

FY 2021
ANNUAL TAX INCREMENT FINANCE
REPORT




STATE OF ILLINOIS
COMPTROLLER
SUSANA A. MENDOZA

Name of Municipality: City of Loves Park Reporting Fiscal Year: 2021
 County: Winnebago Fiscal Year End: 4/30/2021
 Unit Code: 101/020/30

FY 2021 TIF Administrator Contact Information

First Name: Nathan Last Name: Bruck
 Address: 100 Heart Boulevard Title: Economic Development/Planning Manager
 Telephone: 815-654-5033 City: Loves Park Zip: 61111
 E-mail-
 required NathanBruck@cityoflovespark.com

I attest to the best of my knowledge, that this FY 2021 report of the redevelopment project area(s)
 in the **City/Village of:** Loves Park
 is complete and accurate pursuant to Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] and/or
 Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.].



 Written signature of TIF Administrator

8-12-2022

 Date

Section 1 (65 ILCS 5/11-74.4-5 (d) (1.5) and 65 ILCS 5/11-74.6-22 (d) (1.5)*)

FILL OUT ONE FOR EACH TIF DISTRICT		
Name of Redevelopment Project Area	Date Designated MM/DD/YYYY	Date Terminated MM/DD/YYYY
Loves Park Corporate Center TIF	1/10/2011	

*All statutory citations refer to one of two sections of the Illinois Municipal Code: The Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

**SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]
FY 2021**

Name of Redevelopment Project Area (below):

Loves Park Corporate Center TIF

Primary Use of Redevelopment Project Area*: Industrial

* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

If "Combination/Mixed" List Component Types:

Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):
Tax Increment Allocation Redevelopment Act _____
Industrial Jobs Recovery Law X

Please utilize the information below to properly label the Attachments.

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment (labeled Attachment A).	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO Certification (labeled Attachment B).		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion (labeled Attachment C).		X
Statement setting forth all activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented and a description of the redevelopment activities. [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement (labeled Attachment D).		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) (labeled Attachment E).		X
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information (labeled Attachment F).	X	
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) (labeled Attachment G).	X	
Were there any reports <u>submitted to</u> the municipality <u>by</u> the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report (labeled Attachment H).		X
Were any obligations issued by the municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose any Official Statement (labeled Attachment I). If Attachment I is answered yes, then the Analysis must be attached and (labeled Attachment J).	X	
An analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage. [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If attachment I is yes, then Analysis MUST be attached and (labeled Attachment J).	X	
Has a cumulative of \$100,000 of TIF revenue been deposited into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) If yes, please enclose Audited financial statements of the special tax allocation fund (labeled Attachment K).		X
Cumulatively, have deposits of incremental taxes revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] If yes, the audit report shall contain a letter from the independent certified public accountant indicating compliance or noncompliance with the requirements of subsection (q) of Section 11-74.4-3 (labeled Attachment L).		X
A list of all intergovernmental agreements in effect to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] If yes, please enclose the list only, not actual agreements (labeled Attachment M).	X	

SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d)(5)(a)(b)(d)) and (65 ILCS 5/11-74.6-22 (d) (5)(a)(b)(d))

Provide an analysis of the special tax allocation fund.

FY 2021

Loves Park Corporate Center TIF

Special Tax Allocation Fund Balance at Beginning of Reporting Period \$ (969,404)

SOURCE of Revenue/Cash Receipts:	Revenue/Cash Receipts for Current Reporting Year	Cumulative Totals of Revenue/Cash Receipts for life of TIF	% of Total
Property Tax Increment	\$ 528,922	\$ 2,128,775	100%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 103	\$ 10,683	1%
Land/Building Sale Proceeds			0%
Bond Proceeds			0%
Transfers from Municipal Sources			0%
Private Sources			0%
			0%

All Amount Deposited in Special Tax Allocation Fund \$ 529,025

Cumulative Total Revenues/Cash Receipts \$ 2,139,458 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) \$ 323,177

Transfers to Municipal Sources \$ -

Distribution of Surplus

Total Expenditures/Disbursements \$ 323,177

Net/Income/Cash Receipts Over/(Under) Cash Disbursements \$ 205,848

Previous Year Adjustment (Explain Below) \$ -

FUND BALANCE, END OF REPORTING PERIOD* \$ (763,556)

* If there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

Previous Year Explanation:

SECTION 3.2 A

PAGE 3

13. Relocation costs.		
		\$ -
14. Payments in lieu of taxes.		
		\$ -
15. Costs of job training, retraining, advanced vocational or career education.		
		\$ -
16. Interest cost incurred by redeveloper or other nongovernmental persons in connection with a redevelopment project.		
		\$ -
17. Cost of day care services.		
		\$ -
18. Other.		
		\$ -
TOTAL ITEMIZED EXPENDITURES		\$ 323,177

SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5d) 65 ILCS 5/11-74.6-22 (d) (5d)

Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period by source

FY 2021

TIF NAME:

Loves Park Corporate Center TIF

FUND BALANCE BY SOURCE

\$ (763,556)

Amount of Original Issuance	Amount Designated
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1. Description of Debt Obligations

Amount of Original Issuance	Amount Designated

Total Amount Designated for Obligations

\$	-	\$	-
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2. Description of Project Costs to be Paid

Redevelopment Agreement-Danfoss	\$	1,193,042
Redevelopment Agreement-LP Partners	\$	409,225
Redevelopment Agreement-LP Fox LLC	\$	1,104,451
Redevelopment Agreement-East Riverside Farms, Inc.	\$	5,360,000
Redevelopment Agreement-SMG Investments LLC (1/2)	\$	500,000

Total Amount Designated for Project Costs

\$ 8,566,718

TOTAL AMOUNT DESIGNATED

\$ 8,566,718

SURPLUS/(DEFICIT)

\$ (9,330,274)

SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

FY 2021

TIF NAME:

Loves Park Corporate Center TIF

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

Check here if no property was acquired by the Municipality within the Redevelopment Project Area.

Property Acquired by the Municipality Within the Redevelopment Project Area.

Property (1):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (2):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (3):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (4):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (5):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (6):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (7):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (8):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

SECTION 5 - 20 ILCS 620/4.7 (7)(F)

PAGE 1

FY 2021

TIF Name:

Loves Park Corporate Center TIF

Page 1 is to be included with TIF report. Pages 2 and 3 are to be included **ONLY** if projects are listed.**Select ONE of the following by indicating an 'X':**

1. NO projects were undertaken by the Municipality Within the Redevelopment Project Area.	
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2. The Municipality DID undertake projects within the Redevelopment Project Area. (If selecting this option, complete 2a.)	X
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2a. The total number of ALL activities undertaken in furtherance of the objectives of the redevelopment plan:	5
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LIST **ALL** projects undertaken by the Municipality Within the Redevelopment Project Area:

TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	\$ 21,333,660	\$ -	\$ -
Public Investment Undertaken	\$ 2,827,402	\$ 222,468	\$ -
Ratio of Private/Public Investment	7 6/11		0

*PROJECT NAME TO BE LISTED AFTER PROJECT NUMBER

Project 1*: Project Silverfox(LP Partners)

Private Investment Undertaken (See Instructions)	\$ 5,283,399	\$ -	\$ -
Public Investment Undertaken	\$ 230,775	\$ 31,781	
Ratio of Private/Public Investment	22 76/85		0

Project 2*: Danfoss Drives LLC & 2018/2019 Expansion

Private Investment Undertaken (See Instructions)	\$ 10,826,155		
Public Investment Undertaken	\$ 802,422	\$ 190,687	
Ratio of Private/Public Investment	13 30/61		0

Project 3*: SB Merrillville Hospitality LLC

Private Investment Undertaken (See Instructions)	\$ 3,540,540	\$ -	
Public Investment Undertaken	\$ -	\$ -	
Ratio of Private/Public Investment	0		0

Project 4*: Cream City Scales relocation & RDA

Private Investment Undertaken (See Instructions)	\$ 1,683,566		
Public Investment Undertaken	\$ 232,573		
Ratio of Private/Public Investment	7 16/67		0

Project 5*: Bell School Road Reconstruction

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 1,561,632		
Ratio of Private/Public Investment	0		0

Project 6*:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0



— GREGORY R. JURY, MAYOR —

April 9th 2022

Office of the Comptroller
Local Government Division
100 W. Randolph, Suite 15-500
Chicago, IL 60601

Re: City of Loves Park Annual TIF Report, Unit Code: 101/020/30
Loves Park Corporate Center TIF

Please accept this letter as my confirmation that the City of Loves Park was, to the best of my knowledge, in compliance with all Tax Increment Financing (TIF) laws as of April 30, 2021.

Sincerely,

Mayor Gregory R. Jury
City of Loves Park



839 N. Perryville Rd. Suite 200 | Rockford, IL 61107-6202
815.265.6464 | www.aghllaw.com

August 11, 2022

Illinois Office of the Comptroller
Local Government Division
100 W. Randolph Street, Suite 15-500
Chicago, IL 60601

**Re: *Opinion of Counsel, City of Loves Park Industrial Jobs Recovery Law District -
Fiscal Year 2021 Loves Park Corporate Center IJRL***

To Whom It May Concern:

I, Gino Galluzzo, do hereby certify that I am duly qualified and acting Attorney of the City of Loves Park, Illinois, and as City Attorney, I am of the opinion, based on information furnished to me by the Treasurer's Office of the City, that the City has complied with the legal requirements of the Industrial Jobs Recovery Law during the fiscal year beginning May 1, 2020 and ending April 30, 2021, with regards to the Loves Park Corporate Center IJRL.

Sincerely,

ALLEN GALLUZZO HEVRIN LEAKE, LLC

A handwritten signature in black ink, appearing to read 'Gino Galluzzo', is written over a horizontal line.

Gino Galluzzo
(815) 265-6142
ggalluzzo@aghllaw.com

Attachment D

Loves Park Corporate Center TIF

Bell School Road reconstruction was finished during this fiscal year. The new Home2Suites hotel completed construction and opened for business. Redevelopment agreements were signed for a cannabis dispensary and for the extension of Squaw Valley Road and future development in the surrounding TIF. The existing Rock Cut Business Park redevelopment was modified to encompass expenses in excess of the original agreement.

CITY OF LOVES PARK

1

ALDERMAN JOHN JACOBSON

RESOLUTION NO. 20-052

DATE: AUGUST 17, 2020

DEPARTMENT: FINANCE & ADMINISTRATION COMMITTEE

A RESOLUTION TO APPROVE AN AMENDMENT TO THE REDEVELOPMENT AGREEMENT FOR ROCK CUT BUSINESS PARK LOCATED AT THE NORTHWEST CORNER OF BELL SCHOOL ROAD AND ROCK VALLEY PARKWAY

WHEREAS, the City has previously entered into that certain Redevelopment Agreement for Rock Cut Business Park dated October 2, 2018 attached as Exhibit A to the proposed Amendment which is also attached hereto; and

WHEREAS, the City has determined that it is reasonable and necessary to amend the Redevelopment Agreement to allow for the payment of certain TIF eligible expenses as are set forth in Exhibit B to the Amendment; and

WHEREAS, the payment of these additional expenses is in keeping with the obligations undertaken by the City in the Redevelopment Agreement.

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and the City Council of the City of Loves Park, County of Winnebago and County of Boone, Illinois, that by the adoption of this resolution, that the Mayor and the City Council hereby agree as follows:

- 1. The above recitals are hereby incorporated into this Resolution as if fully stated herein.
2. The attached Amendment to the Redevelopment Agreement for the Rock Cut Business Park located at the northwest corner of Bell School Road and Rock Valley Parkway is approved and the Mayor is authorized to execute the document on behalf of the City.

This Resolution shall be in full force and effect from and after its passage and approval.

Alderman John Jacobson, Chairman

Alderman Mark Peterson, Vice Chairman

Alderman John Pruitt

Alderman Charles Frykman

Mayor Gregory R. Jury

Attest: City Clerk Robert J. Burden

MOTION: Alderman Jacobson

SECOND: Alderman Peterson

VOTING: Motion carried. 10 Ayes (Aldermen Peterson, Holmes, Schlensker, Allton, Warden, Jacobson, Puckett, Little, Pruitt, Frykman)

I, Robert Burden, as Clerk of the City of Loves Park, Illinois certify the vote of the members of the Finance Committee on August 17, 2020 for this Resolution.

**AMENDMENT TO THE REDEVELOPMENT AGREEMENT FOR ROCK CUT
BUSINESS PARK LOCATED AT THE NORTHWEST CORNER OF BELL SCHOOL
ROAD AND ROCK VALLEY PARKWAY**

This amendment ("Amendment") as of August 17, 2020 hereby amends the Redevelopment Agreement for Rock Cut Business Park dated October 2, 2018 between the City of Loves Park, an Illinois municipal corporation, having its offices at 100 Heart Blvd, Loves Park, Illinois ("City") and the Jay R. Garnhart Living Trust Dated 5/7/2002 and the Lorri Garnhart Living Trust Dated 5/7/2002, or their assigns, having a business address at 4096 Interstate Boulevard, Loves park, IL 61111("Developer"). All capitalized terms are defined herein or otherwise have such definitions as are set forth in the Industrial Job Recovery Law, 65 ILCS 5/11-76.4-1 et seq. as amended, (the "Act")

RECITALS

WHEREAS, The City of Loves Park and the Developer previously entered into the Redevelopment Agreement for Rock Cut Business Park dated October 2, 2018 (the "Agreement"); and

WHEREAS, the Agreement is attached and incorporated into this Amendment as Exhibit "A"; and

WHEREAS, as part of the Agreement, and in consideration for the Developer completing certain improvements, the City agreed to reimburse the Developer for some of those improvement costs by using tax increment allocation financing ("TIF"); and

WHEREAS, upon mistake of both parties, the TIF amount listed in the Agreement of \$104,820.00 did not include certain TIF eligible improvement costs as provided for in the Act; and

WHEREAS, the Developer incurred costs for tree removal as a part of the improvements under the Agreement as well as , water, sewer service and electrical service infrastructure costs and planning expenses and those costs were eligible for TIF; and

WHEREAS, the City, as a portion of the Agreement had agreed to provide water, sewer and electrical service to the right-of-way bordering the Property and as such, the additional costs incurred by the Developer were necessary to bring those utilities to the Property; and

WHEREAS, the City and Developer both agree that the total TIF amount should have included the foregoing additional costs and the City and Developer desire to amend the Agreement to provide for the payment of those additional costs; and

WHEREAS, the Developer incurred costs of \$37,230 for said TIF eligible expenses, a description of the work and costs are included in a Certification of Amounts Submitted, which is attached hereto as the Exhibit "B"; and

WHEREAS, the City and Developer agree to amend the Agreement to include the \$37,230.00 in the total TIF amount, which amends the total TIF amount to \$142,050.00.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the City and Developer agree as follows:

SECTION I

INCORPORATION OF RECITALS

The recitals set forth above and in the Agreement are an integral part of this Amendment and by this reference are incorporated in this Section 1.

SECTION II

- 1.) **Available Tax Increment.** Section 4.2 "Available Tax Increment" of the Agreement is hereby amended as follows:

Upon Completion of the Developer Project and Developer providing City with evidence of having incurred the Eligible Project Costs, as defined by the Act, the City shall pay to Developer the cost of the Project which shall not exceed One Hundred Forty Two Thousand and Fifty and 00/100 Dollars (142,050.00) plus up to an additional Three Thousand Dollars (\$3,000) to reimburse Developer for the title insurance costs, title insurance closing costs or other tax deferred exchange fees incurred by Developer in accordance with a contract with North Riverside Partners, L.L.C., an Illinois Limited Liability Company with regard to acquiring approximately 2 acres of real estate at the north-west corner of Rock Valley Parkway and Bell School Road. Such amounts shall be provided to Developer within 30 days of Developer providing City with copies of all appropriate waivers of lien for the work performed and cost incurred.

- 2.) **Ratification of Agreement** Except as supplemented, amended or modified herein by this Amendment, the Agreement is hereby ratified to be in full force and effect.
- 3.) **Counterparts** This Amendment may be executed in any number of counterparts, each of them appending all necessary signatures to constitute one and the same instrument.

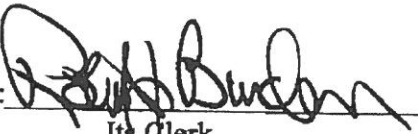
IN WITNESS WHEREOF, this Amendment has been duly executed by the City and the Developer as of the date first written above.

CITY OF LOVES PARK,
an Illinois municipal corporation

By: 
Its Mayor

THE JAY R. GARNHART LIVING
TRUST DATED 5/7/2002

By: _____
Jay R. Garnhart, Trustee

Attest: 
Its Clerk

THE LORRI GARNHART LIVING
TRUST DATED 5/7/2002

By: _____
Lorri Garnhart, Trustee

EXHIBIT A

REDEVELOPMENT AGREEMENT

EXHIBIT A

PROJECT COSTS SUBMITTED FOR REIMBURSEMENT

1.	\$10,195.00	Tree and stump removal. (Site preparation).
2.	\$2,150.00	Rock River Water Reclamation District fee. (Infrastructure).
3.	\$150.00	Copies of blueprints of building and site plan. (Professional fees).
4.	\$9,517.00	Electric service; bore under road & transformer. (Infrastructure).
5.	\$9,500.00	Sanitary sewer; manhole, tap main & connections. (Infrastructure).
6.	\$5,718.00	<u>Water service; bore under road & connections. (Infrastructure).</u>
	\$37,230.00	Total submitted eligible costs.

EXHIBIT B

CERTIFICATION OF AMOUNTS SUBMITTED FOR TIF REIMBURSEMENT

The undersigned Trustees of the Jay R. Garnhart Living Trust Dated 5/7/2002 and the Lorri Garnhart Trust Dated 5/7/2002 ("Developers") represent and warrant to the City of Loves Park, Illinois ("City") the following:

- 1) Redevelopment project costs of \$37,230.00, as itemized in Exhibit "A" ("Project Costs") attached hereto and made a part hereof, have been submitted to the City and/or the City attorneys seeking certification and reimbursement of the same pursuant to that Redevelopment Agreement ("RDA") between the Developers and the City dated October 1, 2018.
- 2) The Project Costs submitted for reimbursement were incurred and paid by Developers (or its affiliates, as may be permitted by the City).
- 3) The information submitted is true and accurate.

Developers acknowledge that the City will accept and rely upon the documentation and information provided by Developers, as well as the representations and warranties made in this instrument, in issuing TIF increment to Developers pursuant to the terms of the RDA.

Further, Developers represent and warrant that they are duly authorized to execute this certification.

Jay R. Garnhart, as Trustee of Jay R. Garnhart Living Trust Dated 5/7/2002

Jay Garnhart, Trustee

and

Lorri Garnhart, as Trustee of the Lorri Garnhart Living Trust Dated 5/7/2002

Lorri Garnhart, Trustee

I, Gary Oehlberg of Oehlberg Construction Co. Inc., certify the information above and presented in Exhibit "A" is true and correct as to costs incurred and paid by Developers.

Gary Oehlberg, President

**REDEVELOPMENT AGREEMENT FOR ROCK CUT BUSINESS PARK LOCATED AT THE
NORTHWEST CORNER OF BELL SCHOOL ROAD AND ROCK VALLEY PARKWAY**

This Redevelopment Agreement ("Agreement") dated as of this 2nd day of October, 2018 is made by and between the City of Loves Park, an Illinois municipal corporation, having its offices at 100 Heart Blvd, Loves Park, Illinois ("City") and the Jay R. Garnhart Living Trust Dated 5/7/2002 and the ~~Lori Lorr~~ Garnhart Living Trust Dated 5/7/2002, or their assigns, having a business address at 4096 Interstate Boulevard, Loves Park, IL 61111 ("Developer"). All capitalized terms are defined herein or otherwise have such definitions as are set forth in the Industrial Job Recovery Law, 65 ILCS 5/11-76.4-1 et seq. as amended, (the "Act").

RECITALS

WHEREAS, The City of Loves Park, Boone and Winnebago Counties, Illinois (the "City"), is a duly constituted, organized and validly existing municipality within the meaning of Section 1 of Article VII of the 1970 Constitution of the State of Illinois, and is operating under the Illinois Municipal Code, 65 ILCS 5/1-1-1 *et seq.*, as amended; and

WHEREAS, the City is authorized under the Act to undertake the redevelopment, including but not limited to, the approval of redevelopment plans and projects, of "industrial park conservation areas" within the City if the conditions specified in the Act are met, and is further authorized to implement tax increment allocation financing ("TIF") pursuant to the Act, and to pay the costs of such redevelopment permitted under the Act; and

WHEREAS, pursuant to the Act, the City, by Ordinance No.'s 3680-11, 3681-11, and 3682-11, adopted by the City Council on January 10, 2011, approved the Redevelopment Plan and Project, designated the Redevelopment Project Area specifically designated as the Loves Park Corporate Center Redevelopment Project Area, and adopted tax increment allocation financing for the Redevelopment Project, as amended; and

WHEREAS, the City has determined that it is in the best interests of the City if those improvements identified in Exhibit "A" ("Developer Project") are implemented to the property identified in Exhibit "B" ("Property"); and

WHEREAS, the City, after due and careful consideration, has concluded that the improvement of the Property, as provided in this Agreement, will further the growth of the City, facilitate the redevelopment of the Loves Park Corporate Center Redevelopment Project Area, increase the assessed valuation of real estate situated within the Redevelopment Project Area, increase the economic activity within the City, provide a substantial number of jobs to residents of the City, and otherwise be in the best interests of the City by furthering the health, safety, morals, and welfare of its residents and taxpayers; and

WHEREAS, the City desires to enter into this Redevelopment Agreement with the Developer and agrees to use TIF to defray certain costs of the Developer Project to the extent such costs qualify as Redevelopment Project Costs, as such term is defined in the Act.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the City and Developer agree as follows:

SECTION I
INCORPORATION OF RECITALS

The Recitals set forth above are an integral part of this Agreement and by this reference are incorporated in this Section I.

SECTION II
REPRESENTATIONS AND WARRANTIES

2.1 **Representations and Warranties of Developer.** To induce City to execute this Agreement and perform the obligations of City hereunder, Developer hereby represents and warrants to the City as follows:

- (a) Developer is a citizen and resident in good standing under the laws of the State of Illinois;
- (b) The parties executing this Agreement on behalf of Developer have been duly authorized by all appropriate action to enter into, execute, and deliver this Agreement and perform the terms and obligations contained herein.

2.2 **Survival of Representations and Warranties.** Developer agrees that all of their representations and warranties set forth in this Section and elsewhere in this Agreement are true as of the execution date of this Agreement and shall survive for the term of this Agreement.

SECTION III
DEVELOPER'S OBLIGATIONS

3.1 **Development in General.** Developer, as a condition precedent to the receipt of any reimbursement pursuant to this Agreement, shall complete the Developer Project to the reasonable satisfaction of the City. All improvements relating to the Developer Project shall comply with all federal, state and local regulations, codes, ordinances and laws of general applicability (collectively, the "Legal Requirements"). Any and all construction is subject to the City's typical review and approval process for other development and construction projects occurring throughout the City.

3.3 **Eligible Redevelopment Project Costs.** The "Developer's Eligible Redevelopment Project Costs" are those costs for which the Developer may seek reimbursement through the provision of tax increment financing from the City, as provided for herein, and are subject to the limitations of the Act which shall control the categories of reimbursable Redevelopment Project Costs herein. Developer shall have the right to reallocate costs among those line items, provided that all costs have been properly incurred and verified to the City in accordance with Section 4.3 of this Agreement prior to Developer's reallocation.

SECTION IV
TAX INCREMENT FINANCING ("TIF")

4.1 **Tax Increment Financing of Redevelopment Project Costs.** Developer has represented to the City that, but for tax increment financing, the Developer Project would not be economically viable. The Parties agree that TIF, implemented in accordance with the terms and provisions of the Act and this Agreement, will be a source of funding for the Developer Project to make the Developer Project economically viable. The Developer Project is required in order to allow the development of the property at the Northwest corner of Bell School Road and Rock Valley Parkway.

4.2 **Available Tax Increment.** Upon completion of the Developer Project and Developer providing City with evidence of having incurred the Eligible Project Costs, as defined by the Act, the City shall pay to Developer the cost of the Project which shall not exceed One Hundred Four Thousand Eight Hundred Twenty and 00/100s Dollars (\$104,820.00) plus up to an additional Three Thousand Dollars (\$3,000) to reimburse Developer for the title insurance costs, title insurance closing costs or other tax deferred exchange fees incurred by Developer in accordance with a contract with North Riverside Partners, L.L.C., an Illinois Limited Liability Copmany with regard to acquiring approximately 2 acres of real estate at the north-west corner of Rock Valley Parkway and Bell School Road. Such amounts shall be provided to Developer within thirty (30) days of Developer providing the City with copies of all appropriate waivers of lien for the work performed and costs incurred.

4.3 **Authenticating the Developer Eligible Redevelopment Project Costs.** Prior to being provided tax increment in accordance with Section 4.2, Developer shall submit to the City reasonable evidence that the Developer's Eligible Redevelopment Project Costs for which reimbursement is requested have been incurred and either due or have been paid for by the Developer. By way of example and not limitation, paid invoices, receipts, contracts and other documentation shall be evidence such costs have been incurred by Developer, and the City reserves the right to require additional reasonable documentation.

4.4 **Restrictions on Assignment:** Developer shall not assign any of their rights and obligations under this Agreement without the express prior written consent of the City, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, Developer shall have the right to assign this Agreement at any time to any corporation, partnership or other business entity controlled by Developer or by the majority of the members or officers thereof or to any land trust of which Developer or other business entity controlled by Developer or the majority of the members or officers thereof is the beneficiary. For purposes of this Section, Developer shall not be deemed to be in control of another business entity unless Developer has an ownership interest in such business entity equal to or greater than 51%. Furthermore, the assignee shall also expressly adopt and confirm the Developer's representations and warranties which are contained in this Agreement.

SECTION V COMPLIANCE WITH LAW

Neither Developer nor any of its contractors, subcontractors or material suppliers shall discriminate based upon race, color, religion, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military status, parental status or source of income in the construction of the Developer Project and shall comply with any and all federal, state and local laws, statutes, ordinances or regulations with regard to non-discrimination in the construction of the Developer Project.

SECTION VI INSURANCE DURING TERM OF AGREEMENT

Prior to commencement of a portion or all of the Developer Project, the Developer shall procure, at the Developer's cost and expense, and shall maintain in full force and effect until each and every obligation of the Developer contained in this Agreement has been fully paid or performed, a policy or policies of general commercial comprehensive liability insurance with limits of at least \$1,000,000 per occurrence and \$1,000,000 in the aggregate and, during any period of construction, contractor's liability insurance and worker's compensation insurance, with liability coverage under each such policy to be not less than

\$1,000,000 for each occurrence and including automobile insurance coverage. All such policies shall protect the Developer against any liability incidental to the use of or resulting from any claim for injury or damage occurring in or about the Developer Project or the improvements or the construction and improvement thereof. Developer agrees to defend, indemnify and hold harmless City for any liability other than that resulting solely from a negligent act of the City.

SECTION VII DEFAULT REMEDIES

7.1 **Defaults/Remedies:** If, subject to paragraph 7.2, either Party shall default under this Agreement or fail to perform or keep any term or condition required to be performed or kept by such Party, such Party shall, upon written notice from the other party, proceed to cure or remedy such default or breach within thirty (30) days after receipt of such notice, provided, however, that in the event such default is incapable of being cured within said thirty (30) day period and the defaulting party commences to cure the default within said thirty (30) day period and proceeds with due diligence to cure the same, such party shall not be deemed to be in default under this Agreement. In the case of a City default, the Developer shall have as its sole and exclusive remedy the right of specific performance. In the event of a default by Developer, the City will be under no obligation to make the payments to the Developer identified in paragraph 4.2 during the default period.

7.2 **Event of Default.** For purposes of the Agreement, the occurrence of any one or more of the following shall constitute an "Event of Default":

- (a) If, at any time, any material term, warranty, representation or statement made or furnished by City or Developer (including the representations and warranties of Developer described in subsection 2.1 hereof) is not true and correct in any material respect because of which either Party is unable to fulfill its obligations hereunder; or
- (b) Failure by Developer to meet any of the conditions or covenants contained in this Agreement, including but not limited to those in Section III; or
- (c) If any petition is filed by or against City or Developer under the Federal Bankruptcy Code or any similar state or federal law, whether now or hereinafter existing (and in the case of involuntary proceedings, failure to cause the same to be vacated, stayed or set aside within ninety (90) days after filing); or
- (d) Any assignment, pledge, encumbrance, transfer or other disposition which is prohibited under this Agreement

7.3 **Waiver and Estoppel.** Any delay by City or Developer in instituting or prosecuting any actions or proceedings or otherwise asserting its rights shall not operate as a waiver of such rights or operate to deprive City or Developer of or limit such rights in any way. No waiver made by City or Developer with respect to any specific default shall be construed, considered or treated as a waiver of the rights of City or Developer with respect to any other defaults.

SECTION VIII PERFORMANCE

8.1 **Time of the Essence.** Time is of the essence of the Agreement.

SECTION IX
GENERAL

- 9.1 **Drafter Bias:** The parties acknowledge and agree that the terms of this Agreement are the result of on-going and extensive negotiations between the parties, both of whom are represented by independent counsel, and that this Agreement is a result of said negotiations. As a result, in the event that a court is asked to interpret any portion of this contract, neither of the parties shall be deemed the drafter hereof and neither shall be given benefit of such presumption that may be set out by law.
- 9.2 **Partnership not intended nor Created:** Nothing in this Agreement is intended to, nor shall be deemed to, constitute a partnership or joint venture between the Parties.
- 9.3 **Entirety and Binding Effect:** This document represents the entirety of the agreement between the Parties and shall be binding upon them and inure to the benefit of and be enforceable by and against their respective successors, personal representatives, heirs, legatees, and assigns.
- 9.4 **Survival of Provisions:** If any of the provisions of this agreement are found to be invalid pursuant to any statute or rule of law of the State of Illinois or of any judicial district in which it may be so brought to be enforced, then such provisions shall be deemed null and void to the extent that they may conflict herewith, however the remainder of this instrument and any other application of such provision shall not be affected thereby.
- 9.5 **Use of Headings:** The headings appearing in this Agreement have been inserted for the purpose of convenience and ready reference. They do not purport to, and shall not be deemed to, define, limit or extend the scope or intent of the clauses to which they pertain.
- 9.6 **Amendments and Modifications:** Except as otherwise provided for herein, this Agreement may not be amended, modified, or terminated, nor may any obligation hereunder be waived orally, and no such amendment, modification, termination, or waiver shall be effective for any purpose unless it is in writing, and bears the signatures of all of the Parties hereto.
- 9.7 **Defaults:** In the event of a default and/or litigation arising out of enforcement of this Agreement, the parties hereto acknowledge and agree that each party shall be responsible for their own costs, charges, expenses, and their reasonable attorney's fees arising as a result thereof.
- 9.8 **Indemnification:** Developer agrees to indemnify and hold the City and its officers, elected and appointed, employees, agents, and attorneys harmless from and against any and all loss, damage, cost, expense, injury, or liability the City may suffer or incur in connection with the failure of the Developer to comply with this Agreement.
- 9.9 **Notices:** All Notices and requests pursuant to this Agreement shall be sent as follows:
- | | |
|--------------------------|--------------------------------------------------------------------------------------|
| If to Garnhart: | Jay R Garnhart & Lorri Garnhart
4096 Interstate Boulevard
Loves Park, IL 61111 |
| With Garnhart's copy to: | Schlueter, Ecklund & Davitt
Attn: Attorney David Mayfield |

4023 Charles St.
Rockford, IL 61108

If to City: City of Loves Park
Attn: Mayor Gregory Jury
100 Heart Boulevard
Loves Park, IL 61111

With City's copy to: Nicolosi Galluzzo, LLP
Attn: Attorney Gino Galluzzo
6735 Vistagreen Way, Suite 210
Rockford, IL 61107

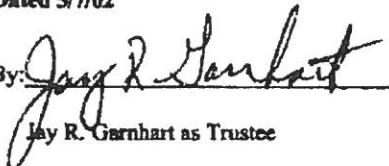
Or at such other addresses as the Parties may indicate in writing to the other either by personal delivery, courier or by certified mail, return receipt requested, with proof of delivery thereof. Mailed Notices shall be deemed effective on the third day after mailing; all other notices shall be effective when delivered.

9.10 **Counterparts:** This Agreement may be signed in any number of counterparts, each of which shall be an original, with the main effect as if the signatures thereto and hereto were upon the same instrument.

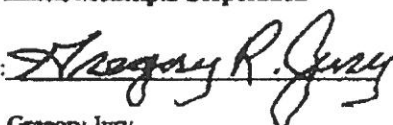
9.11 **Previous Agreements:** The foregoing is the agreement between the Parties hereto as it now exists at the execution hereof and it is expressly understood, agreed and distinctly acknowledged that all previous communications and negotiation between the Parties, either written or oral, that are not contained herein are hereby withdrawn, nullified, and void.

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE VOLUNTARILY SET THEIR HANDS AND SEALS ON THIS AGREEMENT, AND BY DOING SO HAVE ACKNOWLEDGED THAT THEY HAVE READ THE FOREGOING INSTRUMENT IN ITS ENTIRETY AND ACKNOWLEDGE THAT THE SAME IS A LEGALLY BINDING AGREEMENT, AND THAT THEY HAVE CONSCIOUSLY EXECUTED THE SAME AS THEIR OWN FREE AND VOLUNTARY ACT AND DO HEREBY SUBMIT TO AND ACKNOWLEDGE THE TERMS AND CONDITIONS HEREIN.


JAY R. GARNHART LIVING TRUST
Dated 5/7/02

By: 
Jay R. Garnhart as Trustee

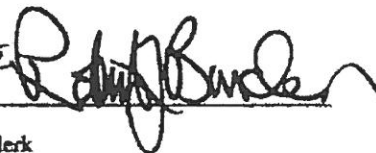
CITY OF LOVES PARK,
an Illinois Municipal Corporation

By: 
Gregory Jury
Its: Mayor

LORI GARNHART LIVING TRUST
Dated 5/7/02

By: 
Lori Garnhart as Trustee
Lorri

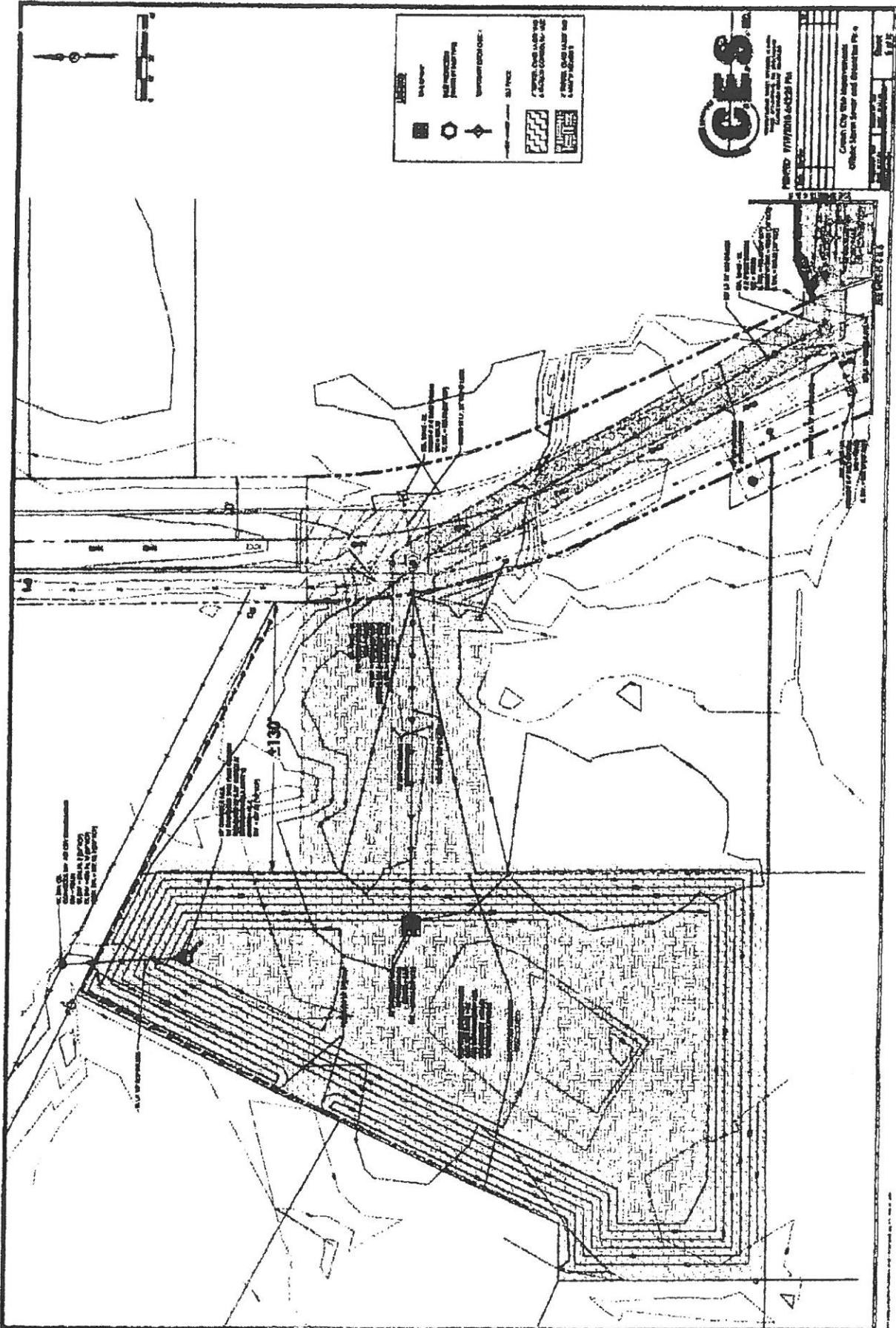
ATTEST:


City Clerk

**EXHIBIT A
DESCRIPTION OF DEVELOPER PROJECT**

ROCK CUT BUSINESS PARK #7 (OFFSITE STORM & POND ONLY)

ITEM	QUANTITY	
4'X4' INLET SPECIAL	2	EACH
15" END SECTION, RCP	1	EACH
30" END SECTION, RCP	1	EACH
15" RCP CLASS IV STORM SEWER	54	L.F.
24" RCP CLASS IV STORM SEWER	168	L.F.
30" RCP CLASS IV STORM SEWER	227	L.F.
CONNECT TO EX. STORM SEWER.	1	EACH
TRENCH BACKFILL	135	C.Y.
EARTH EXCAVATION - CUT (POND)	7880	C.Y.
EARTH EXCAVATION - FILL (LEVEL PROPERTY)	7880	C.Y.
TOPSOIL AND CLASS 1A SEEDING AND MULCH	3800	S.Y.
TOPSOIL AND CLASS 1A SEEDING AND EROSION BLANKET	3000	S.Y.
SILT FENCE	520	L.F.
INLET PROTECTION	3	EACH
IDOT RR-3 STONE RIPRAP	10	S.Y.
STABILIZED CONSTRUCTION ENTRANCE	1	EACH
EROSION AND SEDIMENT CONTROL MAINTENANCE	1	L.S.



LEGEND	
	MANHOLE
	SEWER PIPE
	PROPOSED SEWER PIPE
	PROPOSED MANHOLE
	30' PIPE
	PROPOSED 30' PIPE
	PROPOSED 30' PIPE WITH MANHOLE
	PROPOSED 30' PIPE WITH MANHOLE AND SEWER LINE

CES
Civil Engineering Services, Inc.
1000 North Main Street
Cincinnati, Ohio 45202
Phone: (513) 763-1111
Fax: (513) 763-1112
www.cesinc.com

PROJECT: 1717218-002B Pl.
DATE: 11/11/11
SCALE: AS SHOWN
DRAWN BY: J. J. [Name]
CHECKED BY: [Name]
APPROVED BY: [Name]
DATE: 11/11/11

SEE PLAN FOR
MANHOLE AND SEWER
LINE LOCATIONS
AND ELEVATIONS
AS SHOWN ON
DRAWING SHEET
1717218-002B Pl.

SEE PLAN FOR
MANHOLE AND SEWER
LINE LOCATIONS
AND ELEVATIONS
AS SHOWN ON
DRAWING SHEET
1717218-002B Pl.

SEE PLAN FOR
MANHOLE AND SEWER
LINE LOCATIONS
AND ELEVATIONS
AS SHOWN ON
DRAWING SHEET
1717218-002B Pl.

SEE PLAN FOR
MANHOLE AND SEWER
LINE LOCATIONS
AND ELEVATIONS
AS SHOWN ON
DRAWING SHEET
1717218-002B Pl.

EXHIBIT B
LEGAL DESCRIPTION OF PROPERTY

Those improvements identified in Exhibit A to the extent located on the property identified as PIN 12-02-127-010 and on a portion of PIN 12-02-126-011.

1. Agreement 758-20

ALDERMAN JOHN JACOBSON

RESOLUTION NO. 20-073

NOVEMBER 23, 2020

**A RESOLUTION AUTHORIZING THE EXECUTION OF
REDEVELOPMENT INCENTIVE AGREEMENT SHARING SALES TAX REVENUE
AND/OR TIF INCREMENT BETWEEN THE CITY OF LOVES PARK, ILLINOIS AND
SMG INVESTMENTS, LLC**

WHEREAS, The City of Loves Park, Boone and Winnebago Counties, Illinois (“City”), is a duly constituted, organized and validly existing municipality within the meaning of Section 1 of Article VII of the 1970 Constitution of the State of Illinois, and is operating under the Illinois Municipal Code, 65 ILCS 5/1-1-1 *et seq.*, as amended; and

WHEREAS, pursuant to Section 8-11-20 of the Illinois Municipal Code, (65 ILCS 5/8-11-20), the corporate authorities of a municipality may enter into an economic incentive agreement relating to the development or redevelopment of land within the corporate limits of the municipality; and

WHEREAS, the City has duly established the Industrial Job Recovery Law District known as the “Loves Park Corporate Center Redevelopment Project Area” under the provisions of the Industrial Job Recovery Law, 65 ILCS 5/11-74.6-1 *et seq.* (“IJRL”), within which Loves Park Corporate Center Redevelopment Project Area the City has implemented Tax Increment Financing; and

WHEREAS, the City receives revenue distributed pursuant to the Municipal Cannabis Retailers’ Occupation Tax Law (“Cannabis Tax Law”) 65 ILCS 5/8-11-23, generated by a tax on persons engaged in the business of selling Cannabis, other than Cannabis purchased under the Compassionate Use of Medical Cannabis Program Act, at retail in the municipality on the gross receipts from these sales made in the course of that business (hereinafter “Cannabis Retailers’ Occupation Tax”); and

WHEREAS, the City is authorized under the provisions of the IJRL, and under the Cannabis Retailers’ Occupation Tax to enter into agreements which are necessary or incidental to the development to the implementation of the redevelopment plan and project for the Loves

Park Corporate Center Redevelopment Project Area and may share Cannabis Retailers' Occupation Tax for encouragement of development; and

WHEREAS, SMG Investments LLC, an Illinois developer, intends to acquire certain real property located within the Loves Park Corporate Center Redevelopment Project Area and develop a retail Cannabis distribution facility; and

WHEREAS, the City has determined that the development of the property will strengthen the commercial sector of the City and enhance the tax base of the City; and

WHEREAS, the City has determined that the terms of the Redevelopment Incentive Agreement ("Agreement") are in the best interests of the City and its citizens; and

WHEREAS, the Committee has reviewed the Agreement and made recommendation;

NOW THEREFORE BE IT RESOLVED, by the City Council of the City of Loves Park, Illinois, that by the adoption of this resolution, that the City hereby agrees:

1. The above recitals are hereby incorporated into this Resolution as if fully stated herein.
2. The City Council hereby approves the Redevelopment Incentive Agreement, including the findings stated therein and made a part hereof, and authorizes the Mayor or his designee to execute the Redevelopment Incentive Agreement, in substantially the same form as attached hereto as Exhibit "A".
3. This Resolution will be in full force and effect from and after its passage, approval, and publication in pamphlet form in the manner provided by law.

PASSED AND APPROVED the 23 day of NOVEMBER, 2020.

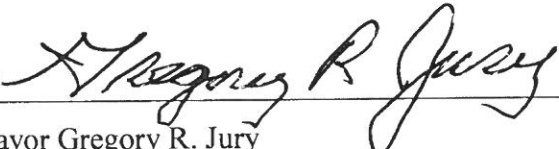
MOTION:

SECOND:

VOTING:

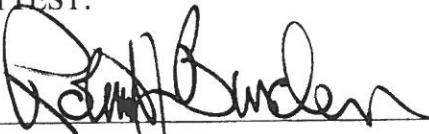
PASSED AND APPROVED the 23 day of NOVEMBER 2020.

APPROVED:



Mayor Gregory R. Jury

ATTEST:



City Clerk Robert Burden

PUBLISHED:

MOTION: Alderman Jacobson

SECOND: Alderman Pruitt

Motion carried. 6 Ayes (Aldermen Warden, Jacobson, Puckett, Little, Pruitt, Schlensker) 4 Nays (Aldermen Frykman, Peterson, Holmes, Allton)

I, Robert Burden, as Clerk of the City of Loves Park, Illinois certify the vote of the members of the Finance Committee on November 23, 2020 for this Resolution.

REDEVELOPMENT INCENTIVE AGREEMENT

THIS REDEVELOPMENT INCENTIVE AGREEMENT (“Agreement”) is made as of the ____ day of November, 2020, by and between the City of Loves Park, an Illinois Municipal Corporation (hereinafter referred to as the “City”) and SMG Investments LLC, an Illinois limited liability company (hereinafter referred to as “Developer”).

RECITALS

WHEREAS, The City is a duly constituted, organized and validly existing municipality within the meaning of Section 1 of Article VII of the 1970 Constitution of the State of Illinois, and is operating under the Illinois Municipal Code, 65 ILCS 5/1-1-1 *et seq.*, as amended; and

WHEREAS, the City is authorized under the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4 *et seq.* (“TIF Act”) to undertake the redevelopment, including but not limited to, the approval of redevelopment plans and projects, of “industrial park conservation areas” within the City if the conditions specified in the TIF Act are met, and is further authorized to implement tax increment allocation financing (“TIF”) pursuant to the TIF Act, and to pay the costs of such redevelopment permitted under the TIF Act; and

WHEREAS, pursuant to the TIF Act, the City, by Ordinance No.’s 3680-11, 3681-11, and 3682-11, adopted by the City Council on January 10, 2011, approved the Redevelopment Plan and Project, designated the Redevelopment Project Area specifically designated as the Loves Park Corporate Center Redevelopment Project Area (“LPCC”), and adopted tax increment allocation financing for the Redevelopment Project which includes the Property defined hereinafter; and

WHEREAS, Developer intends to acquire the real estate depicted and legally described in **Exhibit “A”** attached hereto and made a part hereof (“Property”) within the Loves Park Corporate Center Redevelopment Project Area and to construct a building for the retail sales of adult use Cannabis as is authorized pursuant to the Cannabis Regulation and Tax Act, 410 ILCS 705 et seq. (“Project”); and

WHEREAS, the Developer has requested the City to provide an incentive of One Million Dollars (\$1,000,000), which the City will reimburse to the Developer either as eligible “Redevelopment Project Costs”, as that term defined in the TIF Act, or as rebates of the Cannabis Retailers’ Occupation Taxes, or as a combination thereof in the sole discretion of the City; and

WHEREAS, Developer has represented to the City that, but for the Incentive identified in this Agreement, the Project would not be economically viable, thereby limiting the development opportunities for the Property which would lead to increasing the tax base and employment opportunities in the City; and

WHEREAS, Developer requires economic assistance from the City in order to proceed with the Project; and

WHEREAS, the City is willing to reimburse the Developer for certain Redevelopment Project Costs, as allowed by the TIF Act and as further limited herein this Agreement; and

WHEREAS, the City has invested considerable public funds in infrastructure along Bell School Road to promote economic development to increase the tax base for the City and provide employment opportunities to citizens of the region; and

WHEREAS, the City, after due and careful consideration, has concluded that the improvement of the Property, as provided in this Agreement, will further the growth of the City, facilitate the redevelopment of the LPCC Redevelopment Project Area, increase the assessed valuation of real estate situated within the LPCC Redevelopment Project Area, increase the economic activity within the City, provide a substantial number of jobs to residents of the City, and otherwise be in the best interests of the City by furthering the health, safety, morals, and welfare of its residents and taxpayers; and

WHEREAS, the City believes that the terms of this Agreement will increase the tax base for the City, provide employment opportunities and spur further development; and

WHEREAS, the use of public funds is governed by Article VIII, Section 1(a) of the 1970 Illinois Constitution, which provides that they shall be used for public purposes; and

WHEREAS, it is the duty and responsibility of the City Council of Loves Park to determine for the City whether an expenditure of public funds serves a public purpose; and

WHEREAS, wise statesmanship demands that not necessity alone, but also those things which increase the general well-being of a community shall meet the consideration of legislative body when determining whether an expenditure serves a public purpose; and

WHEREAS, the City has further determined that the Project benefits the public and constitutes a public purpose for which public funds may be expended; and

WHEREAS, the City receives revenue distributed pursuant to the Municipal Cannabis Retailers' Occupation Tax Law ("**Cannabis Tax Law**"), 65 ILCS 5/8-11-23, generated by a tax upon persons engaged in the business of selling cannabis, other than cannabis purchased under the Compassionate Use of Medical Cannabis Program Act, at retail in the municipality on the gross receipts from these sales made in the course of that business (hereinafter "**Cannabis Retailers' Occupation Taxes**"); and

WHEREAS, the City and Developer have authority to enter into this Agreement pursuant to the provisions of Article VII, Section 10 of the 1970 Illinois Constitution, which authorizes units of local government to contract and otherwise associate with individuals, with respect to the intergovernmental activities and to use their revenues to pay the costs thereof; and

WHEREAS, the City has further authority to enter into economic incentive agreements pursuant to Section 8-11-20 of the Illinois Municipal Code ("**Municipal Code**") 65 ILCS 5/8-11-20, regarding the development or redevelopment of land within the corporate limits of the municipality; and

WHEREAS, the Municipal Code authorizes municipalities to share or rebate a portion of "any" Retailers' Occupation Taxes received by the municipality that were generated by the development or redevelopment over a finite period of time; and

WHEREAS, the Cannabis Retailers' Occupation Taxes are considered to be a Retailers' Occupation Tax for purposes of the Municipal Code; and

WHEREAS, the City has determined that the development described herein has certain and specific development challenges which can be partially addressed by the benefits contained herein; and

WHEREAS, pursuant to the Municipal Code, the Mayor and City Council of the City of Loves Park hereby make the following findings with respect to the Project and Property:

- A) The Property has remained vacant for a period in excess of one year;
- B) The Property has been underutilized for at least one year given its physical site limitations and inability to expand to accommodate larger industrial users and would be better utilized by encouraging a retail use of the Property;
- C) The Project is expected to create and retain job opportunities within the municipality;
- D) The Project will serve to further development of adjacent areas, including but not limited to additional vacant property near the Property in the Loves Park Corporate Center while simultaneously facilitating orderly redevelopment of the Riverside Boulevard area;
- E) Without the Agreement, the Project would not be possible;
- F) Developer meets high standards of credit worthiness and financial strength as demonstrated by specific evidence of equity financing for not less than 10% of the total project costs;
- G) The development of the Property will strengthen the commercial sector of the municipality by increasing the number of employed persons in the City who are able to purchase goods and services from other businesses in the City and by increasing the availability of commercial retail space along the rapidly expanding and desirable Riverside Boulevard corridor, leading to an expanding tax base which will in-turn allow the City to continue to provide municipal services;
- H) The Project will enhance the tax base of the municipality by adding sales tax to the City, both directly and indirectly, and also by increasing the equalized assessed valuation of real property within the City to the benefit of those governmental entities which levy property taxes;
- I) This Agreement is made in the best interest of the municipality, all said findings being made as required by the Municipal Code.

WHEREAS, Developer, in consideration of the willingness of the City to share the Cannabis Retailers' Occupation Taxes it receives from the State of Illinois generated from the Property pursuant to this Agreement, shall complete the Project, obtain an occupancy permit of the constructed building on the Property prior to the date referenced in Section 3.1 of this Agreement; and

WHEREAS, the City, consistent with the Municipal Code, agrees to share with Developer the revenue it receives from the State of Illinois from the Cannabis Retailers' Occupation Taxes generated from the Property for reimbursement of expenses associated with the Project based on the findings made by the City; and

WHEREAS, Developer has agreed to use every reasonable effort to cause the Illinois Department of Revenue to provide the City with quarterly accountings setting forth the amount of the Cannabis Retailers' Occupation Taxes generated from sales upon the Property and paid to the State of Illinois by the occupant or occupants of the Property during each calendar quarter. The City agrees that upon verification of the amount and the receipt of same by the City, which is currently collected by the State of Illinois as Cannabis Retailers' Occupation Taxes, it shall remit to Developer, or its assigns, the appropriate amount of such tax based upon the schedule and formula set forth herein; and

WHEREAS, both the City and Developer have negotiated in good faith, which has resulted in each party agreeing to perform certain acts or to be prohibited from certain activities.

NOW, THEREFORE, in exchange for the mutual covenants and agreements contained herein, the sufficiency of which is hereby acknowledged, the parties to this Agreement do hereby agree as follows:

ARTICLE I. INCORPORATION OF RECITALS

1.1. The Recitals set forth above are an integral part of this Agreement and by this reference incorporated herein.

ARTICLE II. REPRESENTATIONS AND WARRANTIES

2.1. **Representations and Warranties of Developer.** To induce the City to execute this Agreement and perform the obligations of City hereunder, Developer hereby represents and warrants to the City as follows:

2.1.1. Developer is a duly organized and existing limited liability company in good standing under the laws of the State of Illinois;

2.1.2. No litigation or proceedings are pending, or to the best of Developer's knowledge, are threatened against Developer, which could: (i) affect the ability of Developer to perform its obligations pursuant to and as contemplated by the terms and provisions of this Agreement; or (ii) which materially affect the operation or financial condition of Developer;

2.1.3. To the best of Developer's knowledge, the execution, delivery and performance by Developer of this Agreement does not constitute, or will not, upon giving of notice or lapse of time, or both, constitute a breach or default under any other agreement to which Developer is a party to or may be bound under; and

2.1.4. The party executing this Agreement on behalf of Developer has been duly authorized by all appropriate action to enter into, execute, and deliver this Agreement and bind Developer to perform the terms and obligations contained herein.

2.2. **Representations and Warranties of the City.** To induce the Developer to execute this Agreement and to perform the Developer's obligations hereunder, the City hereby represents and warrants to the Developer as follows:

2.2.1. The City is an Illinois municipal corporation duly incorporated and existing under the laws of the State of Illinois and is authorized to and has the power to enter into, and by proper action has been duly authorized to execute this Agreement.

2.2.2. Neither the execution and delivery of this Agreement by the City, the consummation of the transactions contemplated hereby by the City, nor the fulfillment of or compliance with the terms and conditions of this Agreement by the City conflicts with or will result in a breach of any of the terms, conditions or provisions of any offerings or disclosure statement made or to be made on behalf of the City or any other agreement to which the City is a party.

2.3. **Survival of Representations and Warranties.** The parties agree that all of their respective representations and warranties set forth in this Article and elsewhere in this Agreement are true as of the execution date of this Agreement and shall survive for the term of this Agreement.

ARTICLE III. DEVELOPER OBLIGATIONS

3.1. **Completion of Project.** Notwithstanding anything to the contrary in this Agreement, the City shall not be obligated to make any payments to the Developer if the Project is not substantially completed prior to December 31, 2021. It shall be conclusively determined that the project has been substantially completed upon the granting of a temporary or final occupancy permit by the City.

3.2. **Plans and specifications.** The Developer's Project shall conform to all applicable building code requirements, including but not limited to, the City's Code of Ordinances and any state regulations applicable to Developer's Project. All site, landscaping, architectural and engineering drawings and specifications (the "**Plans**") typically required for the Project shall be submitted by Developer at its sole cost and expense and such Plans shall be reviewed and processed by the City or its designee. Such Plans shall conform to all State and City laws and ordinances concerning the rights of accessibility for the physically disabled, the provision of adequate parking and concerning environmental issues. For the limited purpose of this Agreement, the requirements of this paragraph shall be deemed to have been met if the Developer constructs the improvements in accordance with Plans for which building permits are issued by the City.

3.3. **Use of Land.** Developer intends that the Property shall be utilized in accordance with the applicable zoning ordinances.

3.4. **Commitment to Operate.** The parties understand and acknowledge that MAPLEGLLEN CARE CENTER LLC, an Illinois limited liability company ("Operator"), will initially operate the cannabis dispensary located on the Property. If the Operator relocates the cannabis dispensary to another city within Winnebago County ("Alternative City") within ten (10) years from the date of first retail sales of adult use cannabis at the Property and further provided that the Alternative City provides the Operator with an economic incentive to relocate, then the Developer shall reimburse the City that amount of Incentive Payments paid to Developer which

exceeds the amount of Eight Thousand Three Hundred Thirty-Three and 00/100 Dollars (\$8,333.00) multiplied by the number of months which the Operator operated a cannabis dispensary at the Property ("Claw-back"). The provisions of this Section 3.4 and its foregoing rights, obligations, and remedies related to the Claw-back shall not apply in the event of a Change of Control. For the purposes of this Agreement, a "Change of Control" shall be deemed to have occurred if at any time after the date this Agreement is signed: (i) by any method, transaction or series of related transactions, more than 50% of the outstanding units of Operator or beneficial ownership thereof are acquired within a period of one year by a person or group (as defined in Section 13(d) of the Securities Exchange Act of 1934) other than the members of Operator or those persons who were more than 5% owners of Operator prior to the date of this Agreement; (ii) there is a merger or consolidation of Operator in which Operator is not the continuing or surviving entity or in which the unit holders of Operator immediately before such transaction do not own in the aggregate at least 50% of the outstanding voting units of the continuing or surviving entity immediately after such transaction; (iii) there is a merger or consolidation of Operator pursuant to which Operator's units are converted into cash, securities or other property; or (iv) Operator sells, leases or exchanges all or substantially all of its assets or Operator's unit holders approve the liquidation or dissolution of Operator.

ARTICLE IV. TAX INCREMENT FINANCING ECONOMIC INCENTIVES

4.1. **Tax Increment Financing of Redevelopment Project Costs.** Developer has represented to the City that, but for tax increment financing assistance from the LPCC Redevelopment Project Area, the Project would not be economically viable. The parties agree that TIF increment, implemented in accordance with the terms and provisions of this Agreement and the TIF Act, shall be a source of funding for the Project in order to make the Project economically viable. The City shall provide for the segregation of the incremental real estate taxes generated within the LPCC Redevelopment Project Area as determined in accordance with this Agreement and Section 5/11-74.6-35 of the Industrial Jobs Recover Law into a special tax allocation fund created by the City for the LPCC Redevelopment Project Area.

4.2. **Available Property Tax Increment.** For the purposes of this Agreement, the term "Available Property Tax Increment" means all increment funds paid to the City pursuant to the LPCC. For the purposes of this Agreement, the terms "Special Tax Allocation Fund" or "STAF" means the separate City account into which the increment taxes generated within the LPCC Redevelopment Project Area are kept.

4.3. **Pledge of Available Property Tax Increment.** Subject to the terms of payment identified in Article VI of this Agreement, the City hereby pledges and agrees to provide Developer reimbursements of Available Property Tax Increment ("TIF Incentive") to reimburse Developer for the acquisition of the Property as an eligible Redevelopment Project Cost. Notwithstanding the foregoing, the City's obligation and ability to pay any TIF Incentive is not limited by whether there are Available Property Tax Increment funds available at the time of making any Payment (as defined below) to Developer, as the City, to the extent required, may advance funds to the STAF for purposes of making any Payment of TIF Incentive.

4.4. **Authenticating the Redevelopment Project Costs.** As a condition precedent to receiving reimbursement for Redevelopment Project Costs, the Developer shall submit to the City, or

its designee, a written statement setting forth the amount of specific Redevelopment Project Costs for which certification is sought (a “**Request for Certification**”). This Request for Certification shall be accompanied by such contracts, title commitment or other evidence as the City, or its designee, shall reasonably require evidencing that Developer has incurred the Redevelopment Project Costs sought to be certified which, for purposes of this Agreement, consist of Developer land acquisition costs. The City shall have the right to review the content of any and all documents provided by the Developer, or requested by the City, used to support a reimbursement request for eligible Redevelopment Project Costs prior to or after reimbursement payouts. If a Request for Certification is deficient, the City shall notify the Developer of the specific deficiencies. Upon the Developer’s delivery of reasonably sufficient evidence, the City shall certify such costs as reimbursable within sixty (60) days and the same shall be eligible for payment to Developer pursuant to the terms of this Agreement. The City shall have the right to inspect the exterior and interior of any and all existing and new improvements for which reimbursement is sought before, during or after completion.

**ARTICLE V.
CANNABIS RETAILERS’ OCCUPATION TAX SHARING**

5.1. **Cannabis Retailers’ Occupation Tax Established.** Developer has represented to the City that, but for an economic incentive agreement to rebate portions of the Cannabis Retailers’ Occupation Tax from the City, the Project would not be economically viable. The parties agree that such economic incentive, implemented in accordance with the terms and provisions of this Agreement, shall be a source of funding for the Project to make the Project economically viable. The City has, pursuant to the Cannabis Tax Law, imposed a three percent (3%) tax upon all persons engaged in the business of selling cannabis, other than cannabis purchased under the Compassionate Use of Medical Cannabis Program Act, at retail in the municipality on the gross receipts from these sales made in the course of that business. The City reserves the right to increase this tax to any extent allowed by the Cannabis Tax Law as that law may be amended to include from time to time. Notwithstanding the foregoing, Developer shall not be entitled to any Cannabis Retailers’ Occupation Taxes revenue which is generated for the City as a result of any additional or increased tax rate above the 3% adopted by the City.

5.2. **Pledge of Cannabis Retailers’ Occupation Taxes.** Subject to the terms of payment identified in Article VI of this Agreement, the City hereby pledges and agrees to provide Developer rebates of the Cannabis Retailers’ Occupation Taxes generated from the Property (“**Rebate Incentive**”); and together with the TIF Incentive, are collectively referred to as the “**Incentive**”).

**ARTICLE VI.
CONDITION OF PAYMENTS AND TIMING**

6.1. **Payment.** The amounts due to Developer for the Incentive shall be paid by the City to Developer on a calendar quarter basis with each Payment (defined below) due within thirty (30) days of the end of a calendar quarter. The amount of the quarterly Payment shall be equal to two-thirds of the Cannabis Retailers’ Occupation Tax that the City receives from the State of Illinois that is generated during the subject calendar quarter from the sale of adult use cannabis at the Developer’s Property (“**Payment**”). The City may allocate and derive the Incentive Payments to Developer as Rebate Incentives, TIF Incentives, or both, at the City’s sole discretion. The City’s obligation to make any Payment is a limited obligation of the City payable to the extent the City receives Cannabis Retailers’ Occupation Taxes.

6.2. **Authenticating the Cannabis Retailers' Occupation Taxes.** The City's obligation to provide the Payment shall be subject to the City receiving verification from the Illinois Department of Revenue ("IDOR") or other evidence as to those amounts of Cannabis Retailers' Occupation Taxes which the State of Illinois has paid to the City attributable to the Property. If the City does not receive information relating to the sales taxes generated from the Property, the City shall notify Developer and Developer will utilize its reasonable efforts and obtain necessary consents from IDOR or provide such other reasonable evidence to the City of the amounts paid by Developer. It shall be the sole responsibility of Developer to provide the City, or cause the City to be provided with, any written authorization to release sales tax information required by IDOR or to provide such other consents or evidence demonstrating the amount of Cannabis Retailers' Occupation Tax paid by Developer which the City receives.

6.3. **Maximum Obligation of City.** Notwithstanding anything in this Agreement to the contrary, the total Incentive amount paid to Developer pursuant to the terms of this Agreement shall not exceed One Million Dollars (\$1,000,000). Regardless of whether the full One Million Dollars (\$1,000,000) has been paid to Developer, no money shall be paid to Developer after August 31, 2031, unless and to the extent any payments under the terms of this Agreement are subject to a good faith dispute between the parties hereto.

ARTICLE VII. COMPLIANCE WITH LAWS

7.1. **Defense of TIF District.** In the event that any court or governmental agency having jurisdiction over enforcement of the TIF Act and the subject matter contemplated by this Agreement contests or determines that this Agreement, or payments to be made hereunder are contrary to law, or in the event that the legitimacy of the LPCC Redevelopment Project Area is otherwise challenged before a court or governmental agency having jurisdiction thereof, the City and Developer shall reasonably cooperate with each other concerning an appropriate strategy acceptable to both parties to defend the integrity of the LPCC Redevelopment Project Area and this Agreement with each party to pay their respective legal fees, court costs and other expenses directly related to said defense. In the event of an adverse lower court or agency ruling regarding use of TIF funds, the City shall fund its obligation to the Developer through Rebate Incentives.

7.2. **Compliance with Law.** Neither Developer nor any of its contractors, subcontractors or material suppliers shall discriminate based upon race, color, religion, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military status parental status or source of income in the construction of the Project and shall comply with any and all federal, state and local laws, statutes, ordinances or regulations with regard to non-discrimination in the construction of the Project.

7.3. **Prevailing Wage.** Where required by law, the Developer shall pay no less than the prevailing rate of wages as found by the City or the State of Illinois or as determined by a court of competent jurisdiction upon review to all laborers, workers and mechanics performing under any contract entered into with Developer or any of Developer's subcontractors in relation to the construction relating to the Project.

ARTICLE VIII. DEFAULT REMEDIES

8.1. **Event of Default.** For purposes of the Agreement, the occurrence of any one or more of the following shall constitute a “Default”:

8.1.1. If, at any time, either the City or Developer fails to carry out the terms of the Agreement or defaults in the performance of any material provision of this Agreement to the detriment of the other party; or

8.1.2. If any petition is filed by or against City or Developer under the Federal Bankruptcy Code or any similar state or federal law, whether now or hereinafter existing (and in the case of involuntary proceedings, failure to cause the same to be vacated, stayed or set aside within ninety (90) days after filing); or

8.1.3. Any assignment, pledge, encumbrance, transfer or other disposition which is prohibited under this Agreement.

8.2. **Defaults/Remedies.** Upon the occurrence of a Default, and provided that a remedy for said Default has not otherwise been provided for in this Agreement, then the defaulting party shall, upon written notice from the non-defaulting party, proceed to cure or remedy such default or breach within fifteen (15) days after receipt of such notice, provided, however, that in the event such default is incapable of being cured within said fifteen (15) day period and the defaulting party commences to cure the default within said fifteen (15) day period and proceeds with due diligence to cure the same, such defaulting party shall not be deemed to be in Default under this Agreement.

8.3. **Nonexclusive Remedies.** All rights, powers or remedies, special, optional or otherwise, given or reserved to the parties by this section shall not be construed to deprive the parties of any rights, power or remedies otherwise given by law or equity and the election of one remedy shall not preclude the subsequent use of an alternate remedy.

8.4. **Waiver and Estoppel.** Any delay by City or Developer in instituting or prosecuting any actions or proceedings or otherwise asserting its rights shall not operate as a waiver of such rights or operate to deprive City or Developer of or limit such rights in any way. No waiver made by City or Developer with respect to any specific Default shall be construed, considered or treated as a waiver of the rights of City or Developer with respect to any other Defaults.

ARTICLE IX. PERFORMANCE

9.1. **Obligations of City.** The obligations contained within this Agreement are not Full Faith and Credit obligations of the City. All payment obligations on the part of the City contained in this Agreement are contingent upon the City’s receipt of Cannabis Retailers’ Occupation Taxes it receives from the State of and further subject to the provisions of this Agreement. **Said obligations do not and shall never constitute a general indebtedness of the City within the meaning of a State of Illinois constitutional or statutory provision and shall not constitute or give rise to a pecuniary liability of the City or a charge against its general credit or taxing power.**

9.2. **Restrictions on Assignment.** Developer may not assign any, or all, of its rights and obligations under this Agreement without the express prior written consent of the City. This Agreement is binding upon Developer, affiliated entities and beneficiaries, and upon the City and its successors in office, except Developer’s right to receive the Payment as set forth herein is a personal right that shall survive and remain with Developer if Developer sells, assigns or transfers its interest

in the Property. Developer may only assign its rights under this Agreement by express written assignment with a copy of such written being provided to the City Treasurer's Office.

9.3. **Time of the Essence.** Time is of the essence in the performance of this Agreement.

ARTICLE X. GENERAL

10.1. **Drafter Bias.** The parties acknowledge and agree that the terms of this Agreement are the result of on-going and extensive negotiations between the parties, both of whom are represented by separate counsel and that this Agreement is a compilation of said negotiations. As a result, in the event that a court is asked to interpret any portion of this contract, neither of the parties shall be deemed the drafter hereof and neither shall be given benefit of such presumption that may be set out by law.

10.2. **Partnership not intended nor Created.** Nothing in this Agreement is intended nor shall be deemed to constitute a partnership or joint venture between the parties.

10.3. **Entirety and Binding Effect.** This document represents the entirety of the agreement between the parties and shall be binding upon them and inure to the benefit of and be enforceable by and against their respective successors, personal representatives, heirs, legatees, and assigns.

10.4. **Survival of Provisions.** If any of the provisions of this Agreement are invalid with any statute or rule of law of the State of Illinois or of any judicial district in which it may be so brought to be enforced, then such provisions shall be deemed null and void to the extent that they may conflict herewith, however the remainder of this instrument and any other application of such provision shall not be affected thereby.

10.5. **Use of Headings.** The clause headings appearing in this Agreement have been inserted for the purpose of convenience and ready reference. They do not purport to, and shall not be deemed to, define, limit or extend the scope or intent of the clauses to which they pertain.

10.6. **Amendments and Modifications.** Except as otherwise provided for herein, this Agreement may not be amended, modified, or terminated, nor may any obligation hereunder be waived orally, and no such amendment, modification, termination, or waiver shall be effective for any purpose unless it is in writing, and bears the signatures of all of the parties hereto.

10.7. **Defaults.** In the event of a Default and/or litigation arising out of enforcement of this Agreement, each party shall be responsible for their own costs, charges, expenses, and attorney's fees.

10.8. **Indemnification.** Developer agrees and to indemnify and hold the City and its officers, elected and appointed, employees, agents, and attorneys harmless from and against any and all loss, damage, cost, expense, injury, or liability the City may suffer or incur in connection with the failure of the Developer to comply with this Agreement.

10.9. **Notices.** All Notices and requests pursuant to this Agreement shall be sent as follows:

To the Developer: SMG Investments LLC
 Attn: Amy Manganelli
 4777 Stenstrom Road

Rockford, Illinois 61109

To the City: City of Loves Park
Attn: Mayor
100 Heart Boulevard
Loves Park, IL 61111

With City copy to: City of Loves Park
Attn: City Clerk
100 Heart Boulevard
Loves Park, IL 61111

Or at such other addresses as the parties may indicate in writing to the other either by personal delivery, courier or by certified mail, return receipt requested, with proof of delivery thereof. Mailed Notices shall be deemed effective on the third day after mailing; all other notices shall be effective when delivered.

10.10. **Counterparts.** This Agreement may be signed in any number of counterparts, each of which shall be an original, with the main effect as if the signatures thereto and hereto were upon the same instrument.

10.11. **Previous Agreements.** The foregoing is the agreement between the parties hereto as it now exists at the execution hereof and it is expressly understood, agreed and distinctly acknowledged that all previous communications and negotiation between the parties, either written or oral, that are not contained herein are hereby withdrawn, nullified, and void.

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE VOLUNTARILY SET THEIR HANDS AND SEALS ON THIS AGREEMENT, AND BY DOING SO HAVE ACKNOWLEDGED THAT THEY HAVE READ THE FOREGOING INSTRUMENT IN ITS ENTIRETY AND ACKNOWLEDGE THAT THE SAME IS A LEGALLY BINDING AGREEMENT, AND THAT THEY HAVE CONSCIOUSLY EXECUTED THE SAME AS THEIR OWN FREE AND VOLUNTARY ACT AND DO HEREBY SUBMIT TO AND ACKNOWLEDGE THE TERMS AND CONDITIONS HEREIN.

(Signature Page Follows)

SMG INVESTMENTS LLC
an Illinois Limited Liability Company

By: _____

Its: Manager

CITY OF LOVES PARK,
an Illinois Municipal Corporation

By: *Alvin R. Jones*

Its: Mayor

ATTEST:

Rolene B. Borden
City Clerk

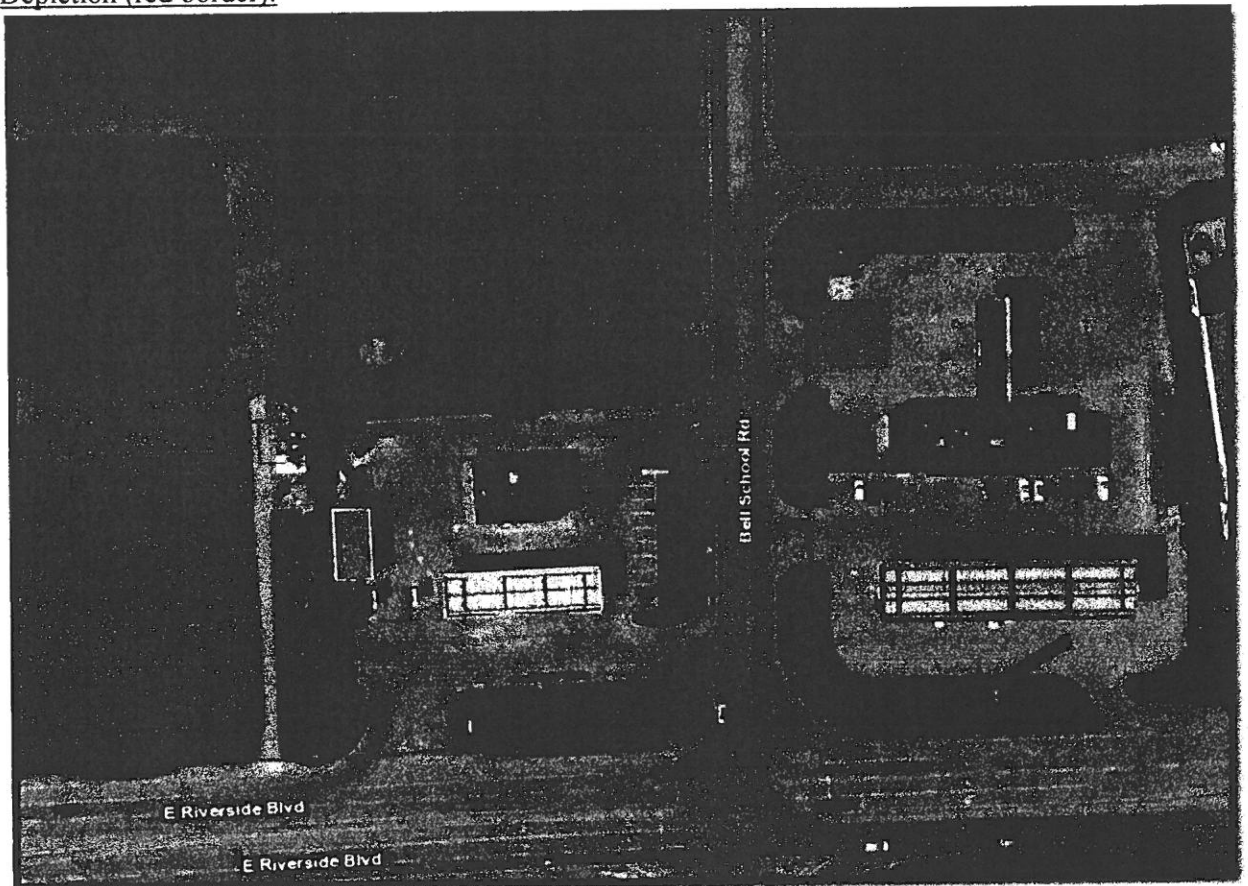
EXHIBIT "A"
Legal Description

LOTS ELEVEN (11) AND SIXTEEN (16) AS DESIGNATED UPON THE PLAT OF ROCK CUT BUSINESS PARK NO. 4, BEING A SUBDIVISION OF PART OF THE NORTHWEST QUARTER (1/4) OF SECTION 2, TOWNSHIP 44 NORTH, RANGE 2 EAST OF THE THIRD PRINCIPAL MERIDIAN THAT PLAT OF WHICH SUBDIVISION IS RECORDED APRIL 7, 1997 IN BOOK 41 OF PLATS ON PAGE 30A AS DOCUMENT NC 9715235 IN THE RECORDER'S OFFICE OF WINNEBAGO COUNTY, ILLINOIS, SITUATED IN THE COUNTY OF WINNEBAGO AND THE STATE OF ILLINOIS

Commonly Known As 41XX North Bell School Road, Loves Park, Illinois 61111

PIN Number 12-02-178-012

Depiction (red border):



1. Agreement 767-20

1


CITY OF LOVES PARK

ORDINANCE NO. 4403-21

**AN ORDINANCE AUTHORIZING THE CITY TO ENTER INTO
A REDEVELOPMENT AGREEMENT WITH EAST RIVERSIDE
FARMS, INC. AND NORTH RIVERSIDE PARTNERS, LLC
FOR GENERAL DEVELOPMENT WITHIN THE LOVES PARK
CORPORATE CENTER REDEVELOPMENT PROJECT AREA
WHICH IS TO INCLUDE THE EXTENSION
OF SQUAW VALLEY DRIVE**

**ADOPTED BY THE MAYOR AND CITY COUNCIL
OF THE CITY OF LOVES PARK, ILLINOIS, THIS
29TH DAY OF MARCH, 2021**

**Published in Pamphlet Form by
authority of the Mayor and City Council
of the City of Loves Park, Illinois, this
7th day of April, 2021.**



Robert J. Burden, City Clerk

AN ORDINANCE AUTHORIZING THE CITY TO ENTER INTO A REDEVELOPMENT AGREEMENT WITH EAST RIVERSIDE FARMS, INC. AND NORTH RIVERSIDE PARTNERS, LLC FOR GENERAL DEVELOPMENT WITHIN THE LOVES PARK CORPORATE CENTER REDEVELOPMENT PROJECT AREA WHICH IS TO INCLUDE THE EXTENSION OF SQUAW VALLEY DRIVE

WHEREAS, The City of Loves Park, Boone and Winnebago Counties, Illinois (the “City”), is a duly constituted, organized and validly existing municipality within the meaning of Section 1 of Article VII of the 1970 Constitution of the State of Illinois, and is operating under the Illinois Municipal Code, 65 ILCS 5/1-1-1 *et seq.*, as amended; and

WHEREAS, the City is authorized under the Act to undertake the redevelopment, including but not limited to, the approval of redevelopment plans and projects, of “industrial park conservation areas” within the City if the conditions specified in the Act are met, and is further authorized to implement tax increment allocation financing (“TIF”) pursuant to the Act, and to pay the costs of such redevelopment permitted under the Act; and

WHEREAS, the City has duly established an Industrial Jobs Recovery Law District known as the “Loves Park Corporate Center Redevelopment Project Area” under the provisions of the Industrial Jobs Recovery Law, 65 ILCS 5/11-74.6-1 *et seq.* (“Act”), within which Loves Park Corporate Center Project Area the City has implemented Tax Increment Financing; and

WHEREAS, pursuant to the Act, the City, by Ordinance No.’s 3680-11, 3681-11, and 3682-11, adopted by the City Council on January 10, 2011, approved the Redevelopment Plan and Project, designated the Redevelopment Project Area specifically designated as the Loves Park Corporate Center Redevelopment Project Area, which has and may be amended from time to time, and adopted tax increment allocation financing for the Redevelopment Project; and

WHEREAS, East Riverside Farms, Inc., an Illinois corporation, and North Riverside Partners, L.L.C., an Illinois limited liability company (Collectively “Developer”) own multiple parcels of land within the Loves Park Corporate Center Redevelopment Project Area and seek incentives for the development of the property to include, but not be limited to, the extension of Squaw Valley Drive to intersect with Rock Valley Parkway; and

WHEREAS, the City, after due and careful consideration, has concluded that execution of the redevelopment agreement with Developer (“**Redevelopment Agreement**”) will further the growth of the City, facilitate the redevelopment of the entire Redevelopment Project Area, increase the assessed valuation of real estate situated within the Redevelopment Project Area, increase the economic activity within the City, provide a substantial number of jobs to residents of the City, and otherwise be in the best interests of the City by furthering the health, safety, morals, and welfare of its residents and taxpayers; and

WHEREAS, the City is authorized under the provisions of Act to enter into agreements which are necessary or incidental to the implementation of the redevelopment plan and project for the Loves Park Corporate Center Redevelopment Project Area; and

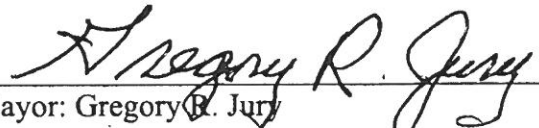
WHEREAS, the City desires to enter into this Redevelopment Agreement with the Developer and agrees to use TIF to defray certain costs of the Developer Project which qualify as Redevelopment Project Costs, as such term is defined in the Act.

NOW THEREFORE, BE IT ORDAINED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF LOVES PARK, COUNTY OF WINNEBAGO AND COUNTY OF BOONE, ILLINOIS, AS FOLLOWS:

1. The above recitals are incorporated herein and made a part hereof.
2. That the Mayor is authorized to execute the Redevelopment Agreement in substantially the same form as Exhibit "A" attached hereto, as well as any other necessary documentation required to finalize the Redevelopment Agreement.
3. This ordinance shall become effective upon its passage, approval and publication as provided by law.


PASSED by the City Council of the City of Loves Park this 29th day of March, 2021.

APPROVED:



Mayor: Gregory R. Jury

ATTEST:



City Clerk: Robert J. Burden

PASSED: March 29, 2021, 10 Ayes (Aldermen Allton, Warden, Jacobson, Puckett, Little, Pruitt, Frykman, Peterson, Holmes, Schlensker)

APPROVED: April 7, 2021

PUBLISHED: In pamphlet form April 7, 2021 as required by Ordinance.

STATE OF ILLINOIS)
COUNTY OF WINNEBAGO)
CITY OF LOVES PARK)

CERTIFICATE

I, ROBERT J. BURDEN, certify that I am the duly elected and acting Municipal Clerk of the City of Loves Park, Winnebago County, Illinois.

I further certify that on March 29, 2021, the Corporate Authorities passed Ordinance No. 4403-21, entitled "An Ordinance Authorizing the City to Enter into a Redevelopment Agreement with East Riverside Farms, Inc. and North Riverside Partners, LLC for General Development Within the Loves Park Corporate Center Redevelopment Project Area Which is to Include the Extension of Squaw Valley Drive," and by its terms, that it should be published in pamphlet form.

The pamphlet form of Ordinance No. 4403-21, including the Ordinance and a cover sheet thereof, was prepared, and a copy of such Ordinance was posted in the municipal building, commencing on April 7, 2021, and continuing for at least ten days thereafter. Copies of such ordinance were also available for public inspection, upon request, in the office of the municipal clerk.

Dated at Loves Park, Illinois, this April 7, 2021.



Robert J. Burden, City Clerk

EXHIBIT A
Redevelopment Agreement

REDEVELOPMENT AGREEMENT FOR EAST RIVERSIDE FARMS, INC.

This Redevelopment Agreement (“**Agreement**”) dated as of this ___ day of _____ 2021 is made by and between the City of Loves Park, an Illinois municipal corporation, having its offices at 100 Heart Blvd, Loves Park, Illinois (“**City**”) and East Riverside Farms, Inc., an Illinois Corporation (“**ERF**”) and North Riverside Partners, L.L.C., an Illinois Limited Liability Company (“**NRP**”) (either or both ERF and NRP are referred to herein as “**Developer**”). All capitalized terms are defined herein or otherwise have such definitions as are set forth in the Industrial Job Recovery Law, 65 ILCS 5/11-74.6-1 *et seq.*, as amended, (the “**Act**”). The City and Developer are each individually referred to herein as a “**Party**” and collectively as the “**Parties**”.

RECITALS

WHEREAS, The City is a duly constituted, organized and validly existing municipality within the meaning of Section 1 of Article VII of the 1970 Constitution of the State of Illinois, and is operating under the Illinois Municipal Code, 65 ILCS 5/1-1-1 *et seq.*, as amended; and

WHEREAS, the City is authorized under the Act to undertake the redevelopment, including but not limited to, the approval of redevelopment plans and projects, of “industrial park conservation areas” within the City if the conditions specified in the Act are met, and is further authorized to implement tax increment allocation financing (“**TIF**”) pursuant to the Act, and to pay the costs of such redevelopment permitted under the Act; and

WHEREAS, pursuant to the Act, the City, by Ordinance No.’s 3680-11, 3681-11, and 3682-11, adopted by the City Council on January 10, 2011, approved the Redevelopment Plan and Project, designated the Redevelopment Project Area specifically designated as the Loves Park Corporate Center Redevelopment Project Area, and adopted tax increment allocation financing for the Redevelopment Project; and

WHEREAS, pursuant to the Act, the City, by Ordinance No.’s 3775-11, 3776-11 and 3777-11 adopted by the City Council on December 19, 2011 the City amended the boundaries of the Loves Park Corporate Center Redevelopment Project Area; and

WHEREAS, pursuant to the Act, the City, by Ordinance No. 4197-18 adopted by the City Council on April 2, 2018 the City amended the boundaries of the Loves Park Corporate Center Redevelopment Project Area; and

WHEREAS, Developer owns certain real estate (“**Property**”) within the Loves Park Corporate Center Redevelopment Project Area, with said Property depicted and legally described in **Exhibit “A”** attached hereto and made a part hereof; and

WHEREAS, in order to promote and attract development of the Property, the Developer will need to incur costs for certain infrastructure improvements, site preparation, public utilities and other eligible “**Redevelopment Project Costs**”, as that term defined in the Act for the benefit of the Property (“**Developer Project**”); and

WHEREAS, Developer has represented to the City that, but for tax increment financing, the Developer Project would not be economically viable, thereby limiting the development opportunities for the Property which would lead to increasing the tax base and employment opportunities in the City; and

WHEREAS, Developer acknowledges that the Property is currently zoned industrial and that any portion of the Property developed for residential use shall be removed from the Redevelopment Project Area and shall not be eligible for tax increment financing incentives and the ad valorem taxes generated therefrom shall not be included in the Developer Property Increment as hereinafter defined.

WHEREAS, the City is willing to reimburse the Developer for certain Redevelopment Project Costs, as allowed by the Act and as further limited herein this Agreement; and

WHEREAS, the City, after due and careful consideration, has concluded that the improvement of the Property, as provided in this Agreement, will further the growth of the City, facilitate the redevelopment of the Loves Park Corporate Center Redevelopment Project Area, increase the assessed valuation of real estate situated within the Redevelopment Project Area, increase the economic activity within the City, provide a substantial number of jobs to residents of the City, and otherwise be in the best interests of the City by furthering the health, safety, morals, and welfare of its residents and taxpayers

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the City and Developer agree as follows:

SECTION I
INCORPORATION OF RECITALS

1.1 **Incorporation of Recitals.** The Recitals set forth above are an integral part of this Agreement and by this reference are incorporated in this Section I.

SECTION II
REPRESENTATIONS AND WARRANTIES

2.1 **Representations and Warranties of Developer.** To induce City to execute this Agreement and perform the obligations of City hereunder, Developer hereby represents and warrants to the City as follows:

- (a) Developer is a duly organized and existing corporation in good standing under the laws of the State of Illinois;
- (b) No litigation or proceedings are pending, or to the best of Developer's knowledge, are threatened against Developer, which could: (i) affect the ability of Developer to perform its obligations pursuant to and as contemplated by the terms and provisions of this Agreement; or (ii) materially affect the operation or financial condition of Developer;

- (c) To the best of Developer's knowledge, the execution, delivery and performance by Developer of this Agreement does not constitute, and will not, upon giving of notice or lapse of time, or both, constitute a breach or default or "event of default" under any other agreement to which Developer is a party to or by which it may be bound;
- (d) The parties executing this Agreement on behalf of Developer have been duly authorized by all appropriate action to enter into, execute, and deliver this Agreement and perform the terms and obligations contained herein;
- (e) Developer is the fee simple legal title owner of the Property;
- (f) Developer agrees to pay all costs associated with the Developer Project as set forth in this Agreement, directly or indirectly, and to indemnify and hold the City harmless therefrom; and
- (g) The above representations and warranties are made in addition to all other representations and warranties made throughout this Agreement.

2.2 **Survival of Representations and Warranties.** Developer agrees that all of its representations and warranties set forth in this Section and elsewhere in this Agreement are true as of the execution date of this Agreement and shall survive for the term of this Agreement.

SECTION III **DEVELOPER'S OBLIGATIONS**

3.1 **Development in General.** Developer must complete the extension of Squaw Valley Drive south to Rock Valley Parkway prior to December 31, 2025 ("**Squaw Valley Project**") as described in "**Exhibit B**". All improvements relating to the Developer Project shall comply with all federal, state and local regulations, codes, ordinances and laws of general applicability (collectively, the "**Legal Requirements**"). Any and all construction is subject to the City's typical review and approval process for other development and construction projects occurring throughout the City.

3.2 **Real Estate Taxes.** Developer shall pay all Real Estate Tax Bills when due and payable for property it owns.

3.3 **Eligible Redevelopment Project Costs.** The "**Developer's Eligible Redevelopment Project Costs**" are those Redevelopment Project Costs incurred and paid by Developer for the Developer Project for which the Developer shall be reimbursed to the extent TIF funds are available in accordance with Section IV of this Agreement and further limited by the amount identified for each particular line item identified in "**Exhibit C**" with no reimbursement for those Redevelopment Project Costs allowed by the Act which are not identified therein. Amounts set forth in "**Exhibit C**" cannot be shifted or re-allocated among different line items, other than as noted in "**Exhibit C**", without the express written approval of the City.

3.4 **Use of Property.** The Property shall be utilized in a manner consistent with industrial and manufacturing purposes as well as other permissible uses identified in or allowed by the Act and the Redevelopment Plan.

SECTION IV
TAX INCREMENT FINANCING (“TIF”)

4.1 **Available Developer Property Increment.** For the purposes of this Agreement, the term “**Developer Property Increment**” means one hundred percent (100%) of that portion of the ad valorem taxes (exclusive of amounts collected pursuant to any Special Service Area formed), if any, arising from the taxes levied upon those subdivided real estate lots (which includes taxes levied against improvements thereon) which are a part of the Property upon which a building is constructed and an occupancy permit granted thereto, prior to January 1, 2034 (“**Improved Parcels**”), which taxes are actually collected and which are attributable to the increases in the then current equalized assessed valuation (“EAV”) of the Improved Parcels over and above the total initial EAV of the Improved Parcels as determined by the Winnebago County Clerk pursuant to the Act, and further in accordance with this Agreement, and which includes any replacement, substitute or amended taxes. For the purposes of this Agreement, “**Available Developer Property Increment**” means the sum equal to 60% of Developer Property Increment. The aggregate amount of Available Developer Property Increment paid to Developer shall not exceed Five Million and 00/100s Dollars (\$5,000,000.00).

4.2 **Available Non-Developer Property Increment.** For the purposes of this Agreement, the term “**Non-Developer Property Increment**” means one hundred percent (100%) of the funds deposited in the Loves Park Corporate Center’s Special Tax Allocation Fund which are derived from those properties described in “**Exhibit D**” (“**Non-Developer Properties**”), less those amounts previously obligated to be paid to other parties pursuant to existing redevelopment agreements. For the purposes of this Agreement, “**Available Non-Developer Property Increment**” means the annual sum equal to the lesser of: (1) a sum equal to 80% of Non-Developer Property Increment; or (2) One Hundred Twenty Thousand and 00/100ths (\$120,000.00). The aggregate amount of Available Non-Developer Property Increment paid to Developer shall not exceed Three Hundred and Sixty Thousand and 00/100s Dollars (\$360,000.00).

4.3. **Reimbursement to Developer.** The City will reimburse the Developer for Developer’s Eligible Redevelopment Project Costs from the Available Developer Property Increment and Available Non-Developer Property Increment, provided that the Available Non-Developer Property Increment will only be utilized for those Developer’s Eligible Redevelopment Project Costs associated with the design, engineering and construction of the Squaw Valley Project and any future extension of water and sewer along Chucks Way and North Bell School Road that is required to improve that part of the Property located at the northwest corner of Chucks Way and North Bell School Road (“**Water Sewer Extension Project**”). Available Developer Property Increment can neither be used for the Squaw Valley Project nor the Water Sewer Extension Project. The first payment of the Available Non-Developer Project Increment will be due within thirty days of the execution of this Agreement with the subsequent payments due on December 1st of each year until the maximum sum of Three Hundred and Sixty Thousand and 00/100s Dollars

(\$360,000.00) referenced in section 4.2 above is paid from Available Non-Developer Property Increment.

4.4 **Authenticating the Developer Eligible Redevelopment Project Costs.** Prior to being provided tax increment in accordance with Section 4.3, Developer shall submit to the City reasonable evidence that the Developer's Eligible Redevelopment Project Costs for which reimbursement is requested have been incurred and are either due or have been paid for by the Developer. By way of example and not limitation, paid invoices, receipts, contracts and other documentation shall be evidence such costs have been incurred by Developer, and the City reserves the right to require additional reasonable documentation.

4.5 **Restrictions on Assignment:** Unless otherwise expressly permitted in this section, Developer shall not assign any of their rights and obligations under this Agreement without the express prior written consent of the City, which consent shall not be unreasonably withheld. In the event of a sale of any of the Property to a third party, the Developer shall be allowed to assign to said purchaser the Available Developer Property Increment which is derived from the portion of the Property sold by Developer to said third party, provided that the City shall not be required to prorate any calendar year between the assignor and assignee. Any assignment approved under this Section 4.5 shall be subject to the conditions and restrictions relating to payment as set forth in this Agreement and will be deducted from the Available Developer Property Increment otherwise available herein as set forth in Exhibit C attached hereto.

4.6 **Obligations of City:** The obligations contained within this Agreement are not Full and Faith and Credit obligations of the City. The City will have no obligation to issue any Notes or Bonds. All payment obligations on the part of the City contained in this Agreement are contingent upon the receipt of funds equal to the Available Developer Tax Increment and Available Non-Developer Tax Increment into the Special Tax Allocation Fund by the City prior to December 31, 2034. and further subject to the provisions of the Act.

SECTION V **COMPLIANCE WITH LAW**

Neither Developer nor any of its contractors, subcontractors or material suppliers shall discriminate based upon race, color, religion, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military status, parental status or source of income in the construction of the Developer Project and shall comply with any and all federal, state and local laws, statutes, ordinances or regulations with regard to non-discrimination in the construction of the Developer Project.

SECTION VI **INSURANCE DURING TERM OF AGREEMENT**

Prior to commencement of a portion or all of the Developer Project, the Developer shall procure, at the Developer's cost and expense, and shall maintain in full force and effect until each and every obligation of the Developer contained in this Agreement has been fully paid or performed, a policy or policies of general commercial comprehensive liability insurance with

limits of at least \$1,000,000 per occurrence and \$1,000,000 in the aggregate and, during any period of construction, contractor's liability insurance and worker's compensation insurance, with liability coverage under each such policy to be not less than \$1,000,000 for each occurrence and including automobile insurance coverage. All such policies shall protect the Developer against any liability incidental to the use of or resulting from any claim for injury or damage occurring in or about the Developer Project or the improvements or the construction and improvement thereof. Developer agrees to defend, indemnify and hold harmless City for any liability other than that resulting solely from a negligent act of the City.

SECTION VII **DEFAULT REMEDIES**

7.1 **Defaults/Remedies:** If, subject to section 7.2, either Party shall default under this Agreement or fail to perform or keep any term or condition required to be performed or kept by such Party, such Party shall, upon written notice from the other Party, proceed to cure or remedy such default or breach within thirty (30) days after receipt of such notice, provided, however, that in the event such default is incapable of being cured within said thirty (30) day period and the defaulting party commences to cure the default within said thirty (30) day period and proceeds with due diligence to cure the same, such party shall not be deemed to be in default under this Agreement. In the case of a City default, the Developer shall have as its sole and exclusive remedy the right of specific performance. In the event of a default by Developer which is not cured within a reasonable time, the City will be under no obligation to make the payments to the Developer identified in Section IV.

7.2 **Event of Default.** For purposes of the Agreement, the occurrence of any one or more of the following shall constitute an "Event of Default":

- (a) If, at any time, any material term, warranty, representation or statement made or furnished by City or Developer (including the representations and warranties of Developer described in subsection 2.1 hereof) is not true and correct in any material respect because of which either Party is unable to fulfill its obligations hereunder; or
- (b) Failure by Developer to meet any of the conditions or covenants contained in this Agreement, including but not limited to those in Section III; or
- (c) If any petition is filed by or against City or Developer under the Federal Bankruptcy Code or any similar state or federal law, whether now or hereinafter existing (and in the case of involuntary proceedings, failure to cause the same to be vacated, stayed or set aside within ninety (90) days after filing); or
- (d) Any assignment, pledge, encumbrance, transfer or other disposition which is prohibited under this Agreement

7.3 **Waiver and Estoppel.** Any delay by City or Developer in instituting or prosecuting any actions or proceedings or otherwise asserting its rights shall not operate as a waiver of such rights or operate to deprive City or Developer of or limit such rights in any way. No waiver made by City or Developer with respect to any specific default shall be construed, considered or treated as a waiver of the rights of City or Developer with respect to any other defaults.

SECTION VIII
PERFORMANCE

8.1 **Time of the Essence.** Time is of the essence of the Agreement.

8.2 **Permitted Delays.** Neither City nor Developer shall be considered in breach of its obligations with respect to the commencement and completion of the Developer Project or provision of tax increment financing, because of the impossibility of performance or the limitations of Illinois law, or in the event of delay in the performance of such obligations due to unforeseeable causes beyond such Party's control and without such Party's fault or negligence, including any delays due to court order, acts of God, acts of the public enemy, acts of the United States, acts of the other party, fires, floods, earthquakes, epidemics, quarantine restrictions, strikes, embargoes, economic exigencies, shortages of labor or materials and severe weather or delays of subcontractors due to such causes. Subject to the limitations and restrictions of the Act, the time for the performance of the obligations shall be extended for the period of the enforced delay if City or Developer, as the case may be, seeking the extension shall notify in writing the other within twenty (20) days after the beginning or any such delay and shall use diligence in attempting to complete performance of its obligations.

SECTION IX
GENERAL

9.1 **Drafter Bias:** The Parties acknowledge and agree that the terms of this Agreement are the result of on-going and extensive negotiations between the Parties, both of whom are represented by independent counsel, and that this Agreement is a result of said negotiations. As a result, in the event that a court is asked to interpret any portion of this contract, neither of the Parties shall be deemed the drafter hereof and neither shall be given benefit of such presumption that may be set out by law.

9.2 **Partnership not intended nor Created:** Nothing in this Agreement is intended to, nor shall be deemed to, constitute a partnership or joint venture between the Parties.

9.3 **Entirety and Binding Effect:** This document represents the entirety of the agreement between the Parties and shall be binding upon them and inure to the benefit of and be enforceable by and against their respective successors, personal representatives, heirs, legatees, and assigns.

9.4 **Survival of Provisions:** If any of the provisions of this agreement are found to be invalid pursuant to any statute or rule of law of the State of Illinois or of any judicial district in which it may be so brought to be enforced, then such provisions shall be deemed null and void to the extent that they may conflict herewith, however the remainder of this instrument and any other application of such provision shall not be affected thereby.

9.5 **Use of Headings:** The headings appearing in this Agreement have been inserted for the purpose of convenience and ready reference. They do not purport to, and shall not be deemed to, define, limit or extend the scope or intent of the clauses to which they pertain.

9.6 **Amendments and Modifications**: Except as otherwise provided for herein, this Agreement may not be amended, modified, or terminated, nor may any obligation hereunder be waived orally, and no such amendment, modification, termination, or waiver shall be effective for any purpose unless it is in writing, and bears the signatures of all of the Parties hereto.

9.7 **Defaults**: In the event of a default and/or litigation arising out of enforcement of this Agreement, the Parties hereto acknowledge and agree that each Party shall be responsible for their own costs, charges, expenses, and their reasonable attorney's fees arising as a result thereof and such costs will not be chargeable as an element of damage for recovery by the prevailing Party.

9.8 **Indemnification**: Developer agrees to indemnify and hold the City and its officers, elected and appointed, employees, agents, and attorneys harmless from and against any and all loss, damage, cost, expense, injury, or liability the City may suffer or incur in connection with the failure of the Developer to comply with this Agreement.

9.9 **Notices**: All Notices and requests pursuant to this Agreement shall be sent as follows:

If to Developer: Charles Thomas
4175 McFarland Road
Loves Park, Illinois 61111

With Developer's copy to: Hinshaw & Culbertson
c/o Charles Thomas
100 Park Avenue
Rockford, Illinois 61101

If to City: City of Loves Park
Attn: Mayor Gregory Jury
100 Heart Boulevard
Loves Park, IL 61111

With City's copy to: Allen Galluzzo Hevrin Leake, LLC
Attn: Attorney Gino Galluzzo
6735 Vistagreen Way, Suite 110
Rockford, IL 61107

Or at such other addresses as the Parties may indicate in writing to the other either by personal delivery, courier or by certified mail, return receipt requested, with proof of delivery thereof. Mailed Notices shall be deemed effective on the third day after mailing; all other notices shall be effective when delivered.

9.10 **Counterparts**: This Agreement may be signed in any number of counterparts, each of which shall be an original, with the main effect as if the signatures thereto and hereto were upon the same instrument.

9.11 **Previous Agreements:** The foregoing is the agreement between the Parties hereto as it now exists at the execution hereof and it is expressly understood, agreed and distinctly acknowledged that all previous communications and negotiation between the Parties, either written or oral, that are not contained herein are hereby withdrawn, nullified, and void.

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE VOLUNTARILY SET THEIR HANDS AND SEALS ON THIS AGREEMENT, AND BY DOING SO HAVE ACKNOWLEDGED THAT THEY HAVE READ THE FOREGOING INSTRUMENT IN ITS ENTIRETY AND ACKNOWLEDGE THAT THE SAME IS A LEGALLY BINDING AGREEMENT, AND THAT THEY HAVE CONSCIOUSLY EXECUTED THE SAME AS THEIR OWN FREE AND VOLUNTARY ACT AND DO HEREBY SUBMIT TO AND ACKNOWLEDGE THE TERMS AND CONDITIONS HEREIN.

EAST RIVERSIDE FARMS, INC.
An Illinois Corporation

By: _____

Charles F. Thomas, President

CITY OF LOVES PARK,
an Illinois Municipal Corporation

By: _____

Gregory Jury, Mayor

NORTH RIVERSIDE PARTNERS, L.L.C.
An Illinois Limited Liability Company

By: _____

Charles F. Thomas, its Authorized Manager

ATTEST:

Robert Burden, City Clerk

**EXHIBIT A
DEVELOPER PROPERTY AND LEGAL DESCRIPTION OF
“PROPERTY”**

Current Taxpayer of Record	2019 PIN	Land Use	Acres (WinGIS)
North Riverside Partners	08-35-379-003	Vacant	5.17
North Riverside Partners	08-35-383-002	Vacant	2.01
North Riverside Partners	12-02-126-012	Vacant	12.63
East Riverside Development Company	12-02-178-003	Vacant	1.25
East Riverside Development Company	12-02-178-005	Vacant	6.08
East Riverside Development Company	12-02-178-010	Vacant	2.25
East Riverside Development Company	12-02-179-004	Vacant	0.90
East Riverside Development Company	12-02-179-005	Vacant	0.88
East Riverside Development Company	12-02-179-006	Cell Tower	0.03
East Riverside Development Company	12-02-179-008	Cell Tower	0.01
Totals	10		31.21

PIN 12-02-179-004, 12-02-179-005, 12-02-179-006, 12-02-179-008

Legal Description:

Lots Eighteen (18), Nineteen (19) and Out Lot A as designated upon Rockcut Business Park Plat No. 5, being a subdivision of part of the Northwest Quarter (1/4) of Section 2, Township 44 North, Range 2 East of the Third Principal Meridian, the plat of which is recorded in Book 45 of plats on page 117 in the Recorder’s Office of Winnebago County, Illinois; ALSO, Beginning at a point on the West line of Lot Eleven (11) as designated upon Rockcut Business Park Plat No. 4, the plat of which is recorded in Book 41 of Plats on page 30A in said Recorder’s Office, a distance of 16.58 feet North of the Southwest corner of said Lot; thence South along the West line of said Lot a distance of 16.58 feet; thence West along the North line of Out Lot A of Rockcut Business Park Plat No. 5 a distance of 24.27 feet; thence North a distance of 17.27 feet; thence East 24.43 feet to the place of beginning; Situated in the County of Winnebago and State of Illinois.

PIN 12-02-178-005

Legal Description:

Part of the Northwest Quarter (1/4) of Section 2, Township 44 North, Range 2 East of the Third Principal Meridian bounded and described as follows to-wit: Beginning at the Northwest Corner of Lot Thirteen (13) as designated upon Rockcut Business Park Plat No. 4, the plat of which is recorded in Book 41 of plats on page 30A in the Recorder’s Office of Winnebago County, Illinois; thence South 00 degrees 48 minutes 38 seconds West along the West line of Lot Thirteen (13) and Lot Twelve (12) a distance of 592.47 feet; thence North 89 degrees 11 minutes 22 seconds West a distance of 484.43 feet more or less to the East right of way line for Galleria Drive; thence Northwesterly along the East right of way line for Galleria Drive a distance of 434.3 feet more or less to the Southwest corner of Lot Four (4) as designated upon Rockcut Business Park, the plat of which is recorded in Book 40 of plats on page 14A in the Recorder’s

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Office of Winnebago County, Illinois; thence South 89 degrees 11 minutes 22 seconds East along the South line of said Lot Four (4) and said line extended, a distance of 208.05 feet; thence North 00 degrees 48 minutes 38 seconds East a distance of 159.02 feet to the Southwest corner of Lot Fifteen (15) as designated upon aforesaid Rockcut Business Park Plat No. 4; thence South 89 degrees 11 minutes 22 seconds East along the South line of said Lot Fifteen (15) and Lot Fourteen (14) a distance of 303.38 feet to the Place of beginning. Situated in the County of Winnebago and State of Illinois.

PIN 12-02-178-010

Legal Description:

Lot Thirteen (13) as designated upon Rockcut Business Park Plat No. 4, being a subdivision of part of the Northwest Quarter (1/4) of Section 2, Township 44 North, Range 2 East of the Third Principal Meridian, the plat of which is recorded in Book 41 of plats on page 30A in the Recorder's Office of Winnebago County, Illinois, EXCEPTING THEREFROM the South 148.90 feet; Situated in the County of Winnebago and State of Illinois.

PIN 08-35-383-002

Legal Description:

Lot Two Hundred Sixty-eight (268) as designated upon Plat No. 12 of Kings Acres Subdivision, being a subdivision of part of the Southwest Quarter (1/4) of Section 35, Township 45 North, Range 2 East of the Third Principal Meridian and a Re-Plat of Lots 147, 148 and Thomas Drive, Plat of Kings Acres Subdivision, Plat No. 6, the plat of which is recorded in Book 44 of plats on page 91B in the Recorder's Office of Winnebago County, Illinois; Situated in the County of Winnebago and State of Illinois.

PIN 12-02-178-003

Legal Description:

Lot Fifteen (15) as designated upon Rockcut Business Park Plat No. 4, being a subdivision of part of the Northwest Quarter (1/4) of Section 2, Township 44 North, Range 2 East of the Third Principal Meridian, the plat of which is recorded in Book 41 of plats on page 30A in the Recorder's Office of Winnebago County, Illinois; Situated in the County of Winnebago and State of Illinois.

PIN 12-02-126-012, PIN 08-35-379-003

Legal Description:

Part of the Northwest Quarter of Section 2, Township 44 North, Range 2 East of the Third Principal Meridian and part of the Southwest Quarter of Section 35, Township 45 North, Range 2 East of the Third Principal Meridian; Beginning at the Southeast corner of Lot Three (3) as designated upon the Plat of Rock Cut Business Park, the plat of which is recorded in Book 40 of Plats on page 14A in the Recorder's Office of Winnebago County, Illinois; thence North 00 degrees 18' 20" West along the East line of said Lot Three (3), a distance of 250.12 feet to the South line of Out lot 1 as designated upon Kings Acres Subdivision Plat No. 5, the plat of which

is recorded in Book 41 of Plats on page 160B in said Recorder's Office; thence North 89 degrees 41' 40" East along the South line of said Out lot 1 a distance of 142.83 feet more or less to the Southeast corner of said Out lot 1; thence North 20 degrees 25' 24" East along the East line of said Out lot 1 a distance of 33.76 feet; thence Northeasterly along the East line of said Out lot 1, being along a circular curve to the left having a radius of 500.00 feet, the center of which falls to the Northwest, to the Southeast corner of Squaw Valley Drive as designated upon the Final Plat of Kings Acres Subdivision Plat No. 9, the plat of which is recorded in Book 43 of Plats on page 102 in said Recorder's Office, the chord across said curved course bears North 10 degrees 22' 55" East a distance of 196.0 feet more or less; thence North 00 degrees 54' 47" West along the East Right of Way line of said Squaw Valley Drive, a distance of 775.79 feet more or less to the Southwest corner of the Final Plat of Squaw Valley Duplexes, the plat of which is recorded in Book 49 of Plats on page 139B in said Recorder's Office; thence North 89 degrees 05' 14" East along the South line of Lot Six (6) of said Final Plat of Squaw Valley Duplexes, a distance of 140.00 feet; thence North 00 degrees 54' 47" West along the East line of said Final Plat of Squaw Valley Duplexes a distance of 558.12 feet to the Northeast corner of Lot One (1) of said Final Plat of Squaw Valley Duplexes; thence Northeasterly along the Southerly Right of Way line of Chuck's Way as designated upon Plat No. 12 of Kings Acres Subdivision, the plat of which is recorded in Book 44 of Plats on page 91B in said Recorder's Office, being along a circular to left having a Radius of 1530 feet, the center of which falls to the North, the chord across said curved course bears North 83 degrees 29' 12" East a distance of 157.58 feet; thence Northeasterly along the South Right of Way line of said Chuck's Way being along a circular curve to right having a Radius of 1470 feet, the center of which falls to the Southeast, the chord across said curved course bears North 84 degrees 32' 56" East a distance of 205.79 feet; thence North 88 degrees 33' 45" East, along said South Right of Way line, a distance of 49.95 feet to the West Right of Way line of Bell School Road; thence South 00 degrees 53' 51" East, along the West Right of Way line of Bell School Road a distance of 184.22 feet; thence South 09 degrees 37' 15" West, along the West Right of Way line of Bell School Road, a distance of 407.81 feet; thence South 00 degrees 18' 20" East, along the West Right of Way line of Bell School Road, a distance of 1020.28 feet more or less to the Northeast corner of Lot Twenty-three (23) as designated upon the Final Plat of Rock Cut Business Park Plat No. 7, the plat of which is recorded in Book 49 of Plats on page 161B in said Recorder's Office; thence South 89 degrees 41' 14" West along the North line of said Lot Twenty-three (23) a distance of 364.91 feet; thence South 66 degrees 20' 36" West along the north line of said Lot Twenty-three (23) a distance of 21.30 feet; thence Southeasterly along the Westerly line of said Lot Twenty-three (23), being along a circular curve to the right having a radius of 330.00 feet, the center of which falls to the Southwest, the chord across said curved course bears South 11 degrees 47' 50" East a distance of 135.64 feet; thence South 00 degrees 15' 23" West along the West line of said Lot Twenty-three (23) a distance of 98.60 feet to the Southwest corner of said Lot Twenty-three (23); thence South 89 degrees 41' 40" West along the North Right of Way line of Rock Valley Parkway a distance of 301.7 feet more or less to the Place of Beginning. Situated in the County of Winnebago and State of Illinois.

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EXHIBIT B

SQUAW VALLEY PROJECT

The Squaw Valley Project is intended to extend Squaw Valley Drive from its southern terminus to intersect with Rock Valley Parkway to the south so that it abuts the western edge of the parcel of land having Parcel Number 12-02-126-013 located at the north-west corner of Rock Valley Parkway and North Bell School Road. The extension of Squaw Valley Drive shall be improved to include the necessary and customary infrastructure improvements typical with roadway extensions including, but not limited to, extension of water, sewer and storm sewer infrastructure, paving and site preparation and restoration.

EXHIBIT C

**DEVELOPER ELIGIBLE REDEVELOPMENT PROJECT COSTS WHICH ARE
DEVELOPER PROJECT**

Developer Eligible Redevelopment Project Costs are limited to the Redevelopment Project Costs, as defined by the Act, which are identified below in the amounts corresponding to each item below.

1. Up to **\$500,000.00** for redevelopment project costs defined in 65 ILCS 5/11-74.6-10(o)(1) to the extent the same relates to costs of surveys, engineering and legal services incurred from appropriately licensed companies and/or individuals.
2. Up to **\$1,500,000.00** for redevelopment project costs defined in 65 ILCS 5/11-74.6-10(o)(3) to the extent the same relates to site preparation costs relating to clearing and grading within or without a redevelopment project area which are essential to the preparation of the redevelopment project area for use in accordance with a redevelopment plan.
3. Up to **\$2,000,000.00** for redevelopment project costs defined in 65 ILCS 5/11-74.6-10(o)(3) to the extent the same relates to the installation and construction of public streets, public utilities and other public site improvements within or without a redevelopment project area which are essential to the preparation of the redevelopment project area for use in accordance with a redevelopment plan. This amount may also include reasonable and customary costs of design and engineering for the installation and construction of public streets, public utilities and other public site improvements provided it is consistent with the redevelopment project costs defined in 65 ILCS 5/11-74.6-10(1).
4. Up to **\$1,360,000.00** for property assembly costs within a redevelopment project area, including but not limited to acquisition of land and other real or personal property or rights or interests therein as defined in 65 ILCS 5/11-74.6-10(o)(2).

With regard to the above:

The amounts allocated to items 1 may be re-allocated to items 2, 3 and 4.

Amounts allocated to item 2 may be allocated to item 3 and 4.

The amounts above total the maximum aggregate amounts which Developer may receive as Available Developer Property Increment and Available Non-Developer Property Increment.

EXHIBIT D

NON-DEVELOPER PROPERTIES

Current Taxpayer of Record	2019 PIN	Acres (WinGIS)
Garnhart	12-02-126-013	2.00
Stoffregen (Flower Shop)	12-02-127-008	1.24
Danfoss 4401 N. Bell School	08-35-400-020	18.52
Danfoss Bell School & Beverage ¹	08-35-400-020	5.59
Danfoss Bell School & Beverage ¹	08-35-400-021	7.61
Totals		34.96

¹ Only that portion of increment not otherwise allocated pursuant to terms of existing redevelopment agreements as may be amended from time to time.

EXHIBIT B
Developer Properties

Loves Park Corporate Center Chuck Thomas RDA Parcels

1. 12-02-179-004 East Riverside Dev. Co.
2. 12-02-179-005 East Riverside Dev. Co.
3. 12-02-179-006 East Riverside Dev. Co. (cell)
4. 12-02-179-008 East Riverside Dev. Co. (cell)
5. 12-02-178-005 East Riverside Dev. Co.
6. 12-02-178-010 East Riverside Dev. Co.
7. 12-02-178-003 East Riverside Dev. Co.
8. 12-02-126-012 North Riverside Partners
9. 08-35-379-003 North Riverside Partners
10. 08-35-383-002 North Riverside Partners

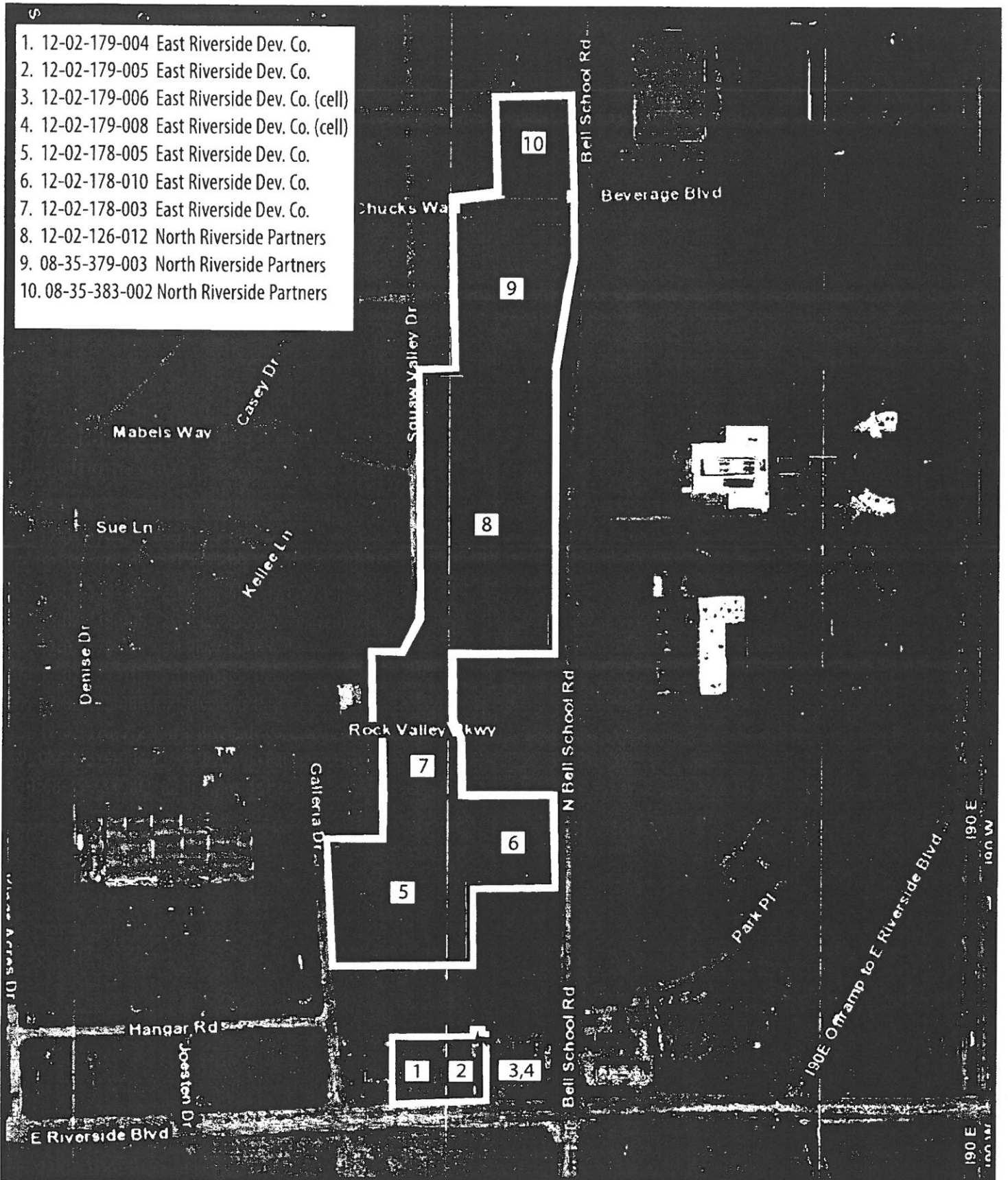


EXHIBIT C
Ordinance Adopting RDA

EXHIBIT "A"
Redevelopment Agreement

1. Agr. 776-21

**Minutes of the Joint Review Board Meeting
Loves Park Corporate Center Redevelopment Project Area
April 14, 2021, 3:16 P.M., Loves Park City Hall**

Present: Mayor Greg Jury, Eli Nicolosi

Mayor Jury called the meeting to order at 3:16 P.M. and welcomed the Board member Eli Nicolosi.

Planning Director Nathan Bruck reported that the City entered into a redevelopment agreement with SMG Investments, LLC for a cannabis dispensary located at 4120 North Bell School Road. The agreement is payment not to exceed one million dollars over ten years. The pledge, of incentives from the City to the developer, is a combination of the Cannabis Retailer's Occupation Tax generated from the property and TIF incentives.

**City Treasurer John Danielson presented the Annual Report Overview of the Joint Review Board, Loves Park Corporate Center Redevelopment Project Area.
(Attached)**

Attorney Greg Cox reported to the Board that there were no adverse legal issues pending.

Motion by Chris Dornbush, second by Tim Bragg to adjourn the meeting. Motion carried. Meeting Adjourned at 3:20 P.M.

Minutes by Robert J. Burden, City Clerk

Joint Review Board – Loves Park Corporate Center TIF– April 14, 2021
Treasurer's Report

The TIF reporting period is May 1, 2019 – April 30, 2020.

The beginning cash balance on May 1, 2019 in the Loves Park Corporate Center TIF Account was \$471,935.59 and the ending cash balance on April 30, 2020 was \$95,915.55.

Reporting on a cash basis:

Revenues received into the fund totaled \$233,311.81.
\$229,798.73 was increment, \$3,513.08 was interest.

Cash basis expenditures during the reporting period totaled \$609,331.85.

Expenditures included payments to:

- Danfoss, LLC: \$77,607.50 for payment under a redevelopment agreement.
 - LP Partners: \$26,904.35 for payment under a redevelopment agreement.
 - Garnhart Trust: \$104,820.00 for payment under a redevelopment agreement.
 - Construction of Bell School Road: \$400,000.00 partial payment
-

The TIF report filed with the State of Illinois is based on the City of Loves Park audited financial statements for the year and therefore reports revenues and expenditures on a modified accrual basis.

Audited revenues reported for this reporting period were \$334,551.00.
\$331,038.00 was increment, \$3,513.00 was interest.

Audited expenditures reported for this reporting period were \$1,742,518.00

Reported expenditures included payments to:

- Nicolosi-Galluzzo and Galluzzo Law Group: \$35,940.00 for legal work related to the Loves Park Corporate Center TIF.
- Reconstruction of Bell School Road: \$1,497,247.00

Of these expenditures, \$1,133,186.15 was paid by the General Fund and will be reimbursed from the TIF to the General Fund in a future period.

These General Fund expenditures combined with the cash basis expenditures of \$609,331.85 listed previously, make up the total expenditures reported of \$1,742,518.00 (total rounded for the report).

The fund balance at the end of the reporting period was \$(969,404.00).

Future project costs to be paid include:

- Redevelopment agreement with Danfoss: \$1,288,505.00
- Redevelopment agreement with Loves Park Partners (Silverfox): \$ 441,074.00
- Redevelopment agreement with Merrillville Hospitality: \$500,000.00
- Redevelopment agreement with Jay Garnhart Living Trust: \$37,230.00
- Redevelopment agreement-LP Fox, LLC: \$1,200,000.00

The total amount designated for project costs at the end of the reporting period was \$3,466,809.00.

There was not a surplus available at the end of the reporting period.

The balance in the TIF checking account at February 28, 2021 was \$269,013.35.

CITY OF LOVES PARK, ILLINOIS
Balance Sheet
Governmental Funds
April 30, 2021

	General	Spring Creek Lakes TIF Fund	Loves Park Corporate Center Center TIF Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Cash & cash equivalents	\$ 6,774,197	46,848	269,018	2,895,840	9,985,903
Investments	1,078,991	-	-	286,089	1,365,080
Receivables:					
Taxes	266,933	1,068,986	528,602	1,446,853	3,311,374
Special assessments	966,675	-	-	-	966,675
Other receivables	587,324	-	-	-	587,324
Notes	-	-	-	90,780	90,780
Prepaid items	259,173	-	-	-	259,173
Due from other funds	2,060,360	-	-	600	2,060,960
Due from other governments	3,463,673	-	-	79,050	3,542,723
Land held for resale	-	-	-	187,967	187,967
Other assets	33,404	-	-	-	33,404
Restricted assets:					
Bond account/Pledged taxes	-	-	-	288,330	288,330
Bond account/SSA tax bonds	111,018	-	-	-	111,018
Debt certificate / Fire	-	-	-	-	-
Foreign fire insurance	2,402	-	-	-	2,402
Escrow accounts	-	-	-	199,294	199,294
Total assets	<u>15,604,150</u>	<u>1,115,834</u>	<u>797,620</u>	<u>5,474,803</u>	<u>22,992,407</u>
Liabilities:					
Accounts payable	565,453	-	-	111,984	677,437
Accrued liabilities	155,587	-	-	-	155,587
Due to other funds	-	292,099	1,344,304	406,224	2,042,627
Due to other governments	-	-	-	199,894	199,894
Deposits and escrow amounts	2,402	-	-	-	2,402
Unearned revenue	401,260	-	-	-	401,260
Total liabilities	<u>1,124,702</u>	<u>292,099</u>	<u>1,344,304</u>	<u>718,102</u>	<u>3,479,207</u>
Deferred Inflows of Resources:					
Property taxes	117,405	-	-	-	117,405
TIF increment	-	528,769	216,872	689,192	1,434,833
Sales taxes	1,009,157	-	-	14,280	1,023,437
Special assessments - sewer extensions	966,674	-	-	-	966,674
Total liabilities and deferred inflows of resources	<u>3,217,938</u>	<u>820,868</u>	<u>1,561,176</u>	<u>1,421,574</u>	<u>7,021,556</u>
Fund balances:					
Nonspendable					
Prepaid items	259,173	-	-	-	259,173
Long-term portion notes rec.	-	-	-	6,588	6,588
Bridge improvements	-	-	-	292,704	292,704
Restricted					
Special revenue funds	-	294,966	-	3,577,539	3,872,505
Bond accounts/debt proceeds	111,018	-	-	-	111,018
Donations for K9	23,288	-	-	-	23,288
Committed					
Econ. Dev. Revolving Loan Fund	-	-	-	176,398	176,398
Unassigned	11,992,733	-	(763,556)	-	11,229,177
Total fund balances	<u>12,386,212</u>	<u>294,966</u>	<u>(763,556)</u>	<u>4,053,229</u>	<u>15,970,851</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 15,604,150</u>	<u>1,115,834</u>	<u>797,620</u>	<u>5,474,803</u>	<u>22,992,407</u>

The notes to the financial statements are an integral part of this statement.

CITY OF LOVES PARK, ILLINOIS
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
For the Year Ended April 30, 2021

	General Fund	Spring Creek Lakes TIF Fund	Loves Park Corporate Center TIF Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 16,089,330	781,788	528,922	1,652,839	19,052,879
Intergovernmental	-	-	-	920,307	920,307
Licenses, permits, & fees	1,878,644	-	-	-	1,878,644
Fines	479,298	-	-	-	479,298
Grants	1,134,934	-	-	790,715	1,925,649
Interest	34,561	-	103	18,240	52,904
Other	1,048,663	-	-	39,069	1,087,732
Total revenues	<u>20,665,430</u>	<u>781,788</u>	<u>529,025</u>	<u>3,421,170</u>	<u>25,397,413</u>
Expenditures:					
Current:					
General government	7,095,934	159,428	304,973	520,815	8,081,150
Health and sanitation	95,244	-	-	-	95,244
Highways and streets	1,375,218	-	-	522,856	1,898,074
Public safety	7,452,505	-	-	-	7,452,505
Total current	<u>16,018,901</u>	<u>159,428</u>	<u>304,973</u>	<u>1,043,671</u>	<u>17,526,973</u>
Capital outlay	386,525	-	18,204	-	404,729
Debt service					
Principal payments	1,532,251	106,522	-	864,476	2,503,249
Interest payments	198,196	144,202	-	595,579	937,977
Total expenditures	<u>18,135,873</u>	<u>410,152</u>	<u>323,177</u>	<u>2,503,726</u>	<u>21,372,928</u>
Excess (deficiency) of revenues over (under) expenditures					
	<u>2,529,557</u>	<u>371,636</u>	<u>205,848</u>	<u>917,444</u>	<u>4,024,485</u>
Other financing sources (uses):					
Installment contract proceeds	129,000	-	-	-	129,000
Total other financing sources	<u>129,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>129,000</u>
Net change in fund balances					
	2,658,557	371,636	205,848	917,444	4,153,485
Fund balances:					
Beginning	<u>9,727,655</u>	<u>(76,670)</u>	<u>(969,404)</u>	<u>3,135,785</u>	<u>11,817,366</u>
Ending	<u>\$ 12,386,212</u>	<u>294,966</u>	<u>(763,556)</u>	<u>4,053,229</u>	<u>15,970,851</u>

The notes to the financial statements are an integral part of this statement.

CITY OF LOVES PARK, ILLINOIS
 Required Supplementary Information
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
Loves Park Corporate Center TIF Fund

For the Year Ended April 30, 2021

With Comparative Totals for the Year Ended April 30, 2020

	2021			Variance Positive (Negative)	2020
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes	\$ 433,092	433,092	528,922	95,830	331,038
Interest	-	-	103	103	3,513
Total revenues	<u>433,092</u>	<u>433,092</u>	<u>529,025</u>	<u>95,933</u>	<u>334,551</u>
Expenditures:					
General government:					
Legal	252,777	252,777	44,880	207,897	35,940
Redevelopment agreements	276,230	276,230	260,093	16,137	209,331
	<u>529,007</u>	<u>529,007</u>	<u>304,973</u>	<u>224,034</u>	<u>245,271</u>
Capital outlay	-	-	18,204	(18,204)	1,497,247
Total expenditures	<u>529,007</u>	<u>529,007</u>	<u>323,177</u>	<u>205,830</u>	<u>1,742,518</u>
Net change in fund balance	\$ <u>(95,915)</u>	<u>(95,915)</u>	205,848	<u>301,763</u>	(1,407,967)
Fund balance:					
Beginning			(969,404)		438,563
Ending			\$ <u>(763,556)</u>		<u>(969,404)</u>



**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE WITH STATE OF ILLINOIS
PUBLIC ACT 85-1142**

Illinois Department of Revenue
Springfield, Illinois

We have audited the basic financial statements of the City of Loves Park, Illinois for the year ended April 30, 2021, and have issued our report thereon dated July 29, 2022. The basic financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on the eligibility for costs incurred incidental to the implementation of the redevelopment plan and redevelopment projects associated with the Loves Park Corporate Center TIF District, North 2nd Street TIF District, Spring Creek Lakes TIF District, Zenith Cutter TIF District, and Forest Hills TIF District pursuant to Subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act.

Our audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

The City of Loves Park, Illinois' management is responsible for the government's compliance with laws and regulations. In connection with our audit referred to above, we selected and tested transactions and records to determine the government's compliance with State of Illinois Public Act 85-1142, "An Act in Relation to Tax Increment Financing".

The results of our test indicate that for the items tested, the City of Loves Park, Illinois complied with Subsection (q) of Section 11-74.4-3 of Public Act 85-1142.

Lucas Group CPAs + Advisors, LLC

Freeport, Illinois
July 29, 2022