

Prepared By:

City of Rockford
Legal Department
425 E. State Street
Rockford, IL 61104

Return To:

City of Rockford
Community & Economic Development Dept.
425 E. State Street – 2nd floor
Rockford, IL 61104

MORTGAGE

This Mortgage made as of the ____ day of _____, 2026 between Rockford News Tower LLC, an Illinois Limited Liability Company, (hereinafter called, and if more than one party and severally hereinafter called "Mortgagor"), whose address is 134 N. 1st Street, Rockford, IL 61107 and the City of Rockford, a Municipal Corporation (hereinafter called "Mortgagee"), acting by and through the Department of Community & Economic Development having an office at 425 E. State Street, Rockford, Winnebago County and State of Illinois.

WITNESSETH, that to secure the payment of a forgivable loan in the principal amount not to exceed Four Million and 00/100 Dollars (\$4,000,000) which shall be payable in accordance with a certain note bearing even date herewith, a true and correct copy of which, exclusive of the signature of the Mortgagor, marked "Schedule A" is made a part hereof, and all other indebtedness which the Mortgagor is obligated to pay to the Mortgagee pursuant to the provisions of the Note and this Mortgage, the Mortgagor hereby grants, conveys and mortgages to the Mortgagee:

The following described property situated in Winnebago County, Illinois.

SEE ATTACHED LEGAL DESCRIPTION

Property Codes:

11-23-358-002, 11-23-378-003, and 11-23-378-004
Commonly Known As: 99 East Street, Rockford, Illinois 61104

TOGETHER, with all appurtenances thereto and all the estate and rights of the Mortgagor in and to such property or in anywise appertaining thereto; all buildings and other structures now or hereafter thereon erected or installed, and all fixtures and articles of personal property now or hereafter attached to, or used in, or in the operations of any such land, buildings or structures which are necessary to the complete use and occupancy of such buildings or structures for the purpose for which they were or are to be erected or installed, including, but not limited to all heating, plumbing, bathroom, lighting, cooking,

laundry, ventilating, refrigerating, incinerating and air-conditioning equipment and fixtures and all replacements thereof and additions thereto, whether or not the same are or shall be attached to such land, buildings or structures in any manner;

TOGETHER, with any and all awards now or hereafter made for the taking of the property mortgaged hereby, or any part thereof (including any easement), by the exercise of the power of eminent domain, including any award for change of grade of any street or other roadway, which awards are hereby assigned to the Mortgagee and are deemed a part of the property mortgaged hereby, and the Mortgagee is hereby authorized to collect and receive the proceeds of such awards, to give proper receipts and quittances therefore, and to apply the same toward the payment of the indebtedness secured by this Mortgage, notwithstanding the fact that the amount owing thereon may not then be due and payable; and the Mortgagor hereby agrees, upon request, to make, execute and deliver any and all assignments and other instruments sufficient for the purpose of assigning each such award to the Mortgagee, free, clear and discharged of any encumbrances of any kind or nature whatsoever; and

TOGETHER, with all right, title and interest of the Mortgage in and to the streets and roads in front of and adjoining the above described land (all the above described land, buildings, other structures, fixtures, articles of personal property, awards and other rights and interests being hereinafter collectively called the "mortgaged property").

TO HAVE AND TO HOLD, the mortgaged property and every part thereof unto the Mortgagee, its successors and assigns forever for the purposes and uses herein set forth.

AND, the Mortgagor further covenants and agrees with the Mortgagee, as follows:

1. The Mortgagor will promptly pay the principal on the indebtedness evidenced by the Note, and all other charges and indebtedness provided therein and in this Mortgage, at the times and in the manner provided in the Note and in this Mortgage.
2. The Mortgagor will pay when due, all taxes, assessments, water rates and other governmental charges, fines and impositions, of every kind and nature whatsoever, now or hereafter imposed on the mortgaged property, or any part thereof, and will pay when due every amount of indebtedness secured by any lien to which the lien of this Mortgage is expressly subject.
3. This Mortgage and the Note were executed and delivered to secure monies advanced, or to be advanced, by the Mortgagee as or on account of a forgivable loan evidenced by the Note, for the purpose of making improvements described or referred to in the Development Agreement, to or on the mortgaged property, and for such other purpose, if any, described or referred to therein, which improvements are hereafter collectively called "Improvements." The Mortgagor shall make or cause to be made all the Improvements. If the construction or installation of the Improvements shall not be carried out with reasonable diligence, or shall be discontinued at any time for any reason, other than strikes, lockouts, acts of God, fires, floods or other similar catastrophes, riots, war or insurrection, the Mortgagee after due notice to the Mortgagor is hereby authorized (a) to enter upon the mortgaged property and employ any watchmen to protect the Improvements from depredation or injury and to preserve and protect such property, (b) to carry out any or all then existing contracts between the Mortgagor and other parties for the purpose of making any of the Improvements, (c) to make and enter into additional contracts and incur obligations for the purposes of completing the Improvements pursuant to the obligations of the Mortgagor hereunder, either in the name of the Mortgagee or the Mortgagor, and (d) to pay and discharge all debts, obligations and liabilities incurred by reason of any action taken by the Mortgagee as provided in this paragraph, all of which amounts so paid by the Mortgagee, shall be payable by the Mortgagor to the Mortgagee on demand and shall be secured by this Mortgage.

4. No building or other structure or improvement, fixture or personal property mortgaged hereby shall be removed or demolished without the prior written consent of the Mortgagee. The Mortgagor will not make, permit or suffer any alteration of or addition to any building or other structure or improvement now or which may hereafter be erected or installed upon the mortgaged property, or any part thereof, except the Improvements required to be made pursuant to Paragraph 3 hereof, nor will the Mortgagor use, or permit or suffer the use of, any of the mortgaged property for any purpose other than the purpose or purposes for which the same is now intended to be used, without the prior written consent of the Mortgagee. The Mortgagor will maintain the mortgaged property in good condition and state of repair and will not suffer or permit any waste to any part thereof, and will promptly comply with all the requirements to federal, State and local governments, or of any departments, divisions or bureaus thereof, pertaining to such property or any part thereof.

5. The Mortgagor will not voluntarily create, or permit or suffer to be created or to exist, on or against the mortgaged property, or any part thereof, any lien superior to the lien of this Mortgage, exclusive of the lien or liens, if any, to which this Mortgage is expressly subject, as set forth in the granting clause above [or as provided for in paragraph 22, below](#), and will keep and maintain the same free from the claims of all parties supplying labor or materials which will enter into the construction or installation of the Improvements.

6. (a) The Mortgagor will keep all buildings, other structures and improvements, including equipment, now existing or which may hereafter be erected or installed on the land mortgaged hereby, insured against loss by fire and other hazards, casualties and contingencies, in such amounts and manner, and for such periods, all as may be required from time to time by the Mortgagee. Unless otherwise required by the Mortgagee, all such insurance shall be effected by Standard Fire and Extended Coverage Insurance policies, in amounts not less than necessary to comply with the coinsurance clause percentage of the value applicable to the location and character of the property to be covered. All such insurance shall be carried in companies approved by the Mortgagee and all policies therefore shall be in such form and shall have attached thereto loss payable clauses in favor of the Mortgagee and any other parties as shall be satisfactory to the Mortgagee. All such policies and attachments thereto shall be delivered promptly to the Mortgagee, unless they are required to be delivered to the holder of a lien of a mortgage or similar instrument to which this Mortgage is expressly subject, in which latter event certificates, thereof, satisfactory to the Mortgagee, shall be delivered promptly to the Mortgagee.

The Mortgagor will pay promptly when due as hereinafter provided, and any and all premiums on such insurance, and in every case in which payment is not made from the deposits therefore required by this Mortgage, promptly, submit to the Mortgagee for examination receipts or other evidence of such payment as shall be satisfactory to the Mortgagee. The Mortgagee may obtain and pay the premium on (but shall be under no obligation to do so) every kind of insurance required hereby if the amount of such premium has not been deposited as required by this Mortgage, in which event the Mortgagor will pay to the Mortgagee every premium so paid by the Mortgagee.

(b) In the event of loss or damage to the mortgaged property, the Mortgagor will give to the Mortgagee immediate notice thereof by mail, and the Mortgagee may make and file proof of loss if not made otherwise promptly by or on behalf of the Mortgagor. Each insurance company issuing any such policy is hereby authorized and directed to make payment hereunder for such loss directly to the Mortgagee, instead of to the Mortgagor and the Mortgagee jointly, unless the amount of loss is payable first to the holder of a lien under a mortgage or similar instrument to which this Mortgage is expressly subject; and the insurance proceeds or any part thereof is received by the Mortgagee may be applied by the

Mortgagee, at its option, either in reduction of the indebtedness hereby secured, or to the restoration or repair of the mortgaged property damaged. In the event of foreclosure of this Mortgage, or of any transfer of title to the mortgaged property in extinguishment of such indebtedness, all right, title and interest of the Mortgagor in and to every insurance policy then in force, subject to the rights and interest of the holder of any such prior lien, shall pass to the grantee acquiring title to the mortgaged property together with such policy and appropriate assignment of such title and interest which shall be made by the Mortgagor. Notwithstanding anything to the contrary contained herein or in the loan documents, in the event of any fire or other casualty to the mortgaged property or eminent domain proceedings resulting in condemnation of the mortgaged property, or any part thereof, Mortgagor shall have the right to rebuild the mortgaged property, and to use all available insurance or condemnation proceeds therefor, provided that (a) such proceeds are sufficient to keep the loan in balance and rebuild the mortgaged property in a manner that provides adequate security to Mortgagee for repayment of the loan, or if such proceeds are insufficient then Mortgagor shall have funded any deficiency, (b) Mortgagee shall have the right to approve plans and specifications for any major rebuilding and the right to approve disbursements of insurance or condemnation proceeds for rebuilding under a construction escrow or similar arrangement, and (c) no continuing material default then exists by Mortgagor under the loan documents. If the casualty or condemnation affects only part of the mortgaged property and total rebuilding is infeasible, then proceeds may be used for partial rebuilding and partial repayment of the loan in a manner that provides adequate security to Mortgagee for repayment of the remaining balance of the loan.

7. The improvements and all plans and specifications therefore shall comply with all applicable municipal ordinances, regulations and rules made or promulgated by lawful authority, and upon their completion shall comply therewith.

8. Upon failure by the Mortgagor to comply with or perform any of the terms, covenants or conditions of this mortgage requiring the payment of any amount of money by the Mortgagor, other than the principal amount of the loan evidenced by the Note, the Mortgagee may at its option make such payment. Every payment so made by the Mortgagee, (including reasonable attorney's fees incurred thereby), with interest thereon from the date of such payment, at the rate of six percent (6%) per annum, except any payment for which a different rate of interest is specified herein, shall be payable by the Mortgagor to the Mortgagee on demand and shall be secured by this Mortgage. This Mortgage, with respect to any such amount and the interest thereon, shall constitute a lien on the mortgaged property prior to any other lien attaching or accruing subsequent to the lien of this Mortgage.

9. The Mortgagee, by any of its agents or representatives, shall have the right to inspect the mortgaged property from time to time at any reasonable hour of the day upon the giving of 48 hours' written notice. Should the mortgaged property, or any part thereof, at any time require inspection, repair, care or attention of any kind or nature not provided by this Mortgage as determined by the Mortgagee in its sole discretion, the Mortgagee may, after notice to the Mortgagor, enter or cause entry to be made upon, the mortgaged property, and inspect, repair, protect, care for or maintain such property, as the Mortgagee may in its sole discretion deem necessary, and may pay all amounts of money therefore, as the Mortgagee may in its sole discretion deem necessary.

10. The principal amount owing on the Note thereon and all other charges, as therein provided, and all other amounts of money owing by the Mortgagor pursuant to and secured or intended to be secured by this Mortgage, shall immediately become due and payable without notice or demand upon the appointment of a receiver or liquidator, whether voluntary or involuntary, for the Mortgagor or any of the property of the Mortgagor, or upon the filing of a petition by or against the Mortgagor under the

provisions of any State insolvency law, or under the provisions of the Bankruptcy Act of 1898, as amended, or upon the making by the Mortgagor of an assignment for the benefit of the Mortgagor's creditors. The Mortgagee is authorized to declare, at its option, all or any part of such indebtedness immediately due and payable upon the happening of any of the following events (in each instance after the expiration of any applicable notice and cure period):

(a) Failure to pay the amount of taxes and insurance, or other charges payable on the Note, which shall have become due, prior to the due date of the next such installment;

(b) Nonperformance by the Mortgagor of any covenant, agreement, term or condition of this Mortgage, or of the Note (except as otherwise provided in subdivision (a) hereof or of any other agreement heretofore, herewith or hereafter made by the Mortgagor with the Mortgagee in connection with such indebtedness (expiration of a 30-day cure period after notice of default has been provided to Mortgagor, which cure period may be extended as long as the cure was initiated within such 30-day period and is being diligently pursued);

(c) Failure of the Mortgagor to perform any covenant, agreement, term or condition in any instrument creating a lien upon the mortgaged property, or any part thereof, which shall have priority over the lien of this Mortgage;

(d) The Mortgagee's discovery of the Mortgagor's failure in any application of the Mortgagor to the Mortgagee to disclose any fact deemed by the Mortgagee to be material, or of the making therein or in any of the agreements entered into by the Mortgagor with the Mortgagee (including, but not limited to, the Note and this Mortgage) of any misrepresentation by, on behalf of, or for the benefit of the Mortgagor;

(e) The sale, lease or other transfer of any kind or nature of the mortgaged property, or any part thereof, without the prior written consent of the Mortgagee (other than residential or commercial leases in the ordinary course of business, other than the disposal and replacement of personal property and fixtures in the ordinary course of business, and other than otherwise permitted in the Development Agreement);

⊕ The Mortgagee's failure to exercise any of its rights hereunder shall not constitute a waiver thereof. All the events in this paragraph enumerated upon the happening of any of which the Note shall become, or may be declared to be, immediately due and payable, are in this Mortgage called "events of default."

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Notwithstanding anything to the contrary contained herein or in the loan documents, Mortgagor's members shall have the right, but not the obligation, to cure any default by Mortgagor under the loan documents, and Mortgagee agrees to accept any such cure tendered by Mortgagor's members within any applicable grace period or cure period available to Mortgagor.

11. The Mortgagee may from time to time cure each default under any covenant or agreement in any instrument creating a lien upon the mortgaged property, or any part thereof, which shall have priority over the lien of this Mortgage, to such extent as the Mortgagee may exclusively determine, and each amount paid (if any) by the Mortgagee to cure any such default shall be paid by the Mortgagor to the Mortgagee; and the Mortgagee shall also become subrogated to whatever rights the holder of the prior lien might have under such instrument.

12. (a) After the happening of any default hereunder, the Mortgagor shall demand of the Mortgagee to surrender possession of the mortgaged property to the Mortgagee, and the Mortgagee may enter such

property, and let the same and collect all the rents therefrom which are due or to become due, and apply the same, after payment of all charges and expenses, on account of the indebtedness hereby secured, and all such rents and all leases existing at the time of such default are hereby assigned to the Mortgagee as further security for the payment of the indebtedness secured hereby; and the Mortgagee may also dispossess, by the usual summary proceedings, any tenant defaulting in the payment of any rent to the Mortgagee.

(b) In the event that the Mortgagor occupies the mortgaged property or any part thereof, the Mortgagor agrees to surrender possession of such property to the Mortgagee immediately after such default hereunder, and if the Mortgagor remains in possession after such default, such possession shall be as a tenant of the Mortgagee, and the Mortgagor shall pay in advance, upon demand by the Mortgagee, as a reasonable monthly rental for the premises occupied by the Mortgagor, an amount at least equivalent to one-twelfth of the aggregate of the twelve monthly installments payable in the current calendar year, plus the actual amount of the annual ground rent, if any, taxes, assessments, water rates, other governmental charges and insurance premiums payable in connection with the mortgaged property during such year, and upon the failure of the Mortgagor to pay such monthly rental, the Mortgagor may also be dispossessed by the usual summary proceedings applicable to tenants. This covenant shall become effective immediately upon the happening of any such default, as determined in the sole discretion of the Mortgagee, who shall give such determination to the Mortgagor; and in the case of foreclosure and the appointment of a receiver of the rents, the within covenant shall inure to the benefit of such receiver.

13. The Mortgagee in any action to foreclose this Mortgage shall be entitled to the appointment of a receiver without notice, as a matter of right without regard to the value of the mortgaged property, or the solvency or insolvency of the Mortgagor or other party liable for the payment of the Note and other indebtedness secured by this Mortgage.

14. The Mortgagor, within ten (10) business days upon request in person or within twenty (20) business days upon request by mail, will furnish promptly a written statement in form satisfactory to the Mortgagee, signed by the Mortgagor and duly acknowledged, of the amount then owing on the Note and other indebtedness secured by this Mortgage, and whether any offsets or defenses exist against such indebtedness or any part thereof.

15. The Mortgagor will give immediate notice by registered or certified mail to the Mortgagee of any fire, damage or other casualty affecting the mortgaged property, or of any conveyance, transfer or change in ownership of such property, or any part thereof.

16. Notice and demand or request may be made in writing and may be served in person or by mail. Notices to Mortgagor will be provided to the addresses set forth in the Development Agreement.

17. In case of a foreclosure sale of the mortgaged property, it may be sold in one parcel.

18. The Mortgagor will not assign the rents, if any, in whole or in part, from the mortgaged property, or any part thereof, without the prior written consent of the Mortgagee (other than any assignment of rents associated with the permitted liens referred to in Section 5 above).

19. The Mortgagor is lawfully seized of the mortgaged property and has good right, full power and lawful authority to sell and convey the same in the manner above provided, and will warrant and defend the same to the Mortgagee forever against the lawful claims and demands of any and all parties whatsoever.

20. This Mortgage and all the covenants, agreements, terms and conditions herein contained shall be binding upon and inure to the benefit of the Mortgagor and the heirs, legal representatives and assigns of the Mortgagor, and to the extent permitted by law, every subsequent owner of the Mortgaged property; and shall be binding upon and inure to the benefit of the Mortgagee and its assigns. If the Mortgagor, as defined herein, consists of two or more parties, this Mortgage shall constitute a grant and mortgage by all of them jointly and severally, and they shall be obligated jointly and severally under all provisions hereof and under the Note. The word "Mortgagee" shall include any person, corporation, or other party who may from time to time be the holder of this Mortgage. Wherever used herein the singular number shall include the plural, the plural number shall include the singular, and the use of any gender shall be applicable to all genders wherever the sense requires.

21. This Mortgage may be assumable, if a determination is made by the Department of Community and Economic Development that the Mortgagor is unable to fulfill the obligations of this agreement. The Department of Community and Economic Development will determine if the potential borrower is eligible, subject to written application for an assumption.

22. Mortgagee shall subordinate this Mortgage to any later primary or construction loan mortgage, or refinancing of the primary or any construction loan resulting in a later-recorded mortgage, for the project envisioned in the Development Agreement or the mortgaged property generally, and shall sign any commercially reasonable form of subordination agreement presented by the primary or construction lender. With regard to any such later-recorded mortgage(s), Mortgagee agrees that the subordination required herein shall also apply to any assignment of rents or other customary document(s) recorded with a commercial mortgage.

23. Mortgage shall release this Mortgage upon the earlier of Mortgagor's completion of the Project envisioned in the Development Agreement or the full ~~forgiveness~~ [satisfaction](#) of the forgivable loan secured hereby.

24. Any criminal activity or perilous conditions during the term that threatens the health, safety, or right to peaceful enjoyment by other persons residing in the immediate vicinity of the premises; or any drug related criminal activity on or near such premises, engaged in by the Mortgagor's household, or any guest or other person under the Mortgagor's control shall be a breach of this Mortgage and the City of Rockford Community & Economic Development Department can demand payment of the loan.

25. In the event of any discrepancy between the Note, this Mortgage and/or the Development Agreement, the Note will prevail.

IN WITNESS WHEREOF this Mortgage has been duly signed and sealed by the Mortgagor on or as of the day and year first above written.

Rockford News Tower LLC ,
An Illinois limited liability company,

By: _____
Name: Justin Fern
Title: Manager

STATE OF ILLINOIS)
) SS
COUNTY OF WINNEBAGO)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid DO HEREBY CERTIFY that Justin Fern, personally known to me to be the same person(s) whose name(s) whose name(s) is/are subscribed to the foregoing instrument, appeared before me this day in person and acknowledge that he/she/they signed, sealed and delivered the said instruments as his/her/their free and voluntary act, for the uses and purposes therein set forth, including the release and waiver of the right of homestead.

Given under my hand and notarized seal this _____ day of _____, 20 _____

Notary Public

My commission expires:

Prepared by:

Legal Department
425 East State Street
Rockford, Illinois 61104

Return to:

Department of Community & Economic Development
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Rockford, Illinois 61104

