

## RESOLUTION NO. 5140

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AMENDED SECURITY AGREEMENT WITH MACON GC, LLC IN RELATION TO A REVOLVING LOAN WITH MIDWEST TRAILER MANUFACTURING, AND DECLARING THAT THIS RESOLUTION SHALL BE IN FULL FORCE IMMEDIATELY.**

**WHEREAS,** The City of Kewanee has previously entered into a security agreement with Macon GC, LLC d/b/a Macon General Contractors to secure a revolving loan with Midwest Trailer Manufacturing; and

**WHEREAS,** Macon General Contractors wishes to sell the 2004 Grove RT 760E serial #223820 crane pledged as security (worth \$170,000 to \$200,000); and

**WHEREAS,** Macon General Contractors has offered as substitution collateral a 2007 Mack Pump Truck and all equipment and accessories attached thereto. VIN 1M2K197C67M036008 (worth \$90,000 - \$100,000); and

**WHEREAS,** The City Council agrees to the substitution of pledged collateral; and,

**WHEREAS,** all other terms of the existing loan with Midwest Trailer Manufacturing remain unchanged; and,

**WHEREAS,** The current loan balance from the Revolving Loan Fund to Midwest Trailer Manufacturing is in the amount of Eighty-three Thousand Two Hundred Sixty dollars and Thirty-six cents (\$83,260.36).

**NOW, THEREFORE BE IT RESOLVED, BY THE CITY COUNCIL OF KEWANEE THAT:**

**Section 1** The City Council of the City of Kewanee accepts the substitution of collateral and finds that the loan of said funds is in the best interests of the City of Kewanee and would promote industrial development; protect current levels of employment, and create new job opportunities in the City of Kewanee.

**Section 2** The Mayor, City Attorney, City Manager, and City Clerk are hereby authorized and directed to execute any and all documents necessary to bind the City and to make said substitution with Macon General Contractors, as perfected and approved by the City Attorney.

**Section 3** Said loan, is expressly conditioned upon Midwest Trailer Manufacturing continuing to comply with:

A. All terms and conditions of said Revolving Loan Fund program and said Midwest Trailer Manufacturing providing the City with adequate written documentation of compliance with said terms and conditions, including, but not limited to, the specific retention and creation of jobs.

**Section 4** The note documenting said loan shall be for the amount of \$150,000 repayable in sixty (60) monthly installments, with interest at 3.5% percent per annum and shall be secured by:

- A. Title to a 2007 Mack Pump Truck and all equipment and accessories attached thereto, VIN 1M2K197C67M036008.
- B. Personal guaranty by Macon GC, LLC limited to 55% of the loan at any given time.
- C. Personal guaranty by James A. Hunt limited to 17.5%.
- D. Personal guaranty by Larry L. Garner limited to 17.5%.
- E. Personal guaranty by Russell O. Spencer limited to 10%.

**Section 5** Repayment schedule shall continue as previously agreed, with 60 monthly payments of \$2,728.76. Late fees shall be 5% of the monthly payment, or \$136.43.

**Section 6** This Resolution shall be in full force and effect immediately upon its passage and approval as provided by law.

Adopted by the Council of the City of Kewanee, Illinois this 28<sup>th</sup> day of January, 2019

ATTEST:





Melinda Edwards, City Clerk

Steve Looney, Mayor

RECORD OF THE VOTE	Yes	No	Abstain	Absent
Mayor Steve Looney	X			
Council Member Chris Colomer	X			
Council Member Andrew Koehler				X
Council Member Steve Faber	X			
Council Member Michael Yaklich	X			