

PROMISSORY NOTE

\$4,000,000
Rockford, Illinois

_____, _____, 2026

FOR VALUE RECEIVED, Rockford News Tower LLC, an Illinois limited liability company, (“Borrower”) promise to pay to the City of Rockford, a municipal corporation organized and existing under and by virtue of the laws of the State of Illinois, and a charter duly adopted by its freeholders (the "City"), whose address is 425 East State Street, Rockford, Illinois 61104, or order, the principal amount of Four Million Dollars (\$4,000,000) (“Forgivable Loan”), or so much thereof as is advanced to or for the benefit of Borrowers and not forgiven, at such place as designated by the City, in installments and with interest as provided herein, in immediately available funds, as follows:

1. Development Agreement. This Promissory Note is given pursuant to a Development Agreement (the “Development Agreement”) between Borrower and the City of even date herewith and other related documents described in the Development Agreement. Reference is made to that certain Development Agreement, to provide the funds being loaned to Borrower to redevelop the property at 99 East State Street, Rockford, Illinois, by renovating the existing building to convert it into an 80 unit, market rate apartment, including gourmet restaurant and commercial spaces (the “Project”). Borrower acknowledges receipt of true and correct copies of the Development Agreement. Capitalized terms not otherwise defined herein shall have the meanings assigned in the Development Agreement.

2. Interest Rate. Borrower shall pay zero percent (0%) interest under this Promissory Note.

3. Disbursement and Payments.

a. The City shall disburse to Borrower the Forgivable Loan funds in an amount not to exceed Four Million Dollars (\$4,000,000) for eligible Redevelopment Project Costs in accordance with the Development Agreement.

b. Beginning in the first full tax year following substantial completion of the Redevelopment Project, and continuing annually thereafter, City shall withhold and retain the first Fifty Thousand Dollars (\$50,000) per year from the tax increment attributable to the Project, not to exceed One Million Dollars (\$1,000,000) (“TIF Advance Repayment”).

4. Forgiveness. The City shall forgive up to Three Million Dollars (\$3,000,000) of eligible expenses in accordance with the Development Agreement. Except for the \$1,000,000 TIF Advance Repayment, the City shall forgive \$3,000,000 of the Forgivable Loan in ten (10) equal installments (i.e. \$300,000 each), if the full Forgivable Loan was disbursed) with the first installment to be forgiven on the one (1) year anniversary of the disbursement of the final installment of the Forgivable Loan for the Project, and each subsequent installment to occur on the yearly anniversary of such date (“Forgiveness Period”). Except for the first year, forgiveness shall be conditioned upon (a) 75% residential occupancy; and (b) operation of a full service restaurant

of Subject Property for the prior year, or, if an existing restaurant full-service restaurant has closed, good faith efforts by Developer to obtain a replacement restaurant. Upon documentation from Developer demonstrating at least 75% residential occupancy of Subject Property and operation of a full service restaurant for the prior year (except for the first year) the City shall forgive the Forgivable Loan at the rate outlined above.

5. Default. The breach of any term or condition of this Promissory Note or the occurrence of any Event of Default under the Development Agreement shall constitute a default under this Promissory Note, and following the notice and right to cure as expressly provided in the Development Agreement shall, if uncured, constitute an event of default ("Event of Default") hereunder.

The City shall give Borrower written notice of any alleged default in accordance with the provisions of the Development Agreement.

6. Remedies. If any Event of Default shall occur, the City may declare all Forgivable Loan funds under this Promissory Note and the Development Agreement immediately due and payable without further demand or notice, and/or exercise its rights and remedies under the Loan Documents and applicable law.

After an Event of Default, Borrower promises to pay all collection expenses, including reasonable attorney's fees incurred with or without suit and on appeal. Every person or entity at any time liable for the payment of the indebtedness evidenced hereby waives presentment for payment, demand, and notice of nonpayment of this Promissory Note. Every such person or entity further hereby consents to any extension of the time of payment hereof or any other modification of the terms of payment of this Promissory Note. The release of all or any part of the security hereof, or any other modification of the terms of payment of this Promissory Note, the release of all or any part of the security herefor, or the release of any party liable for the payment of the indebtedness evidenced hereby and from time to time, at the request of anyone now or hereafter liable therefor. Any such extension or release may be made without notice to any such persons or entities, and without discharging their liability.

7. Applicable Law. This Promissory Note is made with reference to, and is to be construed in accordance with the laws of the State of Illinois.

8. Notice Regarding Oral Agreements. **Oral agreements or oral commitments to lend money, extend credit, or to forbear from enforcing payment of a debt are not enforceable under Illinois law.**

Rockford News Tower LLC

By _____

Its Manager

