

4/16/2018

23-R-18

A RESOLUTION

Authorizing the City Manager to Negotiate and Execute a Loan Agreement with the Hip Circle Empowerment Center to Fund Expenses at 727 Howard Street

NOW BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EVANSTON, COOK COUNTY, ILLINOIS, THAT:

SECTION 1: The City Manager is hereby authorized to execute the Loan Agreement, attached hereto as Exhibit 1, the terms are incorporated herein by reference, with Hip Circle Empowerment Center, an Illinois not-for-profit corporation.

SECTION 2: The City Manager is hereby authorized and directed to negotiate any additional conditions of the Loan Agreement as he determines to be in the best interests of the City and in a form acceptable to the Corporation Counsel.

SECTION 3: That this Resolution 23-R-18 shall be in full force and effect from and after the date of its passage and approval in the manner provided by law.

Attest:



Devon Reid, City Clerk

Adopted: April 23, 2018



Stephen H. Hagerly, Mayor

Approved as to form:



Michelle L. Masoncup, Interim Corporation Counsel

EXHIBIT 1
Loan Agreement

PROMISSORY NOTE

Name and Address of Borrower:

Hip Circle Empowerment Center
727 Howard Street
Evanston, IL 60201

Commencement Date: May 15, 2018

1. BORROWER'S PROMISE TO PAY

FOR VALUE RECEIVED, the undersigned, HIP CIRCLE EMPOWERMENT CENTER (referred to hereafter as the "Borrower"), promise to pay to the order of the City of Evanston, an Illinois home rule municipal corporation, with its principal office located at 2100 Ridge Avenue, Evanston, Illinois (the "Lender"), in the manner provided in this Note, the principal sum of \$25,000.00 (Twenty-Five Thousand and 00/100 Dollars) (the "Loan").

The Loan is secured by a personal guaranty signed by the principal owner of Borrower, Malik Turley (the "Security"), together with interest computed on the basis of a 365 day year, from the date of disbursement on the balance of principal remaining from time to time unpaid at an annual rate equal to three percent (3.00%). Any principal amount not paid when due (at maturity, by acceleration, or otherwise) will bear interest thereafter until paid at a rate, which will be eighteen percent (18%). The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note will be called "Note Holder".

2. LOAN TERM, FORGIVENESS AND REPAYMENT

The term of the Loan is five (5) years, commencing on June 1, 2018 – May 31, 2023 (the "Loan Term"). The Loan will start to bear interest on the Commencement Date. The loan payments will be four hundred forty-seven and 23/100 Dollars (\$447.23) each month. The Loan schedule is attached as Exhibit 1.

The interest rate is three percent (3.0%) per annum and computed on the basis of a 365 day year. Borrower agrees to commence payments of the Loan on June 1, 2018. Loan payments will be due on or before the first day of the month. If the Borrower's Loan payment is five days after the first of the month or more, there shall be assessed a late fee of \$50. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note will be called "Note Holder". Loan payments must be mailed to: City of Evanston, Attn: City Collector's Office, 2100 Ridge Avenue, Evanston, IL 60201 and reference "Loan payment – 727 Howard Street".

3. DISBURSEMENTS AND BORROWER RESPONSIBILITIES

A. Funding Sources: The Loan is conditioned on the completion and satisfaction of each part of Section 3 below. The Loan is funded through the Howard-Ridge TIF account.

B. Project Completion:

- i. Borrower must renovate the Subject Property, for the intended use of the Subject Property in substantial conformance with the plans submitted to the building permit division and included in the lease agreement with the City of Evanston.
- ii. Borrower shall provide documentation that bids for the Project were sought from no less than three contractors, of which one must be an Evanston-based contractor. If an Evanston based contractor is not available to seek bids based on the scope and scale of the Project work, this requirement will be waived upon confirmation from City staff that bid solicitation to Evanston based businesses was pursued by Borrower.
- iii. Borrower acknowledges and agrees that it cannot commence construction work for the Project unless and until the City Council approves the Loan and this Agreement is executed by both parties.

C. Borrower Responsibilities:

- i. The Borrower shall be responsible for hiring a licensed contractor to complete the Project. The Director of Community Development or her designee may require submission of proof of the State License issued to the selected contractor.
- ii. The Borrower shall be responsible for contacting the appropriate City departments to arrange for obtaining all necessary approvals and/or permits required for construction and completion of the Project.
- iii. The Borrower shall be fully responsible for managing, monitoring, and scheduling the construction of the Project and ensuring its compliance with all applicable federal, State, and local laws and regulations.
- iv. The Borrower shall be fully responsible for ensuring that all invoices from the contractors, suppliers, vendors and/or other third parties are distributed to the City.
- v. Borrower shall during the Term and for a period of 4 years following the expiration of the Term, keep and make available for the inspection, examination and audit by City or City's authorized employees, agents or representatives, at all reasonable time, all records respecting the services and expenses incurred by Borrower, including without limitation, all book, accounts, memoranda, receipts, ledgers, canceled checks, and any other documents indicating, documenting, verifying or substantiating the cost and appropriateness of any and all expenses. If any invoice submitted by Borrower is found to have been overstated, Borrower shall provide City an immediate refund of the overpayment together with interest at the highest rate permitted by applicable law, and shall reimburse all of City's expenses for and in connection with the audit respecting such invoice.

D. Evanston business:

- i. Borrower shall remain an Evanston based business for the entire Term. Meaning, Borrower cannot remove its operations from the Subject Property during the Term of this Agreement. In the event that Borrower ceases to operate at 727 Howard Street, Evanston, Illinois during the Loan Term, any principal and interest not previously paid will be repaid within 30 days of vacating the property.
- ii. If Borrower's business is sold, (except in circumstances of an illness of principal necessitating retirement) for any reason to any entity other than one controlled by the president, or files for bankruptcy protection, the Borrower shall be in Default and any principal and interest not previously forgiven will be repaid on the balance remaining from Exhibit A depending on the date that the business is sold. The remaining balance, not previously forgiven, shall be paid to the City within thirty (30) days.

4. BORROWER REPRESENTATIONS. The Borrower represents and warrants that it is duly organized and existing under the laws of State of Illinois and is in good standing as necessary in the State of Illinois. The Borrower represents it has the power to enter into this Agreement and other Loan Documents required under this agreement. That by proper action in accordance with its organizational documents has been duly authorized to execute and deliver this Agreement and all documents required under its terms. The Borrower covenants that this Agreement does not contravene any law or contractual restriction binding or affecting the Borrower, and that the Agreement will be legal, valid, and binding obligations of the Borrower, and further that as of the date of this agreement the Borrower represents that no event or change of condition has occurred which is a material (as defined by the Securities and Exchange Commission) which would affect the ability of the Borrower to perform its obligations hereunder on a timely basis.

A. As of the date of this Agreement there is no suit, action, or proceeding pending or threatened as to which outcome would be materially adverse effect on the Borrower.

B. The Borrower and all entities affiliated with the Borrower have filed all tax returns required to be filed by them and paid all taxes required as show on those returns.

C. The Borrower represents that it has a DUNS (Data Universal Numbering System) number, in order facilitate disbursement of loan funds properly under federal guidelines.

D. Borrower must remain in good standing with the Illinois Secretary of State.

F. Terms of Disbursement: The City will disburse up to a total of \$25,000 as a loan to Borrower. If the invoices do not exceed \$25,000, the City will only disburse up to the total amount of the invoices. The total loan amortization schedule is based on the current budget total of \$49,889.50 for

the total build out. Meaning, the City will loan Borrower a total of \$24,889.50 after it deducts the portion that City will pay for towards improvements (\$25,000).

ii. Disbursements of TIF Funds (\$24,889.50):

- The Borrower must provide the invoices as soon as available to the City prior to disbursement and provide the City at least 15 days to disburse the payment.
- The City will disburse the funds in no less than \$5,000 draws and limited to 4 draws total.
- The disbursement requests must include: (a) copies of itemized invoices from vendors; and (b) proof of quotes from at least 3 vendors.

6. DEFAULT AND REMEDIES

A. The occurrence of any one or more of the following events (“Event of Default”) with respect to Borrower shall constitute a default hereunder (“Default”):

- i. If all or any part of the Fixtures, equipment and inventory or any interest in it is sold or transferred (or if a legal or beneficial interest in Borrower’s interest in the Fixtures and Equipment is sold or transferred) without Lender’s prior written consent.
- ii. If a default or event of default occurs and is continuing under any representation or covenant under the Loan Documents.
- iii. If a default or event of default occurs and is continuing under any other mortgage or loan agreement encumbering the Fixtures and Equipment.
- iv. Borrower or any beneficiary thereof shall (i) file a petition for liquidation, reorganization, or adjustment of debt under Title 11 of the United States Code or any similar law, state or federal, whether now or hereafter existing, or (ii) file any answer admitting insolvency or inability to pay debts, or (iii) fail to obtain a vacation or stay of involuntary proceedings within ten days, as hereinafter provided.
- v. Borrower or any beneficiary thereof shall make an assignment for the benefit of creditors of this Note, or shall admit in writing of its inability to pay its debts generally as they become due, or shall consent to the appointment of a receiver or trustee or liquidator of all or any major part of the Fixtures and Equipment.

B. The Borrower also promises that, if the Event of Default specified above, 4(A)(1), shall occur (after applicable notice and the Occupancy Cure Period detailed above) before the expiration of the Loan Term, the Borrower agrees to repay to the order of the Lender or its designee an amount equal to the original principal amount of the Loan and it is immediately due and payable. Provided however, if an Event of Default is solely with respect any other Event of Default specified above in 4(A), the Borrower shall have sixty (60) days after the date on which the notice is delivered to Borrower to cure such breach, provided, however, that if the curing of such non-monetary breach cannot be accomplished with due diligence within said period of sixty (60) days then Borrower shall have such additional reasonable period of time to cure such breach as may be necessary, provided

Borrower shall have commenced to cure such breach within said period, such cure shall have been diligently prosecuted by Borrower thereafter to completion ("Other Default Cure Period"). The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the nonexistence of a default or any other defense of Borrower to acceleration and foreclosure. If the Borrower does not cure the Default within the specified Other Default Cure Period within the notice, then this Note is due and payable only with respect to the remaining balance of the Loan at the time of Default.

C. If the Borrower Defaults hereunder and fails to cure the Default, during the 10-year loan Term, the Loan shall be immediately due and owing and the balance of the Loan shall be immediately repaid to Lender in full, subject to the availability of net proceeds from sale of the Fixtures and Equipment. Lender can auction the Fixtures and Equipment and use the proceeds and apply it to the loan balance.

D. If any payments of interest or the unpaid principal balance due under this Note become overdue for a period in excess of ten days, the Borrower shall pay to Lender a late charge of \$50 per day. If any attorney is engaged by Lender, including in-house staff (a) to collect the indebtedness evidenced hereby or due under the Loan Documents, whether or not legal proceedings are thereafter instituted by Lender; (b) to represent Lender in any bankruptcy, reorganization, receivership, or other proceedings affecting creditors' rights and involving a claim under this Note; (c) to protect the lien of any of the Loan Documents; (d) to represent Lender in any other proceedings whatsoever in connection with this Note or any of the Loan Documents or the real estate described therein; or (e) as a result of the Borrower's Default and collection efforts, the Borrower shall pay to Lender all reasonable attorneys' fees and expenses incurred or determined to be due in connection therewith, in addition to all other amounts due hereunder.

E. Lender's remedies under this Note, and all of the other Loan Documents shall be cumulative and concurrent and may be pursued singly, successively, or together against the Borrower and any other Obligors (as defined below), the Property, and any other security described in the Loan and Lender may resort to every other right or remedy available at law or in equity without first exhausting the rights and remedies contained herein, all in Lender's sole discretion. Failure of Lender, for a period of time or on more than one occasion to exercise its option to accelerate the maturity date shall not constitute a waiver of the right to exercise that option at any time during the continued existence of the Default or in the event of any subsequent Default. Lender shall not by any other omission or act be deemed to waive any of its rights or remedies hereunder unless such waiver is in writing and signed by Lender, and then only to the extent specifically set forth therein. A waiver in connection with one event shall not be construed as continuing or as a bar to or waiver of any right or remedy in connection with a subsequent event.

7. PAYMENT OF NOTE HOLDER'S COSTS AND EXPENSES

If the Lender is required to initiate legal process as the result of the Borrower's Default as described above, the Lender will have the right to be paid back for all of its costs and expenses incurred as a

result of such Default, to the extent not prohibited by applicable law. Those costs and expenses include but are not limited to, reasonable attorneys' fees, court costs, and related litigation expenses.

8. BORROWER'S WAIVERS

To the extent permitted by law, the Borrower waives all rights to require the Lender to do certain things. These things are: (A) to demand payment of amounts due (known as "presentment"); (B) to give notice that amounts due have not been paid (known as "notice to dishonor"); (C) to obtain an official certification of nonpayment (known as "protest"). If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Notes, including the promise to pay the full amount owed. Any person, who takes over these obligations, is also obligated to keep all promises made in this Note. The Lender may enforce its rights under this Note against each person individually or against all of us together.

9. GIVING OF NOTICES

Any notices that must be given to the Borrower under this Note will be given by delivering or by mailing by certified mail addressed to the Borrower at the address of the Property set forth above.

Any notice that must be given to the Lender under this Note will be given by delivering it or mailing it by certified mail to the Lender at the following address:

City of Evanston
Attn: Economic Development Division
2100 Ridge Avenue, Room 3103
Evanston, Illinois 60201

with a copy to:
City of Evanston
Attn: Corporation Counsel
2100 Ridge Avenue, Room 4400
Evanston, Illinois 60201

10. RESPONSIBILITY OF PERSONS UNDER THIS NOTE

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note. The Lender may enforce its rights under this Note against the signatories either individually or together. This means that both signatories, either individually or together, may be required to pay all of the amounts owed under this Note. Any person who takes over the rights or obligations of the Borrower, with the written permission of the Lender, will have all of the Borrower's rights and must keep all of the Borrower's promises made in this Note. Notwithstanding anything in the Guaranty Agreement to the contrary, the Loan is a recourse obligation of the Borrower.

11. GOVERNING LAW AND VENUE

This Promissory Note shall be governed by the laws of the State of Illinois. Venue for any disputes will be in Cook County, Illinois.

12. MISCELLANEOUS

The headings of sections and paragraphs in this Note are for convenience only and shall not be construed in any way to limit or define the content, scope, or intent of the provisions hereof. As used in this Note, the singular shall include the plural, and masculine, feminine, and neuter pronouns shall be fully interchangeable, where the context so requires. If any provision of this Note, or any paragraph, sentence, clause, phrase, or word, or the application thereof, in any circumstances, is adjudicated to be invalid, the validity of the remainder of this Note shall be construed as if such invalid part were never included herein. Time is of the essence of this Note.

Upon any endorsement, assignment, or other transfer of this Note by Lender or by operation of law, the term "Lender," as used herein, shall mean such endorsee, assignee, or other transferee or successor to Lender then becoming the holder of this Note.

This Note and all provisions hereof shall be binding on all persons claiming under or through the Undersigned. The terms "Undersigned" and "Borrower," as used herein, shall include the respective beneficiaries, successors, assigns, legal and personal representatives, executors, administrators, devisees, legatees, and heirs of the Undersigned and Borrower and shall be binding upon the same

In the event the Undersigned is an Illinois land trust, then this Note is executed by the Trustee, not personally but as Trustee as aforesaid in the exercise of the power and authority conferred on and vested in it as the Trustee, and is payable only out of the property specifically described in the Loan Documents securing the payment hereof, by the enforcement of the provisions contained therein. No personal liability shall be asserted or be enforceable against the Trustee because or in respect of this Note or the making, issue, or transfer thereof, all such liability, if any, being expressly waived by each taker and holder hereof, and each original and successive holder of this Note accepts the Note on the express condition that no duty shall rest on the Trustee to sequester the rents, issues, and profits arising from the property described in the Loan Documents, or the proceeds arising from the sale or other disposition thereof, but that in case of Default in the payment of this Note or of any installment hereof, the sole remedies of the holder hereof shall be by foreclosure of the UCC Financing Statement, realization on the other security given under the other Loan Documents to secure indebtedness evidenced by this Note, in accordance with the terms and provisions set forth herein, or any combination of the above.

The Parties execute this Promissory Note with the effective date of May 15, 2018.

LENDER:

By: _____

Its: City Manager, Wally Bobkiewicz

BORROWER:

By: _____

Its: President, Hip Circle Empowerment Center NFP

Print Name: Malik Turley

EXHIBIT 1

LOAN PAYMENT SCHEDULE

Hip Circle Empowerment Center Amortization Schedule
727 Howard

Loan Amount \$ 24,889.50
Interest Rate 3.00
of Months 60
Monthly Payment (\$447.23)

Payment #	Date	Start Balance	Interest	Payment	End Balance
1	6/1/2018	24,889.50	62.22	(447.23)	24,504.49
2	11/1/2017	24,504.49	61.26	(447.23)	24,118.52
3	12/1/2017	24,118.52	60.30	(447.23)	23,731.59
4	1/1/2018	23,731.59	59.33	(447.23)	23,343.68
5	2/1/2018	23,343.68	58.36	(447.23)	22,954.81
6	3/1/2018	22,954.81	57.39	(447.23)	22,564.97
7	4/1/2018	22,564.97	56.41	(447.23)	22,174.15
8	5/1/2018	22,174.15	55.44	(447.23)	21,782.35
9	6/1/2018	21,782.35	54.46	(447.23)	21,389.57
10	7/1/2018	21,389.57	53.47	(447.23)	20,995.82
11	8/1/2018	20,995.82	52.49	(447.23)	20,601.07
12	9/1/2018	20,601.07	51.50	(447.23)	20,205.35
13	10/1/2018	20,205.35	50.51	(447.23)	19,808.63
14	11/1/2018	19,808.63	49.52	(447.23)	19,410.92
15	12/1/2018	19,410.92	48.53	(447.23)	19,012.21
16	1/1/2019	19,012.21	47.53	(447.23)	18,612.51
17	2/1/2019	18,612.51	46.53	(447.23)	18,211.81
18	3/1/2019	18,211.81	45.53	(447.23)	17,810.11
19	4/1/2019	17,810.11	44.53	(447.23)	17,407.40
20	5/1/2019	17,407.40	43.52	(447.23)	17,003.69
21	6/1/2019	17,003.69	42.51	(447.23)	16,598.97
22	7/1/2019	16,598.97	41.50	(447.23)	16,193.23
23	8/1/2019	16,193.23	40.48	(447.23)	15,786.48
24	9/1/2019	15,786.48	39.47	(447.23)	15,378.72
25	10/1/2019	15,378.72	38.45	(447.23)	14,969.93
26	11/1/2019	14,969.93	37.42	(447.23)	14,560.13
27	12/1/2019	14,560.13	36.40	(447.23)	14,149.29
28	1/1/2020	14,149.29	35.37	(447.23)	13,737.44
29	2/1/2020	13,737.44	34.34	(447.23)	13,324.55
30	3/1/2020	13,324.55	33.31	(447.23)	12,910.63
31	4/1/2020	12,910.63	32.28	(447.23)	12,495.67
32	5/1/2020	12,495.67	31.24	(447.23)	12,079.68
33	6/1/2020	12,079.68	30.20	(447.23)	11,662.65
34	7/1/2020	11,662.65	29.16	(447.23)	11,244.57
35	8/1/2020	11,244.57	28.11	(447.23)	10,825.45
36	9/1/2020	10,825.45	27.06	(447.23)	10,405.28
37	10/1/2020	10,405.28	26.01	(447.23)	9,984.07
38	11/1/2020	9,984.07	24.96	(447.23)	9,561.79
39	12/1/2020	9,561.79	23.90	(447.23)	9,138.47
40	1/1/2021	9,138.47	22.85	(447.23)	8,714.08
41	2/1/2021	8,714.08	21.79	(447.23)	8,288.63
42	3/1/2021	8,288.63	20.72	(447.23)	7,862.12
43	4/1/2021	7,862.12	19.66	(447.23)	7,434.55
44	5/1/2021	7,434.55	18.59	(447.23)	7,005.90
45	6/1/2021	7,005.90	17.51	(447.23)	6,576.19
46	7/1/2021	6,576.19	16.44	(447.23)	6,145.39
47	8/1/2021	6,145.39	15.36	(447.23)	5,713.53
48	9/1/2021	5,713.53	14.28	(447.23)	5,280.58
49	10/1/2021	5,280.58	13.20	(447.23)	4,846.55
50	11/1/2021	4,846.55	12.12	(447.23)	4,411.43
51	12/1/2021	4,411.43	11.03	(447.23)	3,975.23
52	1/1/2022	3,975.23	9.94	(447.23)	3,537.94
53	2/1/2022	3,537.94	8.84	(447.23)	3,099.55
54	3/1/2022	3,099.55	7.75	(447.23)	2,660.07
55	4/1/2022	2,660.07	6.65	(447.23)	2,219.48
56	5/1/2022	2,219.48	5.55	(447.23)	1,777.80
57	6/1/2022	1,777.80	4.44	(447.23)	1,335.01
58	7/1/2022	1,335.01	3.34	(447.23)	891.12
59	8/1/2022	891.12	2.23	(447.23)	446.12
60	9/1/2022	446.12	1.12	(447.23)	(0.00)

GUARANTY

Borrower: Hip Circle Empowerment Center

Lender: City of Evanston, an Illinois home rule
municipal corporation

Guarantors: Malik Turley, individual

Principal Amount: \$25,000.00

Loan Term: 5 years (60 months)

CONTINUING GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction, or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents. Under this Guaranty, Guarantor's liability is limited to Borrower's obligations under the Note.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, attorneys' fees, arising from Borrower's obligations under the Note.

CONTINUING GUARANTY. THIS IS A "CONTINUING GUARANTY" UNDER WHICH GUARANTOR AGREES TO GUARANTEE THE FULL AND PUNCTUAL PAYMENT.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness incurred or contracted before receipt by Lender of any notice of revocation shall have been fully and finally paid and satisfied and, all of Guarantor's other obligations under this Guaranty shall have been performed in full. If Guarantor elects to revoke this, Guaranty, Guarantor may only do so in writing. Guarantor's written notice of revocation must be mailed to Lender; by certified mail, at Lender's address listed above or such other place as Lender may designate in writing. Written revocation of this Guaranty will apply only to new Indebtedness created after actual receipt by Lender of Guarantor's written revocation. For this purpose and without limitation, the term "new Indebtedness" does not include the Indebtedness which at the time of notice of revocation is contingent, unliquidated, undetermined or not due and which later becomes absolute, liquidated, determined or due. For this purpose and without limitation" new indebtedness" does not include all or part of the Indebtedness that is: incurred by Borrower prior to revocation; Incurred under a commitment that became binding

before revocation; any renewals, extensions, substitutions, and modifications of the indebtedness. This Guaranty shall bind Guarantor's estate as to the Indebtedness created both before and after Guarantor's death or incapacity, regardless of Lender's actual notice of Guarantor's death, Subject to the foregoing, Guarantor's, executor or administrator or other legal representative may terminate this Guaranty in the same manner in which Guarantor might have terminated it and with the same effect. Release of any, other guarantor or termination of any other guaranty of the Indebtedness shall not affect the ability of Guarantor under this guaranty. A revocation Lender receives from anyone or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, either before or after any revocation hereof upon written notice to Guarantor by Lender, without lessening Guarantor's liability under this Guaranty, from time to time: (A) prior to revocation as set forth above, to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) Intentionally Deleted; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with anyone or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any non-judicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations, in all or any part-of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) Intentionally Deleted; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor;" (E) Intentionally Deleted; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, ,and all future financial information which will be provided Lender is and will be true and correct in all material respects and fairly present, Guarantor's financial condition as of the dates the financial information is provided; and (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to resort

for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (C) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (D) Intentionally Deleted; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law of public policy, such waiver shall be effective only to the extent permitted by law or public policy.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by both parties.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement.

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Illinois without regard to its conflicts of law provisions.

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and anyone or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them, If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If anyone or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in writing, and, except for revocation notices by Guarantor, shall be effective when actually delivered, when actually received by tele-facsimile (unless, otherwise required by law) when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. All revocation notices by Guarantor shall be in writing and shall be effective upon delivery to Lender as provided in the section of this Guaranty entitled "DURATION OF GUARANTY." Any party may change its address for notices under this Guaranty by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address, For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions, Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any Instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Waive Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Hip Circle Empowerment Center and includes all co-signers and co-makers signing the Note and all their successors and assigns.

GAAP. The word "GAAP" means generally accepted accounting principles.

Guarantor. The word "Guarantor" means everyone signing this Guaranty Malik Turley and in each case, any signer's successors and assigns.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means City of Evanston, its successors and assigns.

Note. The word "Note" means and includes without limitation all of Borrower's promissory notes and/or credit agreements evidencing Borrower's loan obligations in favor of Lender, together with all renewals of, extensions of, modifications of, substitutions for promissory notes or credit agreements.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS, IN ADDITION,

EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO UNDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY", NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE, THIS GUARANTY IS DATED _____, 2018.

GUARANTOR:

Malik Turley