

# **REDEVELOPMENT AND ECONOMIC INCENTIVE AGREEMENT**

## **Gateway RV and Power Sports, Collinsville, Illinois**

THIS REDEVELOPMENT AND ECONOMIC INCENTIVE AGREEMENT (“Agreement”) is entered into effective as of the \_\_\_\_ day of February, 2017, (the “Effective Date”), by and between the CITY OF COLLINSVILLE, ILLINOIS, a municipal corporation (the “City”) and Gateway RV, LLC, authorized to do business in the State of Illinois (individually and collectively referred to as the “Redeveloper”).

### **RECITALS**

A. The Redeveloper is the owner of approximately six (6) acres of real property located at what is commonly known as 2017 and 2020 Mall Street, Collinsville, Illinois, as more fully described in Exhibit A attached hereto and incorporated herein by reference (individually and collectively the “Property”).

B. The Redeveloper has intentions of expanding, improving, redeveloping and rehabilitating the Property in relation to the sales, repairs, and maintenance of recreational vehicles and powersport vehicles (collectively the “Redevelopment Project”).

C. The condition of the Property will have required the Redeveloper to incur extraordinary expense to redevelop the Property into the condition desired by both the City and the Redeveloper.

D. That the total cost of the Redevelopment Project is expected to exceed approximately \$625,000.00, with anticipated annual gross revenues exceeding \$11 million after its first year of operations.

E. The Redevelopment Project will not have been financially feasible and Redeveloper was, is, and has been unwilling to undertake the Redevelopment Project without certain guarantees and warranties, including but not limited to the pledge of certain economic incentives from the City, and the City is willing to provide and has determined that it is desirable and in the City’s, best interest to assist Redeveloper in the manner set forth herein.

F. In purchasing the Property and in its desire to complete the Redevelopment Project, the Redeveloper relied upon the City’s commitment by this Agreement to assist, in part, with the funding and reimbursing the Redeveloper for certain Reimbursable Redevelopment Project Costs not to exceed the sum amount listed in Article IV.

G. Pursuant to Section 8-11-20 of the Illinois Municipal Code (65 ILCS 5/8-11-20) the City does hereby find, and the Redeveloper does hereby stipulate to, as follows:

1. That a significant portion of the Property has been vacant for at least one year;
2. That any building on the Property that has been demolished within the last year would have qualified under the subsections hereinafter;
3. That the buildings and improvements on the Property have not complied with the City's current building codes;
4. That the buildings on the Property have been less than significantly occupied, or have been under unutilized for a period of at least one year;
5. That the Redevelopment Project is expected to create or retain job opportunities within the City;
6. That the Redevelopment Project will serve to further the development of adjacent areas;
7. That without this Agreement the Redevelopment Project would not have been possible;
8. That the Redeveloper meets high standards of creditworthiness and financial strength as determined by the City;
9. That the Redevelopment Project will strengthen the commercial, hospitality, and tourism sectors of the municipality;
10. That the Redevelopment Project will enhance the tax base of the municipality; and,
11. That this Agreement is made in the best interest of the municipality.

H. This Agreement has been negotiated and submitted to the City Council for consideration and review and the City Council has given all notices and taken all actions required to be taken prior to the execution of this Agreement to make this Agreement effective.

I. The City has determined that this Redevelopment Project is consistent with the goals of the TIF District Plan and the Southwest Corridors Business District Plan, that it is necessary and in the best interest of the City to provide certain incentives to Redeveloper and that the Redevelopment Project will promote the health, safety and welfare of the City and its citizens by attracting private investment to the City, preventing blight and deterioration, providing employment for its citizens and generally enhancing the economy of the City.

J. The Business District Act authorizes the corporate authorities of a municipality, in connection with a business district redevelopment plan, to impose a Business District Tax, as hereinafter defined, in the City's Southwest Corridors Business District Area for the planning, execution, and implementation of the Southwest Corridors Business District Plan to pay for Reimbursable Redevelopment Project Costs as set forth in the Business District Plan approved by the municipality.

K. The City is entering into this Agreement based upon the representations and warranties of Redeveloper to timely perform the obligations of Redeveloper set forth herein and the City shall provide economic incentives to Redeveloper to develop the Redevelopment Project as more fully set forth herein.

L. The Property is currently located within the City's Tax Increment Financing (TIF) District No. 4 and in the City's Southwest Corridors Business District.

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties set forth herein, the receipt and sufficiency of which are hereby acknowledged, the City and the Redeveloper hereby covenant and agree as follows:

## **ARTICLE I**

### **DEFINITIONS**

1.1 Definitions. For the purposes of this Agreement, unless the context clearly requires otherwise, words and terms used in this Agreement shall have the meaning provided from place to place herein, as follows:

"*Act*" or "TIF Act" means the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.), as amended from time to time.

"*Acquisition Costs*" means all costs of acquiring the Property, including but not limited to, cost of land and improvements; brokerage commissions; costs of title commitments, reports or policies; surveys; engineering costs, environmental remediation, soil and hazardous waste and other site and property related reports and expenses; appraisals; and professional fees of any kind or nature, including attorneys' fees, architects' fees, filing fees, recording fees, and experts' fees.

"*Agreement*" means this Redevelopment and Economic Incentive Agreement, as the same may be from time to time modified, amended or supplemented in writing by the parties hereto.

"*Business District Act*" means 65 ILCS 5/11-74.3-1, et seq., as amended from time to time.

"*Business District Plan*" means that certain Southwest Corridors Business District Plan adopted by the City on July 25, 2016 pursuant to Ordinance No. 16-57 in accordance with the Business District Act.

“*Business District Tax*” means the one percent (1%) retailers’ occupation and service occupation taxes imposed by the City pursuant to 65 ILCS 5/11-74.3-6 and within the Southwest Corridors Business District Area.

“*Business District Tax Revenues*” means the revenue generated by and which the City is entitled to receive annually pursuant to the imposition of the Southwest Corridors Business District Tax and continuing for a maximum period of twenty-three (23) years after the date of the adoption of the ordinance approving the Southwest Corridors Business District Plan.

“*Certificate of Reimbursable Redevelopment Project Costs*” means a document, in the form of Exhibit B attached hereto, provided by Redeveloper to the City evidencing Reimbursable Redevelopment Project Costs incurred by Redeveloper with respect to the Redevelopment Project.

“*Certificate of Substantial Completion*” means a document in the form of Exhibit C attached hereto, provided by Redeveloper to the City in accordance with this Agreement and evidencing Redeveloper’s satisfaction of all obligations and covenants to perform the Work.

“*City*” means the City of Collinsville, Madison and St. Clair Counties, Illinois.

“*City Council*” means the City Council of the City.

“*City Manager*” means the City Manager of the City or their duly authorized agent.

“*City Property*” means all public streets, roadways, alleys or rights of way within the Project Area, if any.

“*Concept Site Plan*” means the concept site plan shown on Exhibit E, attached hereto and incorporated herein by reference, depicting the conceptual program for construction of the Work, provided that the site plan approved by the City for the Redevelopment Project, and as amended from time to time by the City and as deemed amended to reflect permitted relocation and reconfigurations of buildings or improvements shall constitute the Concept Site Plan for the purposes of this Agreement, provided further, that no such amendment to a site plan shall amend the Concept Site Plan shown on Exhibit E if such an amendment would constitute such a change to the Redevelopment Project as would in the opinion of the City Corporate Counsel require compliance with certain procedures imposed by the TIF Act or City Municipal Code.

“*Mayor*” means the Mayor of the City or his or her duly authorized agent.

“*Project Area*” means that certain area of the City more particularly described in Exhibit A attached hereto and incorporated by reference herein, all of which is also in City TIF District No. 4.

“*Property*” means that portion of the real property and existing improvements in the Project Area, all of which is also in City TIF District No. 4.

“*Redeveloper*” means Gateway RV, LLC, or its permitted successors or assigns in interest. In the event Redeveloper makes a permitted assignment of the Agreement with respect to the Redevelopment Project, then “Redeveloper” shall mean such assignee of Gateway RV, LLC.

“*Redevelopment Project*” means the expanding, improving, redeveloping and rehabilitating the Property in relation to the sales, repairs, and maintenance of recreational vehicles and powersport vehicles for the Project Area and the TIF District Area as described in the Concept Site Plan.

“*Reimbursable Redevelopment Project Costs*” means those redevelopment project costs described on Exhibit D attached hereto and incorporated by reference herein or such other costs incurred by Redeveloper, which are eligible for reimbursement to the Redeveloper in accordance with this Agreement.

“*Related Party*” means any party related to Redeveloper by one of the relationships described in Section 267(b) of the United States Internal Revenue Code of 1986, as amended.

“*Substantial Completion*” means sufficient completion of construction of the Redevelopment Project satisfactory to the City;

“*TIF Revenues*” means the ad valorem taxes, if any, arising from the tax levies upon taxable real property in the Project Area by any and all taxing districts or municipal corporations having the power to tax real property in the Project Area, which taxes are attributable to the increase in the then current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the portion of the Project Area over and above the Total Initial Equalized Assessed Value of each such portion of the taxable property within the Project Area, all as determined by the County Clerk of Madison County, Illinois in accordance with Section 11-74.4-9 of the Illinois Tax Increment Allocation Redevelopment Act. For purposes of this Agreement, the “then current equalized assessed valuation” shall mean the equalized assessed valuation for each taxable lot, block, tract or parcel of real property within the Project Area for the first year following full assessment of said real property after Substantial Completion of the Work in such Project Phase.

“*Work*” means all reasonable work necessary to prepare the Property and to construct the Redevelopment Project, including: (1) property acquisition which has already occurred prior to the date; and (2) all other work described in the Concept Site Plan and this Agreement, or reasonably necessary to effectuate the intent of this Agreement.

## ARTICLE II

### **ACCEPTANCE OF PROPOSAL; REDEVELOPER’S OBLIGATIONS**

2.1 Redeveloper Designation. The City hereby selects Redeveloper to perform or cause the performance of the Work in accordance with this Agreement.

2.2 Redeveloper to Advance Costs. Redeveloper has advanced all costs necessary to acquire the Property and agrees to advance all funds as necessary to complete the Work, all subject to (i) Redeveloper’s right to ongoing reimbursement of Reimbursable Redevelopment Project Costs in accordance with Article IV hereof; and (ii) Redeveloper’s right to abandon the Redevelopment Project and terminate this Agreement as set forth in Article VI hereof.

2.3 Tax Obligations. After the effective date of this Agreement and during the time any Obligation is outstanding in relation to the Redevelopment Project, the Redeveloper will:

- a. not protest any real estate tax assessment or valuation on the Property based upon consistent criteria with the taxation and valuation of other properties in the area;
- b. not protest any sales tax, Business District tax, Food and Beverage tax, Motel/Motel tax, real estate tax, Business District Tax, or any other tax that may be considered as revenue to the City;
- c. not convey the Property or any part thereof to any entity which would be exempt from the payment of sales taxes, Business District taxes, Food and Beverage taxes, Motel/Motel taxes, real estate taxes, or cause the nonpayment of such taxes; and
- d. cause all sales taxes, Business District taxes, Food and Beverage taxes, Motel/Motel taxes, or real estate taxes and assessments levied on the Property to be paid prior to the time such they become delinquent.

2.4 Acknowledgement of City's Interest in Generating Revenue for Municipal Purposes. The City hereby discloses and Redeveloper hereby acknowledges that the City will be seeking to generate Revenues for this Agreement for general municipal purposes through the imposition of various taxes that may be assessed by municipalities in accordance with Illinois laws. Redeveloper shall not be obligated to support the City in any way toward the imposition of such taxes. Redeveloper agrees that it will not file an appeal, a lawsuit, or in any way oppose any such taxes so long as such taxes are customary and reasonable and based upon consistent criteria as the taxation of other properties in the area.

2.5 Real Estate Taxes. As a condition prior to receiving payment of the Reimbursable Redevelopment Project Costs, the Redeveloper shall submit to the City copies of its paid real estate tax receipt from the Madison County Treasurer's office. Such receipt submittal shall be done on an annual basis and only after the subject real estate taxes owed have been paid in full.

### **ARTICLE III**

#### **ACQUISITION OF PROPERTY; SCHEDULE; CONSTRUCTION OF THE REDEVELOPMENT PROJECT; CITY APPROVALS**

3.1 Ownership of Property. The Redeveloper is the owner of the Property. Redeveloper shall have the right to encumber its interest in the Property. Subject to Redeveloper's representations in Section 7.2 and its rights in Section 6.3.2 to sell, transfer, encumber, lease, or otherwise dispose of the Property, at all times while this Agreement is in effect all of the Property acquired by Redeveloper shall be held in the name of Redeveloper and shall be subject to the terms, conditions, and covenants contained herein.

3.2. Project and Construction Schedule. The Redeveloper shall commence and shall complete each of its obligations under this Agreement with respect to the construction and completion of the Redevelopment Project as the case may be in accordance with the following schedule; provided that the time for completion shall be extended for delays beyond the reasonable control of the Developer, including but not limited to, City Delays; acts of God; inclement weather; strikes and other labor disputes; inability to procure or a general shortage of labor, equipment, facilities, materials, or supplies; lockouts; acts of labor unions; condemnation; court orders; laws or orders of governmental or military authorities; acts of terrorism; fire or other casualty; and all other matters set forth in Section 5.5 below.

It is the intention of the parties that the following activities occur on or before the end of the following periods:

<b><u>Activity</u></b>	<b><u>Time for Performance</u></b>
Commencement of Work	Within 6 months of the Date of Agreement
Submission of Substantial Completion	On or before December 31, 2017

3.3 Certificate of Substantial Completion. The Redeveloper will furnish to the City a Certificate of Substantial Completion so certifying. The City shall, within 30 days following delivery of the Certificate of Substantial Completion, carry out such normal and customary City inspections as it deems necessary to verify to its reasonable satisfaction the accuracy of the certifications contained in the Certificate of Substantial Completion. The Certificate of Substantial Completion shall be deemed accepted by the City unless, prior to the end of such 30 day period after delivery to the City of the Certificate of Substantial Completion, the City furnishes Redeveloper with specific written objections to the status of the Work based upon failure of the Work to comply with state and local laws, ordinances and regulations, building codes, TIF District Plan, Business District Plan, and Concept Site Plan describing such objections and the measures required to correct such objections in reasonable detail. Upon acceptance of the Certificate of Substantial Completion by the City or upon the lapse of 30 days after delivery thereof to the City without any written objections thereto, Redeveloper may record the Certificate of Substantial Completion with the Recorder of Deeds for Madison County, Illinois and the same shall constitute evidence of the satisfaction of Redeveloper's Agreements and covenants to perform all Work for the Redevelopment Project. The Certificate of Substantial Completion shall be in substantially the form attached as Exhibit C hereto and incorporated by reference herein.

3.4 Covenant Not to Discriminate. The Redeveloper agrees not to discriminate upon the basis of race, creed, color, national origin, gender, sexual preference, age, marital status or physical handicap in the construction, maintenance, operation, sale, lease, rental, occupancy or use of the Property, and said covenant may be enforced by the City or the United States of America, or any of their respective agencies.

3.5 Maintenance and Examination of Records. Financial records, supporting documents, statistical records and all other records pertinent to any activity under this Agreement shall be retained by the Redeveloper during the term of this Agreement. The City, upon request to Redeveloper, shall have reasonable access to any documents, books, papers, and records of Redeveloper which are directly pertinent to this Agreement for the purpose of making an audit, examination, excerpts, and transcriptions.



**ARTICLE IV**  
**REIMBURSEMENT OF REDEVELOPER COSTS**

4.1 City's Obligation to Reimburse Redeveloper.

(a) The City agrees to reimburse Developer for the verified Reimbursable Redevelopment Project Costs a sum of dollars equal to, but not to exceed, \$100,000.00, **subject to and limited by the other provisions in this Article IV.** Reimbursement shall be made upon submission to and acceptance by the City of: (i) the Certificate of Substantial Completion of the Redevelopment Project; (ii) Certificate(s) of Reimbursable Costs of equal to \$550,000.00; and (iii) compliance with all other provisions in this Article IV;

(b) After completion of the Work, on an annual basis the City shall pay to the Developer all of the TIF Revenues generated by the Property, as improved, in excess of \$25,635.00. TIF Revenues to be paid to the Developer for the Work shall begin to accumulate, upon: (i) the Certificate of Substantial Completion of the Redevelopment Project; (ii) Certificate(s) of Reimbursable Costs of equal to \$550,000.00; (iii) compliance with all other provisions in this Article IV.

(c) After completion of the Work, on a annual basis the City shall pay to the Developer all of the Business District Tax Revenues generated by the Property. Business District Tax Revenues to be paid to the Developer for the Work shall begin to accumulate upon: (i) the Certificate of Substantial Completion of the Redevelopment Project; (ii) Certificate(s) of Reimbursable Costs of equal to \$550,000.00; (iii) compliance with all other provisions in this Article IV.

(d) Reimbursements as provided for in sub-paragraphs (a) and (b) of this Section shall cease once the total of TIF Revenues and Business District Tax Revenues reimbursed to the Developer reaches \$100,000.00. Under no circumstances shall the Developer be reimbursed in excess of \$100,000.00 from any source of funds from the City.

(e) Payment of TIF Revenues shall be paid to the Developer within thirty (30) days of the City receiving them from the County of Madison and/or the State of Illinois. Upon submission to and acceptance by the City of the Certificate of Substantial Completion evidencing the expenditure of Reimbursable Redevelopment Project Costs shown on Exhibits C and D, no further documentation shall be required from the Developer in order to obtain the TIF Revenues hereunder, except as provided for in this Article IV.

4.2 Reimbursement Limited to Reimbursable Redevelopment Project Costs; Developer's Right to Substitute. Nothing in this Agreement shall obligate the City to reimburse the Redeveloper for any cost that: (i) is not incurred pursuant to the TIF Act or Business District Act; (ii) does not qualify as a Redevelopment Project Cost as that term is defined in the TIF Act and Business District Act; and (iii) has not been approved by the City in its TIF and Business District Plans. Prior to the City being obligated to reimburse any Reimbursable Redevelopment Project Costs, the Redeveloper shall provide itemized invoices, receipts and other reasonable information to confirm that any such cost is so incurred and does so qualify. The parties hereby agree that each of the categories of costs set forth in Exhibit D attached hereto constitute Redevelopment Project Costs as defined in the TIF Act and Business District Act which are eligible for reimbursement in accordance with the TIF Act and Business District Act and this Agreement. The Redeveloper shall not be limited to the total amount of reimbursement shown for any such category on Exhibit D, but shall be entitled to reimbursement for Redevelopment Project Costs from any of the categories set forth therein, without regard to the maximum amount shown for each category, up to the maximum aggregate amount established in Section 4.1. If the City determines that any cost identified as a Reimbursable Redevelopment Project Costs is not a "redevelopment project cost" as defined in the TIF Act and Business District Act, or has not been approved by the City in the its TIF and Business District Plans, the City shall so notify the Redeveloper in writing within thirty (30) days thereof identifying the ineligible cost and the basis for determining the cost to be ineligible, whereupon the Redeveloper shall have the right to identify and substitute other Redevelopment Project Costs as Reimbursable Redevelopment Project Costs with a supplemental application for payment.

4.3 Real Estate Taxes. As a condition prior to receiving the reimbursements as related in Section 4.1, the Redeveloper shall submit to the City copies of its due and paid real estate tax receipt from the Madison County Treasurer's office. Such receipt submittal shall be done on an annual basis within thirty (30) days after the subject real estate taxes owed have been paid in full. So long as the TIF Ordinance remains in effect in relation to the Property, the Redeveloper shall not challenge or appeal the real estate tax assessments on the Property without the written consent of the City.

4.4 City's Obligations Limited. Notwithstanding any other term or provision of the Agreement, Reimbursable Redevelopment Project Costs payable by the City to the Redeveloper are not the general obligation of the City and are payable only from the TIF and Business District Tax monies received by the City and from no other source, including, without limitation, the City's general revenue fund.

4.5 Commitment of Redevelopment Costs. As a condition of the City's obligation to make payments for Reimbursable Redevelopment Project Costs, Redeveloper's Redevelopment Costs, and proof thereof must exceed the sum of \$550,000.00 exclusive of interest expenses on any financing of the Redevelopment Project.

4.6 Proof of Expenditures. Upon its own initiative, or within 20 days of a written request from the City, the Redeveloper shall provide the City with documentation proving incurred and paid Reimbursable Redevelopment Costs by the Redeveloper. Notwithstanding any other provision herein, the City shall be obligated to reimburse the Redeveloper only for Reimbursable Redevelopment Project Costs incurred on or before Substantial Completion and actually paid by the Redeveloper, whether such payment occurs before or after Substantial Completion.

4.7 Lien. The City shall have a security interest in the Property in the form of a Lien in the amount of \$100,000.00. The City shall be responsible for the recording of its Lien with the Office of the Madison County Recorder of Deeds. The form of said Lien shall be as in Exhibit F attached hereto.

4.8 Release of Lien. After the final payout from the City to the Redeveloper pursuant to Article IV herein, upon its request the City shall provide the Redeveloper a Release of Lien. The Redeveloper shall be responsible for the recording of its Release of Lien with the Office of the Madison County Recorder of Deeds.

## **ARTICLE V**

### **BREACH AND CURE**

5.1 Cure of Breach. In the event of any material breach by either party of any term, provision, covenant, agreement, restriction, or regulation contained in this Agreement or in the Plans, both as may be amended from time to time, the breaching party shall have thirty (30) days after receipt of written notice of such material breach from the other party to cure the same; provided, however, that in the event that said material breach cannot be cured within thirty (30) days and the breaching party shall have undertaken the curing of said material breach within thirty (30) days and shall thereafter diligently pursue the same, then the breaching party shall have ninety (90) days to cure same.

5.2 Termination Due to Breach. In the event any material breach of this Agreement remains uncured after the pertinent cure period, then the non-breaching party shall have the right and power to terminate this Agreement and institute and prosecute any proceeding at law or in equity to enforce any covenant or agreement contained herein or in the Plan, and to recover damages resulting from such material breach, in any event not to exceed the outstanding balance of the verified Reimbursable Redevelopment Project Costs provided for in Section 4.1 of this Agreement.

## ARTICLE VI

### **GENERAL PROVISIONS**

6.1 Redeveloper's Right of Termination. At any time prior to the City's payment of verified Reimbursable Redevelopment Project Costs Redeveloper may, by giving written notice to the City, terminate this Agreement and Redeveloper's obligations hereunder if Redeveloper determines, in its sole discretion, that the Redevelopment Project is no longer economically feasible.

6.2 City's Right of Termination. The City shall have the right to terminate this Agreement if Redeveloper materially defaults in or materially breaches any provision of this Agreement and fails to cure such default or breach pursuant to Section 5.1 hereof, or breaches any representation or warranty contained in Section 7.2 hereof.

6.3 Successors and Assigns.

6.3.1 This Agreement shall be binding on and shall inure to the benefit of the parties named herein and their respective heirs, administrators, executors, personal representatives, successors and permitted assigns.

6.3.2 Without limiting the generality of the foregoing, all or any part of the Property or any interest therein may be sold, transferred, encumbered, leased, or otherwise disposed of at any time, and the rights of Redeveloper named herein or any successors in interest under this Agreement or any part hereof may be assigned at any time before, during or after Substantial Completion of the Redevelopment Project, whereupon the party disposing of its interest in the Property or assigning its interest under this Agreement shall be thereafter released from further obligation under this Agreement (although any such Property so disposed of or to which such interest pertains shall remain subject to the terms and conditions of this Agreement), provided that until the Substantial Completion of the Redevelopment Project, the fee title to the Property may not be sold, transferred or otherwise disposed of and the rights, duties and obligations of Redeveloper under this Agreement may not be assigned in whole or in part to any person or entity other than an affiliated entity of the Redeveloper without the prior written approval of the City.

6.3.3 Notwithstanding anything herein to the contrary, the City hereby approves, and no prior consent shall be required in connection with, (a) the right of Redeveloper to encumber or collaterally assign its interest in the Property or any portion thereof or its rights and interests in this Agreement, to secure loans, advances or extensions of credit to finance or from time to time refinance all or any part of the Reimbursable Redevelopment Project Costs, or the right of the holder of any such encumbrance or transferee of any such collateral assignment (or trustee or agent on its behalf) to transfer such interest by foreclosure or transfer in lieu of foreclosure under

such encumbrance or collateral assignment; (b) the right of Redeveloper to assign Redeveloper's rights, duties and obligations under this Agreement to a Related Party; (c) the right of Redeveloper to sell or lease individual portions of the Property in the ordinary course of the development of the Redevelopment Project; provided that in each such event (i) Redeveloper named herein shall remain liable hereunder for the substantial completion of the Redevelopment Project, and shall be released from such liability hereunder only upon substantial completion of the Redevelopment Project, and (ii) Redeveloper provides to the City thirty (30) days advance written notice of the proposed assignment or transfer, except in connection with the sale or lease of individual portions of the Property in the ordinary course of business, which shall require no notice to the City. City agrees to provide, upon Redeveloper's request, such reasonable estoppel certificates as may be required by Redeveloper or the assignee of Redeveloper confirming the terms and status of this Agreement.

6.3.4 With or without the City's rights of approval of an assignee of the Redeveloper, as provided for in this Section, any assignee of the Redeveloper's interest herein must comply with the provisions of 65 ILCS 5/8-11-20(6). Failure of such compliance shall be considered a material breach of contract subject to cure and damages as provided for in Article V of the Agreement.

6.3.5 Notwithstanding any provision herein except for Section 6.6.3, any assignee of the Redeveloper shall be required to maintain a business for the sales, repairs, and maintenance of recreational vehicles and powersport vehicles.

6.4 Notices. All notices, demands, consents, approvals and other communications required by this Agreement to be given by either party hereunder shall be in writing and shall be hand delivered or sent by United States first class mail, postage prepaid, addressed to the appropriate party at its address set forth below, or at such other address as such party shall have last designated by notice to the other. Notices, demands, consents, approvals, and other communications shall be deemed given when delivered or three days after mailing; provided, however, that if any such notice or other communication shall also be sent by telecopy or fax machine, such notice shall be deemed given at the time and on the date of machine transmittal if the sending party receives a written send verification on its machines and forwards a copy thereof with its mailed or courier delivered notice or communication:

In case of Redeveloper, is addressed to or delivered to:

Gateway RV, LLC  
Attn: Brian Travers  
2020 Mall Street  
Collinsville, IL 62234

and a copy to:

Christopher W. Byron  
Byron Carlson Petri & Kalb, LLC  
411 St. Louis Street  
Edwardsville, Illinois 62025

In case of the City, is addressed to or delivered to:

City of Collinsville, Illinois  
Attn: City Clerk  
125 South Center Street  
Collinsville, IL 62234  
Telephone: (618) 344-5252  
FAX: (618) 346-1662

with copy to:

Steven Giacoletto  
Giacoletto Law Firm  
30 Summer Tree Lane  
Collinsville, IL 62234  
Telephone: (618) 346-8841  
Fax: (618) 346-8843

or at such other address with respect to either such party as that party may, from time to time, designate in writing and forward to the other as provided in this Section.

6.5 Conflict of Interest. No member of the City Council or any branch of the City's government who has any power of review or approval of any of Redeveloper's undertakings, or of the City's contracting for goods or services for the Redevelopment Project, shall participate in any decisions relating thereto which affect that member's personal interests or the interests of any corporation or partnership in which that member is directly or indirectly interested. Any person having such interest shall immediately, upon knowledge of such possible conflict, disclose, in writing, to the City Council the nature of such interest and seek a determination by the City Council with respect to such interest and, in the meantime, shall not participate in any actions or discussions relating to the activities herein proscribed.

6.6 Insurance; Damage or Destruction of Redevelopment Project.

6.6.1 Redeveloper will cause there to be insurance as hereinafter set forth at all times on the Property, including during the process of the Work and so long as any Reimbursable Redevelopment Project Costs payments remain outstanding and, from time to time at the request of the City, furnish the City with proof of payment of premiums on:

- (a) Comprehensive general liability insurance (including operations, operations of subcontractors, completed operations and contractual liability insurance) together with an owner's contractor's policy, with limits against bodily injury and property damage of not less than One Million Dollars (\$1,000,000.00) for each occurrence (to accomplish the above required limits, an umbrella excess liability policy may be used); and
- (b) Workers' Compensation insurance, with statutorily required coverage.

6.6.2 The policies of insurance required pursuant to clauses (a) and (b) above shall be in form and content reasonably satisfactory to the City and shall be placed with financially sound and reputable insurers licensed to transact business in the State of Illinois with a general policy holder's rating of not less than A- and a financial rating of A- as rated in the most current available "Best's" insurance reports. The policy of insurance delivered pursuant to clause (i) above shall contain an agreement of the insurer to give not less than thirty (30) days advance written notice to the City in the event of cancellation of such policy or change affecting the coverage there under. Redeveloper shall deliver to the City evidence of all insurance to be maintained hereunder.

6.6.3 In the event of destruction or damage to the Redevelopment Project by fire or other casualty, during construction or thereafter during the term of this Agreement so long as any Reimbursable Redevelopment Project Costs are outstanding, the insurance proceeds (after deducting any expenses incurred in the collection thereof) shall be applied to the restoration, reconstruction and repair of the Redevelopment Project to at least the value and substantially the same character as prior to the damage or destruction.

6.7 Inspection. The City may conduct such periodic inspections of the Work as may be generally provided in the building code of the City. In addition, Redeveloper shall allow other authorized representatives of the City access to the Work site from time to time upon reasonable advance written notice prior to the completion of the Work for reasonable inspection thereof. Redeveloper shall also allow the City and its employees, agents and representatives to inspect, upon request, all architectural, engineering, demolition, construction and other contracts and

documents pertaining to the construction of the Work as the City determines is reasonable and necessary to verify Redeveloper's compliance with the terms of this Agreement.

6.8 Choice of Law. This Agreement shall be taken and deemed to have been fully executed, made by the parties in, and governed by the laws of State of Illinois for all purposes and intents, including without limitation for jurisdiction and venue purposes, which is hereby stipulated to be in the Circuit Court of Madison County, Illinois.

6.9 Entire Agreement; Amendment. The parties agree that this Agreement constitutes the entire agreement between the parties and that no other agreements or representations other than those contained in this Agreement have been made by the parties. This Agreement shall be amended only in writing and effective when signed by the authorized agents of the parties.

6.10 Counterparts. This Agreement is executed in multiple counterparts, each of which shall constitute one and the same instrument.

6.11 Severability. In the event any term or provision of this Agreement is held to be unenforceable by a court of competent jurisdiction, the remainder shall continue in full force and effect, to the extent the remainder can be given effect without the invalid provision.

6.12 Release and Indemnification. The indemnifications and covenants contained in this Section 6.12 shall survive termination or expiration of this Agreement.

6.12.1 No elected or appointed official, agent, employee or representative of the City shall be personally liable to Redeveloper in the event of any default or breach by any party under this Agreement, or for any amount which may become due to any party or on any obligations under the terms of this Agreement.

6.12.2 Redeveloper releases from and covenants and agrees that the City and its governing body members, officers, agents, servants, employees and independent contractors shall not be liable for, and agrees to indemnify and hold harmless the City, its governing body members, officers, agents, servants, employees and independent contractors against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the acquisition of the Property or construction of the Work including any and all claims arising from the acquisition of the Property, including, but not limited to, location of hazardous wastes, hazardous materials or other environmental contaminants on the Property, including all costs of defense, including attorneys fees, except for those matters arising out of the negligence or willful or wanton misconduct of the City and its governing body members, officers, agents, servants, employees and independent contractors.



6.12.3 The City and its governing body members, officers, agents, servants, employees and independent contractors shall not be liable for any damage or injury to the persons or property of Redeveloper or its officers, agents, servants or employees or any other person who may be about the Property or the Work except for those matters arising out of the negligence or willful or wanton misconduct of the City and its governing body members, officers, agents, servants, employees and independent contractors.

6.12.4 All covenants, stipulations, promises, agreements and obligations of the City contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City and not of any of its governing body members, officers, agents, servants or employees in their individual capacities.

6.12.5 No official, employee or representative of the City shall be personally liable to Redeveloper: (1) in the event of a default or breach by any party under this Agreement, or (2) for any amount which may become due to any party under the terms of this Agreement.

6.12.6 Redeveloper releases from and covenants and agrees that the City, its governing body members, officers, employees, agents and independent contractors shall not be liable for, and agrees to indemnify and hold the City, its governing body members, officers, employees, agents and independent contractors, harmless from and against any and all suits, interest, claims and cost of attorneys fees incurred by any of them, resulting from, arising out of, or in any way connected with: (1) the construction of the Work; (2) the negligence or willful misconduct of Redeveloper, its employees, agents or independent contractors in connection with the design management, development, redevelopment and construction of the Work; (3) the compliance by Redeveloper with all applicable state, federal and local environmental laws, regulations and ordinances as applicable to the Property, excluding the City Property to the extent such condition existed prior to the acquisition thereof by Redeveloper; except that the foregoing release and indemnification shall not apply in the case of such liability arising directly out of the negligence or willful or wanton misconduct of the City or its authorized governing body members, officers, employees, agents and independent contractors or which arises out of matters undertaken by the City following termination of this Agreement as to the Redevelopment Project or any portion thereof.

6.13 Survival. Notwithstanding the expiration or termination or breach of this Agreement by either party, the agreements contained in Sections 2.3, 6.5, 6.11, and 6.12 and its subsections, of this Agreement shall, except as otherwise expressly set forth herein, survive such expiration, termination or breach of this Agreement by either party.

6.14 Maintenance of the Property. Redeveloper shall remain in compliance with all provisions of the City's Code relating to maintenance and appearance during the construction of the Redevelopment Project or any portion thereof. Upon Substantial Completion of the

Redevelopment Project, Redeveloper or its successor(s) in interest, as owner or owners of the affected portion(s) of the Property, shall during the remainder of the term of this Agreement, maintain or cause to be maintained the buildings and improvements within the Project Area and TIF District Area which it owns in accordance with the Franchisor's requirements and in conformity with applicable state and local laws, ordinances and regulations. If there are separately-owned parcels of real estate on the Property during the term of this Agreement, each owner as a successor in interest to Redeveloper shall maintain or cause to be maintained the buildings and improvements on its parcel in accordance with the Franchisor's requirements and in conformity with applicable state and local laws, ordinances and regulations, and shall maintain or cause to be maintained reasonable property and liability insurance with respect to the same in accordance with this Section.

## **ARTICLE VII**

### **REPRESENTATIONS OF THE PARTIES**

7.1 Representations of the City. The City hereby represents and warrants that it has full constitutional and lawful right, power and authority, under current applicable law, to execute and deliver and perform the terms and obligations of this Agreement. Accordingly, this Agreement constitutes the legal, valid and binding obligation of the City, enforceable in accordance with its terms.

7.2 Representations of Redeveloper. Redeveloper hereby represents and warrants that:

- (a) It has full power to execute and deliver and perform the terms and obligations of this Agreement and all of the foregoing has been duly and validly authorized by all necessary corporate proceedings.
- (b) This Agreement constitutes the legal, valid and binding obligation of Redeveloper, enforceable in accordance with its terms.

[Signature Page Follows]

IN WITNESS WHEREOF, the City and the Redeveloper caused this Agreement to be executed in their respective hands and upon their behalf.

**REDEVELOPER:**

Gateway RV, LLC

By: \_\_\_\_\_  
Brain Travers, Sole Member

STATE OF ILLINOIS            )  
  ) SS  
COUNTY OF \_\_\_\_\_)

On this \_\_\_\_ day of \_\_\_\_\_, 2017, before me personally appeared \_\_\_\_\_ to me personally known, who, being by me duly sworn, did say that he is \_\_\_\_\_ of \_\_\_\_\_ authorized to do business in the State of Illinois and that said instrument was signed and sealed in behalf of said limited liability company, by authority of its members and said acknowledged said instrument to be the free act and deed of said company.

\_\_\_\_\_  
Notary Public

My commission expires:

**CITY:**

CITY OF COLLINSVILLE, ILLINOIS

By: \_\_\_\_\_  
John Miller, Mayor

ATTEST: \_\_\_\_\_  
Kim Wasser, City Clerk

**EXHIBIT A**  
**LEGAL DESCRIPTIONS**  
**OF**  
**PROPERTY AND PROJECT AREA**

**Tract 1**

Parcel 1:

Lot 21 in Resubdivision of Lots 8, 9 and 10 of the Mall (Revised in U.S. Survey 392 Claim 602 and the southwest fractional quarter of section 29, township 3 north, range 8 west of the third principal meridian, according to the plat thereof recorded in the Recorder's Office of Madison County, Illinois in plat book 42 Page 70.

Except the coal, oil, gas and other minerals as may have been heretofore excepted, reserved or conveyed. Situated in Madison County, Illinois

Parcel 2:

A tract of land being part of section 29 and part of U.S. Survey 653 Claims 599 and 600, all in township 3 north, range 8 west of the third principal meridian, City of Collinsville, Madison County, Illinois, more particularly described as follows: Beginning at the intersection of the west line of Federal Aid Interstate 07 (Interstate 55/70) as shown in plat book 28 pages 50 and 51 and plat book 31 page 64; thence north 70 degrees 20 minutes 06 seconds east along said right of way line a distance of 44.03 feet; thence south 67 degrees 16 minutes 45 seconds east, a distance of 535.96 feet; thence south 22 degrees 20 minutes 49 seconds west, a distance of 176.67 feet; thence north 67 degrees 15 minutes 37 seconds west, a distance of 506.33 feet to the west line of said section 29, a distance of 159.89 feet to the point of beginning.

Except the coal, oil, gas and other minerals as may have been heretofore excepted, reserved or conveyed. Situated in Madison County, Illinois.

PERMANENT PARCEL NO. 13-2-21-29-03-302-023

**Tract 2**

Lot 9 (excepting therefrom a strip of land 130 feet of even width off the Easterly side thereof) in the re-subdivision of Lots, 8, 9 and 10 of The Mall (revised), a subdivision according to the plat thereof recorded in Plat Book 42 Page 70 (except coal and other mineral rights conveyed, excepted or reserved in prior conveyances) in Madison County, Illinois.

PERMANENT PARCEL NO. 13-2-21-29-03-302-025

## EXHIBIT B

### FORM OF CERTIFICATE OF REIMBURSABLE REDEVELOPMENT PROJECT COSTS

TO: City of Collinsville, Illinois  
Attention: Mayor  
Re: Gateway RV, LLC Redevelopment Project

TO: City of Collinsville, Illinois  
Re: City of Collinsville, Illinois TIF District No. 4 Redevelopment Area and Southwest Corridors Business District Redevelopment Project

*Terms not otherwise defined herein shall have the meaning ascribed to such terms in the Redevelopment Agreement dated as of \_\_\_\_\_, 2017 (the "Agreement") between the City and the Redeveloper. In connection with said Agreement, the undersigned hereby states and certifies that:*

1. Each item listed on **Schedule 1** hereto is a Reimbursable Redevelopment Project Cost under the Agreement.
2. Each item listed on **Schedule 1** was incurred in connection with the construction of the Redevelopment Project and has been paid by the Redeveloper.
3. Each item listed on **Schedule 1** has not previously been paid or reimbursed and no part thereof has been included in any other certificate previously filed with the City.
4. There has not been filed with or served upon the Redeveloper any notice of any lien, right of lien or attachment upon or claim affecting the right of any person, firm or corporation to receive payment of the amounts stated in this request, except to the extent any such lien is being contested in good faith.
5. All necessary permits and approvals required for the portion of the Work in connection with the Redevelopment Project for which this certificate relates have been issued and are in full force and effect.
6. All Work for the Redevelopment Project for which payment or reimbursement is requested has been performed and in accordance with the Concept Site Plan and the Agreement.
7. If any cost item to be reimbursed under this Certificate is deemed not to constitute a "redevelopment project cost" within the meaning of the TIF Act, Business District Act, and the Agreement, the Redeveloper shall have the right to substitute other eligible Reimbursable Redevelopment Project Costs for payment hereunder in connection with the Redevelopment Project.

IN WITNESS WHEREOF, the undersigned has hereunto set his/her hand this \_\_\_\_\_  
day of \_\_\_\_\_, \_\_\_\_.

**REDEVELOPER: GATEWAY RV, LLC**

By: \_\_\_\_\_  
Brian Travers, Member

## **EXHIBIT C**

### **FORM OF CERTIFICATE OF SUBSTANTIAL COMPLETION**

The undersigned, Gateway RV, LLC (or its successors or assigns) (the “Redeveloper”), pursuant to that certain Redevelopment and Economic Incentive Agreement dated \_\_\_\_\_ between the City of Collinsville, Illinois (the “City”) and Redeveloper (the “Agreement”), hereby certifies to the City as follows:

1. That as of \_\_\_\_\_, \_\_\_\_\_, the expansion, improving, renovation, repairing, equipping and constructing of the Work for the Redevelopment Project (as those terms are defined in the Agreement) has been substantially completed in accordance with the Agreement.
2. Lien waivers for applicable portions of the Work have been obtained.
3. This Certificate of Substantial Completion is accompanied by the project architect’s or engineer’s certificate of substantial completion on AIA Form G-704 (or the substantial equivalent thereof), a copy of which is attached hereto as Appendix A and by this reference incorporated herein, certifying that the Work has been substantially completed in accordance with the Agreement.
4. This Certificate of Substantial Completion is being issued by the Redeveloper to the City in accordance with the Agreement to evidence the Redeveloper’s satisfaction of all obligations and covenants with respect to the Work.
5. The City’s acceptance or the City’s failure to object in writing to this Certificate within thirty (30) days of the date of delivery of this Certificate to the City (which written objection, if any, must be delivered to the Redeveloper prior to the end of such thirty (30) day period), and the recordation of this Certificate with the Madison County Recorder of Deeds shall evidence the satisfaction of the Redeveloper’s agreements and covenants to perform the Work.

This Certificate shall be recorded in the office of the Madison County Recorder of Deeds. This Certificate is given without prejudice to any rights against third parties which exist as of the date hereof or which may subsequently come into being. Terms not otherwise defined herein shall have the meaning ascribed to such terms in the Agreement.

IN WITNESS, WHEREOF, the undersigned has hereunto set his/her hand this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**REDEVELOPER: GATEWAY RV, LLC**

By: \_\_\_\_\_  
Brian Travers, Member

## EXHIBIT D

### REIMBURSABLE REDEVELOPMENT PROJECT COSTS

PRELIMINARY DESIGN-BUILD BUDGET Gateway RV- 6,000 SF  
Showroom/Service Addition

#### I. GENERAL REQUIREMENTS

Item #	Description	Budget
1	Permits	By Owner
2	Clean up; Dumpster	\$5,476.00
3	Temporary Facilities/Toilet	\$3,244.00
4	Concrete/Soil Testing	\$4,390.00
5	Shoring and Bracing	\$2,145.00
6	Barricades & Temporary Fence	\$1,752.00
7	Protection	\$1,237.00
8	Silt Control/Plumbing	\$2,891.00
	<b>PART I TOTAL</b>	<b>\$21,135.00</b>

#### II. SITEWORK

Item #	Description	Budget
1	Saw Cutting	\$3,822.00
2	Pavement Removal/Hauling	\$9,262.00
3	Grade Building Pad	\$3,030.00
4	Concrete Paving	\$5,058.00
5	Lot Re-Striping	\$600.00
6	Bollards	\$1,800.00
7	Landscaping	\$3,000.00
8	Site Electrical	Not Included
9	Surveying/Layout	\$2,640.00



10	Civil Engineering	\$5,450.00
	<b>PART II TOTAL</b>	<b>\$34,622.00</b>

### III. BUILDING ADDITION

Item #	Description	Budget
1	Foundation/Footings	\$27,720.00
2	Floor Slab	\$29,052.00
3	Wall Panels	\$14,122.00
4	Brick Wainscot	\$17,400.00
5	Cement Board Siding Material	\$5,142.00
6	Wood Roof Trusses	\$16,200.00
7	Roof Plywood/Bracing	\$7,874.00
8	Framing Labor	\$37,440.00
9	Insulation	\$7,446.00
10	Drywall	\$11,976.00
11	Aluminum Storefront Windows/Door	\$11,816.00
12	Painting (No Painting of Trusses)	\$5,454.00
13	Floor Polishing Sealer	\$4,020.00
14	Wood Base/Window Trim	\$3,120.00
15	Trim Labor	\$3,840.00
16	Roofing	\$18,840.00
17	Overhead Doors	\$5,738.00
18	Interior Doors/Hardware	\$6,259.00
19	Plumbing	\$29,940.00
20	HVAC	\$38,376.00
21	Electrical	\$41,400.00
	<b>PART III TOTAL</b>	<b>\$343,175.00</b>

#### IV. OWNER INCURRED COSTS

Item #	Description	Budget
1	Land Acquisition Cost	\$18,000.00
2	Site Improvements (electrical/retention)	\$50,000.00
3	Signage	\$60,000.00
4	Equipment	\$25,000.00
	<b>PART IV TOTAL</b>	<b>\$153,000.00</b>

GRAND SUBTOTAL	\$551,932.00
Architectural/Structural Fee	\$18,400.00
Duggan Overhead and Profit (8%)	\$33,486.00
Budget for Firewall	\$25,000.00
TOTAL BUDGET VALUE FOR BUILDING AND SITE IMPROVEMENTS	\$628,818.00 (\$104.80/SF)

**EXHIBIT E**

**APPROVED SITE PLAN**

**(See Attached)**

**EXHIBIT F**

**NOTICE OF LIEN**

**NOTICE OF LIEN**

**MAIL TO:**

CITY CLERK  
CITY OF COLLINSVILLE  
125 SOUTH CENTER STREET  
COLLINSVILLE, ILLINOIS 62234

**PREPARED BY:**

STEVE GIACOLETTO  
CORPORATE COUNSEL  
CITY OF COLLINSVILLE  
125 SOUTH CENTER STREET  
COLLINSVILLE, ILLINOIS 62234

RECORDER'S STAMP

**NOTICE OF LIEN**

NOTICE IS HEREBY GIVEN that the City of Collinsville, Illinois, is granted a lien with the approval of property owner Gateway RV, LLC in the amount of \$100,000.00, against the real estate and improvements located at what is commonly known as 2017 and 2020 Mall Street, Collinsville, Illinois, and more particularly described as follows, to wit:

Tract 1

Parcel 1:

Lot 21 in Resubdivision of Lots 8, 9 and 10 of the Mall (Revised in U.S. Survey 392 Claim 602 and the southwest fractional quarter of section 29, township 3 north, range 8 west of the third principal meridian, according to the plat thereof recorded in the Recorder's Office of Madison County, Illinois in plat book 42 Page 70.

Except the coal, oil, gas and other minerals as may have been heretofore excepted, reserved or conveyed. Situated in Madison County, Illinois

Parcel 2:

A tract of land being part of section 29 and part of U.S. Survey 653 Claims 599 and 600, all in township 3 north, range 8 west of the third principal meridian, City of Collinsville, Madison County, Illinois, more particularly described as follows: Beginning at the intersection of the west line of Federal Aid Interstate 07 (Interstate 55/70) as shown in plat book 28 pages 50 and 51 and plat book 31 page 64; thence north 70 degrees 20 minutes 06 seconds east along said right of way line a distance of 44.03 feet; thence south 67 degrees 16 minutes 45 seconds east, a distance of 535.96 feet; thence south 22 degrees 20 minutes 49 seconds west, a distance of 176.67 feet; thence north 67 degrees 15 minutes 37 seconds west, a distance of 506.33 feet to the west line of said section 29, a distance of 159.89 feet to the point of beginning.

Except the coal, oil, gas and other minerals as may have been heretofore excepted, reserved or conveyed. Situated in Madison County, Illinois.

PERMANENT PARCEL NO. 13-2-21-29-03-302-023

Tract 2

Lot 9 (excepting therefrom a strip of land 130 feet of even width off the Easterly side thereof) in the re-subdivision of Lots, 8, 9 and 10 of The Mall (revised), a subdivision according to the plat thereof recorded in Plat Book 42 Page 70 (except coal and other mineral rights conveyed, excepted or reserved in prior conveyances) in Madison County, Illinois.

PERMANENT PARCEL NO. 13-2-21-29-03-302-025

and that said Lien is in relation to the completed construction of a commercial development to a Redevelopment and Economic Incentive Agreement dated \_\_\_\_\_ between the City of Collinsville and Gateway RV, LLC, owner of the property described herein.

CITY OF COLLINSVILLE

By: \_\_\_\_\_  
\_\_\_\_\_, City Manager