a nominee, is also a member, officer, agent or employee of the Authority or (ii) any member, officer, agent or employee of the Authority has any direct or indirect interest.
10. No principal of the undersigned has been convicted of a sex offense against a minor (as such terms are defined in section 111 of the Sex Offender Registration and Notification Act (42 U.S.C. § 16911)). For purposes of this certification, "principal" means the following: if a sole proprietorship, the proprietor; if a partnership, each managing partner and each partner who is a natural person and holds a 20% or more ownership interest in the partnership; and if a corporation, limited liability company, association or a development company, each director, each of the five most highly compensated executives or officers of the undersigned, and each natural person who is a direct or indirect holder of 20% or more of the ownership stock or stock equivalent of the undersigned. The undersigned will be required to review and complete the Borrower Sex Offender Certification attached hereto as **Exhibit F, Attachment 1**.
11. The proceeds of the Loan will be used for a "business purpose." Business purpose includes, but is not limited to, start-up costs, working capital, franchise fees, equipment, inventory, as well as the purchase, construction, renovation or tenant improvements of an eligible place of business that is not for passive real estate investment purposes. The definition of business purpose excludes: activities that relate to acquiring or holding passive investments, such as commercial real estate ownership and the purchase of securities; and lobbying activities, as defined in Section 3(7) of the Lobbying Disclosure Act of 1995, P.L. 104-65, as amended.

Proceeds of the Loan will not be used:

- (a) to repay delinquent federal or state income taxes unless the undersigned has a payment plan in place with the relevant taxing authority;
- (b) to repay taxes held in trust or escrow (e.g., payroll or sales taxes);
- (c) to reimburse funds owed to any owner, including any equity injection or injection of capital for the undersigned's continuance; or
- (d) to purchase any portion of any ownership interest of any owner in the undersigned except for the purchase of an interest in an employee stock ownership plan qualifying under Section 401 of the Internal Revenue Code, worker cooperative, employee ownership trust, or related vehicle, provided that the transaction results in broad-based employee ownership for employees in the business and the employee stock ownership plan or other employee-owned entity holds a majority interest (on a fully diluted basis) in the business;
- (e) to place under the protection of the Program prior debt that is not covered under the Program and that is or was owed by the Borrower to the Lender or to an affiliate of the Lender;
- (f) to improve or renovate any portion of rentable property that the Borrower leases to a third party;
- (g) to refinance a loan previously made to the Borrower by the Lender or an affiliate of the Lender unless permitted by U.S. Treasury guidance; or
- (h) to enroll the unguaranteed portions of SBS-guaranteed loans or the unguaranteed portion of any other federal loan.

12. Under penalties of perjury, the undersigned certifies that it does business under the legal name of \_\_\_\_\_, which is identified with the following Federal Taxpayer Identification Number \_\_\_\_\_, and that it does business as a:

- |  |  |
|--|--|
| _____ Individual (01)  | _____ Governmental (08)  |
| _____ Sole Proprietor (02)   | _____ Nonresident Alien (13)   |
| _____ Partnership/Legal Corporation (03)                                       | _____ Estate or Trust (10)   |
| _____ Tax Exempt (16)  | _____ Pharmacy (Non-Corp.) (11) _____                                  |
| _____ Corporation providing or billing medical and/or health care services     | _____ Pharmacy/Funeral Home/Cemetery (Corp.) (15)                      |
| _____ Corporation NOT providing or billing medical and/or health care services | _____ Limited Liability Company (select applicable tax classification) |
|  | _____ D-Disregarded Entity   |
|  | _____ C-Corporation  |
|  | _____ P-Partnership  |

13. The undersigned certifies that it is a Corporation, Partnership or other entity (other than individual) with:

- A) \_\_\_\_\_ 25 or more employees at the time of issuance of this contract, or
- B) \_\_\_\_\_ 24 or fewer employees at the time of issuance of this contract.

If Option "A" is checked, and the amount of the Participation is \$5,000 or greater, the undersigned is notified that the Drug Free Workplace Act is applicable to the Participation and it must comply with the terms of said Act. (30 ILCS 580/1 *et seq.*).

If Option "B" is checked, *or* the amount of the Participation is less than \$5,000, the Drug Free Workplace Act is not applicable to the Participation.

14. The undersigned certifies that it shall comply with all applicable provisions of Federal, State and local law in the performance of its obligations pursuant to the loan and/or other permitted lines of credit, including compliance with the Illinois Prevailing Wage Law, if applicable, SSBCI statute (12 U.S.C. § 5701 et seq.), as amended or replaced from time to time and the U.S. Department of Treasury's ("Treasury") SSBCI regulations, guidance, and other requirements, as in effect from time to time and as incorporated herein by reference as well as any applicable federal, state and/or local laws, regulations, and guidance related to internal control and standards for financial management systems requirements. The undersigned agrees to maintain, for a minimum of five (5) years after the repayment, repurchase, or other termination of the Loan, adequate books, records, and supporting documents to verify the amounts, recipients, and uses of all funds passing in conjunction with the Loan. The undersigned agrees that all books, records, and supporting documents related to the Loan shall be available for review and audit by the Authority, the U.S. Department of the Treasury and its inspector general, the federal Government Accountability Office, the Illinois Auditor General and the Illinois Attorney General, and agrees to cooperate fully with any audit and to provide full access to all relevant materials. Failure to maintain the books, records, and supporting documents required by this Section shall establish a presumption in favor of the Authority for the recovery of any amounts paid by the Authority pursuant to a participation for which adequate books, records, and supporting documentation are not available to support their purported disbursement.
15. The undersigned certifies that entering into the Loan is not in violation of the Educational Loan Default Act (5 ILCS 385/3) prohibiting certain contracts to individuals who are in default on an educational loan.
16. The undersigned certifies (i) that it will not commit unlawful discrimination in employment in Illinois as that term is defined in Article 2 of said Act; (ii) that it will comply with the provisions of Article 5 of the Act regarding equal employment opportunities and affirmative action; and, (iii) that it will comply with policies and procedures established by the Department of Human Rights under Article 7 of the Act regarding equal employment opportunities and affirmative action. The Lender further certifies that, if applicable, it will comply with the Public Works Employment Discrimination Act (775 ILCS 10/0.01 et seq.), Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq.) and the Treasury's implementing regulations at 31 C.F.R. Part 22, Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), and the Age Discrimination Act of 1975 as amended (42 U.S.C. §§ 6101 et seq.) and the Treasury's implementing regulations at 31 C.F.R. Part 23.
17. The undersigned certifies that it will comply with all federal, state, and local laws, including but not limited to the filing of any and all applicable tax returns. In the event that the undersigned is delinquent in filing and/or paying any federal, state, and/or local taxes, the Authority shall disburse loan funds only if the undersigned enters into an installment payment agreement with said tax authority and remains in good standing with such installment payment agreement. The undersigned acknowledges and agrees it is required to tender a copy of any such installment payment agreement to the Authority. The undersigned acknowledges and agrees that it may not utilize loan funds to discharge outstanding tax liabilities or other debts owed to any governmental unit. The undersigned certifies that (i) it is current as to the filing and payment of any federal, state, and/or local taxes applicable to it; and (ii) it is not delinquent in its payment of monies owed to any federal, state, or local unit of government.
18. The undersigned certifies, in accordance with the State Prohibition of Goods from Child Labor Act (30 ILCS 584/1 et seq.), that no foreign-made equipment, materials, or supplies furnished to the State in connection with this Agreement have been produced in whole or in part by the labor of any child under the age of 12.

19. The undersigned shall monitor any construction undertaken as part of a Project to assure that necessary contractor's affidavits and waivers of mechanics liens are obtained prior to release of Loan funds to contractors and subcontractors.
20. The undersigned certifies that any proposed Project is compatible with established state policy regarding wetlands, pursuant to the Interagency Wetland Policy Act of 1989 (20 ILCS 830/1 et seq.). The undersigned acknowledges that the Illinois Department of Natural Resources may, from time to time, monitor a proposed Project to ensure continued compliance with the aforementioned Act. In the event that a Project does not remain in compliance with the Act, such noncompliance shall constitute a breach of this Agreement, and failure to cure the breach within sixty (60) days after notice thereof will result in the termination of the Participation in such Loan/Project
21. The undersigned certifies that it has not been barred from bidding on, entering into, or receiving State contracts as a result of a violation of Section 33E-3 or 33E-4 of the Illinois Criminal Code of 1961 (Bid Rigging or Bid Rotating, respectively) (720 ILCS 5/33E-3 and 5/33E-4).
22. The undersigned certifies it has written sexual harassment policies that include, at a minimum, the following information: (i) the illegality of sexual harassment; (ii) the definition of sexual harassment under State law; (iii) a description of sexual harassment, utilizing examples; (iv) the undersigned's internal complaint process including penalties; (v) the legal recourse, investigative and complaint process available through the Department of Human Rights and the Human Rights Commission, including directions on how to contact them; and (vi) protection against retaliation as provided by Section 6-101 of the Illinois Human Rights Act (775 ILCS 5/2-105 et seq. and 775 ILCS 5/6-101). A copy of the policies shall be provided to the Authority upon request.
23. The undersigned certifies that services, programs, and activities contemplated under this Agreement are and will continue to be in compliance with the Americans with Disabilities Act (ADA) (42 U.S.C. 12101 et seq.) and the regulations thereunder (28 CFR 35.130), which prohibit discrimination against persons with disabilities, whether directly or through contractual arrangements, in the provision of any aid, benefit, or service. The undersigned further certifies that all facilities utilized by it in the performance of this Agreement comply with State accessibility laws.
24. The undersigned certifies that neither it nor any affiliate company is participating or will participate in an international boycott, as defined by the provisions of the U.S. Export Administration Act of 1979 or by the regulations of the U.S. Department of Commerce promulgated pursuant to the Act.
25. The Authority is authorized to publicize information regarding its Participation in the Loan, including, without limitations, information related to the name of the borrower, the amount of the Loan and the amount of the Participation by the Authority in the Loan. Notwithstanding the foregoing, The Authority is committed to protecting the privacy of its vendors, grantees and beneficiaries of programs and services. At times, the Authority may request social security numbers or other personal identifying information. Federal and state laws, rules and regulations require the collection of this information for certain purposes relating to employment and/or payments for goods and services, including, but not limited to, grants. The Authority also collects confidential information for oversight and monitoring purposes. Furnishing personal identity information, such as social security number, is voluntary; however, failure to provide required personal identity information may prevent an individual or organization from using the services/benefits provided by the Authority as a result of state or federal laws, rules and regulations.
26. The undersigned certifies that it will not expend any Loan funds which result in the destruction, alteration, renovation, transfer or sale, or utilization of a historic property, structure or structures, or in the introduction of visual, audible or atmospheric elements to a historic property, structure or structures, which will result in the change in the character or use of any historic property, except as

approved by the Illinois Historic Preservation Agency. Historic Preservation Act (20 ILCS 3420/1 et seq.).

27. The undersigned certifies that no director, officer, or employee of the undersigned shall participate in the Lender's credit decision or other Lender's decisions relating to the Loan, and none of the undersigned's directors, officers, or employees shall participate in any decision of the undersigned's business that affects the officer's, director's, or employee's personal interest or the interests of any corporation, partnership, or association in which the director, officer, or employee is directly interested in a manner that conflicts with the interests of the undersigned's business. The undersigned certifies that it shall: (1) comply, if applicable, with the provisions of 31 U.S.C. § 1352, as amended, and with the regulations at 31 CFR Part 21; (2) not use the SSBCI Fund funds to pay any costs incurred in connection with any defense against any claim or appeal of the U.S. Government, any agency or instrumentality thereof (including the Treasury), against the U.S. Government, any agency or instrumentality thereof (including Treasury), against the undersigned; and (3) not use any SSBCI Fund funds for loans, investments, and other credit or equity support to finance, in whole or in part, purposes prohibited by the SSBCI statute or Treasury's SSBCI regulations or guidance as in effect from time to time. The undersigned must review and complete the Borrower Use of Proceeds and Conflict of Interest Certification attached hereto as **Attachment 2 to Exhibit F**.
28. The undersigned certifies that, **to the extent the construction of fixed works is financed in whole or in part with funds provided by the Loan**, the Project will be subject to the **Prevailing Wage Act** (820 ILCS 130/0.01 et seq.) unless the provisions of the Prevailing Wage Act exempt its application. In the construction of the Project, the undersigned must comply with the requirements of the Prevailing Wage Act including, but not limited to: (a) requiring its contractors to pay the prevailing rate of wages required by the Illinois Department of Labor, or a court on review, to all laborers, workers and mechanics performing work with funds provided through the Loan, (b) inserting into all contracts for such construction a stipulation to the effect that not less than the prevailing rate of wages as applicable to the Project must be paid to all laborers, workers, and mechanics performing work on the Project; and (c) requiring all bonds of contractors to include a provision guaranteeing the faithful performance of the prevailing wage clause as provided by contract.
29. The undersigned shall promptly notify the Lender in writing in reasonable detail:
- (i) if there has been any material adverse change in the condition, financial or otherwise, or operations of the undersigned that may affect the Loan and/or the Lender;
  - (ii) if the undersigned believes that any representation, warranty, certification, assurance, or any other statement of fact contained in the Loan Documents, this Certification (including all Attachments), or any statement set forth in any document, report, certificate, financial statement or instrument now or hereafter delivered to the Lender in connection with the Loan, was inaccurate, false, incomplete, or misleading when made, or in any material respect;
  - (iii) if the undersigned believes that it has materially failed to comply with any term or Condition contained in the Loan Documents and/or this Certification (including all Attachments); and
  - (iv) if there are facts or circumstances, real or anticipated, that may materially affect the undersigned's ability to comply with the terms and conditions in the Loan Documents or this Certification (including all Attachments); in this event, the undersigned must describe the actions taken or contemplated to be taken to address the issue.
30. If applicable, the undersigned certifies that the applicant qualifies for this Loan based on its status as a Very Small Business (9 or fewer employees) or a SEDI-Owned Businesses, as applicable, and certifies that it is any of the following entities (initial one).

\_\_\_\_\_ Very Small Business (“VSB”)

\_\_\_\_\_ SEDI-Owned Business Applicant **(If this Option is checked, please review and complete SEDI-Owned Business Certification attached hereto as Exhibit F Attachment 3)**

The undersigned acknowledges and agrees that the certifications made herein shall be considered representations made pursuant to the Loan Agreement related to the Loan with the same ramifications in the event they are inaccurate.

This Certification is executed as of the \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_.

\_\_\_\_\_  
PRINT/TYPE NAME OF APPLICANT

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

Its: \_\_\_\_\_

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**ATTACHMENT 1 TO EXHIBIT F**

**Sex Offender Borrower Certification (Loan/Credit Program)**

Under the State Small Business Credit Initiative (SSBCI), borrowers must certify that their principals have not been convicted of a sex offense against a minor.

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

Borrower hereby certifies the following to the participating jurisdiction:

No principal of the entity listed above has been convicted of a sex offense against a minor (as such terms are defined in 34 U.S.C. § 20911). For the purposes of this certification, “principal” means the following: if a sole proprietorship, the proprietor; if a partnership, each partner; if a corporation, limited liability company, association, development company, or other entity, each director, each of the five most highly compensated executives, officers, or employees of the entity, and each direct or indirect holder of twenty percent (20%) or more of the ownership stock or stock equivalent of the entity.

The undersigned is an authorized representative of Borrower.

Signature: \_\_\_\_\_

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

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

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





## ATTACHMENT 2 TO EXHIBIT F

### Borrower Use of Proceeds and Conflict of Interest Certification

Funds from the State Small Business Credit Initiative (SSBCI) may only be used for certain purposes and in circumstances where the applicable conflict of interest standards are satisfied.

Legal name of Borrower: \_\_\_\_\_

Borrower hereby certifies the following to the lender or investor:

1. The loan or investment proceeds will be used solely for a business purpose. A business purpose includes, but is not limited to, start-up costs; working capital; franchise fees; and acquisition of equipment, inventory, or services used in the production, manufacturing, or delivery of a business's goods or services, or in the purchase, construction, renovation, or tenant improvements of an eligible place of business that is not for passive real estate investment purposes. SSBCI funds may be used to purchase any tangible or intangible assets except goodwill. The term "business purpose" excludes acquiring or holding passive investments in real estate; the purchase of securities except as permitted in certification 2.d below; and lobbying activities (as defined in Section 3(7) of the Lobbying Disclosure Act of 1995, P.L. 104-65, as amended (2 U.S.C. § 1602(7))).
2. The loan or investment proceeds will **not** be used to:
  - a. repay delinquent federal or jurisdiction income taxes unless the borrower or investee has a payment plan in place with the relevant taxing authority;
  - b. repay taxes held in trust or escrow (e.g., payroll or sales taxes);
  - c. reimburse funds owed to any owner, including any equity investment or investment of capital for the business's continuance;
  - d. place under the protection of the State Participation Loan Program prior debt that is not covered under the State Participation Loan Program and that is or was owed by the Borrower to the Lender or to an affiliate of the Lender;
  - e. improve or renovate any portion of rentable property that Borrower leases to a third party;
  - f. refinance a loan previously made to the Borrower by the Lender or an affiliate of the Lender; unless permitted under U.S. Treasury guidance; or
  - g. purchase any portion of the ownership interest of any owner of the business, except for the purchase of an interest in an employee stock ownership plan qualifying under section 401 of Internal Revenue Code, worker cooperative, or related vehicle, provided that the transaction results in the employee stock ownership plan or other employee-owned entity holding a majority interest (on a fully diluted basis) in the business.
3. The borrower or investee is **not**:
  - a. a business engaged in speculative activities that profit from fluctuations in price, such as wildcatting for oil and dealing in commodities futures, unless those activities are incidental to the regular activities of the business and part of a legitimate risk management strategy to guard against price fluctuations related to the regular activities of the business or through the normal course of trade;
  - b. a business that earns more than half of its annual net revenue from lending activities, unless the business is a non-bank or non-bank holding company certified as a Community Development Financial Institution (CDFI);
  - c. a business engaged in pyramid sales, where a participant's primary incentive is based on the sales made by an ever-increasing number of participants;
  - d. a business manufacturing or selling at wholesale, tobacco products, liquor or sexually explicit

- materials or in the business of manufacturing or selling firearms at wholesale or retail;
- e. a business engaged in activities that are prohibited by federal law or, if permitted by federal law, applicable law in the jurisdiction where the business is located or conducted. (Included in these activities is the production, servicing, or distribution of otherwise legal products that are to be used in connection with an illegal activity, such as selling, drug paraphernalia or operating a motel that knowingly permits illegal prostitution); or
- f. a business engaged in gambling enterprises, unless the business earns less than thirty-three percent (33%) of its annual net revenue from lottery sales.

***For a borrower participating in a loan/credit program:***

4. The borrower is **not**:
- a. an executive officer, director, or principal shareholder of the Lender;
  - b. a member of the immediate family of an executive officer, director, or principal shareholder of the Lender; or
  - c. a related interest or immediate family member of such an executive officer, director, or principal shareholder of the Lender.
  - d. a business or entity in which (i) any director, officer or owner of an ownership interest of more than 7-1/2% in the business or entity, in its own name or that of a nominee, is also a member, officer, agent or employee of the Authority or (ii) any member, officer, agent or employee of the Authority has any direct or indirect interest.”

For the purposes of the above conflict of interest certification, the terms “executive officer,” “director,” “principal shareholder,” “immediate family,” and “related interest” refer to the same relationship to the lender as the relationships described in 12 C.F.R. part 215.

The undersigned is an authorized representative of the Borrower.

Signature: \_\_\_\_\_

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

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

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

## ATTACHMENT 3 TO EXHIBIT F

### Borrower Certification Related to Business Enterprises Owned and Controlled by Socially and Economically Disadvantaged Individuals (SEDI-Owned Businesses)

This transaction is supported with funding provided through the State Small Business Credit Initiative (SSBCI), a federal program that supports small business lending and investment programs in the State of Illinois. SSBCI programs are designed to expand access to capital, promote economic resiliency, and create new jobs and economic opportunity. SSBCI provides funding to the State of Illinois to support businesses owned and controlled by socially and economically disadvantaged individuals (SEDI-owned businesses). For purposes of this SSBCI program, the term “owned and controlled” means: (1) if privately owned, 51% is owned by socially and economically disadvantaged individuals (SEDI); (2) if publicly owned, 51% of the stock is owned by SEDI; and (3) in the case of a non-for-profit, a majority of the board of directors, executive administration, and community served are predominantly comprised of such individuals.

This certification provides documentation that an SSBCI loan or investment supported a SEDI-owned business. The information collected from this certification can only be used for purposes of the SSBCI program and must not be used for any other purposes (e.g., marketing, sale to third parties). The information collected must also not be used in a manner that violates any applicable anti-discrimination laws, including, but not limited to, the laws specified in Section IX.b of the Capital Program Policy Guidelines (Compliance with Civil Rights Requirements).

The borrower is not required to provide this certification. The borrower may identify all categories in groups (1) through (3) below that apply, including all subcategories in group (1) that apply.

Legal name of Borrower: \_\_\_\_\_

Borrower hereby certifies to the Lender that it is a:

1. Business enterprise that is owned and controlled by individuals who have had their access to credit on reasonable terms diminished as compared to others in comparable economic circumstances, due to their (check all that apply):

- membership of a group that has been subjected to racial or ethnic prejudice or cultural bias within American society;
- gender;
- veteran status;
- limited English proficiency;
- disability;
- long-term residence in an environment isolated from the mainstream of American society;
- membership of a federally or state-recognized Indian Tribe;
- long-term residence in a rural community;
- residence in a U.S. territory;
- residence in a community undergoing economic transitions (including communities impacted by the shift towards a net-zero economy or deindustrialization); or
- membership of another underserved community<sup>1</sup>.

<sup>1</sup> “Underserved communities” are populations sharing a particular characteristic, as well as geographic communities, that have been systematically denied a full opportunity to participate in aspects of economic, social, and civic life, as exemplified by the list in the definition of equity. Equity is consistent and systematic fair, just, and impartial treatment of all individuals, including individuals who belong to underserved communities that have been denied such treatment, such as Black, Latino, Indigenous, and Native American persons, Asian Americans and Pacific Islanders and other persons of color; members of religious minorities; lesbian, gay, bisexual, transgender, and queer (LGBTQ+) persons; persons with disabilities; persons who live in rural areas; and persons otherwise adversely affected by persistent poverty or inequality

2.  Business enterprise that is owned and controlled by individuals whose residences are in Low to Moderate

Income Areas or CDFI Investment Areas, as defined in 12 C.F.R. § 1805.201(b)(3)(ii). For purposes of this Certification, "**Low to Moderate Income Area**" means an area or county within the State of Illinois that meets certain federal income guidelines taking into consideration the number of household members. To determine if a business is located in a Low to Moderate Income (LMI) Area, go to <http://www.ffiec.gov/geocode> and type in the address. Then click on "Get Census Demographic" in order to determine the income level of the tract.

Individual(s)' Address(es) in LMI or CDFI Investment Areas:

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3.  Business enterprise that will build, open, or operate a location in an LMI or CDFI Investment Area, as defined in 12 C.F.R. § 1805.201(b)(3)(ii).

Business Address in CDFI Investment Area:

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**EXHIBIT G**  
**Sex Offender Lender Certification (Loan/Credit Program)**

Under the State Small Business Credit Initiative (SSBCI), lenders and borrowers must certify that their principals have not been convicted of a sex offense against a minor.

Legal name of Lender: \_\_\_\_\_

The Lender hereby certifies the following to the participating jurisdiction:

No principal of the entity listed above has been convicted of a sex offense against a minor (as such terms are defined in 34 U.S.C. § 20911). For the purposes of this certification, “principal” means the following: if a sole proprietorship, the proprietor; if a partnership, each partner; if a corporation, limited liability company, association, development company, or other entity, each director, each of the five most highly compensated executives, officers, or employees of the entity, and each direct or indirect holder of 20 percent or more of the ownership stock or stock equivalent of the entity.

The undersigned is an authorized representative of the Lender.

Signature: \_\_\_\_\_

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

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

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

**EXHIBIT H**  
**Lender Use of Proceeds and Conflict of Interest Certification**

Funds from the State Small Business Credit Initiative (SSBCI) may only be used for certain purposes and in circumstances where the applicable conflict of interest standards are satisfied.

Legal name of Lender: \_\_\_\_\_

Lender hereby certifies the following to the participating jurisdiction:

1. The SSBCI-supported loan or investment is not being made in order to place under the protection of the approved State program prior debt that is not covered under the approved State program and that is or was owed by the Borrower to the Lender or to an affiliate of the Lender.
2. If the SSBCI-supported loan is a refinancing, it complies with all applicable SSBCI restrictions and requirements in SSBCI Capital Program Policy Guidelines: Lender Assurances: Refinancing and New Extensions of Credit 12U.S.C. para. 5704(e)(7)(A)(ii) (incorporated herein by reference) regarding refinancing and new extensions of credit, including that the SSBCI-supported loan is not a refinancing of a loan previously made to the Borrower by the Lender or an affiliate of the Lender, unless permitted by U.S. Treasury guidance.
3. The Lender is not attempting to enroll any portion of an SBA-guaranteed loan or the unguaranteed portion of any other federal loan.

The undersigned is an authorized representative of the Lender.

Signature: \_\_\_\_\_

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

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

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

**EXHIBIT I**

**Collections Closeout Report**

<b>Borrower(s):</b>	<b>Lender:</b>
Contact /Title:	Contact:
Phone/Email:	Email:
Address-HQ:	Address:
FEIN:	Phone:
Date Closed:	
Last Payment Date:	
<b>Lender Portion:</b>	<b>IFA/CBF Participation:</b>
Original Balance:	Original Balance:
Current Balance:	Current Balance:
Anticipated Further Collection:	
Recommended Action:	

The purpose of this report is to summarize the steps taken by a lender participating in the State Small Business Credit Initiative—Climate Bank Finance Participation Loan Program (“PLP”) to recover on a defaulted loan. This report will be used by the Illinois Finance Authority (the “Authority”) to evaluate Lender’s compliance with the State Small Business Credit Initiative, the Master Participation Agreement, and the Approval Letter, and to support any Authority decision to close out the loan file.

**Lender Certification**

I, \_\_\_\_\_ [Officer of Bank, Title], hereby certify, represent and warrant on behalf of Lender that all information and documentation submitted to the Authority in connection with this recovery summary report is accurate, genuine and complete and contains true copies of Lender’s records for this loan. I further certify that I have personally reviewed and confirmed, based upon Lender’s records with respect to this loan provided herewith and that to the best of my knowledge and belief the information contained therein is true and accurate. I also certify to the best of my knowledge and belief that Lender has materially complied with the PLP requirements set forth in the Master Participation Agreement and Approval Letter applicable to this loan.

By signing below, I represent and warrant that I have the proper authority to execute this document on behalf of Lender.

Signature: \_\_\_\_\_

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

[Remainder of Page Intentionally Blank]



## Collection Efforts and Charge-off Justification

Please provide a narrative detailing recovery and collection efforts, including reasons and justification for charge off action.

Charge-off is appropriate when:

- all reasonable efforts have been exhausted to achieve recovery from (1) voluntary payments on the Note, (2) compromise agreement with the obligors; (3) liquidation of the collateral; and (4) enforced collections;
- the estimated cost of further collection efforts exceeds the anticipated recovery;
- the only remaining avenue of recovery is from obligors who cannot be located or who are unable to pay the loan balance; or
- the loan balance is uncollectible due to discharge in bankruptcy (i.e., release of the debtor from any further personal liability for pre-bankruptcy debts), the expiration of the statute of limitations (i.e., the passing of the deadline for suing), or the existence of another defense available to the remaining obligors under state or federal law.

Charge-off is not appropriate while any legal proceedings relating to the recovery are pending.

### Site Visit Report

Please provide a copy of the post-default site visit report, if any.

[Remainder of Page Intentionally Blank]

**Recoveries Worksheet**

Please summarize all recoveries using the spreadsheet below. You must provide supporting documentation (e.g. HUD-1 sheet(s), auction report(s), settlement statement(s), bill(s) of sale, and/or copies of cancelled checks) upon request.

	Date Sold	Collateral Sold	Net Amount Applied to Indebtedness
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
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19			
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25			
26			
27			
28			
29			
30			

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Total: \$ \_\_\_\_\_

**Collateral Status Worksheet**

	Description of Collateral	Lien Position Per Approval Letter	Liquidated	Remaining	Abandoned
1			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If any collateral is abandoned, complete the Abandonment of Collateral section beginning on last page.

**Obligors Worksheet**

	Guarantor Per Approval Letter	Remaining	Released	Bankrupt	Limited	Deceased
1		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If deceased, please provide a copy of the death certificate or printout of the verification from the Social Security Administration records (<http://search.ancestry.com/search/db.aspx?dbid=3693> for deaths prior to 2015), or other appropriate records.

**Servicing Expenses**

Please list all Servicing Expenses (as defined in the Master Participation Agreement) by type and in total amounts paid to each vendor.

	Expense Type	Vendor/Payee	Amount Paid
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			

Total: \$ \_\_\_\_\_

**Abandonment of Collateral**

Has any collateral been abandoned on this loan? Yes  No

If yes, provide attach a summary of the reasons for abandonment. You must provide supporting documentation upon the Authority's request.