

RESOLUTION 2025-078

**AUTHORIZING A TIF ECONOMIC INCENTIVE FOR HEARTLAND BANK
LOCATED AT 330 GROVE STREET, DEKALB, ILLINOIS.**

WHEREAS, the City of DeKalb (the "City") is a home rule unit of local government and may exercise any power and perform any function pertaining to its government and affairs under Article VII, Section 6, of the Illinois Constitution of 1970; and

WHEREAS, the City may enter into a redevelopment agreement with property owners and developers to further the redevelopment of property in the City's TIF 3 district under 65 ILCS 5/11-74.4-4(b); and

WHEREAS, Heartland Bank & Trust Company (the "Owner") is the owner of property that is located at 205 S. Fourth Street/330 Grove Street, DeKalb, IL (the "Property"); and

WHEREAS, the Property is in the City's TIF 3 district and has been underutilized, obsolete, vacant, and declined in equalized assessed valuation for several years; and

WHEREAS, City staff and Owner negotiated a redevelopment agreement for the Property that is attached and incorporated as Exhibit A (the "Agreement"); and

WHEREAS, the Property's redevelopment would not occur but for the Agreement; and

WHEREAS, the City's corporate authorities find that approving the Agreement is in the City's best interests for the protection of the public health, safety, and welfare; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DEKALB, ILLINOIS:

SECTION 1: The recitals to this resolution are true, material, adopted and incorporated as Section One to this resolution.

SECTION 2: The City's corporate authorities, by a majority vote of those members then holding office with the Mayor abstaining from the discussion and the vote, approve the Agreement. The City's corporate authorities further authorize and direct the City Manager to: (1) negotiate and execute the Agreement; and (2) take all necessary acts to effectuate the Agreement.

SECTION 3: This resolution shall be the effective legislative act of a home rule municipality without regard to whether such resolution should (a) contain terms contrary to the provision of current or subsequent non-preemptive state law, or (b) legislate in a manner or regarding a matter not delegated to municipalities by state law. It is the intent of the City's corporate authorities that if this resolution is inconsistent with non-preemptive state law, this resolution shall supersede that state law in its jurisdiction.

SECTION 4: This resolution shall be in full force and effect from and after its passage and approval as provided by law.

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois, at a Regular meeting thereof held on the 11th day of August 2025 and approved by me as Mayor on the same day.



COHEN BARNES, Mayor

ATTEST:

Ruth A. Scott, Executive Assistant

DEVELOPMENT AGREEMENT
(205 S. 4th St.)

This Development Agreement (the “Agreement”) is entered into on August 11, 2025 (the “Effective Date”), by and between the City of DeKalb, an Illinois municipal corporation (the “City”), and Heartland Bank & Trust Company (the “Owner”).

RECITALS:

WHEREAS, City has the authority to promote the health, safety, and welfare of the City and its residents, prevent the spread of blight and deterioration and inadequate public facilities by promoting the development of certain properties through Tax Increment Financing (“TIF”), and enter into agreements with property owners, Owners, and others necessary or incidental to the implementation and furtherance of the development plan pursuant to 65 ILCS 5/11-74.4, *et seq.*; and

WHEREAS, Owner is the record owner of property that is located at the common address of 205 S. 4th St., DeKalb, IL, and legally described in the attached and incorporated Exhibit A (the “Property”); and

WHEREAS, the Property is within the City’s TIF 3 district; and

WHEREAS, the Property has been underutilized, obsolete, vacant, and declined in equalized assessed valuation for several years; and

WHEREAS, Owner intends to redevelop the Property as a neighborhood bank with drive-through lanes at an estimated project cost of \$1,674,800.00 (the “Project”); and

WHEREAS, Owner requested \$83,000.00 in TIF incentives from the City for certain TIF-eligible costs associated with the Project (the “TIF Incentive”); and

WHEREAS, Owner represents that the Project would not be completed but for the TIF Incentive; however, Owner otherwise has sufficient financing, expertise, and skill to construct, complete, and develop the Project under this Agreement; and

WHEREAS, Owner acknowledges that it is not entitled to the City's approval of the TIF Incentive, which constitutes valuable consideration for the Parties' promises, undertakings, and covenants under this Agreement; and

WHEREAS, the Parties voluntarily negotiated and entered into this Agreement for purposes of enabling the Property's redevelopment; and

WHEREAS, the Parties are legally authorized to enter into this Agreement and perform all their respective promises under this Agreement; and

WHEREAS, the City's corporate authorities considered this Agreement and determined that the best interests of the City's health, safety, and welfare including, but not limited to, the sustainable economic growth and development of the City and the enhanced equalized assessed valuation of the Property, will be served by this Agreement.

NOW, THEREFORE, in consideration of the promises under this Agreement, and for other good and valuable consideration, the Parties agree as follows:

1.0 Recitals: The foregoing recitals are true, correct, material, adopted and incorporated as Section 1 to this Agreement.

2.0 Development of the Property: Owner shall commence and complete the Project with reasonable professional skill and in accordance with this Agreement within twelve (12) months of the date of the issuance of the first demolition or construction permit requested by Owner in connection with the Project. The construction and development of the Property shall comply with the City's Municipal Code and all other applicable ordinances, regulations, and laws. The City agrees to issue demolition and construction permits requested by Owner in connection with the Project. Owner shall

pay all applicable fees required under the City's Municipal Code for the Project including, but not limited to, plan review, permit, and building inspection fees.

3.0 Maintenance of the Property: The maintenance and operation of the Property shall comply with the City's Municipal Code and all other applicable ordinances, regulations, and laws. The Property shall be managed, operated, and maintained with reasonable professional skill by appropriately trained personnel. Owner shall cooperate in good faith with the City to maintain the Property in compliance with City's Municipal Code and applicable ordinances regarding property maintenance. Owner further agrees to: install, maintain, and provide access to a "Knox Box" entry system on the Property's primary building entrances for use by the City's emergency responders; allow the City's law enforcement personnel to access any surveillance video footage operated on the Property for law enforcement purposes; and allow an annual inspection of the Property's common areas by the City's Police Department, Fire Department, and Building Department for the purpose of confirming compliance with the City's Municipal Code.

4.0 TIF Incentive:

4.1 The City shall reimburse Owner's TIF-eligible expenses from funds available to the City in the City's Special Tax Allocation Fund from the real estate tax increment collected by the City's TIF 3 District in a total amount not to exceed \$83,000.00 as follows: (1) \$41,500.00 for the reimbursement of TIF-eligible expenses upon 50% completion of the construction of Project as determined by the City Manager in the City Manager's sole exercise of discretion and judgment; and (2) \$41,500.00 for the reimbursement of TIF-eligible expenses upon the issuance of a final occupancy certificate from the City.

4.2 The Parties acknowledge that the City's liability to pay the TIF Incentive shall be expressly limited to funds available to the City in the City's Special Tax Allocation

Fund from the real estate tax increment collected by the City's TIF 3 District. The City's limited obligation under this Agreement to reimburse Owner shall not constitute an indebtedness of the City under Illinois law or give rise to any pecuniary liability, charge, or lien against the City, any City fund, or otherwise require the City to utilize its taxing authority to fulfill the terms of this Agreement.

4.3 The Parties agree that the City shall not reimburse Owner's TIF-eligible expenses until Owner has provided the City with: (1) all records, certifications, documents, and information requested by the City to determine and approve Owner's TIF-eligible expenses substantially in the form attached and incorporated as Exhibit B (the "Project Cost Documentation Requirements"); and (2) an executed promissory note and mortgage substantially in the forms attached and incorporated as Group Exhibit C (the "Security Documents").

4.4 Except as otherwise provided by this Agreement, the City shall approve or disapprove Owner's written requests for reimbursement of TIF-eligible expenses within thirty (30) days after receipt, and if approved, shall provide payment to the Owner within forty-five (45) days of said approval. Owner may submit written requests for reimbursement consisting of estimates of costs before actually incurring said expenses, subject to later confirmation by actual bills.

4.5 The TIF Incentive is intended to be repaid as a forgivable incentive, payable through the generation of revenues (*e.g.*, real property taxes) from the development of the Property after the Effective Date through the term of this Agreement. The Parties stipulate that, as of the Effective Date, the Property's equalized assessed valuation is \$97,148.00, and the Property's real property tax irrespective of the TIF District is \$1,731.28. During the term of the TIF District, 100% of the TIF increment generated from the Property after the Effective Date shall be included as payment or credit for the

forgiveness of the TIF Incentive. After the expiration of the TIF District, 100% of the real property tax generated by the Property after the Effective Date that is more than the Property's real property tax as of the Effective Date shall be included as payment or credit to the forgiveness of the TIF Incentive. After the Effective Date, 100% of all sales tax generated from the Property that is received by the City shall be included as payment or credit for the forgiveness of the TIF Incentive.

4.6 If, upon the expiration of the term of this Agreement, the TIF Incentive has not been completely repaid or forgiven, then the remaining balance shall be a debt due and owing to the City requiring repayment within 120 days of Owner's receipt of written notice from the City. The City may enforce its right of repayment by virtue of a contract action seeking damages for violation of this Agreement, initiate an action for foreclosure of the City's mortgage(s), or pursue such other legal or equitable remedies as provided by law. Notwithstanding anything foregoing to the contrary, the City shall subordinate the City's mortgages under this Agreement to other commercially reasonable mortgages and interests that are reasonably necessary for the Project's completion and the Property's development, upon Owner's written request.

5.0 Indemnification: Owner and Owner's agents, employees, officers, contractors, successors, and assigns shall defend, indemnify, waive, release, and hold harmless the City and the City's officers, employees, and agents from and against all causes of action, claims, damages, liabilities, losses, expenses, costs, penalties, fines, and reasonable attorney's fees arising out of, related to, or proximately caused by this Agreement, the TIF Incentive, the Project, and Owner's construction, development, and maintenance of the Property. Owner's obligation under this Section shall survive the termination of this Agreement.

6.0 Miscellaneous:

6.1 The parties agree that the individuals who are members of the City's corporate authorities are entering into this Agreement in their corporate capacities and shall have no personal liability in their individual capacities.

6.2 (a) This Agreement shall be valid and binding for a term of 20 years after the Effective Date upon the parties and their respective successors and assigns. This Agreement shall constitute a covenant running with the land. This Agreement shall be recorded with the DeKalb County Recorder's Office.

(b) Owner may assign this Agreement without City approval, but only in connection with its conveyance of all or any part of the Property, and upon said assignment and acceptance by an assignee, Owner shall have no further obligations hereunder as to the Property or that portion of the Property conveyed, but shall continue to be bound by this Agreement and shall retain the obligations created thereby with respect to any portion of the Property retained and not conveyed. If Owner or Owner's successor sell a portion of the Property, the seller shall be deemed to have assigned to the purchaser all rights and obligations it may have under this Agreement that affect the portion of the Property sold or conveyed, and thereafter, the seller shall have no further obligations under this Agreement as it relates to the portion of the Property conveyed, but the seller shall retain all rights and obligations it may have under this Agreement with respect to any part of the Property retained and not conveyed.

6.3 The failure of any party to this Agreement to insist upon the strict and prompt performance of the provisions of this Agreement shall not constitute a waiver of any party's right to enforce any such provision, but the same shall continue in full force and effect. No action taken by any party to this Agreement shall be deemed to constitute

an election of remedies, and all remedies in this Agreement shall be cumulative and non-exclusive of any other remedy in this Agreement or available to any party at law or equity.

6.4 (a) Upon a breach of this Agreement, any of the parties may secure the specific performance of the promises under this Agreement or may exercise any remedies available at law via an appropriate action, the sole venue for which shall be in the Circuit Court of DeKalb County, Illinois.

(b) In the event of a material breach of this Agreement, the parties agree that the party alleged to be in breach shall have 30 days after written notice of said breach to correct the breach before the non-breaching party seeks a judicial remedy; provided, however, that said 30 day period shall be extended if the defaulting party has commenced to cure said default and is diligently proceeding to cure the breach.

(c) If the performance of any covenant to be performed by any party is delayed as a result of circumstances which are beyond the reasonable control of such party (including, without limitation, acts of God, war, strikes, inclement weather conditions, inability to secure governmental permits, or similar acts, the time for such performance shall be extended by the length of such delay; however, the party that seeks the benefit of this provision shall give the other(s) written notice of both its intent to rely upon this provision and the specific reason which permits the party to avail itself of the benefit of this provision.

6.5 This Agreement sets forth all agreements, understandings, and covenants between and among the parties. This Agreement supersedes all prior agreements, written and oral, and is a full integration of the parties' entire agreement. Any amendment to this Agreement shall be in writing duly approved by the parties.

6.6 This Agreement is not intended to create an agency, joint venture, or partnership relationship between the parties or give any third-party any rights with respect to this Agreement.

6.7 If any provision, clause, word, or designation of this Agreement is held to be invalid by any court of competent jurisdiction, such provision, clause, word, or designation shall be deemed to be excised from this Agreement, and the invalidity shall not affect any other provision, clause, word, or designation in this Agreement.

6.8 This Agreement may be executed in multiple counterparts, which shall constitute one agreement.

6.9 The headings of this Agreement are for convenience only.

6.10 This Agreement may be reproduced by means of carbons, xerox process, or otherwise. Each such reproduction, if manually executed by the parties, shall for all purposes be deemed a duplicate original of this Agreement.

6.11 Terms used in this Agreement shall be read in the singular or the plural as may be appropriate to the context in which they are used.

6.12 Notices, including Notices to effect a change as to the persons hereinafter designated to receive Notice(s), or other writings which any party is required to or may wish to serve upon any other party in connection with this Agreement shall be in writing and shall be delivered personally or sent by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the City:

City of DeKalb
Attention: City Manager
164 E. Lincoln Hwy.
DeKalb, Illinois 60115

with a copy to the City Attorney:

Donahue & Rose, PC
9501 Technology Blvd., Suite 4400
Rosemont, IL 60018

If to the Owner:

Heartland Bank & Trust Co.
405 N. Hershey Rd.
Bloomington, IL 61704

6.13 The parties intend that this Agreement shall require the parties to act in accordance with all applicable laws and regulations enacted by any other governmental authority which are applicable to any act undertaken by either party under this Agreement.

IN WITNESS WHEREOF, the parties caused this Agreement to be executed by their proper officers duly authorized to execute the same as of the Effective Date.

ATTEST:

CITY OF DEKALB

By: _____
Ruth Scott, Executive Assistant

By: _____
Bill Nicklas, City Manager

ATTEST:

OWNER

By: _____

By: _____

EXHIBIT A
(Legal Description of the Property)

The Property is legally described as follows:

LOTS 9 AND 10 IN BLOCK 16 OF THE ORIGINAL VILLAGE (NOW CITY) OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK "A" OF PLATS, PAGE 8 ¼ ON DECEMBER 19, 1853, IN DEKALB COUNTY, ILLINOIS, EXCEPTING THEREFROM THE SOUTH 3 FEET OF SAID LOT 9, DEKALB COUNTY, ILLINOIS.

Common Address: 205 S. 4th St., DeKalb, IL 60115

PIN: 0823304011

EXHIBIT B
Project Cost Documentation Requirements

- Owner is responsible for complying with all applicable laws, ordinances, and regulations regarding the Project and reimbursement of eligible TIF redevelopment costs.
- Owner shall comply with City's forms for the Project Cost Documentation Requirements including, but not limited to, Owner's Certification of Amounts Submitted and Owner's Eligibility Certification.
- The Parties acknowledge that the funding contemplated under this Agreement is provided exclusively through a Tax Increment Financing District for the purpose of funding private improvements. Accordingly, Owner is solely responsible for complying with the applicable provisions of the Illinois Prevailing Wage Act. The City shall not require Owner to provide certified payroll records unless the Owner determines that such records are required under the Prevailing Wage Act. The Owner shall indemnify, defend, and hold harmless the City from and against all claims arising out of Owner's violation of the Prevailing Wage Act with respect to this Agreement or the Property.
- Final waivers of lien must be provided for all contractors. All payments associated with the purchase of real property or contractors providing services to the Property in connection with this Agreement must be paid through a title company acceptable to the City, unless otherwise provided by the Agreement or waived in writing by the City Manager.

GROUP EXHIBIT D
Form of Promissory Note and Mortgage

(This space is intentionally omitted)

PROMISSORY NOTE
for
Heartland Bank & Trust Company

\$83,000.00
DeKalb, Illinois
August 11, 2025

After August 11, 2025, for valuable consideration received, Heartland Bank & Trust Company promises to pay to the order of the City of DeKalb (the "City"), \$83,000.00 on August 11, 2025, with interest from the date of this instrument at the rate of 0% per year with interest payable from the date of this instrument and with interest computed always on the diminishing and unpaid principal balances of the debt, if any, evidenced by this instrument. All sums of principal and interest due will be payable at the City of DeKalb, 164 E. Lincoln Hwy., DeKalb, Illinois 60115, or at any other place as payee or holder may specify in writing.

The indebtedness evidenced by this instrument may be prepaid in whole or in part at any time without penalty or premium for prepayment.

This note is secured by a mortgage given under the same date as this instrument; and all persons to whom this instrument may come are referred to the mortgage for its effect on this note and the application of the amounts paid pursuant to the mortgage, for the procuring of releases of property from its lien on the indebtedness evidenced by this instrument.

This note is made pursuant to a Development Agreement between the City and Heartland Bank & Trust Company dated August 11, 2025 (the "Agreement"), and is subject to the provisions of the Agreement, which provides that the principal amount of this note may be reduced or forgiven retroactive to the date of the issuance of this note as provided under the Agreement. The terms of the Agreement are adopted and incorporated by reference as if fully set forth as part of this note.

Heartland Bank & Trust Company waives demand, presentment for payment, protest, and notice of nonpayment and of dishonor. Heartland Bank & Trust Company agrees to pay reasonable attorney's fees if this note is placed in the hands of an attorney for collection after default.

ATTEST:

Heartland Bank & Trust Company

By: _____

By: _____

Title: _____

Its: _____

STATE OF ILLINOIS)
) ss.
COUNTY OF DEKALB)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that _____, personally known to me to be the same person whose name is subscribed to the foregoing Promissory Note as the _____ of Heartland Bank & Trust Company, appeared before me this day in person, and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act as the authorized agent of Heartland Bank & Trust Company for the uses and purposes therein set forth.

Given under my hand and official seal
and sworn to before me this _____ day
of _____, 20____.

Notary Public

MORTGAGE

RETURN TO:

City Manager
City of DeKalb
164 E. Lincoln Hwy.
DeKalb, IL 60115

Future Advances Mortgage Maximum Value: \$83,000.00

THIS MORTGAGE, dated August 11, 2025, by L Heartland Bank & Trust Company ("Mortgagor"), **WITNESSETH:**

Whereas, Mortgagor has executed a Promissory Note in the principal sum of \$83,000.00 payable to the City of DeKalb ("Mortgagee"), dated the same date as this Mortgage, whereby Mortgagee is entitled to recover from Mortgagor certain expenses, costs, and advances in connection with Mortgagor's development work on the Property as defined in the Development Agreement between Mortgagor and Mortgagee dated August 11, 2025 and recorded against the Property legally described in the attached and incorporated Exhibit A;

THAT to secure the payment of the indebtedness evidenced by said Promissory Note, Mortgagor does by these presents GRANT and MORTGAGE unto Mortgagee, the real estate situated in the County of DeKalb, and State of Illinois, legally described in the attached and incorporated Exhibit A (the "Property" or "Premises");

Together with all improvements, tenements, hereditaments, easements, and all types and kinds of furniture, fixtures, and equipment whether now on the Premises or hereafter erected, installed or placed thereon or therein, or whether physically attached thereto or not, are and shall be deemed a part of said real estate as between the parties and all persons claiming by, through or under them, and a portion of the security for said indebtedness; and also all the estate, right, title and interest of Mortgagor in and to the Premises; and

Further, Mortgagor does hereby pledge and assign to Mortgagee, from and after the date hereof, primarily and on a parity with said real estate and not secondarily, all the rents, issues, and profits of the Premises and all rents, profits, revenues, royalties, bonuses, rights and benefits due, payable, or accruing, and all deposits or money as advance rent or for security, under any and all present and future leases of the premises, and does hereby transfer and assign all such leases to Mortgagee together with the right, but not the obligation, to collect, receive, and receipt for all avails thereof, to apply then to said indebtedness and to demand, sue for, and recover the same when due or payable. Mortgagee by acceptance of the Mortgage agrees, as a personal covenant applicable to Mortgagor only, and not as a limitation or condition hereof and not available to any lessee

or tenant, that until a default shall be made or an event shall occur, when under the terms hereof shall give to Mortgagee the right to foreclose this Mortgage, Mortgagor may collect, receive, and enjoy such avails.

TO HAVE AND TO HOLD the premises unto Mortgagee, their successors, and assigns, forever, for the purposes and uses herein set forth.

NOTICE: THIS MORTGAGE SECURES TOTAL CREDIT IN THE AMOUNT OF \$83,000.00 AND IS CONSTRUED IN CONNECTION WITH THE OBLIGATIONS OF MORTGAGOR AS OWNER UNDER THAT CERTAIN DEVELOPMENT AGREEMENT ("DEVELOPMENT AGREEMENT") RECORDED AGAINST THE PREMISES PRIOR TO THE DATE OF THIS MORTGAGE. LOANS, PAYMENTS, CREDITS AND ADVANCES UP TO THIS AMOUNT, TOGETHER WITH ANY OTHER AMOUNTS OR OTHER OBLIGATIONS OF MORTGAGOR/OWNER UNDER THIS MORTGAGE OR THE REDEVELOPMENT AGREEMENT ARE SENIOR TO INDEBTEDNESS TO OTHER CREDITORS UNDER SUBSEQUENTLY RECORDED OR FILED MORTGAGES AND LIENS, UNLESS AND UPON THE CITY'S SUBORDINATION OF THIS MORTGAGE LIEN AS PROVIDED IN THE REDEVELOPMENT AGREEMENT. THIS MORTGAGE HAS BEEN PROVIDED TO SECURE THE REPAYMENT OF OBLIGATIONS OF THE REDEVELOPMENT AGREEMENT, INCLUDING BUT NOT LIMITED TO, REPAYMENT OF A DEVELOPMENT INCENTIVE.

Maximum Obligation Limit: The total amount of secured debt secured by this Mortgage at any one time shall not exceed the amount stated above. This limitation does not include loan charges, commitment fees, attorney's fees and other charges validly made pursuant to this Mortgage and does not apply to advances (or interest accrued on such advances) made under the terms of this Mortgage to protect Mortgagee's security and to perform any of the covenants contained in this Mortgage or the Development Agreement. Future advances are contemplated and, along with other future obligations, are secured by this mortgage even though all or part may not yet be advanced. Nothing contained in this Mortgage shall constitute an irrevocable commitment to make additional or future loans or advances in any amount, and no commitment to future advances, whether contained herein or in the Development Agreement, shall create any right of or liability to any third party not identified expressly herein.

The debt secured by this Mortgage includes, but is not limited to:

- A) The promissory note, guaranty, obligations of Mortgagor under the Development Agreement and all extensions, renewals, modifications or substitutions thereof to Heartland Bank & Trust Company, with a note amount of \$83,000.00 (collectively, the "Evidence of Debt").
- B) All future advances from Mortgagee to Mortgagor or other future obligations of Mortgagor to Mortgagee under any promissory note, development agreement, contract, guaranty or other evidence of debt

existing now or executed after this Mortgage whether or not this Mortgage is specifically referred to in the Evidence of Debt and whether or not such future advances or obligations are incurred for any purpose that was related or unrelated to the purpose of this Mortgage or the Evidence of Debt.

- C) All obligations Mortgagor owes to Mortgagee, which now exist or may later arise, to the extent not prohibited by law including, but not limited to, any obligation under the Development Agreement.
- D) Any additional sums advanced and expenses incurred by Mortgagee for insuring, preserving, or otherwise protecting the Premises and Property and its value and any other sums advanced or expenses incurred by the Mortgagee under the terms of this Mortgage, plus interest (where applicable), as provided in the Evidence of Debt and Redevelopment Agreement.
- E) Mortgagor's performance under the terms of any instrument evidencing a debt by Mortgagor to Mortgagee and any Mortgage securing, guarantying, or otherwise relating to a debt.

Mortgagor covenants and agrees:

1. To pay or cause to be paid, when due, all sums secured hereby as further defined and governed by the Development Agreement.
2. Not to abandon the Premises; to keep the Premises in good condition and repair and not to commit or suffer waste; to pay for and complete within a reasonable time any building at any time in the process of erection upon the premises; to promptly repair, restore or rebuild any building or improvement now or hereafter on the Premises which may become damaged or destroyed; to refrain from impairing or diminishing the value of the security; to make no material alterations of the Premises.
3. To comply with all requirements of law or local government ordinances governing the Premises and the use thereof; and to permit Mortgagee, or their agents, to inspect the Premises at all reasonable times.
4. To keep the Premises free from mechanics, or other liens or claims for liens of any kind; to pay or cause to be paid, when due, any indebtedness which may be secured by a lien or charge on the Premises; and, upon receipt, to exhibit to Mortgagee satisfactory evidence of the payment and discharge of such liens or claims.
5. To pay, or cause to be paid, before any penalty attaches, all general taxes and to pay, or cause to be paid, when due, all special taxes, special assessments, water charges, drainage charges, sewer service charges and other charges

against the premises, of any kind whatsoever, which may be levied, assessed, charged, or imposed on the premises, or any part thereof.

6. To promptly pay all taxes and assessments assessed or levied under and by virtue of any state, federal, or local law, ordinance, or regulation hereafter passed, against Mortgagee upon this Mortgage or the debt hereby secured, or upon their interest under this Mortgage.
7. To exhibit to Mortgagee, annually upon request, official receipts showing full payment of all taxes, assessments, and charges which Mortgagor is required, or shall elect, to pay or cause to be paid hereunder.
8. To keep the Premises continuously insured, until the indebtedness secured hereby is fully paid against loss or damage under such types of hazard and liability insurance and in such forms, amounts and companies as may be reasonably approved or required from time to time by Mortgagee (in the absence of any specified requirements, such insurance shall be under policies providing for payment by the insurance companies of moneys sufficient either to pay the full cost of replacing or repairing the premises or to pay in full the indebtedness secured hereby); all policies whether or not required by the terms of this Mortgage, shall contain loss payable clauses in favor of Mortgagee (or, in case of foreclosure sale, in favor of the owner of the certificate of sale); in the event of loss, Mortgagor shall immediately notify Mortgagee in writing and Mortgagor authorizes and directs each and every insurance company concerned to make payments for such loss directly and solely to Mortgagee (who may, but need not, make proof of loss) and Mortgagee is authorized to adjust, collect, and compromise all claims under all policies, and Mortgagor shall sign, upon demand by Mortgagee, all receipts, vouchers, and releases required by the insurance companies and the insurance proceeds, or any part thereof, may be applied by Mortgagee, at their option, either to the reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged, and any application thereof to the indebtedness shall not relieve Mortgagors from making the payments herein required until the indebtedness is paid in full. Mortgagee may, from time to time, at their option, waive and, after any such waiver, reinstate any or all provisions hereof requiring deposit of insurance policies, by notice to Mortgagor in writing.
9. (a) To deliver to Mortgagee, all policies of insurance with evidence of premiums prepaid (renewal policies to be delivered not less than ten (10) days prior to the respective dates of expiration), and all abstracts of title, title guarantee policies, and other evidence of title to the premises, all of which shall be held by Mortgagee without liability, and in the event of foreclosure of this Mortgage or transfer of title to the premises in extinguishment of said indebtedness, shall become the absolute property of Mortgagee.

- (b) IF ALL OR ANY PART OF THE PREMISES OR AN INTEREST THEREIN IS SOLD OR TRANSFERRED BY MORTGAGOR WITHOUT MORTGAGEE'S PRIOR WRITTEN CONSENT, MORTGAGEE MAY, AT MORTGAGEE'S OPTION, DECLARE ALL THE SUMS SECURED BY THIS MORTGAGE TO BE IMMEDIATELY DUE AND PAYABLE. MORTGAGEE SHALL HAVE WAIVED SUCH OPTION TO ACCELERATE IF, PRIOR TO THE SALE OF TRANSFER, MORTGAGEE AND THE PERSON TO WHOM THE PREMISES IS TO BE SOLD OR TRANSFERRED REACH AGREEMENT IN WRITING THAT THE CREDIT OF SUCH PERSON IS SATISFACTORY TO MORTGAGEE AND THAT THE INTEREST PAYABLE ON THE SUMS SECURED BY THIS MORTGAGE SHALL BE AT SUCH RATE AS MORTGAGEE SHALL REQUEST. IF MORTGAGEE HAS WAIVED THE OPTION TO ACCELERATE.

IF MORTGAGEE EXERCISES SUCH OPTION TO ACCELERATE, MORTGAGEE SHALL MAIL MORTGAGOR NOTICE OF ACCELERATION. SUCH NOTICE SHALL PROVIDE A PERIOD NOT LESS THAN THIRTY (30) DAYS FROM THE DATE THE NOTICE IS MAILED WITHIN WHICH MORTGAGOR MAY PAY THE SUMS DECLARED DUE. IF MORTGAGOR FAILS TO PAY SUCH SUMS PRIOR TO THE EXPIRATION OF SUCH PERIOD, MORTGAGEE MAY, WITHOUT FURTHER NOTICE OR DEMAND ON MORTGAGOR, INVOKE ANY REMEDIES PERMITTED BY THIS MORTGAGE.

THE REQUIREMENT OF MORTGAGEE'S CONSENT PRIOR TO ANY TRANSFER SHALL INCLUDE ALL LEGAL INTEREST OF MORTGAGOR IN THE PREMISES. SAID REQUIREMENT EXTENDS TO CONTRACTS FOR DEED, TRANSFERS TO LAND TRUSTS OR OTHER TRUSTS (EVEN THOUGH MORTGAGOR OR ANY OF THEM ARE BENEFICIARIES THEREIN), AND ASSIGNMENTS OF BENEFICIAL INTERESTS IN LAND TRUSTS AND OTHER TRUSTS.

10. In the event of default in performance of any Mortgagor's covenants or agreements herein contained, Mortgagee may, but need not, make any payment or perform any act hereinbefore required of Mortgagor, in any form and manner deemed expedient, and may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or any other lien, encumbrance, suit title or claim thereof, or redeem from any tax sale or forfeiture affecting the premises or contest any tax or assessment. All monies paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including attorney's fees, and any other monies advanced by Mortgagee to protect the premises and the lien hereof

shall be so much additional indebtedness secured hereby and shall be come immediately due and payable without notice. Mortgagee, making any payment hereby authorized relating to taxes or assessments, shall be the sole judge of the legality and validity thereof and of the amount necessary to be paid in satisfaction thereof.

11. If (a) default be made in payment, when due, of any sum secured hereby, or in any of the other covenants or agreements herein contained to be performed by Mortgagor herein or in the Agreement, or (b) if any proceedings be instituted or process issued (i) to enforce any other lien, charge or encumbrance against the premises, or (ii) to condemn the premises or any part thereof for public use, or (iii) against Mortgagor or any beneficiary thereof under any bankruptcy or insolvency laws, or (iv) to place the premises or any part thereof in the custody of any court through their receiver or other officer, and such proceedings are not dismissed or stayed on appeal or such process withdrawn within Ten (10) days after written notice to Mortgagor; or (c) if Mortgagor makes any assignment for the benefit of creditors, or are declared bankrupt, or if by or with the consent or at the instance of proceedings to extend the time of payment of the Note or to change the terms of this Mortgage be instituted under any bankruptcy or insolvency law; then:
 - (a) All sums secured hereby shall, at the option of Mortgagee, become immediately due and payable without notice, with interest thereon, from the date of the first of any such defaults, at the penalty rate; and
 - (b) Mortgagee may immediately foreclose this Mortgage. The Court in which any proceedings is pending for that purpose may, at once or any time thereafter, either before or after sale, without notice to Mortgagor, and without requiring bond, and without regard to the solvency or insolvency of any person liable for payment of the indebtedness secured hereby, and without regard to the then value of the premises, or whether the same shall be occupied as a Homestead, appoint a receiver (the provisions for the appointment of a receiver and assignment of rents being an express condition upon which the loan hereby secured is made), for the benefit of Mortgagee or place Mortgagee in possession under the terms of the applicable statute of the State of Illinois, with power to collect the rents, issues and profits of the premises, due and to become due, during such foreclosure suit and the full statutory period of redemption notwithstanding any redemption. The receiver or Mortgagee in possession, out of such rents, issues and profits when collected, may pay costs incurred in the management and operation of the premises, prior and coordinate liens, if any, and taxes, assessments, water and other utilities and insurance, then due or thereafter accruing, and may make and pay for any necessary repairs

to the premises, and may pay all or any part of the indebtedness secured hereby or any deficiency decree; and

- (c) Mortgagee shall, at its option, have the right, acting through itself, its agents or attorneys, with process of law, to enter upon and take possession of the premises and property, expel and remove any persons, goods or chattels, occupying or upon the same, and to collect or receive all the rents, issues and profits thereof, and to manage and control the same, and to lease the same or any part thereof from time to time, and after deducting all reasonable attorney's fees and all operation of the premises, apply the remaining net income upon the indebtedness secured hereby, or upon any deficiency decree entered by virtue of any sale held pursuant to a decree of foreclosure.

12. In any foreclosure of this Mortgage, there shall be allowed and included in the decree for sale, in the event Mortgagor successfully obtains a judgment of foreclosure, to be paid out of the rents or proceeds of such sale, or by the Mortgagee, and only payable to the prevailing party in any such foreclosure action:

- (a) All principal and interest remaining unpaid and secured hereby;
- (b) All other items advanced or paid by Mortgagee pursuant to this Mortgage with interest at the penalty rate from the date of advancement;
- (c) All court costs and fees, attorneys' fees, appraiser's fees, expenditures for documentary and expert evidence, stenographer's charges, publication costs and coats (which may be estimated as to items to be expended after entry of the decree) of procuring all abstracts of title, title searches and examinations, title guarantee policies, and similar data with respect to title, as Mortgagee may deem necessary. All expenditures and expenses of the type mentioned in this subparagraph I shall become so much additional indebtedness secured hereby and immediately due and payable, with interest at the same rate as shall accrue on the principal balance when paid or incurred by Mortgagee, in connection with (i) any proceedings, including probate and bankruptcy proceedings to which Mortgagee shall be a party, either as plaintiff, claimant or defendant, by reason of this Mortgage or any indebtedness hereby secured; or (ii) preparations for the commencement of any suit for the foreclosure hereof after accrual of such right to foreclose whether or not actually commenced; or (iii) preparations for the defense of security hereof, whether or not actually commenced. The proceeds of any foreclosure sale shall be distributed and applied to the items described in subparagraph (a), (b), and (c) in order of priority inversely to the

manner in which said subparagraphs are above listed and any surplus of the proceeds of such sale be paid to Mortgagor.

13. No remedy or right of mortgagee shall be exclusive of, but shall be in addition to, every other remedy or right now or hereafter existing at law or in equity. No delay in exercising, or omission to exercise, any remedy or right accruing on default shall impair any such remedy or right, or be construed to be a waiver of any such default, or acquiescence therein, nor shall it affect any subsequent default of the same or a different nature. Every such remedy or right may be exercised concurrently or independently, and when and as often as may be deemed expedient by Mortgagee.
14. Without affecting the liability of Mortgagor or any other person (except any person expressly released in writing) for payment of any indebtedness secured hereby or for performance of any obligation contained herein, and without affecting the rights of Mortgagee with respect to any security not expressly released in writing, Mortgagee may, at any time and from time to time, either before or after the maturity of said note, and without notice or consent:
 - (a) Release any person liable for payment of all or any part of the indebtedness or for performance of any obligation.
 - (b) Make any agreement extending the time or otherwise altering the terms of payment of all or any part of the indebtedness or modifying or waiving any obligation, or subordinating, modifying or otherwise dealing with the lien or charge hereof.
 - (c) Exercise or refrain from exercising or waive any right Mortgagee may have.
 - (d) Accept additional security of any kind.
 - (e) Release or otherwise deal with any property, real or personal, securing the indebtedness, including all or any part of the property mortgaged hereby.
15. Upon full payment of all sums secured hereby at the time and in the manner provided, then this conveyance shall be null and void and within thirty (30) days after written demand therefor a re-conveyance or release of the premises shall be made by Mortgagee to Mortgagor.
16. All provisions hereof shall inure to and bind the respective heirs, executors, administrators, successors, vendees and assigns of the parties hereto, and the word "Mortgagor" shall include all persons claiming under or through Mortgagor and all persons liable for the payment of the indebtedness or any part hereof, whether or not such persons shall have executed the Note or

this Mortgage. Whenever used, the singular number shall include the plural, and the plural the singular, and the use of any gender shall be applicable to all genders.

- 17. That this Mortgage cannot be changed except by an agreement in writing, signed by the party against whom enforcement of the change is sought.
- 18. This lien may be subordinated with the written consent of the City Manager.

IN WITNESS WHEREOF, Mortgagor has executed this Mortgage the day and year first above written.

ATTEST:	Heartland Bank & Trust Company
By:_____	By: _____
Title:_____	Its: _____

STATE OF ILLINOIS)
) ss
COUNTY OF DEKALB)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that _____, personally known to me to be the same person whose name is subscribed to the foregoing instrument as the _____ of Heartland Bank & Trust Company, appeared before me this day in person and acknowledged that he signed and delivered said instrument as his own free and voluntary act as the authorized agent of Heartland Bank & Trust Company, for the uses and purposes therein set forth.

Given under my hand and notarial seal this ____ day of _____, 20__.

Notary Public

**Exhibit 1 to Mortgage
(Legal Description of the Property)**

The Property is legally described as follows:

LOTS 9 AND 10 IN BLOCK 16 OF THE ORIGINAL VILLAGE (NOW CITY) OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK "A" OF PLATS, PAGE 8 ¼ ON DECEMBER 19, 1853, IN DEKALB COUNTY, ILLINOIS, EXCEPTING THEREFROM THE SOUTH 3 FEET OF SAID LOT 9, DEKALB COUNTY, ILLINOIS.

Common Address: 205 S. 4th St., DeKalb, IL 60115

PIN: 0823304011

Heartland Bank: Projected Incremental City Property Tax Revenues

Equalization Factor of 4% per year

City Tax Rate remains flat

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	Total
EAV	\$447,120	\$465,005	\$483,605	\$502,949	\$523,067	\$543,990	\$565,749	\$588,379	\$611,915	\$636,391	\$661,847	\$688,321	\$715,854	\$744,488	\$774,267	\$805,238	\$837,447	\$870,945	\$905,783	\$942,014	
City Tax Rate	0.622860	0.622860	0.622860	0.622860	0.622860	0.622860	0.622860	0.622860	0.622860	0.622860	0.622860	0.622860	0.622860	0.622860	0.622860	0.622860	0.622860	0.622860	0.622860	0.622860	
City Taxes	\$2,784.93	\$2,896.33	\$3,012.18	\$3,132.67	\$3,257.98	\$3,388.30	\$3,523.83	\$3,664.78	\$3,811.37	\$3,963.83	\$4,122.38	\$4,287.27	\$4,458.77	\$4,637.12	\$4,822.60	\$5,015.50	\$5,216.12	\$5,424.77	\$5,641.76	\$5,867.43	\$82,929.91

WEAVER CONSTRUCTION INC

228 W. Page St. - Sycamore, IL 60178

T: 815-899-1515 | Tom 815-739-5206 Todd 630-816-8735

City of Dekalb TIFF Qualifications for Heartland Bank

Site Utilities	Royer	Wagner	E&W	Jack Hall
Demolition	-	\$17,250.00	\$21,474.00	-
Sanitary Sewer	-	\$12,650.00	\$14,972.00	-
Water Service	-	\$10,950.00	\$18,689.00	-
Storm Sewer	-	\$51,120.00	\$55,759.00	-
Site Work	-	\$66,000.00	\$110,911.00	-
Paving	\$43,715.00	-	-	-
Curb & Concrete Paving	-	-	\$68,729.94	\$76,690.00