

ORDINANCE NO. 2026-__-O

AN ORDINANCE OF THE CITY OF ROCKFORD, ILLINOIS, AUTHORIZING THE CITY TO EXECUTE A LOAN AGREEMENT AND TAXABLE GENERAL OBLIGATION PROMISSORY NOTE, SERIES 2018, EIGHT MODIFICATION AGREEMENT

WHEREAS, the City of Rockford, Illinois (the “City”), is a duly organized and existing municipality created under the provisions of the laws of the State of Illinois and is now operating under the provisions of the Illinois Municipal Code, as supplemented and amended (the “Code”);

WHEREAS, the Mayor and the City Council of the City (the “City Council”) have determined that it is advisable, necessary, and in the best interest of the City and its residents, in order to promote and protect the public health, welfare, safety, and convenience, to obtain a general line of credit for the City’s use (the “Line of Credit”);

WHEREAS, Section 8-1-3.1 of the Code provides that the City may borrow money from any bank or other financial institution provided such money shall be repaid within 10 years from the time the money is borrowed;

WHEREAS, pursuant to Section 8-1-3.1 of the Code, the City has obtained a Line of Credit in the amount of \$7,000,000.00 from Associated Bank, National Association, a national banking association (“Associated Bank”) evidenced by a Loan Agreement, related Loan Documents, and the Related Documents between the City and Associated Bank (the “Loan Agreement”);

WHEREAS, the indebtedness evidenced by the Loan Agreement, related Loan Documents and the Related Documents, when aggregated with the existing indebtedness of the City, does not exceed the debt limitation provided in Section 8-5-1 of the Code and shall be repaid in accordance with Section 8-1-3.1 of the Code pursuant to the terms of the Loan Agreement, the Loan Documents and the Related Documents;

WHEREAS, the City and Associated Bank have agreed previously to modify the Loan pursuant to: (a) the Loan Agreement and Taxable General Obligation Promissory Note, Series 2018, Modification Agreement (the “First Modification Agreement”), which was approved by Ordinance No. 2019-106-O; (b) the Loan Agreement and Taxable General Obligation Promissory Note, Series 2018, Second Modification Agreement (the “Second Modification Agreement”), which was approved by Ordinance No. 2020-114-O; (c) the Loan Agreement and Taxable General Obligation Promissory Note, Series 2018, Third Modification Agreement (the “Third Modification Agreement”), which was approved by Ordinance No. 2021-59-O; (d) the Loan Agreement and Taxable General Obligation Promissory Note, Series 2018, Fourth Modification Agreement (the “Fourth Modification Agreement”), which was approved by Ordinance No. 2022-31-O; (e) the Loan Agreement and Taxable General Obligation Promissory Note, Series 2018, Fifth Modification Agreement (the “Fifth Modification Agreement”), which was approved by Ordinance No. 2023-59-O; (f) the Loan Agreement and Taxable General Obligation Promissory Note, Series 2018, Sixth Modification Agreement (the “Sixth Modification Agreement”), which was approved by Ordinance No. 2024-69-O; and (g) the Loan Agreement and Taxable General

Obligation Promissory Note, Series 2018, Seventh Modification Agreement (the “Seventh Modification Agreement”), which was approved by Ordinance No. 2025-41-O; and

WHEREAS, the City and Associated Bank have again agreed to modify the Loan Agreement and Related Documents pursuant to the Loan Agreement and Taxable General Obligation Promissory Note, Series 2018, Eighth Modification Agreement (the “Eighth Modification Agreement”).

NOW, THEREFORE, be it ordained by the City Council of the City of Rockford, Illinois, as follows:

1. **Incorporation of Preambles.** The City Council finds and determines that all of the recitals contained in the preambles to this ordinance are true, correct, and complete and incorporates them into this Ordinance by this reference.
2. **Determination to Authorize Borrowing via Modification Agreement.** It is necessary and in the best interest of the City, and for the public health, welfare, safety, and convenience of the residents of the City, to enter into the Eighth Modification Agreement relative to the Line of Credit in the amount of \$7,000,000.00 and to pay all related costs and expenses incidental thereto in compliance with the provisions of Section 8-1-3.1 of the Code. It is hereby found and determined that such borrowing of money is for a proper public purpose or purposes and is in the public interest and is authorized by Section 8-1-3.1 of the Code.
3. **Details of Eighth Modification Agreement; Execution of Documents.** The City is hereby authorized to enter into the Eighth Modification Agreement relative to the City’s existing obligations under the Loan Agreement in the amount of \$7,000,000.00 and the Related Documents. The Note has been designated “Taxable General Obligation Promissory Note, Series 2018,” dated May 8, 2018, and shall become due and payable as set forth in the Eighth Modification Agreement attached hereto as **Exhibit A**. By Ordinance No. 2018-112-O, the City Council has previously approved the Loan Agreement and Note; by Ordinance No. 2019-106-O, the City Council has previously approved the First Modification Agreement; by Ordinance No. 2020-114-O, the City Council has previously approved the Second Modification Agreement; by Ordinance No. 2021-59-O, the City Council has previously approved the Third Modification Agreement; by Ordinance No. 2022-31-O, the City Council has previously approved the Fourth Modification Agreement; by Ordinance No. 2023-59-O, the City Council has previously approved the Fifth Modification Agreement; by Ordinance No. 2024-69-O, the City Council has previously approved the Sixth Modification Agreement; and by Ordinance No. 2025-41-O, the City Council has previously approved the Seventh Modification Agreement. The City Council hereby approves the form and terms of the Eighth Modification Agreement as now before the City Council. Except as noted in the Eighth Modification Agreement, the Loan Agreement, First Modification Agreement, Second Modification Agreement, Third Modification Agreement, Fourth Modification Agreement, Fifth Modification Agreement, Sixth Modification Agreement, Seventh Modification Agreement and the Related Documents remain unchanged. The Mayor is authorized to execute the Eighth

Modification Agreement with Associated Bank pursuant to Section 8-1-3.1 of the Code, along with any and all other documents necessary to consummate this transaction. The Mayor's execution of such documents shall be attested by the manual signature of the Legal Director as Keeper of the Records who is also the City Clerk (the "Legal Director"), and shall have impressed or imprinted thereon the corporate seal of the City. In case any such officer whose signature shall appear on the Eighth Modification Agreement and any Related Documents shall cease to be such officer, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office. The indebtedness shall be repaid pursuant to the terms of the Loan Agreement and Note, as modified by the First Modification Agreement, the Second Modification Agreement, the Third Modification Agreement, the Fourth Modification Agreement, the Fifth Modification Agreement, the Sixth Modification Agreement, the Seventh Modification Agreement, the Eighth Modification Agreement and the Related Documents, which complies with Section 8-1-3.1 in that the Note must be repaid in a period not exceeding 10 years from the time the money is borrowed. It is hereby found and determined that the interest rate or interest rates borne by the Note do not exceed the maximum rate authorized by Illinois law in accordance with the terms of the First Modification Agreement, the Second Modification Agreement, the Third Modification Agreement, the Fourth Modification Agreement, the Fifth Modification Agreement, the Sixth Modification Agreement, the Seventh Modification Agreement, the Eighth Modification Agreement, the Loan Agreement, and the Related Documents and that no person holding any office of the City, either by election or appointment, is in any manner financially interested directly in his or her name or indirectly in the name of any other person, association, trust or corporation in the Loan Agreement, the Related Documents, the First Modification Agreement, the Second Modification Agreement, the Third Modification Agreement, the Fourth Modification Agreement, the Fifth Modification Agreement, the Sixth Modification Agreement, the Seventh Modification Agreement, or the Eighth Modification Agreement.

4. **Note is a General Obligation.** In accordance with Section 8-1-3.1 of the Code, the obligation to make the payments due under the First Modification Agreement, the Second Modification Agreement, the Third Modification Agreement, the Fourth Modification Agreement, the Fifth Modification Agreement, the Sixth Modification Agreement, the Seventh Modification Agreement, the Eighth Modification Agreement, the Loan Agreement, the Related Documents and the Note shall be a lawful, direct general obligation of the City payable from the general funds of the City and such other sources of payment as are otherwise lawfully available. At present, there is no statutory authority for the levy of a separate tax in addition to other taxes of the City or the levy of a special tax unlimited as to a rate or amount to pay any of the amounts due under the Note and all Related Documents.
5. **Funds and Appropriations.** Funds are established and Note proceeds and other funds of the City are hereby appropriated as follows:
 - a. The City shall designate sufficient funds to pay the Note which shall be deposited into the "Taxable General Obligation Promissory Note, Series 2018 Debt Service Fund" (the "Debt Service Fund"), hereby created, which shall be the fund, in addition to the

general fund, for the payment of the amounts owed pursuant to the Note and/or the First Modification Agreement, the Second Modification Agreement, the Third Modification Agreement, the Fourth Modification Agreement, the Fifth Modification Agreement, the Sixth Modification Agreement, the Seventh Modification Agreement, the Eighth Modification Agreement, the Loan Agreement, and/or the Related Documents.

b. The principal proceeds of the Note shall be deposited into the Taxable General Obligation Promissory Note, Series 2018, Line of Credit Fund (the “Line of Credit Fund”), hereby created. Moneys in the Line of Credit Fund shall be transferred or withdrawn from time to time as needed for the general corporate purposes of the City.

c. Funds on deposit in the Debt Service Fund or the Line of Credit Fund may be deposited and invested at the direction of the Comptroller in any lawful manner.

6. **Taxable Obligation**. The Note is being issued such that the interest paid and received thereon shall be includible in the gross income of the holders thereof for federal income tax purposes under the Internal Revenue Code of 1986, as amended.
7. **Severability**. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any other provision of this ordinance.
8. **Repealer and Effective Date**. All ordinances, resolutions, or orders or parts of ordinances, resolutions or orders, in conflict with the provisions of this ordinance are repealed to the extent of such conflict. This ordinance shall be in full force and effect after its adoption, approval and publication, as provided by law.

APPROVED by the City Council this _____ day of _____, 2026.

APPROVED: _____, 2026

Mayor Thomas McNamara, City of Rockford, Illinois

AYES: _____

NAYS: _____

ABSENT: _____

Published in pamphlet form by authority of the City Council on _____, 2026.

Recorded in the Municipal Records on _____, 2026.

ATTEST:

City Clerk

[SEAL]

**LOAN AGREEMENT AND TAXABLE GENERAL OBLIGATION PROMISSORY NOTE, SERIES 2018,
EIGHTH MODIFICATION AGREEMENT**

Borrower: City of Rockford, Illinois
425 E. State St.
Rockford, IL 61104

Lender: Associated Bank, National Association
200 N. Adams St.
P.O. Box 19006
Green Bay, WI 54307-9006

This Loan Agreement and Taxable General Obligation Promissory Note, Series 2018, Eighth Modification Agreement (the “**Eighth Modification Agreement**”) is dated as of March __, 2026 by and between CITY OF ROCKFORD, ILLINOIS (the “**Borrower**”), and ASSOCIATED BANK, NATIONAL ASSOCIATION (the “**Lender**”). The provisions of this Eighth Modification Agreement are effective as of March 31, 2026 (the “**Effective Date**”).

A. WHEREAS, the Borrower executed a Loan Agreement dated May 8, 2018 (the “**Original Loan Agreement**”); and

B. WHEREAS, in connection with the Original Loan Agreement, the Borrower executed a Taxable General Obligation Promissory Note, Series 2018, dated May 8, 2018 (the “**Revolving Note**”), which Revolving Note was scheduled to mature on May 8, 2019; and

C. WHEREAS, the Borrower and the Lender executed the Loan Agreement and Taxable General Obligation Promissory Note, Series 2018, Modification Agreement with an effective date of May 7, 2019 (the “**First Modification Agreement**”);

D. WHEREAS, the Borrower and the Lender executed the Loan Agreement and Taxable General Obligation Promissory Note, Series 2018, Second Modification Agreement with an effective date of May 7, 2020 (the “**Second Modification Agreement**”);

E. WHEREAS, the Borrower and the Lender executed the Loan Agreement and Taxable General Obligation Promissory Note, Series 2018, Third Modification Agreement with an effective date of March 30, 2021 (the “**Third Modification Agreement**”);

F. WHEREAS, the Borrower and the Lender executed the Loan Agreement and Taxable General Obligation Promissory Note, Series 2018, Fourth Modification Agreement with an effective date of March 31, 2022 (the “**Fourth Modification Agreement**”);

G. WHEREAS, the Borrower and the Lender executed the Loan Agreement and Taxable General Obligation Promissory Note, Series 2018, Fifth Modification Agreement with an effective date of March 31, 2023 (the “**Fifth Modification Agreement**”);

H. WHEREAS, the Borrower and the Lender executed the Loan Agreement and Taxable General Obligation Promissory Note, Series 2018, Sixth Modification Agreement with an effective date of March 31, 2024 (the “**Sixth Modification Agreement**”);

I. WHEREAS, the Borrower and the Lender executed the Loan Agreement and Taxable General Obligation Promissory Note, Series 2018, Seventh Modification Agreement with an effective date of March 31, 2025 (the “**Seventh Modification Agreement**”; the Original Loan Agreement, as amended by the First Modification Agreement, the Second Modification Agreement, the Third Modification Agreement, the Fourth Modification Agreement, the Fifth Modification Agreement, the Sixth Modification Agreement and the Seventh Modification Agreement is referred to herein as the “**Loan Agreement**”);

J. WHEREAS, the Borrower has requested, and the Lender has agreed, that the Loan Agreement and the Revolving Note be modified to the extent as hereinafter set forth; and

K. WHEREAS, the terms used in this Eighth Modification Agreement shall have the same meanings as when used in the Loan Agreement, the related Loan Documents and the Related Documents as defined in paragraph 5 below, all of which may be amended or modified from time to time.

NOW, THEREFORE, in mutual consideration of the agreements contained herein and for other good and valuable consideration, the parties agree as follows:

1. ACCURACY OF RECITALS. The Borrower acknowledges the accuracy of the Recitals stated above and which are incorporated herein by this reference.

2. MODIFICATION OF LOAN AGREEMENT.

A. From and after the Effective Date, the following definitions set forth in Section 1.1 of the Loan Agreement are hereby deleted in their entirety and replaced with the following:

“Maturity Date” mean March 31, 2027, or such earlier date on which the Revolving Note becomes due and payable pursuant to Section 7.2 hereof.

“Ordinance” means (a) Ordinance No. 2018-112-O adopted by the City Council on the 7th day of May, 2018, providing for the issuance of the Revolving Note and the execution of the Loan Agreement and the Loan Documents, (b) Ordinance No. 2019-106-O adopted by the City Council on the 6th day of May, 2019, providing for the execution of the First Modification Agreement, (c) Ordinance No. 2020-114-O adopted by the City Council on the 6th day of April, 2020, providing for the execution of the Second Modification Agreement, (d) Ordinance No. 2021-59-O adopted by the City Council on the 5th day of April, 2021, providing for the execution of the Third Modification Agreement, (e) Ordinance No. 2022-31-O adopted by the City Council on the 22nd day of February, 2022, providing for the execution of the Fourth Modification Agreement, (f) Ordinance No. 2023-59-O adopted by the City Council on the 3rd day of April, 2023, providing for the execution of the Fifth Modification Agreement, (g) Ordinance No. 2024-69-O adopted by the City Council on the 1st day of April, 2024, providing for the execution of the Sixth Modification Agreement, (h) Ordinance No. 2025- 41 -O adopted by the City Council on the 17th day of March, 2025, providing for the execution of the Seventh Modification Agreement, and (i) Ordinance No. 2026-__- __, providing for the execution of the Eighth Modification Agreement.

B. In all other respects, the Loan Agreement remains unchanged.

3. MODIFICATION TO REVOLVING NOTE. From and after the Effective Date, the Maturity Date of the Revolving Note is modified to be March 31, 2027.

4. CONDITION OF AGREEMENT. This Eighth Modification Agreement is conditioned upon the adoption of the Ordinance approving this Eighth Modification Agreement by the City Council.

5. RATIFICATION OF LOAN DOCUMENTS. The Loan Agreement, the Revolving Note, this Eighth Modification Agreement and all other executed documents as referenced in the Loan Agreement (the “**Related Documents**”) are ratified and reaffirmed by the Borrower and shall remain in full force and effect as they may be modified herein.

6. BORROWER REPRESENTATIONS AND WARRANTIES. The Borrower represents and warrants to the Lender that the representations and warranties made in the Loan Agreement, the Loan Documents, the Related Documents and this Eighth Modification Agreement are true and will remain true until

termination of the Loan Agreement and Related Documents and payment and performance in full of all liabilities, obligations and debt evidenced by the Revolving Note, the Loan Agreement, the Loan Documents and the Related Documents.

7. BORROWER COVENANTS. The Borrower covenants with the Lender as follows:

7.1 Final Agreement. This Eighth Modification Agreement reflects the final agreement reached by parties regarding this Eighth Modification Agreement, the Loan Agreement, the Loan Documents and the Related Documents. All prior negotiations regarding these matters are superseded and merged into this Eighth Modification Agreement. No oral statements made by a party shall alter or change the terms set forth in this written Eighth Modification Agreement. All of the terms and provisions of the Loan Documents and the Related Documents shall remain in full force and effect, except as they have been specifically modified by this Eighth Modification Agreement and/or by prior modifications. The provisions of the Loan Agreement and the Related Documents are incorporated herein by this reference. To the extent there is a conflict between this document and any Related Documents, the terms of this Eighth Modification Agreement shall control.

7.2 Lender's Reservation of Rights. Except as is specifically set forth herein, (a) nothing that is contained in this Eighth Modification Agreement shall constitute a waiver of any existing defaults by the Borrower under any of the Loan Documents or Related Documents nor does it release the Borrower from its liabilities with respect to its obligations under the Loan Agreement, the Loan Documents, the Revolving Note or the Related Documents; and (b) Lender expressly reserves all rights that it has against the Borrower referenced in the Loan Agreement and/or Related Documents.

8. EXECUTION AND DELIVERY OF AGREEMENT BY THE LENDER. The Lender shall not be bound by this Eighth Modification Agreement until (a) the Lender and the Borrower have both executed this Eighth Modification Agreement; (b) the Borrower has performed all of the obligations of the Borrower under this Eighth Modification Agreement to be performed contemporaneously with the execution and delivery of this Eighth Modification Agreement; and (c) the City Council has adopted the Ordinance approving this Eighth Modification Agreement and authorizing the execution hereof by the Mayor of the City of Rockford.

9. COUNTERPART EXECUTION. This Eighth Modification Agreement may be executed in multiple counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts, taken together, shall constitute one and the same agreement.

10. NOT A NOVATION. This Eighth Modification Agreement is a modification only and not a novation. In addition to all amounts due under the Revolving Note, the Loan Agreement, the Loan Documents and the Related Documents as they may be modified herein, all accrued amounts due and payable under the Loan Documents or Related Documents shall continue to be due and payable until paid. Except for the above modifications, the Revolving Note, the Loan Agreement, the Loan Documents, any Related Documents and all the terms and conditions thereof, shall be and remain in full force and effect with the changes herein deemed to be incorporated therein. The validity, priority and enforceability of the Revolving Note, the Loan Agreement, the Loan Documents and the Related Documents shall not be impaired hereby. References to the Related Documents and to other agreements shall not affect or impair the absolute and unconditional obligation of the Borrower to pay the principal and interest on the Revolving Note when due. The Lender reserves all rights against all parties to the Revolving Note, the Loan Agreement, the Loan Documents and the Related Documents.

[Signature Page Follows]

PRIOR TO SIGNING THIS EIGHTH MODIFICATION AGREEMENT, THE BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS EIGHTH MODIFICATION AGREEMENT. THE BORROWER AGREES TO THE TERMS OF THIS EIGHTH MODIFICATION AGREEMENT.

Borrower:

Address: 425 E. State St.
Rockford, IL 61104

CITY OF ROCKFORD, ILLINOIS

By: _____
Its: _____

LENDER'S ACCEPTANCE

The foregoing Eighth Modification Agreement is hereby agreed to and acknowledged.

Lender:

Associated Bank, National Association

By: _____
Authorized Signer