

REDEVELOPMENT AGREEMENT

This Redevelopment Agreement (“Agreement”), dated as of this ____ day of _____, 2026, is made by and between the City of Rockford, an Illinois municipal corporation (the “City”), and 1322 E. STATE STREET LLC, an Illinois limited liability company, and its successors and assigns (“Developer”). The City and Developer are sometimes collectively referred to herein as the “Parties.”

PREAMBLES

WHEREAS, Developer is the owner of the property commonly known as 1322 E. State Street, Rockford, Illinois, located within the Jackson School Tax Increment Financing District and legally described on Exhibit A attached hereto (the “Property”);

WHEREAS, Developer proposes to renovate and improve the Property through property acquisition, roof replacement, security upgrades, HVAC upgrades, and interior remodeling. The approximate Redevelopment Project Costs are One Million Four Hundred Twenty-Eight Thousand Dollars (\$1,428,000). This project will henceforth be referred to as the (“Redevelopment Project”);

WHEREAS, the City is authorized pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. (the “Act”), to enter into redevelopment agreements and reimburse redevelopment project costs;

WHEREAS, the City has determined that the Redevelopment Project will further the goals of the Jackson School Tax Increment Financing District by promoting investment, preserving taxable property, and encouraging economic development within the City;

WHEREAS, the City has agreed to reimburse Developer for certain eligible Redevelopment Project Costs in an amount not to exceed One Hundred Thousand Dollars (\$100,000), subject to the terms and conditions of this Agreement;

WHEREAS, in consideration of the City’s assistance, Developer agrees to maintain its primary corporate location within the City of Rockford for a period of ten (10) years following completion of the Redevelopment Project;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

SECTION I

APPLICABLE LAW / DEFINITIONS

A. **Applicable Law.** This Agreement is made pursuant to and in accordance with the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., and other applicable provisions of Illinois law and Rockford City ordinances.

B. **Definitions.** For purposes of this Agreement, “Redevelopment Project Costs” shall mean those costs eligible for reimbursement pursuant to Section 11-74.4-3(q) of the Act.

C. **Term.** The term of this Agreement shall commence upon execution and continue until all obligations of the Parties have been fully satisfied unless earlier terminated in accordance with this Agreement.

SECTION II

CITY’S OBLIGATIONS

A. **Reimbursement.** Subject to the terms and conditions of this Agreement, the City agrees to reimburse Developer for eligible Redevelopment Project Costs in an amount not to exceed One Hundred Thousand Dollars (\$100,000).

B. **Eligible Costs.** Eligible Redevelopment Project Costs” shall mean those redevelopment project costs authorized under the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended from time to time, including, without limitation, all reasonable or necessary costs incurred or estimated to be incurred and any costs incidental to the Redevelopment Plan or the Project, provided such costs are approved by the City and are eligible for payment or reimbursement under the Act.

C. **Conditions of Payment.** Following completion of the Redevelopment Project; Reimbursement shall be made in a one-time payment subject to approval by the City Council and submission of documentation reasonably satisfactory to the City evidencing eligible Redevelopment Project Costs.

D. **Documentation.** Developer shall provide invoices, receipts, lien waivers, proof of payment, contracts, and any other additional documentation as may reasonably be requested by the City.

E. **Limited Obligation.** The City’s obligation to pay Developer under this agreement is a limited obligation payable solely from taxes deposited in the special tax allocation fund for the Jackson School TIF and shall not constitute a general obligation or indebtedness of the City.

F. **Conditions Precedent.** Prior to reimbursement, Developer shall provide evidence satisfactory to the City that: (i) all property taxes and special assessments are current; (ii) all

required insurance coverages are in full force and effect; (iii) no default exists under this Agreement; and (iv) the Property is free from any liens, judgments, encumbrances, notices of violation, foreclosure actions, bankruptcy proceedings affecting the Property or Developer, receivership actions, tax sale proceedings, or any other legal or administrative action that could materially affect title to, use of, or the City's interest in the Property, except as expressly approved in writing by the City.

SECTION III

REPRESENTATIONS / WARRANTIES

A. **Developer Representations.** Developer represents and warrants that it is duly organized and in good standing under the laws of the State of Illinois and has authority to enter into this Agreement.

B. **City Representations.** The City represents that it has authority to enter into this Agreement pursuant to applicable law and ordinances.

C. **Survival.** The representations and warranties contained herein shall survive execution of this Agreement.

SECTION IV

DEVELOPER'S OBLIGATIONS

A. **Construction of Redevelopment Project.** Developer shall complete the Redevelopment Project in substantial accordance with plans approved by the City and in compliance with all applicable federal, state, and local laws, ordinances, and regulations. Developer agrees to facilitate improvements including property acquisition, roof replacement, security upgrades, HVAC upgrades, and interior remodeling.

B. **Completion Date.** Developer shall complete the Redevelopment Project within twelve (12) months following execution of this Agreement, subject to Force Majeure delays.

C. **Permits and Approvals.** Developer shall obtain all required permits, approvals, and inspections necessary for completion of the Redevelopment Project.

D. **No Property Tax Protest.** In recognition of the contribution of Tax Increment financing to the Redevelopment Project, Developer agrees not to protest the assessed valuation of the Property until the earlier of (i) the termination of the Jackson School TIF District, or (ii) December 31, 2031; provided, however, that Developer may contest assessments made in error, assessments that are disproportionately higher than comparable properties, or

assessments resulting from a material change in the condition or use of the Property or a material change in applicable valuation methodology..

E. **Prohibited Uses.** In recognition of the contribution of Tax Increment to the Project, Developer agrees that the Property shall not be used for the following uses until the earlier of (i) the termination of the Jackson School TIF District, or (ii) December 31, 2031, and only while Developer or its affiliates own or occupy the Property::

- (i) Adult uses, including but not limited to an adult type bookstore or other establishment selling, renting, displaying or exhibiting pornographic or obscene materials (including without limitation: magazines, books, movies, videos, photographs or so called “sexual toys”) or providing adult type entertainment or activities (including, without limitation, any displays of a variety involving, exhibiting or depicting sexual themes, nudity or lewd acts;
- (ii) Tattoo shops;
- (iii) A massage parlor or any establishment purveying similar services;
- (iv) Gaming machine establishments, including any bar or restaurant seeking video gaming terminals ancillary to its liquor license;
- (v) Tobacco stores;
- (vi) Second Hand store;
- (vii) Cash for Gold store;
- (viii) Payday Loan store; or
- (ix) Title Loan store.

F. **Prevailing Wage:** The Agreement calls for the construction of a “public work,” within the meaning of the Illinois Prevailing Wage Act, 820 ILCS 130/.01 *et seq.* (the “Act”). Pursuant to the Act, contractors and subcontractors shall pay laborers, workers, and mechanics performing services on public work projects no less than the “prevailing rate of wages” (hourly cash wages plus fringe benefits) in the county where the work is performed.

G. **Certified Payroll:** Pursuant to the Act, any contractor and any subcontractor who participates in the public works shall file with the State of Illinois certified payroll for those calendar months during which work on the public works project occurs. Certified payrolls shall be made available to the City to monitor for compliance with the Act.

SECTION V

INSURANCE / INDEMNIFICATION

A. **Insurance.** Developer shall maintain commercial general liability insurance and such additional insurance coverage as may reasonably be required by the City during construction of the Redevelopment Project.

B. **Additional Insured.** The City shall be named as an additional insured on all applicable insurance policies.

C. **Indemnification.** Developer agrees to indemnify, defend, and hold harmless the City and its officers, employees, and agents from claims arising out of the Redevelopment Project except to the extent caused by the negligence or willful misconduct of the City.

SECTION VI

DEFAULT / REMEDIES

A. **Event of Default.** The occurrence of any of the following shall constitute an Event of Default under this Agreement: (i) failure to complete the Redevelopment Project; (ii) failure to comply with the terms of this Agreement; (iii) bankruptcy or insolvency of Developer; or (iv) failure to maintain Developer’s primary corporate location within the City of Rockford for ten (10) years following completion of the Redevelopment Project.

B. **Notice and Cure.** The City shall provide written notice of default and Developer shall have thirty (30) days to cure such default unless otherwise specified herein. All notices, demands, requests, consents, approvals or other instruments required or permitted by this Agreement shall be in writing and shall be executed by the party or an officer, agent or attorney of the party, and shall be deemed to have been effective as of the date of actual delivery, if delivered personally, or as of the fifth (5th) day from and including the date of posting, if mailed by registered or certified mail, return receipt requested, with postage prepaid, addressed as follows:

To the Developer:	To the City:
With a copy to:	City of Rockford ATTN: Community and Economic Development Director

ATTN:	425 E. State Street Rockford, IL 61104 With a copy to: City of Rockford ATTN: Legal Director. 425 E. State Street Rockford, IL 61104
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C. **Remedies.** Upon an uncured Event of Default, the City may pursue all remedies available at law or in equity, including reimbursement recapture; provided, however, that the City’s monetary remedies shall not exceed the amount of TIF funds actually disbursed to Developer under this Agreement.

SECTION VII

GENERAL PROVISIONS

A. **Assignment.** This Agreement may not be assigned by Developer without prior written consent of the City.

B. **Severability.** If any provision of this Agreement is held invalid or unenforceable, the remaining provisions shall remain in full force and effect.

C. **Amendment.** This Agreement may be amended only by written instrument executed by both Parties.

D. **Choice of Law / Venue.** This Agreement shall be governed by Illinois law with venue lying in Winnebago County, Illinois.

E. **Notices.** All notices required under this Agreement shall be in writing and delivered personally, by certified mail, or overnight courier to the addresses designated by the Parties.

F. **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties concerning the Redevelopment Project and supersedes prior negotiations and understandings.

G. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original.

H. **Waiver.** Either party to this Agreement may elect to waive any remedy it may enjoy hereunder, provided that such waiver shall be in writing. No waiver of any term of this agreement shall be deemed to be a continuing waiver of that term or a waiver of any other term of this agreement.

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IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

CORD CONSTRUCTION CO.

By: _____

Its: _____

CITY OF ROCKFORD,
AN ILLINOIS MUNICIPAL CORPORATION

By: _____

Mayor Thomas P. McNamara

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EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

1322 E. State Street, Rockford, Illinois

Parcel / APN: 11-24-356-036

EXHIBIT B

REDEVELOPMENT PROJECT DESCRIPTION

Redevelopment improvements including, roof replacement, security upgrades, HVAC upgrades, and interior remodeling.

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