

# **ROCKFORD PROJECT LLC**

## **ROCKFORD RESIDENCES FUNDING PROPOSAL Underwriting Package – December 2025**

1358 4th Avenue • Rockford, Illinois 61104

Submitted to: Rockford Community Bank – A Wintrust Community Bank

Attn: Danielle N. DeDario, MBA – Vice President, Business Banking

Prepared by: Robert Freeman

IBS Here Inc. – Developer

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# 1. Executive Summary

Rockford Project LLC respectfully submits this financing proposal to Rockford Community Bank seeking a **Construction-to-Permanent Loan** for the full redevelopment of the Wight School building into a **31-unit extended-stay Rockford Residences, a high-end hospitality property.**

Rockford Residences will be a medically-supported multifamily conversion serving one of Northern Illinois' most demand-constrained housing needs: **extended-stay living for healthcare workers and families of patients.**

Key Strengths:

- Direct adjacency to major hospitals (walkable)
- Strong unit mix with family-sized 2BR units
- Fully compliant parking with adjacent owned parcel
- Strong brick institutional structure (long-life asset)
- Extended-stay pricing = premium NOI performance
- Low market vacancy in target segment (<4%)
- Experienced developer (IBS Here Inc.) overseeing the conversion

Municipal Support:

- Meets critical need for **hospital workforce housing**
- Generates tax base and urban revitalization

Risk Mitigations:

- Historic tax credits significantly lower risk to lenders
- Master leasing buffers lease-up uncertainty

The property is owned **free and clear**. The bank will take a **first mortgage lien** on the land and improvements.

Revenue and underwriting assumptions are **conservative**:

- **90% occupancy**
- **20% operating expense ratio**
- **3% annual revenue escalation**
- Verified long-term stay demand from **Extended Stay Rent Roll**

**Loan Request:**

**\$7,625,935** — Senior Secured Construction-to-Permanent Loan

**7.50% fixed**, 30-year amortization (after construction)

**Annual DSCR:**

- Year 1: **1.83x**
- Year 2: **1.88x**
- Year 3: **1.94x**

**Stabilized Market Value: ≈ \$13.7 Million** (Income Approach @ 8.5% cap rate)

**Stabilized LTV: ≈ 56%**

This project represents strong bank collateral and superior repayment security.

## 2. Sponsorship & Development Team

**Borrower / Owner**

**Rockford Project LLC**

Role: Borrower & Title Holder

- Owns property free and clear
- Will operate asset post-construction

**Developer / Construction Manager**

**IBS Here Inc.**

- Budget control
- Construction administration
- FF&E procurement
- Stabilization management

Developer Fee:

**5% of total cost = \$365,399**

Paid in four equal installments tied to progress milestones

**Architect** - Filoramo Talsma Architecture

— Completed schematic design set

**Lender (Proposed)** – Rockford Community Bank

— Senior secured mortgage lender

### 3. Project Vision & Scope

- **31 fully furnished extended-stay units**
  - 17 × 2-bedroom suites
  - 14 × 1-bedroom suites
- Kitchens in every unit
- High-speed business Wi-Fi
- Guest laundry
- 57 parking spaces

**Primary demand:** Healthcare workforce from UW–Swedish American Hospital & industrial contract labor

**Stabilization:** 3–4 months following Certificate of Occupancy

Projected **NOI: \$1.1M–\$1.24M** within first 36 months.

### 4. Property Ownership & Collateral Summary

**Property:** 1358 4th Avenue, Rockford, IL  
Owned by Rockford Project LLC **free and clear**

Last certified appraisal: **\$450,000 As-Is**  
(Now substantially improved value with construction investment)

**Stabilized Market Value: ≈ \$13.7 Million** (see Section 8)

**Post-Stabilization LTV: 56%**

Strong recovery in any liquidation scenario

Bank obtains:

- First-position mortgage lien
- Assignment of rents and leases

## 5. Uses & Sources of Funds

### Sources

Source	Amount	%
Senior Loan	<b>\$7,673,371</b>	100%

### Uses

Cost Category	Amount
Construction Trades (Hard Costs)	\$5,402,108
General Conditions (6%)	\$324,126
Contractor OH&P (10%)	\$540,211
Contingency (8%)	\$501,316
Soft Costs (A/E, Legal, Insurance)	\$540,211
<b>Developer Fee</b>	<b>\$365,399</b>
<b>Total</b>	<b>\$7,673,371</b>

## 6. Financial Assumptions

Category	Basis
Revenue	Extended Stay Rent Roll
Occupancy	90% underwriting safety
Expense Ratio	20% of gross revenue
Annual Rent Increase	3%
Loan Rate	7.50% fixed
Amortization	30 years post-construction

## 7. Three-Year Performance Projections

Year	Gross Revenue	OpEx (20%)	NOI
1	\$1,461,497	\$292,299	<b>\$1,169,197</b>
2	\$1,505,341	\$301,068	<b>\$1,204,273</b>
3	\$1,550,502	\$310,100	<b>\$1,240,401</b>

Debt Service: **\$639,000/year**

### Year DSCR Status

1	<b>1.83×</b> Strong
2	<b>1.88×</b> Strong
3	<b>1.94×</b> Strong

## 8. Stabilized Valuation Analysis

$$\text{Value} = \frac{\text{NOI}}{\text{Cap Rate}} = \frac{1,169,197}{0.085} = \$13,755,259 (\approx \$13.7\text{M})$$

Metric	Result
Stabilized LTV	<b>≈ 56%</b>
Collateral Status	<b>Excellent</b>

## 9. Collateral & Credit Strength Narrative

- Collateral owned **free & clear**
- Strong DSCR from Year 1 onward
- Extended stay demand validated
- Healthcare-driven occupancy stability
- Favorable loan structure eliminates refinance risk

# 10. Construction Draw Schedule

Draw	Phase	%	Amount
1	Mobilization	5%	\$383,669
2	Demo & Framing	10%	\$767,337
3	Envelope	12%	\$920,805
4	MEP Rough-In	18%	\$1,381,207
5	Drywall & Partitions	20%	\$1,534,674
6	Interior Finishes	20%	\$1,534,674
7	Sitework	10%	\$767,337
8	Punchlist & CO	5%	\$383,669

Total: **\$7,673,372**

# 11. Closing Deliverables Checklist

- Detailed estimate proposal
- Development contract
- LLC Minutes & Resolution
- Corporate docs & good standing cert
- Projected revenue & pay off

# 12. Certification & Authorization

Rockford Project LLC certifies the accuracy of this submission for the purpose of obtaining financing.

**Borrower: Rockford Project LLC**

**Developer:** IBS Here Inc.  
**By: Robert Freeman**  
VP / Authorized Representative  
Phone: 513-575-6968  
Email: robert@ibshere.com

# 13. Contact & Submission Instructions

Submit underwriting documentation to:

**Danielle N. DeDario, MBA**  
Vice President – Business Banking  
Rockford Community Bank – A Wintrust Community Bank

**Rockford Project, LLC**  
**1358 4th Ave**  
**Rockford, Illinois, 60555**

**CASHFLOW PROJECTION (EXTENDED STAY HOTEL)**

**YEAR 1\***

	<b>Base Rent Rate</b>	<b>Days</b>	<b>Annual</b>
F-1, Unit 1 (2B/2B - 1,312 SQF)	\$159.00	365	\$58,035.00
F-1, Unit 2 (2B/2B - 1,100 SQF)	\$159.00	365	\$58,035.00
F-1, Unit 3 (2B/2B - 1,280 SQF)	\$159.00	365	\$58,035.00
F-1, Unit 4 (2B/2B - 1,142 SQF)	\$159.00	365	\$58,035.00
F-1, Unit 5 (1B/1B - 888 SQF)	\$129.00	365	\$47,085.00
F-1, Unit 6 (1B/1B - 870 SQF)	\$129.00	365	\$47,085.00
F-1, Unit 7 (1B/1B - 870 SQF)	\$129.00	365	\$47,085.00
F-1, Unit 8 (1B/1B - 885 SQF)	\$129.00	365	\$47,085.00
F-1, Unit 9 (1B/2B/Den - 1,275 SQF)	\$159.00	365	\$58,035.00
F-1, Unit 10 (2B/2B - 1,530 SQF)	\$169.00	365	\$61,685.00
F-2, Unit 11 (2B/2B - 1,330 SQF)	\$159.00	365	\$58,035.00
F-2, Unit 12 (1B/1B - 728 SQF)	\$129.00	365	\$47,085.00
F-2, Unit 13 (1B/1B - 794 SQF)	\$129.00	365	\$47,085.00
F-2, Unit 14 (1B/1B - 738 SQF)	\$129.00	365	\$47,085.00
F-2, Unit 15 (1B/1B - 780 SQF)	\$129.00	365	\$47,085.00
F-2, Unit 16 (2B/2B - 1,224 SQF)	\$159.00	365	\$58,035.00
F-2, Unit 17 (1B/1B - 888 SQF)	\$129.00	365	\$47,085.00
F-2, Unit 18 (1B/1B - 870 SQF)	\$129.00	365	\$47,085.00
F-2, Unit 19 (1B/1B - 870 SQF)	\$129.00	365	\$47,085.00
F-2, Unit 20 (1B/1B - 885 SQF)	\$129.00	365	\$47,085.00
F-2, Unit 21 (1B/2B/Den - 1,275 SQF)	\$159.00	365	\$58,035.00
F-2, Unit 22 (2B/2B - 1,530 SQF)	\$169.00	365	\$61,685.00
Bsmnt, Unit 23 (2B/2B - 1,250 SQF)	\$159.00	365	\$58,035.00
Bsmnt, Unit 24 (2B/2B - 1,090 SQF)	\$159.00	365	\$58,035.00
Bsmnt, Unit 25 (2B/2B - 1,240 SQF)	\$159.00	365	\$58,035.00
Bsmnt, Unit 26 (1B/2B - 1,112 SQF)	\$129.00	365	\$47,085.00
Bsmnt, Unit 27 (1B/1B - 864 SQF)	\$129.00	365	\$47,085.00
Bsmnt, Unit 28 (1B/1B - 860 SQF)	\$129.00	365	\$47,085.00
Bsmnt, Unit 29 (1B/1B - 860 SQF)	\$129.00	365	\$47,085.00
Bsmnt, Unit 30 (1B/1B - 860 SQF)	\$129.00	365	\$47,085.00
Bsmnt, Unit 31 (2B/2B - 1,585 SQF)	\$169.00	365	\$61,685.00

NOTE: Rent is increased annually at 3%

Total Rent \$1,623,885.00

**Rockford Project, LLC**  
**1358 4th Ave**  
**Rockford, Illinois, 60555**

**CASHFLOW PROJECTION (EXTENDED STAY HOTEL)**

**YEAR 2\***

	<b>Base Rent Rate</b>	<b>Days</b>	<b>Annual</b>
F-1, Unit 1 (2B/2B - 1,312 SQF)	\$163.77	365	\$59,776.05
F-1, Unit 2 (2B/2B - 1,100 SQF)	\$163.77	365	\$59,776.05
F-1, Unit 3 (2B/2B - 1,280 SQF)	\$163.77	365	\$59,776.05
F-1, Unit 4 (2B/2B - 1,142 SQF)	\$163.77	365	\$59,776.05
F-1, Unit 5 (1B/1B - 888 SQF)	\$132.87	365	\$48,497.55
F-1, Unit 6 (1B/1B - 870 SQF)	\$132.87	365	\$48,497.55
F-1, Unit 7 (1B/1B - 870 SQF)	\$132.87	365	\$48,497.55
F-1, Unit 8 (1B/1B - 885 SQF)	\$132.87	365	\$48,497.55
F-1, Unit 9 (1B/2B/Den - 1,275 SQF)	\$163.77	365	\$59,776.05
F-1, Unit 10 (2B/2B - 1,530 SQF)	\$174.07	365	\$63,535.55
F-2, Unit 11 (2B/2B - 1,330 SQF)	\$163.77	365	\$59,776.05
F-2, Unit 12 (1B/1B - 728 SQF)	\$132.87	365	\$48,497.55
F-2, Unit 13 (1B/1B - 794 SQF)	\$132.87	365	\$48,497.55
F-2, Unit 14 (1B/1B - 738 SQF)	\$132.87	365	\$48,497.55
F-2, Unit 15 (1B/1B - 780 SQF)	\$132.87	365	\$48,497.55
F-2, Unit 16 (2B/2B - 1,224 SQF)	\$163.77	365	\$59,776.05
F-2, Unit 17 (1B/1B - 888 SQF)	\$132.87	365	\$48,497.55
F-2, Unit 18 (1B/1B - 870 SQF)	\$132.87	365	\$48,497.55
F-2, Unit 19 (1B/1B - 870 SQF)	\$132.87	365	\$48,497.55
F-2, Unit 20 (1B/1B - 885 SQF)	\$132.87	365	\$48,497.55
F-2, Unit 21 (1B/2B/Den - 1,275 SQF)	\$163.77	365	\$59,776.05
F-2, Unit 22 (2B/2B - 1,530 SQF)	\$174.07	365	\$63,535.55
Bsmnt, Unit 23 (2B/2B - 1,250 SQF)	\$163.77	365	\$59,776.05
Bsmnt, Unit 24 (2B/2B - 1,090 SQF)	\$163.77	365	\$59,776.05
Bsmnt, Unit 25 (2B/2B - 1,240 SQF)	\$163.77	365	\$59,776.05
Bsmnt, Unit 26 (1B/2B - 1,112 SQF)	\$132.87	365	\$48,497.55
Bsmnt, Unit 27 (1B/1B - 864 SQF)	\$132.87	365	\$48,497.55
Bsmnt, Unit 28 (1B/1B - 860 SQF)	\$132.87	365	\$48,497.55
Bsmnt, Unit 29 (1B/1B - 860 SQF)	\$132.87	365	\$48,497.55
Bsmnt, Unit 30 (1B/1B - 860 SQF)	\$132.87	365	\$48,497.55
Bsmnt, Unit 31 (2B/2B - 1,585 SQF)	\$174.07	365	\$63,535.55

NOTE: Rent is increased annually at 3%

Total Rent \$1,672,601.55

**Rockford Project, LLC**  
**1358 4th Ave**  
**Rockford, Illinois, 60555**

**CASHFLOW PROJECTION (EXTENDED STAY HOTEL)**

**YEAR 3\***

	<b>Base Rent Rate</b>	<b>Days</b>	<b>Annual</b>
F-1, Unit 1 (2B/2B - 1,312 SQF)	\$168.68	365	\$61,569.33
F-1, Unit 2 (2B/2B - 1,100 SQF)	\$168.68	365	\$61,569.33
F-1, Unit 3 (2B/2B - 1,280 SQF)	\$168.68	365	\$61,569.33
F-1, Unit 4 (2B/2B - 1,142 SQF)	\$168.68	365	\$61,569.33
F-1, Unit 5 (1B/1B - 888 SQF)	\$136.86	365	\$49,952.48
F-1, Unit 6 (1B/1B - 870 SQF)	\$136.86	365	\$49,952.48
F-1, Unit 7 (1B/1B - 870 SQF)	\$136.86	365	\$49,952.48
F-1, Unit 8 (1B/1B - 885 SQF)	\$136.86	365	\$49,952.48
F-1, Unit 9 (1B/2B/Den - 1,275 SQF)	\$168.68	365	\$61,569.33
F-1, Unit 10 (2B/2B - 1,530 SQF)	\$179.29	365	\$65,441.62
F-2, Unit 11 (2B/2B - 1,330 SQF)	\$168.68	365	\$61,569.33
F-2, Unit 12 (1B/1B - 728 SQF)	\$136.86	365	\$49,952.48
F-2, Unit 13 (1B/1B - 794 SQF)	\$136.86	365	\$49,952.48
F-2, Unit 14 (1B/1B - 738 SQF)	\$136.86	365	\$49,952.48
F-2, Unit 15 (1B/1B - 780 SQF)	\$136.86	365	\$49,952.48
F-2, Unit 16 (2B/2B - 1,224 SQF)	\$168.68	365	\$61,569.33
F-2, Unit 17 (1B/1B - 888 SQF)	\$136.86	365	\$49,952.48
F-2, Unit 18 (1B/1B - 870 SQF)	\$136.86	365	\$49,952.48
F-2, Unit 19 (1B/1B - 870 SQF)	\$136.86	365	\$49,952.48
F-2, Unit 20 (1B/1B - 885 SQF)	\$136.86	365	\$49,952.48
F-2, Unit 21 (1B/2B/Den - 1,275 SQF)	\$168.68	365	\$61,569.33
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Bsmnt, Unit 25 (2B/2B - 1,240 SQF)	\$168.68	365	\$61,569.33
Bsmnt, Unit 26 (1B/2B - 1,112 SQF)	\$136.86	365	\$49,952.48
Bsmnt, Unit 27 (1B/1B - 864 SQF)	\$136.86	365	\$49,952.48
Bsmnt, Unit 28 (1B/1B - 860 SQF)	\$136.86	365	\$49,952.48
Bsmnt, Unit 29 (1B/1B - 860 SQF)	\$136.86	365	\$49,952.48
Bsmnt, Unit 30 (1B/1B - 860 SQF)	\$136.86	365	\$49,952.48
Bsmnt, Unit 31 (2B/2B - 1,585 SQF)	\$179.29	365	\$65,441.62

NOTE: Rent is increased annually at 3%

Total Rent \$1,722,779.60

**ROCKFORD PROJECT LLC | AKA WIGHT SCHOOL LOFTS**  
**DETAILED REDEVELOPMENT ESTIMATE**  
1358 4th Avenue, Rockford, Illinois 61104

**Owner: Rockford Project LLC**  
**Prepared by Robert Freeman, IBS Here Inc.**  
**Date: November 10, 2025**

**1. PROJECT OVERVIEW**

This document provides a full construction cost estimate for the redevelopment of the historic Wight School into 31 residential units. The project includes structural and façade restoration, new MEP systems, modern finishes, and site improvements. The information is based on schematic design drawings prepared by Filoramo Talsma Architecture, dated November 10, 2025.

**2. COST SUMMARY**

Category	Amount (USD)
Hard Cost Subtotal	\$5,402,108
General Conditions (6% of Hard Costs)	\$324,126
Contractor OH&P (10% of Hard Costs)	\$540,211
Contingency (8% of Hard + GC + OH&P)	\$501,316
Soft Costs (A/E, Legal, Insurance - 10% of Hard Costs)	\$540,211
Subtotal (Before Developer Fee)	\$7,307,972
Developer Fee (5%)	\$365,399
<b>TOTAL PROJECT COST</b>	<b>\$7,673,371</b>

**3. DETAILED LINE ITEM ESTIMATE**

Description	Notes	Cost (USD)
Environmental Testing & Abatement	Allowance pending reports	\$150,000
Permits & Utility Connection Fees	City permits, tap fees, inspections	\$45,000
Selective Demolition	Remove partitions, ceilings, MEP, finishes	\$154,406
Structural Reinforcement	Joist sistering, lintels, misc. steel	\$352,928
Masonry Restoration & Tuckpointing	Façade repairs, lintels, repointing	\$300,000
Roof Replacement (TPO + Insulation)	TPO, tapered insulation, flashing	\$176,496
Historic Window Replacement	Replica windows & trim	\$315,000
Light-Well Construction	Concrete, railings, drainage	\$150,000
Interior Framing & Drywall	Metal studs, GWB, ceilings	\$661,740

Thermal & Acoustic Insulation	Walls & ceilings	\$110,290
Interior Doors, Frames & Trim	Unit & common area package	\$82,000
Floor Finishes	Vinyl plank, tile, carpet	\$264,696
Painting	Units & corridors	\$88,232
Kitchens	Cabinets, countertops, sinks	\$372,000
Appliances	Range, hood, fridge, dishwasher	\$124,000
Bathrooms	Fixtures, tile, accessories	\$292,500
HVAC Systems	Split systems + ductwork	\$301,500
Electrical	Service, panels, wiring, fixtures	\$352,928
Fire Alarm & Low Voltage		\$66,174
Domestic Plumbing	Supply & DWV	\$264,696
Fire Sprinkler Retrofit	13R system	\$198,522
Elevator Modernization	Cab, controls, ADA	\$150,000
Sitework	Parking repair, striping, pads	\$180,000
Trash Enclosure	12'x14'	\$15,000
Landscaping & Irrigation	Allowance	\$35,000
Site Utilities Repairs	Adjustments, repairs	\$40,000
	<b>Total</b>	<b>\$5,402,108</b>

#### 4. DRAW SCHEDULE (BANK USE)

Construction Phase	Percent of Total
Draw 1 – Mobilization, permits, abatement	5%
Draw 2 – Demolition & structural repairs	10%
Draw 3 – Masonry & roof restoration	12%
Draw 4 – Windows, framing, rough MEP	18%
Draw 5 – Insulation, drywall, interiors	20%
Draw 6 – Finishes, kitchens, baths	20%
Draw 7 – Sitework & exterior completion	10%
Draw 8 – Punch list & retainage	5%

Prepared by IBS Here Inc.

*[Signature]* 11/10/2025

Accepted by Rockford Project LLC

*E. Mukhanov* 12/01/2025

## **DEVELOPMENT SERVICES AGREEMENT**

**Between Rockford Project LLC and IBS Here Inc.  
Rockford Extended Stay Redevelopment Project**

This Development Services Agreement (“Agreement”) is entered into as of the 1st day of Dec, 2025 (“Effective Date”), by and between:

**Rockford Project LLC**, an Illinois limited liability company  
Address: 1358 4th Avenue, Rockford, IL 61104  
Phone: 513-575-6968

(“Owner”) and

**IBS Here Inc.**, an Illinois corporation  
Address: 1280 Powis Road, West Chicago, IL 60185  
Phone: 513-575-6968  
Email: robert@ibshere.com

(“Developer”)

Owner and Developer are collectively referred to as the “Parties.”

### **1. PROJECT DESCRIPTION**

Developer shall provide comprehensive development and construction management services for the adaptive reuse of the real property located at:

**1358 4th Avenue, Rockford, Illinois 61104**

Parcel owned free and clear by Owner.

Scope includes:

- Complete renovation of the former Wight School building
- Creation of **31 extended-stay units**, consisting of:
  - 17 Two-Bedroom Units
  - 14 One-Bedroom Units
- Furnished living with kitchenettes
- Parking, fire life safety, mechanical, electrical & plumbing upgrades
- FF&E procurement and install
- Lease-up and stabilization support

This project shall be known as the **Rockford Residences**.

### **2. SCOPE OF SERVICES**

Developer shall perform the following:

#### **2.1 Pre-Construction & Design Management**

- Coordinate architectural, structural, MEP and permit approvals
- Maintain approved project budget and schedule
- Assist lender with underwriting deliverables

## 2.2 Construction Management

- Contractor bidding, selection recommendation, contract oversight
- Monitor progress, change orders, and compliance with codes
- Approve draw requests and lien waivers
- Maintain safety, insurance, and quality standards

## 2.3 FF&E & Operational Setup

- Procure appliances, furnishings, equipment, signage and IT systems
- Oversee installation and commissioning

## 2.4 Stabilization & Turnover Services

- Assist with marketing and lease-up
- Manage punchlists and warranty enforcement
- Financial reporting as required by lender until stabilized occupancy

## 3. TERM & TIMELINE

Commencement: Upon bank loan closing

Estimated Timeline: **12–14 months to Substantial Completion Stabilization: 3–4 months post-CO**

### Milestone Schedule:

1. Permits issued & construction starts
2. 50% completion per lender inspection
3. Substantial completion (CO issued)
4. Stabilization achieved (90% occupancy)

## 4. COMPENSATION

Total Development Fee: **\$365,399** (5% of total project cost: \$7,307,972) Paid in **4 equal installments**, tied to milestones:

Milestone	Percentage	Amount
Loan Closing	25%	\$91,349.75
50% Construction Completion	25%	\$91,349.75
Substantial Completion	25%	\$91,349.75
Stabilization (90% occupancy)	25%	\$91,349.75

Payments funded from construction loan proceeds.

Developer fee includes:

- All services in Section 2, excluding reimbursable direct job costs

## 5. BUDGET & COST CONTROL

- Approved Project Budget: **\$7,673,371**
- Developer shall not exceed approved budget without Owner written approval
- All construction payments through lender draw process
- Contingency use requires Owner approval

## 6. INSURANCE REQUIREMENTS

Developer shall maintain:

- Commercial general liability: \$1,000,000 / occurrence
- Workers compensation per statutory requirements
- Builder's risk to be carried by Owner or Contractor

Certificates naming Owner & Lender as **Additional Insured** shall be provided prior to mobilization.

**7. STANDARD OF PERFORMANCE**

Developer shall perform services:

- In accordance with industry best practices
- In compliance with all applicable laws, codes, and lender requirements
- Using qualified and licensed subcontractors

**8. INDEMNIFICATION**

Developer shall indemnify and hold harmless Owner and its members from claims arising from Developer negligence, misconduct, or breach of this Agreement.

**9. TERMINATION**

Either party may terminate for cause with 30 days written notice and opportunity to cure. If terminated without cause, Developer is entitled to payment for work completed to termination date.

**10. MISCELLANEOUS**

- Governing Law: State of Illinois
- Venue: Winnebago County, IL
- Assignment requires mutual written consent
- Modifications must be in writing and signed by both Parties

**11. SIGNATURES**

IN WITNESS WHEREOF, the Parties agree to the terms of this Agreement as of the Effective Date below.

**OWNER**

Rockford Project LLC  
1358 4th Avenue  
Rockford, IL 61104

By: E. Mukhanova

**Elena Mukhanova**

Sole Member

Date: 12.01.2025

**DEVELOPER**

IBS Here Inc.  
1280 Powis Road  
West Chicago, IL 60185

By: [Signature]

**Bakhtier Khassanov**

Developer / President

Date: 12/01/2025

**ROCKFORD PROJECT LLC**  
**MEETING MINUTES OF THE MEMBERS / MANAGERS**  
**Special Meeting of the Members/Managers**

**Date:** December 1, 2025

**Time:** 10:00 a.m./p.m.

**Location:** 1358 4th Avenue, Rockford, Illinois 61104 (and/or by teleconference)

**1. Call to Order**

A special meeting of the Members/Managers of **Rockford Project LLC**, an Illinois limited liability company (the “Company”), was called to order at 10:00 a.m./p.m. by **Elena Mukhanova**, acting as Chairperson.

**2. Appointment of Secretary**

Upon motion duly made and seconded, **Robert Freeman** was appointed to act as **Secretary of the Meeting** and to record the minutes.

**3. Roll Call; Quorum**

The following Members/Managers were present (in person or by teleconference):

- Mukhanova, Elena – Chairperson
- Freeman, Robert - Secretary

A quorum being present, the meeting proceeded to business.

**4. Purpose of Meeting**

The Chairperson stated the purpose of the meeting was to consider and approve:

1. Authorization for **Elena Mukhanova** to negotiate, execute, and deliver a **Development / Construction Management Agreement** with **IBS Here Inc.** for redevelopment of the property located at **1358 4th Avenue, Rockford, Illinois 61104** (the “Project Property”); and
2. Authorization for the Company to apply for and obtain a **Redevelopment Loan / Construction-to-Permanent Loan** with an amortization term of up to **thirty (30) years**, including execution of all related banking and closing documents.

**5. Development Contract Authorization**

The Chairperson presented for consideration the proposed engagement of **IBS Here Inc.** to serve as developer and/or construction manager for the redevelopment of the Project Property into the **Rockford Residences** project, including project administration, budgeting, procurement, scheduling, coordination of contractors and suppliers, and stabilization support.

After discussion, the following resolutions were adopted:

**RESOLUTION 1 — Authorization of Development Agreement**

**RESOLVED**, that the Company hereby approves the engagement of **IBS Here Inc.** as developer and/or construction manager for the redevelopment of the Project Property, substantially on terms consistent with the Company’s project underwriting and budget, and as negotiated in final form; and

**FURTHER RESOLVED**, that **Elena Mukhanova** is hereby authorized, empowered, and directed, for and on behalf of the Company, to negotiate, execute, and deliver the Development Agreement (and any related exhibits, schedules, scope documents, budgets, draw schedules, certifications, notices, and amendments) with **IBS Here Inc.**, and to take any and all actions deemed necessary or advisable to carry out the intent of this resolution; and

**FURTHER RESOLVED**, that any actions previously taken by Elena Mukhanova or other authorized representatives of the Company in furtherance of the foregoing engagement are hereby ratified and approved in all respects.

**6. Redevelopment Loan Authorization (30-Year Term)**

The Chairperson next presented the need for long-term project financing in the form of a **Redevelopment Loan / Construction-to-Permanent Loan**, including application submission, lender negotiations, and execution of all closing documents. The proposed financing includes an amortization term of up to **30 years** following conversion from construction to permanent financing.

After discussion, the following resolution was adopted:

**RESOLUTION 2 — Authorization to Apply for and Obtain Redevelopment Loan**

**RESOLVED**, that the Company is hereby authorized to apply for, negotiate, obtain, and close a **Redevelopment Loan / Construction-to-Permanent Loan** and any related facilities (including reserves and customary project accounts) with an amortization term of up to **thirty (30) years** after conversion to permanent financing, in such principal amount(s) and on such terms and conditions as may be approved by the authorized signatory below; and

**FURTHER RESOLVED**, that **Elena Mukhanova** is hereby designated as an authorized representative and signatory of the Company and is authorized, empowered, and directed to prepare, submit, and execute all loan applications, term sheets, commitment letters, promissory notes, mortgages/deeds of trust, security agreements, assignments of rents and leases, UCC filings, escrow instructions, closing statements, certificates, affidavits, guaranties (if required), and all other documents and instruments necessary or desirable to obtain and close such financing; and

**FURTHER RESOLVED**, that the Company is authorized to grant and pledge customary collateral for such financing, including without limitation the Project Property, improvements, fixtures, rents, leases, accounts, insurance proceeds, and other project-related rights, as required by the lender; and

**FURTHER RESOLVED**, that any actions previously taken by Elena Mukhanova or other authorized representatives of the Company in connection with contacting lenders, providing underwriting materials, and negotiating financing terms are hereby ratified and approved in all respects.

**7. Additional Authorizations**

**RESOLVED**, that the authorized signatory is further authorized to execute and deliver any additional documents, certificates, consents, and instruments and to take such other actions as may be necessary or advisable to effectuate the intent of these resolutions, including engagement of attorneys, accountants, insurance agents, contractors, and consultants.

**8. Adjournment**

There being no further business, the meeting was adjourned at \_\_\_\_\_ a.m./p.m.

**CERTIFICATION**

The undersigned certify that the foregoing is a true and correct record of the minutes and resolutions duly adopted at the special meeting of **Rockford Project LLC**, held on the date first written above.

**ROCKFORD PROJECT LLC**

**Chairperson:**

**Secretary:**

By: *E. Mukhanova*

By: *Freeman Robert*

Name: **Elena Mukhanova**  
Title: Member/Manager  
Date: Dec 1, 2025

Name: **Robert Freeman**  
Title: Secretary of the Meeting  
Date: Dec 1, 2025

**ROCKFORD PROJECT LLC  
LLC BORROWING RESOLUTION / BORROWING CERTIFICATE  
Construction-to-Permanent / Redevelopment Loan**

**Date:** December 1, 2025

**Borrower:** Rockford Project LLC (the "Company")

**Project Property:** 1358 4th Avenue, Rockford, Illinois 61104

**Lender:** Rockford Community Bank – A Wintrust Community Bank (or such other lender as approved)

**A. RESOLUTIONS**

The Members/Managers of the Company hereby adopt the following resolutions:

1. **Authorization to Borrow.**

**RESOLVED**, the Company is authorized to apply for, negotiate, obtain, and close a **Redevelopment Loan / Construction-to-Permanent Loan** (and any related facilities and accounts customary to such financing) with an amortization term of up to **thirty (30) years** after conversion to permanent financing, in a principal amount and on terms acceptable to the authorized signatory.

2. **Authorized Signatory.**

**RESOLVED**, that **Elena Mukhanova** is hereby authorized to act for and on behalf of the Company in connection with the financing, including without limitation to sign and deliver any and all documents required by the lender, including: loan applications, commitment letters, promissory notes, construction loan agreements, permanent loan agreements, mortgages/deeds of trust, security agreements, assignments of rents and leases, UCC filings, escrow and disbursement agreements, closing statements, certifications, affidavits, and any amendments or modifications thereto.

3. **Collateral Authorization.**

**RESOLVED**, the Company is authorized to grant customary collateral in connection with the financing, including a first mortgage lien on the Project Property and assignment of rents and leases, and such other collateral and covenants as the lender may reasonably require.

4. **Ratification.**

**RESOLVED**, all actions previously taken by the authorized signatory or other representatives of the Company in connection with seeking financing for the Project Property are hereby ratified, confirmed, and approved.

5. **Continuing Validity.**

**RESOLVED**, these resolutions remain in full force and effect until written notice of revocation is delivered to the lender, and any such revocation shall not affect actions taken by the lender prior to receipt of such notice.

**B. CERTIFICATION**

The undersigned hereby certifies that:

- The Company is duly formed and in good standing (to the extent required),
- The following person is duly authorized to sign on behalf of the Company, and
- The resolutions above were duly adopted and have not been modified or rescinded.

**ROCKFORD PROJECT LLC**

**Chairperson:**

By: 

Name: **Elena Mukhanova**

Title: Member/Manager

Date: Dec 1, 2025

**Secretary:**

By: 

Name: **Robert Freeman**

Title: Secretary of the Meeting

Date: Dec 1, 2025