**Section 640.150 Loan Agreement**

A loan agreement will be developed for each business borrower that receives loan funds. The loan agreement will contain, at a minimum, the following items:

a) Definition Section – Defining the key terms used in the agreement.

b) Loan Conditions – Including statements relating to representations and warranties, evidence of other financing, note, collateral, corporate or partnership document, and legal matters.

c) Borrower Representations and Warranties – Concerning form of ownership, authorization of agreement, binding effect, accuracy of application, collateral, accuracy of financial statements, absence of loan defaults, absence of litigation, absence of tax delinquencies, and possession of appropriate licenses and permits.

d) Covenants and Continuing Agreements – To expend public funds in accordance with approved budget, keep detailed project records, furnish proof that its corporate or partnership existence is in full effect, pay all applicable taxes and required insurance, prohibit loans to officers/directors/stockholders, and comply with all applicable state and federal laws.

e) Default Provisions – Listing the conditions under which the borrower would be in default of the agreement.

f) Use of Loan Proceeds – Briefly describing the business project for which the loan is being made and the exact use of loan funds.

g) Financing of Borrower – Information on primary lender, the amount of the lender's loan, terms of this loan, etc., as well as information and schedule of expected payout of the Department's loan commitment to the borrower.

h) Labor Compliance Requirements – As appropriate, including equal opportunity employment, minimum wage, and other state or federal labor standards.

i) Other – Such other terms and conditions necessary to secure or document the loan, including, but not limited to: key man life insurance, liens, and Uniform Commercial Code (U.C.C.) (Ill. Rev. Stat. 1989, ch. 26, pars. 1-101 et seq.) filings.