

CITY OF BATAVIA

DATE: May 12, 2011
TO: Government Services Committee
FROM: Meredith A. Hannah, Economic Development Analyst
SUBJECT: Resolution 11-45-R Micro Loan Agreement with Confident Aire, Inc.

Summary:

The Business Loan Review Committee is recommending approval of a \$20,000 Micro Loan for Confident Aire, Inc.

Background:

On September 7, 2010, the City Council established a Micro Loan Program as a subsidiary of the City's Revolving Loan Fund program funded by the State of Illinois Department of Commerce and Economic Opportunity. Council also established a Business Loan Review Committee made up of members of the financial community with expertise in reviewing business financials to make recommendations to the Government Services Committee regarding requests for Micro Loans.

Since the Business Loan Review Committee was established in January 2011, this is the fourth loan request the Committee has received. The first two applicants were not approved by the Committee and the third was approved by the Committee and granted the City Council to Vasilion Architects, Inc. on April 18, 2011 for \$20,000.

Confident Aire, Inc. has requested a loan of \$25,000 which will be used to revitalize their new retail location so it is suitable for home energy reduction classes, employee training, and retail sales of small appliance parts including air filters (OEM), accessories, motors, igniters, etc. Confident Aire, Inc. has been in Batavia for 12 years and has focused their business on home heating and cooling systems.

Among the criteria utilized to evaluate a grant's worthiness include:

1. The business is located within the city limits of Batavia (yes)
2. The business is an existing Batavia business (yes)
3. The project creates or retains jobs (yes, project results in creation of one full time job and one part time job this year and an additional full time job in the second year)
4. The business demonstrates an attempt to receive a traditional bank loan (yes)
5. Fund usage was adequately explained (yes)
6. Funds will be used for one of the following: construction/improvements, rehabilitation, machinery or equipment, inventory, and/or general operational expenses. (inventory; equipment and build-out of water conservation station)
7. Applicant's request is micro in scale and size (yes)
8. The applicant demonstrates that the project would not be feasible without the City loan. (yes)

Since the majority of this loan is being used for inventory, the Committee felt that allowing for a loan of \$20,000 lowered the City's risk and still met the needs for the applicant. The lesser amount was discussed with the applicant and \$20,000 will meet his needs by lowering the initial inventory stock purchased. Risk is minimized for the City by the personal guarantee which is similar to the process used for the recently approved Vasilion Micro Loan.

Staff Recommendation/Alternative Plans:

Staff recommends approval of the Business Loan Review Committee's recommendation to grant Confident Aire, Inc. a Micro Loan of \$20,000, and resolution 11-45-R authorizing the City Administrator to administer the loan. Staff is recommending a three-year term of principal and interest with a rate of 3.25% with no pre-payment penalty.

Estimated City Cost Analysis:

There is currently \$80,000 available for the Micro Loan Program out of the \$268,000 available in the Revolving Loan Fund. Granting the loan will lower the available funds to \$60,000.

If you have any specific questions beforehand, please contact me, Bill McGrath or Peggy Colby.

CC: Mayor and City Council, Bill McGrath, Peggy Colby, Thomas M. Wangler, Jr.

ATTACHMENTS:

Resolution 11-45-R

Loan Agreement

Note

Amortization Schedule

**CITY OF BATAVIA
RESOLUTION 11-45-R**

**APPROVING AN AGREEMENT FOR LOAN TO CONFIDENT
AIRE, INC. AS PART OF THE CITY MICRO LOAN PROGRAM**

WHEREAS, the City of Batavia has established a Micro Loan Program, which is administrated according to the Revolving Loan Fund Program through the State of Illinois Department of Commerce and Economic Opportunity; and

WHEREAS, the Revolving Loan Fund Program and Micro Loan Program are designed and intended to assist businesses to expand and develop, to maintain and increase employment and to foster economic development in the City of Batavia; and

WHEREAS, Confident Aire, Inc. has applied to the City for funds pursuant to the Micro Loan Program, to expand its business, increase business opportunities, and to retain and hire additional staff through the expansion of the business with a retail storefront and offerings in home water conservation efforts; and

WHEREAS, the Mayor and the City Council have determined that it is in the best interests of the City to make funds available to Confident Aire, Inc. from Micro Loan Program for the purposes stated herein.

NOW THEREFORE, BE IT HEREBY RESOLVED by the Mayor and City Council of the City of Batavia, Kane and DuPage Counties, Illinois, as follows:

SECTION 1 The loan agreement in the form attached hereto and incorporated herein by reference as Exhibit A, together with the promissory note attached as Exhibit A to the Agreement is hereby approved.

SECTION 2 The Mayor and City Clerk are hereby authorized and directed to execute the Agreement and to take whatever actions are necessary and appropriate to carry out the City's obligations in respect to the Agreement to make the loan proceeds available to Confident Aire, Inc., in keeping with the guidelines of the Micro Loan Program, and to protect the City's interest in repayment of the loan being approved.

SECTION 3 This resolution shall take immediate force and effect from and after its passage.

PRESENTED to and **PASSED** by the City Council of the City of Batavia, Illinois, this ___ day of _____, 2011.

CITY OF BATAVIA, ILLINOIS RESOLUTION 11-45-R

APPROVED by me as Mayor of said City of Batavia, Illinois, this ____ day of _____, 2011.

Mayor

Ward	Aldermen	Ayes	Nays	Absent	Abstain	Aldermen	Ayes	Nays	Absent	Abstain
1	O'Brien					Sparks				
2	Dietz					Wolff				
3	Jungles					Chanzit				
4	Volk					Stark				
5	Frydendall					Thelin Atac				
6	Liva					Clark				
7	Tenuta					Brown				
Mayor Schielke										
VOTE:		Ayes	0 Nays	Absent	0 Abstention(s) counted as _____					
Total holding office: Mayor and 14 aldermen										

ATTEST:

Heidi Wetzler, City Clerk

Confident Aire, INC.
LOAN AGREEMENT

This Agreement made this _____ day of _____, 2011, by and between the City of Batavia, an Illinois municipal corporation, ("City"), and Confident Aire, an Illinois Corporation ("Borrower") and Thomas M. Wangler, Jr. ("Co-Maker").

RECITALS

A. The City administers a Revolving Loan Fund Program and a Micro Loan Fund Program to assist businesses with expanding and developing their businesses to foster economic development in the City of Batavia.

B. Borrower desires to expand his business offerings to include a retail sales component, of which this loan would secure inventory financing, and build a water conservation exhibit. The new storefront/show room will house conservation classes and require hiring/training additional staff. The cost of the necessary inventory, staff training and component and buildout of the water conservation exhibit exceeds \$20,000. The purchase of inventory, buildout and staff training is referenced as the "Project". The parties acknowledge that the Borrower would not move forward with this opportunity, without the loan from the City.

C. The City is authorized to administer the loan under the provisions of the Revolving Loan Fund Program through the State of Illinois Department of Commerce and Economic Opportunity (hereinafter the "Program").

Use of the Revolving Loan Fund Program to fund and administer the Micro Loan Program was approved by the City by the adoption of Resolution No. 10-60-R. Said resolution is sometimes hereinafter referred to as the "Resolution."

E. For the purpose of paying a portion of the Project costs, the City Council contemplates a loan to the Borrower in an amount not to exceed \$20,000.00.

FOR AND IN CONSIDERATION of the mutual covenants described above and the agreements contained below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

I

INCORPORATION OF RECITALS

The recitations set forth in the foregoing recitals are material to this Agreement and are hereby incorporated into and made a part of this Agreement as though they were fully set forth in this Section I, and this Agreement shall be construed in accordance therewith.

II

CERTAIN BORROWER'S COVENANTS AND REPRESENTATIONS

Borrower represents and covenants to the City as follows:

2.01 Borrower shall be governed by, adhere to and obey any and all applicable federal, state and local laws, statutes, ordinances, rules, regulations and executive orders applicable to the Program as may be in effect from time to time, including the resolution referred in the recitals to this agreement.

2.02 Borrower shall proceed to diligently undertake the Project as required pursuant to this Agreement.

2.03 The Borrower represents and warrants as follows:

(i) Borrower is a corporation organized and validly existing and in good standing under the laws of the State of Illinois;

(ii) Borrower has the right and power and is authorized to enter into, execute, deliver and perform this Agreement and to execute and deliver the Loan Note in the form attached hereto and as more fully described hereinafter;

(iii) the execution, delivery and performance by Borrower of this Agreement shall not, by the lapse of time, the giving of notice or otherwise, constitute a violation of any applicable law or breach of any provision contained in Borrower's corporation's bylaws, or any instrument or document to which either Developer is now a party or by which it is bound;

(iv) Borrower shall cause title to the inventory and showroom exhibit to be maintained in merchantable condition;

(v) Borrower is now solvent and able to pay its debts as they mature;

(vi) there are no actions at law or similar proceedings which are pending or threatened against Borrower which might result in any material and adverse change to the Borrower's financial condition, or materially affect the Borrower's assets as of the date of this Agreement;

(vii) the Borrower has all government permits, certificates, consents (including, without limitation, appropriate environmental clearances and approvals) and franchise necessary to continue to conduct its business and to own the inventory and showroom exhibit as now owned or to be acquired by it; and

(viii) no default has been declared with respect to any indenture, loan agreement, mortgage, deed or other similar agreement relating to the borrowing of monies to which the Borrower is a party or by which it is bound;

2.04 Borrower shall not enter into any transaction during the term of the Loan Note that materially and adversely affects Borrower's ability to meet its obligations under this Agreement and the terms of the Loan Note ("Adverse Event"). In the event the City reasonably believes such an Adverse Event has occurred and so notifies Borrower in writing detailing the Adverse Event, the matter may be cured by Borrower by either satisfying the Adverse Event or the posting of a letter of credit or bond in such amount as

the City shall reasonably determine, which amount shall not to exceed the amount remaining due on the Loan Note.

2.06 All of the information provided regarding the Borrower is true, correct and complete to the best of Borrower's knowledge.

III

CITY'S COVENANTS

3.01 The City represents and warrants that it has authority under Illinois Statutes to execute and deliver and perform the terms and obligations of this Agreement.

IV

4.01 The parties acknowledge that the Developer has made all appropriate utility connections in compliance with all City Code Requirements.

V

DISBURSEMENT AND OBLIGATIONS

5.01 The City shall pay a sum not to exceed \$20,000, for the cost of the Project ("Project Costs"), which payment shall be known as the City Contribution. The City Contribution shall be made in the form of a loan in the amount not to exceed \$20,000 with a term of 36 months and an annual percentage rate of 3.25%, for which Borrower shall execute the Loan Note attached to this Agreement as Exhibit A. The City Contribution shall not exceed the Project Costs or \$20,000, whichever is lesser.

5.02 Borrower shall have the right to prepay the unpaid balance owing to the City in advance, in whole or in part, in Borrower's sole discretion and without penalty. In the event Borrower fails to make any monthly payment within five (5) days of its due date (the first of the month), and said failure to make the payment continues for a period of thirty (30) days after the provision of written notice of such failure by the City to the Borrower, then, in that event, the City will have the right to declare this Agreement in default without further notice. In such event, the entire existing balance of the total loan shall be immediately due and payable in full.

5.03 Within ten (ten) days following approval of this Agreement by the City Council and execution by all parties, the parties shall set a date and time for closing (hereinafter "Closing"). At the Closing, the City shall make available to the Borrower the City Contribution, and the Borrower shall provide the following:

- The Loan Note signed by the Borrower and Co-Maker; and
- An opinion from the Borrower's counsel, in a form acceptable to the City's attorney, providing that the Loan Note is a valid and binding commitment of the Borrower, fully enforceable in accordance with its terms.

VI

BREACH

6.01 Upon a breach of this Agreement, either the Borrower or the City in any court of competent jurisdiction, by any action or proceeding at law or in equity, may secure the specific performance of the covenants and agreements herein contained or may be awarded damages for failure of performance or both. Before any failure of a party to this Agreement to perform its obligations hereunder shall be deemed to be a breach of this Agreement, the party claiming such failure shall notify, in writing, the party alleged to have failed to perform of the alleged failure and shall demand performance. No breach of this Agreement may be found to have occurred if performance has commenced to the reasonable satisfaction of the complaining party within thirty (30) days of the receipt of such notice. Notwithstanding anything to the contrary herein, the City shall have the right to enforce the Loan Note strictly according to its terms against the Borrower and/or the Co-Maker.

VII

INDEMNITY

7.01 Borrower hereby agrees to indemnify, defend and hold the City harmless from and against any losses, costs, damages, liabilities claims, suits, actions, causes of action and expenses (including without limitation, reasonable attorneys' fees and court costs) suffered or incurred by the City arising from or in connection with (i) the failure of Borrower to perform its obligations under this Agreement or (ii) the failure of Borrower to pay its employees or to pay for the inventory, showroom installation or staff training (iii) material misrepresentations or omissions in the this Agreement or any documents related thereto that are the result of information supplied or omitted by the Borrower or by agents, employees, contractors, or persons acting under the control or at the request of the Borrower, or (iv) the failure of Borrower to cure any misrepresentations or omissions in this Agreement or any other agreement relating hereto. The Borrower hereby acknowledges and agrees that it takes full responsibility to determine the benefits of the inventory and showroom exhibit to be purchased with the City contribution for use in the Borrower's business, and the City makes no representation or warranties in respect to the inventory or showroom exhibit.

VIII

CITY'S RIGHT TO AUDIT BORROWER'S BOOKS AND RECORDS

8.01 Borrower agrees that the City shall have the right and authority to review and audit, from time to time, Borrower's books and records as they relate to the Project expenses

IX

RESTRICTIONS

9.01 Borrower agrees for itself, its successors and assigns, and every successor in interest to the inventory and showroom exhibit, or any part thereof, that Borrower and its successors and assigns shall:

- (a) purchase and use the inventory, installation of showroom exhibit and train its employees ; and
- (b) not discriminate in its business based upon race, color, religion, sex, national origin or ancestry, age or handicap, in the sale, lease or rental.

X

AMENDMENT

10.01 This Agreement, and any exhibits attached hereto, may be amended only by the mutual consent of the parties in writing by the adoption of an ordinance or resolution of the City approving said amendment, as provided by law, and by the execution of said amendment by the parties or their successors in interest.

XI

NO OTHER AGREEMENTS

11.01 Except as otherwise expressly provided herein, this Agreement supersedes all prior agreement, negotiations and discussions relative to the subject matter hereof and is a full integration of the agreement of the parties.

XII

CONSENT

12.01 Except as otherwise provided in this Agreement, whenever herein consent or approval of either party is required, such consent or approval shall not be unreasonably withheld.

XIII

CONFLICT OF INTEREST:

CITY'S REPRESENTATIVES NOT INDIVIDUALLY LIABLE

13.01 No member, official or employee of the City shall have any personal interest, direct or indirect, in this Agreement; nor shall any member, official or employee participate in

any decision relating to this Agreement which affects his personal interests or the interests of any corporation, partnership, or association in which he is directly or indirectly interested. No member, official, or employee of the City shall be personally liable to Borrower or any successor in interest in the event of any default or breach by the City or for any amount which may become due to Borrower or successor or on any obligation under the terms of this Agreement.

XIV

MUTUAL ASSISTANCE

14.01 The Parties agree to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications, as may be necessary or appropriate to carry out the terms, provisions and intent of this agreement.

XV

MISCELLANEOUS PROVISIONS

15.01 Remedies Cumulative. The remedies of a party hereunder are cumulative and the exercise of any one or more of the remedies provided for herein shall not be construed as a waiver of any of the other remedies of such party unless specifically so provided herein.

15.02 Disclaimer. Nothing contained in this Agreement, nor any act of the City, shall be deemed or construed to create any relationship of third-party beneficiary, or of joint venture, or of any association or relationship involving the City.

15.03 Notices. All notices, certificates, approvals, consents or other communications desired or required to be given hereunder shall be in writing and shall be sufficiently given on the date hand delivered or on the second day following the day on which the same shall have been mailed by registered or certified mail, postage and fees prepaid, return receipt requested addressed as follows:

If to city:	Mr. William McGrath City of Batavia 100 North Island Avenue Batavia, IL 60510
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With Copies to:	Mr. Kevin G. Drendel 111 Flinn Street Batavia, IL 60510
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If to Borrower and/or Co-Maker:	Mr. Thomas M. Wangler, Jr. Confident Aire, Inc. 338 McKee Street Batavia, IL 60510
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The parties, by notice given hereunder, may designate any further or different addresses to which subsequent notices, certificates, approvals, consents or other communications shall be sent.

15.04 Paragraph Headings. The paragraph headings and references are for the convenience of the parties and are not intended to limit, vary, define or expand the terms and provisions contained in this Agreement and shall not be used to interpret or construe the terms and provisions of this Agreement.

15.05 Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

15.06 Successors and Assignees. The terms and conditions of this Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors in interest, assignees, lessees, and upon any successor municipal authorities of the City and successor municipalities. Borrower shall not assign its rights and obligations under this agreement to another party except with the express written consent of the City, which consent shall be given within thirty (30) days of the written request of Borrower, and shall not be unreasonably withheld and shall be based solely on the financial requirements of this Agreement. Except as otherwise expressly provided herein, upon the conveyance or assignment by Borrower of its interest in the inventory and showroom exhibit to any successor, assign, or nominee, Borrower, as the case may be, shall be released from only from the primary liability and responsibility under this Agreement, and the City shall thereafter look to the successor, assign, or nominee of Borrower as the case may be, concerning the primary performance of such duties and obligations of Borrower hereby undertaken; but the Borrower shall remain secondarily liable and obligated on the Loan Note.

15.08 Severability. If any provision of the Agreement, or any paragraph, sentence, clause, phrase or word, or the application thereof, in any circumstance, is held invalid, the remainder of the Agreement shall be construed as if such invalid part were never included herein and the Agreement shall be and remain valid and enforceable to the fullest extent permitted by law.

15.09 Joint and Several Liability. Borrower, its successors or assigns and Thomas M. Wangler, Jr. hereby agrees to be directly, unconditionally and primarily liable to the City for the performance of Borrower's obligations under the Agreement.

XVI

TERM OF THIS AGREEMENT

16.01 This Agreement shall terminate, and the Borrower's obligations under this Agreement shall cease at the end of three (3) years from the date of this Agreement, or upon the payment in full of any amount remaining due on the Note, whichever is last to occur, provided however, this Agreement shall not terminate in any event until the obligations to make any payments on the Note have been fulfilled.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on or as of the day and year first above written.

CITY OF BATAVIA

BY: _____
Jeffery D. Schielke, Mayor

ATTEST: _____
Heidi Wetzel, City Clerk

BORROWER:

Confident Aire, Inc.

BY: _____
Its _____

CO-MAKER:

Thomas M. Wangler, Jr.

Exhibit A

NOTE

Date: May ____, 2011

Batavia, Illinois

1. **Borrower's Promise to Pay.** The undersigned (hereinafter, jointly and severally, the "Borrower") In return for a loan that Borrower has received, Borrower promises to pay the sum of Twenty Thousand Dollars (\$20,000) (this amount is called "principal"), plus interest, to the order of the City of Batavia, an Illinois Municipal Corporation (hereinafter the "Lender"). Borrower understands that the Lender may transfer this note. The Lender or anyone who takes this note by transfer and who is entitled to receive payments under this note is called the "Note Holder."
2. **Interest.** Interest shall be charged and accrue on unpaid principal until the full amount of principal has been paid. Interest shall accrue and be paid at an annual rate of 3.25%.
3. **Payments.**
 - A. Time and Place of Payments. Principal and interest payments shall be paid every month commencing on the 1st day of July, 2011, and on the 1st day of each and every month thereafter and ending on the 1st day of June, 2014 ("Maturity Date"), when the entire unpaid principal balance, if not sooner paid, together with all accrued interest thereon, shall become due and payable. Borrower shall make these payments every month until Borrower has paid all of the principal and interest and any other charges described below under this note in full. If, on the Maturity Date, Borrower still owes amounts under this note, Borrower shall pay those amounts in full on that date. Borrower shall make monthly payments to the Lender at: City of Batavia, 100 North Island Avenue, Batavia, Illinois, 60510, or at such other place as the Note Holder may direct.
 - B. Application of Payments. Borrower's monthly payments will be applied to interest before principal.
 - C. Amount of Monthly Payments. Borrower's monthly payment shall be in the amount of Five Hundred Eighty-three Dollars and Eighty-three cents (\$583.83).
4. **Borrower's Right to Prepay.** Borrower has the right to make payments of principal at any time before they are due. A payment of principal only is known as the "prepayment." When Borrower makes a prepayment, Borrower shall notify the Note Holder in writing of the intention to make a prepayment.
5. **Borrower's Failure to Pay as Required.**
 - A. Late Charge for Overdue Payments. If the Note Holder has not received the full amount of any monthly payment within thirty (30) calendar days after the date it is due, Borrower shall pay a late charge to the Note Holder. The amount of the charge will be three percent (3%) of the overdue payment of principal and interest Borrower shall pay any late charge promptly but only once on each late payment.

- B. **Default.** If Borrower does not pay the full amount of each monthly payment on the date it is due, Borrower shall be considered in default.
 - C. **Notice of Default and Cure.** If Borrower is in default, Borrower shall have thirty (30) days after receipt of written notice of default to pay the overdue amount or otherwise to cure the default.
 - D. **Acceleration and Remedies.** If Borrower does not pay any overdue amount or otherwise cure a default within thirty (30) days from receipt of a notice of default, the full amount of principal which has not been paid and all the interest and charges that are owed shall become immediately due and payable in full. In such event, Lender shall be entitled to exercise any and all remedies that may be available to it under the Note, at law or in equity to collect all of the amount then due and owing, including the full amount of the sum of the unpaid principal balance of this Note, together with all accrued interest thereon, fees, costs and charges that are incurred under this Note and such other amounts as Lender may be entitled to include under Illinois law.
 - E. **No Waiver by Note Holder.** Even if, at a time when Borrower is in default, the Note Holder does not require Borrower to pay immediately in full as described above, the Note Holder will still have the right to do so if Borrower is in default at a later time.
 - F. **Payment of Note Holder's Costs and Expenses.** If Borrower is in default, Borrower shall pay the Note Holder all of its costs and expenses incurred to enforce this note and/or to collect the amounts due under this note, including but not limited to reasonable attorneys' fees and costs of collection, to the extent not prohibited by applicable law.
6. **Giving of Notices.** Any notice given to pursuant to this note may be given by delivering it or by mailing it by first-class mail to Borrower at 338 McKee Street, Batavia, Illinois, 60510, or at a different address if Borrower has given the Note Holder a written notice of different address. Such notices will be considered received when delivered or on the third day if mailed by placing the notice in the US mail with postage prepaid.
7. **Obligations of Persons under this Note.** Each person who signs this note, whether as maker, guarantor, surety or endorser, is fully and personally obligated to keep all of the promises made in this note, including the promise to pay the full amount owed. Any person who takes over the obligations of this note, including the obligations of a guarantor, surety or endorser of this note, is also obligated to keep all of the promises made in this note. The Note Holder may enforce its rights under this note against each person jointly and severally.
8. **Waivers.** Borrower hereby waives diligence, presentment, protest and demand, notice of protest, dishonor and non-payment of this Note, and expressly agrees that, without in any way affecting the liability of Borrower hereunder, Lender may extend any maturity date or the time for payment of any installment due hereunder, accept additional security, release any party liable hereunder and release any security now or hereafter securing this Note. Borrower further waives, to the full extent permitted by law, the right to plead any and all statutes of limitations as a defense to any demand on this Note or on any of the other Loan Documents. No delay or omission on the part of the holder of this Note in exercising any right under this Note or any of the other Loan Documents shall operate as a waiver of such right.
9. **Headings.** Headings at the beginning of each Section of this Note are for convenience and are not to be deemed a part of this Note or used in the construction hereof.

10. **Choice of Law, Jurisdiction and Venue.** This Note shall be governed by and construed in accordance with the laws of the State of Illinois. The parties agree that any action relating to this Note shall only be instituted and prosecuted in the Circuit Court of Kane County, Illinois, and each party waives the right to change of venue therefrom.
11. **Holidays, Etc.** If any payment due date falls on a Saturday, Sunday, business holiday under the laws of the United States or the State of Illinois, or holiday on which the Lender's office is closed, payment of the payment due shall be made on the next succeeding business day and such extension of time shall be included in computing any interest with respect to such payment.
12. **Time of Essence.** Time is of the essence of this Note.
13. **Binding Effects.** This Note shall be binding upon the undersigned, his heirs, legatees, legal representatives, successors and permitted assigns.

Witness the hands and seals of the undersigned on the day and year first above written.

Confident Aire, Inc.

By its President

Thomas M. Wangler, Jr.

Individually, as Co-maker

Confident Aire

Compound Period : Monthly

Nominal Annual Rate .. : 3.250 %
 Effective Annual Rate . : 3.299 %
 Periodic Rate : 0.2708 %
 Daily Rate : 0.00890 %

CASH FLOW DATA

Event	Start Date	Amount	Number Period	End Date
1 Loan	07/01/2011	20,000.00	1	
2 Payment	08/01/2011	583.83	36 Monthly	07/01/2014

AMORTIZATION SCHEDULE - Normal Amortization

Date	Payment	Interest	Principal	Balance
Loan 07/01/2011				20,000.00
1 08/01/2011	583.83	54.17	529.66	19,470.34
2 09/01/2011	583.83	52.73	531.10	18,939.24
3 10/01/2011	583.83	51.29	532.54	18,406.70
4 11/01/2011	583.83	49.85	533.98	17,872.72
5 12/01/2011	583.83	48.41	535.42	17,337.30
2011 Totals	2,919.15	256.45	2,662.70	
6 01/01/2012	583.83	46.96	536.87	16,800.43
7 02/01/2012	583.83	45.50	538.33	16,262.10
8 03/01/2012	583.83	44.04	539.79	15,722.31
9 04/01/2012	583.83	42.58	541.25	15,181.06
10 05/01/2012	583.83	41.12	542.71	14,638.35
11 06/01/2012	583.83	39.65	544.18	14,094.17
12 07/01/2012	583.83	38.17	545.66	13,548.51
13 08/01/2012	583.83	36.69	547.14	13,001.37
14 09/01/2012	583.83	35.21	548.62	12,452.75
15 10/01/2012	583.83	33.73	550.10	11,902.65
16 11/01/2012	583.83	32.24	551.59	11,351.06
17 12/01/2012	583.83	30.74	553.09	10,797.97
2012 Totals	7,005.96	466.63	6,539.33	
18 01/01/2013	583.83	29.24	554.59	10,243.38
19 02/01/2013	583.83	27.74	556.09	9,687.29
20 03/01/2013	583.83	26.24	557.59	9,129.70
21 04/01/2013	583.83	24.73	559.10	8,570.60
22 05/01/2013	583.83	23.21	560.62	8,009.98
23 06/01/2013	583.83	21.69	562.14	7,447.84
24 07/01/2013	583.83	20.17	563.66	6,884.18
25 08/01/2013	583.83	18.64	565.19	6,318.99
26 09/01/2013	583.83	17.11	566.72	5,752.27
27 10/01/2013	583.83	15.58	568.25	5,184.02
28 11/01/2013	583.83	14.04	569.79	4,614.23
29 12/01/2013	583.83	12.50	571.33	4,042.90

Confident Aire

Date	Payment	Interest	Principal	Balance
2013 Totals	7,005.96	250.89	6,755.07	
30 01/01/2014	583.83	10.95	572.88	3,470.02
31 02/01/2014	583.83	9.40	574.43	2,895.59
32 03/01/2014	583.83	7.84	575.99	2,319.60
33 04/01/2014	583.83	6.28	577.55	1,742.05
34 05/01/2014	583.83	4.72	579.11	1,162.94
35 06/01/2014	583.83	3.15	580.68	582.26
36 07/01/2014	583.83	1.57	582.26	0.00
2014 Totals	4,086.81	43.91	4,042.90	
Grand Totals	21,017.88	1,017.88	20,000.00	

Confident Aire

Last interest amount decreased by 0.01 due to rounding.