

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (“Agreement”) is entered into as of this ___ day of _____, 2026 (“Effective Date”), by and between the City of Rockford, an Illinois municipal corporation (“City”) and Maccabee Capital, LLC, an Illinois Limited Liability Company (“Claimant”). City and Claimant are each referred to individually as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, on or about December 23, 2025, certain property damage occurred at or affecting property located at 401 E. State Street, Rockford, Illinois (“Property”) and owned by Claimant when the City was engaged in construction activity related to repair of a watermain break; and

WHEREAS, Claimant alleges that in conducting this repair, the City, through its agents, employees, or operations, caused or contributed to property damages at the Property, including but not limited to damage to the basement of the Property (“Property Damage”); and

WHEREAS, the City paid for the immediate stabilization of the Property and professional structural engineering plans for the necessary repairs to the Property; and

WHEREAS, no litigation has been commenced regarding the Property Damage; and

WHEREAS, the Parties desire to avoid the expense, inconvenience, and uncertainty of litigation and wish to resolve all disputes, claims, and controversies between them arising from or related to the Property Damage; and

WHEREAS, the Parties have engaged in good faith negotiations and have agreed to settle all disputes, claims, and controversies between them on the terms and conditions set forth in this Agreement.

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

I. Definitions.

For purposes of this Agreement, the following capitalized terms shall have the meanings set forth below:

“Claim” means any and all claims, demands, causes of action, suits, debts, obligations, liabilities, damages, losses, costs, expenses, attorneys’ fees, and any other legal or equitable remedies of any kind or nature whatsoever, whether known or unknown, suspected or unsuspected, fixed or contingent.

“Released Parties” means the City and its past, present and future officials, officers, employees, agents, representatives, attorneys, insurers, successors, and assigns.

II. Settlement Terms.

Subject to the terms and conditions of this Agreement, the City agrees to pay to Claimant the sum of two hundred thirty one thousand two hundred seventy-two and 51/100 dollars (\$231,272.51) (“Settlement Amount”) in full and complete settlement of all Claims arising from or related to the Property Damage.

The City shall make payment of the Settlement Amount to Claimant in one lump sum payment within five (5) business days of the Effective Date.

All payments under this Agreement shall be made by ACH transfer payable to Maccabee Capital, LLC and delivered to:

JP Morgan Chase Bank
Maccabee Capital LLC
Acct # 569211266
Routing # 071000013

III. Release of Claims

In consideration of the payment of the Settlement Amount and the other terms of this Agreement, Claimant, on behalf of itself and its heirs, executors, administrators, successors, and assigns, hereby irrevocably and unconditionally releases, acquits, and forever discharges the Released Parties from any and all Claims arising from, related to, or in any way connected with the Property Damage, including but not limited to:

- A. All Claims for property damage, diminution in property value, loss of use, and any consequential damages;
- B. All Claims for costs of repair, restoration, replacement, or remediation;
- C. All Claims for compensation, reimbursement, or damages of any kind arising from the Property Damage;
- D. All Claims that could have been asserted in any litigation related to the Property Damage; and
- E. All Claims whether known or unknown, suspected or unsuspected, that exist as of the Effective Date.

Notwithstanding the foregoing, this release does not extend to claims for enforcement of this Agreement or claims arising from events occurring after the Effective Date.

IV. Representations and Warranties.

Claimant represents and warrants to the City that:

- A. Claimant has full power and authority to enter into this Agreement and to perform its obligations hereunder. The execution, delivery, and performance of this Agreement have been duly authorized by all necessary organizational action.
- B. Claimant is the sole and lawful owner of all Claims being released under this Agreement and has not assigned, transferred, or conveyed any such Claims to any other person or entity.
- C. Claimant is the owner of the Property and has the right to enter into this Agreement.
- D. There are no liens, security interests, or other encumbrances on the Claims being released that would prevent Claimant from releasing such Claims pursuant to this Agreement.

The City represents and warrant to Claimant that:

- A. The City has full power and authority to enter into this Agreement and to perform its obligations hereunder. The execution, delivery, and performance of this Agreement have been duly authorized by all necessary municipal action.
- B. This Agreement constitutes a valid and binding obligation of the City, enforceable according to its terms.
- C. The execution and performance of this Agreement does not violate any applicable law, ordinance, regulation, or any agreement to which the City is a party.

V. Indemnification.

Claimant agrees to indemnify, defend, and hold harmless the Released Parties from and against any and all claims asserted by any third party arising from or related to:

- A. Any breach by Claimant of any representation, warranty, or covenant contained in this Agreement.
- B. Any claims by any person or entity claiming through or under Claimant with respect to the Property Damage; or
- C. Any lien, security interest, or other encumbrance on the Claims released hereunder.

If any Claim subject to indemnification under this Agreement is asserted against a Released Party, the City shall provide prompt written notice to Claimant and Claimant shall assume the defense of such Claim at its sole cost and expense, using counsel reasonably acceptable to the City.

VI. Miscellaneous Provisions.

- A. Entire Agreement. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior negotiations, understandings, representations, and agreements, whether written or oral, relating to such subject matter.
- B. Amendments. This Agreement may not be amended, modified, or supplemented except by a written instrument signed by both Parties.
- C. Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of state of Illinois, without regard to its conflicts of law principles. Venue for any action brought under this Agreement shall lie in Winnebago County, Illinois.
- D. Severability. If any provision of this Agreement is held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not be affected or impaired in any way, and the Parties agree to negotiate in good faith to replace such invalid, illegal, or unenforceable provision with a valid, legal, and enforceable provision that achieves, to the greatest extent possible, the economic, business, and other purposes of the stricken provision.
- E. Waiver. No waiver of any provision of this Agreement shall be effective unless in writing and signed by the Party against whom such waiver is sought to be enforced. No failure or delay by either Party in exercising any right, power, or remedy precludes any other or further exercise thereof.
- F. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. Electronic signatures shall be deemed original signatures for all purposes.
- G. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, executors, administrators, successors, and assigns.
- H. Assignment. Neither Party may assign, transfer, or delegate any of its rights or obligations under this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld.
- I. Notices. All notices, requests, demands, and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been duly given:
 - 1. When delivered personally;
 - 2. One business day after being sent by reputable overnight courier service;
 - 3. Three business days after being sent by certified or registered mail, return receipt requested, postage prepaid; or

4. When sent by email, if sent during normal business hours, or if not, then on the next business day.

All notices shall be sent to the addresses set forth below or to such other address as either Party may designate by written notice to the other Party:

If to City:
City of Rockford
Attn: Public Works Director
425 E. State Street
Rockford, IL 61104

With a copy to:
City of Rockford
Attn: Legal Director
425 E. State Street
Rockford, IL 61104

If to Claimant:
Maccabee Capital, LLC
134 N. 1st Street
Rockford, IL 61107

With a copy to:
Jeffrey P. Orduno, Attorney at Law
P.O. Box 4744
Rockford, IL 61110

J. Construction. The Parties acknowledge that each Party and its counsel have reviewed and participated in the drafting of this Agreement. Accordingly, the rule of construction that any ambiguities are to be resolved against the drafting party shall not be applied in the interpretation of this Agreement.

K. Headings. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

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

MACABEE CAPITAL, LLC,
AN ILLINOIS LIMITED
COMPANY

CITY OF ROCKFORD,
AN ILLINOIS MUNICIPAL
CORPORATION

By: _____
Its: _____

By: _____
Thomas P. McNamara
Mayor

ATTEST:

City Legal Director