

**ORDINANCE NO. 10-02-23**

**CITY OF MENDOTA, ILLINOIS**

**AN ORDINANCE APPROVING AND AUTHORIZING  
THE EXECUTION OF A TAX INCREMENT FINANCING (TIF)  
DISTRICT REDEVELOPMENT AGREEMENT**

by and between

**THE CITY OF MENDOTA**

and

**PRESCOTT BROTHERS INC.**

and

**PRESCOTT PROPERTIES MENDOTA MAIN, LLC,  
SERIES NO. 1 MAIN – NO. 4 MAIN**

**MENDOTA 2022 TAX INCREMENT FINANCING DISTRICT**

**ADOPTED BY THE CORPORATE AUTHORITIES OF  
THE CITY OF MENDOTA, LASALLE COUNTY, ILLINOIS, ON THE  
2<sup>ND</sup> DAY OF OCTOBER, 2023.**

**ORDINANCE NO. 10-02-23**

**CITY OF MENDOTA 2022 TAX INCREMENT FINANCING DISTRICT**

**AN ORDINANCE APPROVING AND AUTHORIZING  
THE EXECUTION OF A REDEVELOPMENT AGREEMENT**

**by and between**

**THE CITY OF MENDOTA**

**and**

**PRESCOTT BROTHERS INC.**

**and**

**PRESCOTT PROPERTIES MENDOTA MAIN, LLC,  
SERIES NO. 1 MAIN – NO. 4 MAIN**

**WHEREAS**, the City Council of the City of Mendota, LaSalle County, Illinois (the “City”) have determined that this Redevelopment Agreement by and between the City of Mendota, and Prescott Brothers Inc., and Prescott Properties Mendota Main, LLC, Series No. 1 Main – No. 4 Main, is in the best interest of the citizens of the City of Mendota.

**NOW THEREFORE**, be it ordained by the Mayor and City Council of the City of Mendota, LaSalle County, Illinois as follows:

**SECTION ONE:** The TIF Redevelopment Agreement with Prescott Brothers Inc. and Prescott Properties Mendota Main, LLC Series No. 1 Main – No. 4 Main (collectively the “Developer”) attached hereto as **Exhibit A**, with attached mortgage and note, (hereinafter the “Loan Documents”), is hereby approved.

**SECTION TWO:** The Mayor is hereby authorized and directed to enter into and execute on behalf of the City said Redevelopment Agreement and Loan Documents, in a form substantially similar to the attached, and the City Clerk of the City of Mendota is hereby authorized and directed to attest such execution.

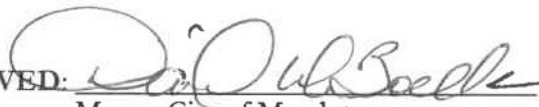
**SECTION THREE:** The Redevelopment Agreement and Loan Documents shall be effective on the date of its approval by the City.

**SECTION FOUR:** This Ordinance shall be in full force and effect from and after its passage and approval as required by law.

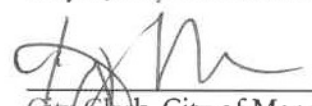
[The remainder of this page is intentionally blank.]

**PASSED, APPROVED AND ADOPTED** by the Corporate Authorities of the City of Mendota this 2<sup>nd</sup> day of October, 2023.

ALDERMEN	AYE VOTE	NAY VOTE	ABSTAIN / ABSENT
John Hessenberger	X		
Jim Fitzpatrick			/ X
John Holland	X		
Leo Hochstatter			/ X
Kyle Kim	X		
Jay Miller			/ X
Mark Peasley	X		
Vicki Johnson	X		
Mayor David Boelk			
<b>TOTAL VOTES:</b>	<b>5</b>	<b>0</b>	<b>0 / 3</b>

**APPROVED:**   
 Mayor, City of Mendota

Date: 10 / 02 / 2023

**ATTEST:**   
 City Clerk, City of Mendota

Date: 10 / 02 / 2023

Attachment:

EXHIBIT A: Redevelopment Agreement between the City of Mendota and Prescott Brothers Inc.

**EXHIBIT A**

**TAX INCREMENT FINANCING (TIF) DISTRICT  
REDEVELOPMENT AGREEMENT**

by and between

**THE CITY OF MENDOTA**

and

**PRESCOTT BROTHERS INC.**

and

**PRESCOTT PROPERTIES MENDOTA MAIN, LLC,  
SERIES NO. 1 MAIN – NO. 4 MAIN**

**MENDOTA 2022 TIF DISTRICT**

**TAX INCREMENT FINANCING DISTRICT  
REDEVELOPMENT AGREEMENT**

by and between

**CITY OF MENDOTA, LASALLE COUNTY, ILLINOIS**

and

**PRESCOTT BROTHERS INC.**

and

**PRESCOTT PROPERTIES MENDOTA MAIN, LLC,  
SERIES NO. 1 MAIN – NO. 4 MAIN**

**MENDOTA 2022 TAX INCREMENT FINANCING DISTRICT**

**OCTOBER 2, 2023**

**MENDOTA 2022 TAX INCREMENT FINANCING DISTRICT**

**REDEVELOPMENT AGREEMENT**

by and between

**CITY OF MENDOTA, LASALLE COUNTY, ILLINOIS**

and

**PRESCOTT BROTHERS INC.**

and

**PRESCOTT PROPERTIES MENDOTA MAIN, LLC,  
SERIES NO. 1 MAIN – NO. 4 MAIN**

**THIS REDEVELOPMENT AGREEMENT** (including Exhibits) (“Agreement”) is entered into this 2<sup>nd</sup> day of October, 2023, by the **City of Mendota** (the “City”), an Illinois Municipal Corporation, LaSalle County, Illinois, **Prescott Brothers Inc**, an Illinois corporation, and **Prescott Properties Mendota Main, LLC, Series No. 1 Main - No. 4 Main**, an Illinois series limited liability company (collectively hereinafter the “Developer”).

**PREAMBLE**

**WHEREAS**, the City has the authority to promote the health, safety, and welfare of the City and its citizens and to prevent the spread of blight and deterioration and inadequate public facilities by promoting the development of private property thereby increasing the tax base of the City and providing employment for its citizens; and

**WHEREAS**, pursuant to 65 ILCS 5/8-1-2.5 a municipality may expend funds for economic development purposes to commercial enterprises that are necessary or desirable for the promotion of economic development within the municipality; and

**WHEREAS**, pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4.4 et seq., as amended (the “Act”), the City has the authority to provide incentives to owners or prospective owners of real property to develop, redevelop, and rehabilitate such property by reimbursing the owners for certain costs from resulting increases in real estate tax revenues and enter into contracts with developers necessary or incidental to the implementation of its redevelopment plan pursuant to 65 ILCS 5/11-74.4-4(b) and (j); and

**WHEREAS**, on November 21, 2022, recognizing the need to foster the development, expansion and revitalization of certain properties which are vacant, underutilized or obsolete or a combination thereof, the City adopted Tax Increment Financing and created a Tax Increment Allocation Redevelopment Area under the Act known as the Mendota 2022 Tax Increment Financing District (the “TIF District”); and

**WHEREAS**, included in the Redevelopment Project Area is property owned by the Developer generally located at 614 13<sup>th</sup> Avenue, Mendota, Illinois (PIN#s: 01-32-400-005, 01-32-400-006, 01-32-400-007, 01-32-400-011, 01-32-400-012, 01-32-400-014, and 01-32-400-015) (the “Property”); and

**WHEREAS**, based on incentives offered by the City, the Developer intends to reconstruct, rehabilitate, renovate and operate the commercial buildings located on the Property as a new and used vehicle dealership (the "Project"); and

**WHEREAS**, it is the intent of the City to encourage economic development which will increase the real estate tax base of the City, which increased taxes will be used, in part, to finance incentives to assist this Developer's Project; and

**WHEREAS**, the Developer's proposed Project is consistent with the TIF District Redevelopment Plan and Projects for the Redevelopment Project Area and further conforms to the land uses and Comprehensive Plan of the City as adopted; and

**WHEREAS**, pursuant to Section 5/11-74.4(b) of the Act, the City may make and enter into all contracts with property owners, developers, tenants, overlapping taxing bodies, and others necessary or incidental to the implementation and furtherance of the Redevelopment Plan; and

**WHEREAS**, pursuant to Section 5/11-74.4-4(j) of the Act, the City may incur project redevelopment costs and reimburse developers who incur redevelopment project costs authorized by a redevelopment agreement and further defined in Section 5/11-74.4-3(q) of the Act, including those Estimated TIF Eligible Project Costs as herein listed in the attached *Exhibit "1"* of this Redevelopment Agreement; and

**WHEREAS**, the Developer requests that incentives for the development be provided by the City from incremental increases in real estate taxes of the City and that such incentives include the reimbursement of Eligible Project Costs; and

**WHEREAS**, the City has determined that this Project requires the incentives requested and that said Project will, as a part of the Plan, promote the health, safety and welfare of the City and its citizens by attracting private investment to prevent blight and deterioration, to develop underutilized property, and to provide employment for its citizens and generally to enhance the economy of the City; and

**WHEREAS**, the City has reviewed the conditions of the Property and has reason to believe that the costs of the necessary public and private improvements to be incurred by the Developer in furtherance of the Project are eligible project costs under the Act and are consistent with the Redevelopment Plan of the City; and

**WHEREAS**, the Parties have agreed that the City shall provide the incentives as set forth herein; and

**WHEREAS**, the City is entering into this Agreement to induce the Developer to complete the Project located on the Property; and

**WHEREAS**, in consideration of the execution of this Agreement and in reliance thereon, the Developer is proceeding with plans to complete the Project as set forth herein.

## AGREEMENTS

NOW, THEREFORE, for good and valuable consideration, the receipt of which is acknowledged, the Parties agree as follows:

### A. PRELIMINARY STATEMENTS

1. The Parties agree that the matters set forth in the recitals above are true and correct and form a part of this Agreement, and are to be construed as binding statements of this Agreement.
2. Any terms which are not defined in this Agreement shall have the same meaning as they do in the Act, unless indicated to the contrary.
3. The City in extending incentives for this Project is relying on the representation of the Developer contained herein to substantially complete the Project as set forth herein.
4. Each of the Parties represents that it has taken all actions necessary to authorize its representatives to execute this Agreement.
5. The Developer shall commence the Project within sixty (60) days from the date of execution of this Agreement. The Project will be deemed complete upon acquisition and is to be completed on or before December 31, 2024.
6. In order to continue receiving the incentives set forth herein, the Developer agrees to provide any information to the City upon written request of the City regarding the number of jobs created and/or retained by the Project as may be required by the Act and/or by the Illinois Comptroller. Failure to provide such information within forty-five (45) days of the date of City's request shall be cause for City, at City's sole discretion, to declare the Developer in default and/or for the City to withhold any payments due Developer until such time as the city's request is satisfied.

### B. ADOPTION OF TAX INCREMENT FINANCING

The City has created a Tax Increment Financing District known as "Mendota TIF District 2022" which includes the Developer's Property. The City has approved certain Redevelopment Project Costs in the Redevelopment Plan, including the types described in *Exhibit 1* for the Developer's Project.

### C. INCENTIVES

In consideration for the Developer completing its Project, the City agrees to extend to Developer the following incentives to assist the Developer's Project:

1. The City agrees to loan to the Developer (the "Loan") an amount not to exceed **Four Hundred Thousand Dollars (\$400,000.00)** as reimbursement for the Developer's TIF Eligible Project Costs incurred in furtherance of the Project as set forth in *Exhibit 1* attached hereto, pursuant to the following conditions:



- (a) The Loan shall be paid by the City to the Developer upon approval of this Agreement by all necessary parties and submission by Developer, and approval by City, of at least \$400,000.00 in TIF Eligibility Project Costs;
- (b) The Loan shall be forgiven by City at a rate of twenty percent (20%) of the loan balance for five (5) consecutive years;
- (c) The Developer shall be obligated to immediately repay the outstanding Loan balance, in addition to any accrued interest thereon, to the City if and when any of the following events of default occur:
  - (i) The Developer sells or otherwise transfers the Property without consent of the City, during the term of the Loan,
  - (ii) The Developer ceases to operate a new and used auto sales business currently known as the "Prescott Brothers Inc." on the Property for a period of greater than thirty (30) consecutive days during the term of the Loan,
  - (iii) The Property is in violation of any municipal ordinance relating to property development, property condition, zoning, subdivision, building or safety codes during the term of the Loan.
  - (iv) Any other default of any term set forth in this Agreement.
- (d) In order to secure the Loan set forth herein, the Developer agrees to execute a Note and grant a mortgage (attached hereto as *Exhibit "3"*) in the amount of the Loan to the City which shall be recorded in the LaSalle County Recorder's office. Upon full satisfaction of the Loan pursuant to the terms set forth herein, the City agrees to release said mortgage. The City agrees to subordinate said mortgage to that of a bank providing primary financing for the Project upon request.

#### **D. LIMITATION OF INCENTIVES TO DEVELOPER**

1. The Developer shall be reimbursed by the City for TIF Eligible Project Costs permitted by the Act, not to exceed **Four Hundred Thousand Dollars (\$400,000.00)**, in the form of a forgivable loan.
2. The Developer shall provide verification of TIF Eligible Project Costs in the amount of the Loan as set forth in *Section E* below.

#### **E. PAYMENT OF ELIGIBLE PROJECT COSTS**

1. Payment to the Developer for Eligible Project Costs as set forth by the Act shall be made by a Requisition for Payment of Private Development Redevelopment Costs (see *"Exhibit 2"*) (the "Requisition") submitted from time to time by the Developer to the City's TIF administrator Jacob & Klein, Ltd., with copy to The Economic Developer Group, Ltd. (collectively, the "Administrator"), and subject to the Administrator's approval of the costs

and to the availability of funds in the City's TIF District Special Tax Allocation Fund.

2. All Requisitions must be supported by all corresponding verified receipts, invoices, bills or statements of suppliers, contractors, or professionals together with Mechanic's Lien Waivers, if applicable, cancelled checks or other proof of payment as required by the City.
3. The Administrator shall approve or disapprove a Requisition by written receipt to the Developer within thirty (30) days after receipt of the Requisition. Approval of the Requisition will not be unreasonably withheld. If a requisition is disapproved by the Administrator, the reasons for disallowance will be set forth in writing and the Developer may resubmit the Requisition with such additional information as may be required and the same procedures set forth herein shall apply to any re-submittals.
4. All approved TIF Eligible Project Costs shall be paid by the City from the TIF Fund to the Developer. The City shall pay such approved Eligible Project Costs provided the Developer has satisfied the terms of this Agreement and provided sufficient verification of costs equal to or exceeding the amount payable to the Developer under this Agreement. Payments shall be made within forty-five (45) days after approval of the TIF Eligible Project Costs subject to the terms of this Agreement.
5. The Parties acknowledge that the determination of TIF Eligible Project Costs, and, therefore, qualification for reimbursement hereunder are subject to changes or interpretation made by amendments to the Act, administrative rules or judicial interpretation during the term of this Agreement. The City has no obligation to the Developer to attempt to modify those decisions, but will reasonably assist the Developer in every respect to obtain approval of Eligible Project Costs.

#### **F. LIMITED OBLIGATION**

The City's obligation hereunder to pay the Developer for Eligible Project Costs is a limited obligation to be paid solely from the Special Tax Allocation Fund in an amount not to exceed Four Hundred Thousand Dollars (\$400,000.00). Said obligation does not now and shall never constitute an indebtedness of the City within the meaning of any State of Illinois constitutional or statutory provision, and shall not constitute or give rise to a pecuniary liability of the City or a charge or lien against any City fund or require the City to utilize its taxing authority to fulfill the terms of this Agreement.

#### **G. LIMITED LIABILITY OF CITY TO OTHERS FOR DEVELOPER'S EXPENSES**

There shall be no obligation by the City to make any payments to any person other than the Developer, nor shall the City be obligated to make direct payments to any other contractor, subcontractor, mechanic, or materialman providing services or materials to the Developer for the Project. This Agreement shall not create any third-party rights and the Developer shall indemnify and hold the City harmless on any claims arising out of the Developer's construction activities.

## **H. COOPERATION OF THE PARTIES**

The City and the Developer agree to cooperate fully with each other when reasonably requested to do so concerning the development of the Developer's Project.

## **I. DEFAULT; CURE; REMEDIES**

In the event of a default under this Agreement by any party hereto (the "Defaulting Party"), which default is not cured within the cure period provided for below, then the other party (the "Non-defaulting Party") shall have an action for damages, or in the event damages would not fairly compensate the Non-defaulting Party's for the Defaulting Party's breach of this Agreement, the Non-defaulting Party shall have such other equity rights and remedies as are available to them at law or in equity. Any damages payable by the City hereunder shall be limited to the real estate tax increment payable to the Developer under the terms of this Agreement.

In the event a Defaulting Party shall fail to perform a monetary covenant which it is required to perform under this Agreement, it shall not be deemed to be in default under this Agreement unless it shall have failed to perform such monetary covenant within thirty (30) days of its receipt of a notice from a Non-defaulting Party specifying that it has failed to perform such monetary covenant. In the event a Defaulting Party fails to perform any non-monetary covenant as and when it is required to under this Agreement, it shall not be deemed to be in default if it shall have cured such default within thirty (30) days of its receipt of a notice from a Non-defaulting Party specifying the nature of the default, provided, however, with respect to those non-monetary defaults which are not capable of being cured within such thirty (30) day period, it shall not be deemed to be in default if it commences curing within such thirty (30) days period, and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured.

## **J. ASSIGNMENT**

The rights and obligations of the Developer and Assignees under this Agreement shall not be assignable.

## **K. WAIVER**

Any Party to this Agreement may elect to waive any remedy it may enjoy hereunder, provided that no such waiver shall be deemed to exist unless the Party waiving such right of remedy does so in writing.

No such waiver shall obligate such Party to waive any right of remedy hereunder, or shall be deemed to constitute a waiver of other rights and remedies provided said party pursuant to this Agreement.

## **L. SEVERABILITY**

If any section, subsection, term or provision of this Agreement or the application thereof to any party or circumstance shall, to any extent, be invalid or unenforceable, the remainder of said section, subsection, term or provision of this Agreement or the application of same to parties or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby.

## M. NOTICES

All notices, demands, requests, consents, approvals or other instruments required or permitted by this Agreement shall be in writing and shall be executed by the Party or an officer, agent or attorney of the Party, and shall be deemed to have been effective as of the date of actual delivery, if delivered personally, or as of the third (3<sup>rd</sup>) day from and including the date of posting, if mailed by registered or certified mail, return receipt requested, with postage prepaid addressed as follows:

To Developer:

Thomas K. Prescott, President  
Prescott Brothers Inc.  
614 13<sup>th</sup> Avenue  
Mendota, IL 61342

Thomas K. Prescott, Manager  
Prescott Properties Mendota Main, LLC  
614 13<sup>th</sup> Avenue  
Mendota, IL 61342

To City:

City Clerk  
City of Mendota  
800 Washington Street  
Mendota, IL 61342

*With copy to:*

Jacob & Klein, Ltd.  
Economic Development Group, Ltd.  
1701 Clearwater Avenue  
Bloomington, Illinois 61704  
Telephone: (309)664-7777

## N. SUCCESSORS IN INTEREST

This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

## O. NO JOINT VENTURE, AGENCY, OR PARTNERSHIP CREATED

Neither anything in this Agreement nor any acts of the Parties to this Agreement shall be construed by the Parties or any third person to create the relationship of a partnership, agency, or joint venture between or among such Parties.

## P. INDEMNIFICATION OF City

It is the understanding of the Parties that the position of the Illinois Department of Labor is that the Illinois Prevailing Wage Act does not apply to TIF increment received by private developers as reimbursement for TIF Eligible Project Costs. This position of the Department of Labor is states as an answer to a FAQ on its website at: <https://www2.illinois.gov/idol/FAQs/Pages/prevailing-wage-faq.aspx>. The Developer shall indemnify and hold harmless the City, and all City elected or appointed officials, officers, employees, agents, representatives, engineers, consultants and attorneys (collectively, the Indemnified Parties), from any and all claims that may be asserted against the Indemnified Parties or one or more of them, in connection with the applicability, determination, and/or payments made under the Illinois Prevailing Wage Act (820 ILCS 130/0.01 *et. seq.*), the Illinois Procurement Code, and/or any similar State or Federal law or regulation. In addition, the Developer agrees to indemnify and hold harmless the Indemnified Parties for any claim asserted against them arising from the Developer's Project or this Agreement. This obligation to indemnify and hold harmless obligates Developer to defend any such claim and/or action, pay any liabilities

and/or penalties imposed, and pay all defense costs of City, including but not limited to the reasonable attorney fees of City.

**Q. WARRANTY OF SIGNATORIES**

The signatories of Developer warrant full authority to both execute this Agreement and to bind the entity in which they are signing on behalf of.

**R. TERM OF THE AGREEMENT**

This Agreement shall expire upon the expiration of the Loan as set forth herein, unless earlier terminated for default.

**IN WITNESS WHEREOF** the Parties hereto have caused this Agreement to be executed by their duly authorized officers on the above date at Mendota, Illinois.

**CITY OF MENDOTA, ILLINOIS, a**  
Municipal Corporation:

By:   
David Boelk, Mayor

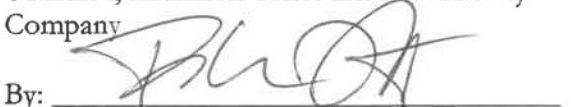
ATTEST:  
  
City Clerk

**DEVELOPER:**  
**PRESCOTT BROTHERS INC.,** an Illinois Corporation

By:   
Thomas K. Prescott, It's President

ATTEST:  
  
It's Secretary

**PRESCOTT PROPERTIES MENDOTA MAIN, LLC, SERIES NO. 1 MAIN - NO. 4 MAIN,** an Illinois Series Limited Liability Company

By:   
Thomas K. Prescott, It's Manager

ATTEST:  
  
It's Secretary

**EXHIBIT 1**

**SUMMARY OF ESTIMATED TIF ELIGIBLE PROJECT COSTS**

**Prescott Brothers Inc. Redevelopment Project  
Mendota 2022 TIF District in the City of Mendota, LaSalle County, Illinois**

Project Description: The Developer plans to reconstruct, rehabilitate, renovate, and operate the commercial buildings located on the Property as a New and Used vehicle dealership.

Project Location: 614 13<sup>th</sup> Avenue, Mendota, Illinois.

PIN#: 01-32-400-005, 01-32-400-006, 01-32-400-007, 01-32-400-011, 01-32-400-012, 01-32-400-014, and 01-32-400-015

***Estimated Eligible Project Costs:***

Site Preparation, Clearing and Grading . . . . .	\$ 69,775.00
Demolition, Rehabilitation, Renovation, Reconstruction . . . . .	\$331,505.00
Architectural, Engineering . . . . .	\$101,937.00
Other Eligible Project Costs: . . . . .	\$ _____
<b>Total <i>Estimated Eligible Project Costs</i> . . . . .</b>	<b>*\$503,217.00</b>

\*The Developer's total reimbursement of Eligible Project Costs shall not exceed \$400,000.00 to be paid from the Mendota 2022 TIF District Fund.

**EXHIBIT 2**

**CITY OF MENDOTA, ILLINOIS  
MENDOTA 2022 TIF DISTRICT**

**PRIVATE PROJECT  
REQUEST FOR REIMBURSEMENT  
BY  
PRESCOTT BROTHERS INC.**

**AND  
PRESCOTT PROPERTIES MENDOTA MAIN, LLC,  
SERIES NO. 1 MAIN – NO. 4 MAIN**

Date \_\_\_\_\_

Attention: City TIF Administrator, City of Mendota, Illinois

Re: TIF Redevelopment Agreement, dated \_\_\_\_\_, 2023, by and between the City of Mendota, Illinois (the "City"), Prescott Brothers Inc., and Prescott Properties Mendota Main, LLC Series 1-4 (collectively the "Developer")

The City of Mendota is hereby requested to disburse funds from the Special Tax Allocation Fund pursuant to the Redevelopment Agreement described above in the following amount(s), to the Developer and for the purpose(s) set forth in this Request for Reimbursement. The terms used in this Request for Reimbursement shall have the meanings given to those terms in the Redevelopment Agreement.

1. REQUEST FOR REIMBURSEMENT NO. \_\_\_\_\_
2. PAYMENT DUE TO: Prescott Properties Mendota Main, LLC
3. AMOUNTS REQUESTED TO BE DISBURSED:

Description of TIF Eligible Project Cost	Amount
Total	

4. The amount requested to be disbursed pursuant to this Request for Reimbursement will be used to reimburse the Developer for Redevelopment Project Costs for the Project detailed in *Exhibit "1"* of the Redevelopment Agreement.

5. The undersigned certifies and swears under oath that the following statements are true and correct:

- (i) the amounts included in (3) above were made or incurred or financed and were necessary for the Project and were made or incurred in accordance with the construction contracts, plans and specifications heretofore in effect; and
- (ii) the amounts paid or to be paid, as set forth in this Request for Reimbursement, represent a part of the funds due and payable for TIF Eligible Redevelopment Project Costs; and
- (iii) the expenditures for which amounts are requested represent proper Redevelopment Project Costs as identified in the "Limitation of Incentives to Developer" described in *Section "D"* of the Redevelopment Agreement, have not been included in any previous Request for Reimbursement, have been properly recorded on the Developer's books and are set forth with invoices attached for all sums for which reimbursement is requested, and proof of payment of the invoices; and
- (iv) the amounts requested are not greater than those necessary to meet obligations due and payable or to reimburse the Developer for its funds actually advanced for Redevelopment Project Costs; and
- (v) the Developer is not in default under the Redevelopment Agreement and nothing has occurred to the knowledge of the Developer that would prevent the performance of its obligations under the Redevelopment Agreement.

Any violation of this oath shall constitute a default of the Redevelopment Agreement and shall be cause for the City to unilaterally terminate the Redevelopment Agreement.

6. Attached to this Request for Reimbursement is *Exhibit "1"* of the Redevelopment Agreement, together with copies of invoices, proof of payment of the invoices, and Mechanic's Lien Waivers relating to all items for which reimbursement is being requested.

BY: \_\_\_\_\_(Developer)

TITLE: \_\_\_\_\_

---

**CITY OF MENDOTA, ILLINOIS**

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_ DATE: \_\_\_\_\_

---

**JACOB & KLEIN, LTD. & THE ECONOMIC DEVELOPMENT GROUP, LTD.**

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_ DATE: \_\_\_\_\_



**EXHIBIT 3**  
**MORTGAGE and NOTE**

RECORDATION REQUESTED BY:

The City of Mendota, Illinois  
800 Washington Street  
Mendota, IL 61342

WHEN RECORDED MAIL TO:

The City of Mendota, Illinois  
800 Washington Street  
Mendota, IL 61342

PREPARED BY:

Herbert J. Klein  
Jacob & Klein, Ltd.  
1701 Clearwater Avenue  
Bloomington, IL 61704

FOR RECORDER'S USE ONLY

**MORTGAGE  
(Balloon)**

**THIS MORTGAGE** dated October 17, 2023 is made and executed between Prescott Properties Mendota Main, LLC, Series No. 1 Main – No. 4 Main, an Illinois series limited liability company, whose address is 614 13<sup>th</sup> Avenue, Mendota, Illinois 61342 (referred to below as “Grantor”) and the City of Mendota, an Illinois Municipality, whose address is 800 Washington St., Mendota, Illinois 61342 (referred to below as “Lender”). Grantor owes Lender the principal sum of **Four Hundred Thousand Dollars and No Cents (\$400,000.00)** as evidenced by the Redevelopment Agreement executed by Grantor and Lender on October 2, 2023.

**GRANT OF MORTGAGE.** For valuable consideration, Grantor mortgages, warrants, and conveys to Lender all of Grantor’s right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, **located at 614 13<sup>th</sup> Avenue, Mendota, Illinois (the “Real Property”), and further described as:**

*\*See Attached Legal Description*

*PINs: 01-32-400-005, 01-32-400-006, 01-32-400-007, 01-32-400-011, 01-32-400-012, 01-32-400-014, and 01-32-400-015.*

**THIS MORTGAGE IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B) PERFORMANCE OF ANY AND ALL OBLIGATIONS UNDER THE REDEVELOPMENT AGREEMENT, THE RELATED DOCUMENTS, AND THIS MORTGAGE. THIS MORTGAGE IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:**

**PAYMENT AND PERFORMANCE.** Except as otherwise provided in this Mortgage, Grantor shall pay to Lender all amounts secured by this Mortgage as they become due and shall strictly perform all of Grantor’s obligations under this Mortgage.

**POSSESSION AND MAINTENANCE OF THE PROPERTY.** Grantor agrees that Grantor’s possession and use of the Property shall be governed by the following provisions:

## MORTGAGE (cont'd)

---

**Possession and Use.** Until the occurrence of an Event of Default, Grantor may (1) remain in possession and control of the property; (2) use, operate or manage the Property; and (3) collect the Rents from the Property.

**Duty to Maintain.** Grantor shall maintain the Property in good condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

**Nuisance, Waste.** Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property.

**Removal of Improvements.** Grantor shall not demolish or remove any Improvements from the Real Property without Lender's prior written consent. As a condition to the removal of any Improvements, Lender may require Grantor to make arrangements satisfactory to Lender to replace such Improvements with Improvements of at least equal value.

**Lender's Right to Enter.** Lender and Lender's agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Real Property for purposes of Grantor's compliance with the terms and conditions of this Mortgage.

**Compliance with Governmental Requirements.** Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Property are not jeopardized. Lender may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

**Duty to Protect.** Grantor agrees neither to abandon nor leave unattended the Property. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

**TAXES AND LIENS.** The following provisions relating to the taxes and liens on the Property are part of this Mortgage:

**Payment.** Grantor shall pay when due (and in all events prior to delinquency) all taxes, payroll taxes, special taxes, assessments, water charges and sewer service charges levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Except for the primary lender for the Grantor's project, the Grantor shall maintain the Property free of any liens having priority over or equal to the interest of Lender under this Mortgage, except for those liens specifically agreed to in writing by Lender, and except for the lien of taxes and assessments not due as further specified in the Right to Contest paragraph.

**Right to Contest.** Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any costs and attorney's fees, or other charges that could accrue as a result

## MORTGAGE (cont'd)

---

of a foreclosure or sale under the lien. In any contest, Grantor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

**Evidence of Payment.** Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

**LENDER'S EXPENDITURES.** If Grantor fails: (A) to keep the Property free of all taxes, liens, security interests (other than that of the primary lender for the Grantor's project), encumbrances, and other claims, (B) to provide any required insurance on the Property, or (C) to make repairs to the Property then Lender may do so. If any action or proceeding is commenced that would materially affect Lender's interests in the Property, then Lender on Grantor's behalf may, but is not required to, take any action that Lender believes to be appropriate to protect Lender's interests. All expenses incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Redevelopment Agreement from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Loan payable under the Redevelopment Agreement and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Redevelopment Agreement; or (C) be treated as a balloon payment which will be due and payable at the Loan's maturity. The Mortgage also will secure payment of these amounts. The rights provided for in this paragraph shall be in addition to any other rights or any remedies to which Lender may be entitled on account of any default. Any such action by Lender shall not be construed as curing the default so as to bar Lender from any remedy that it otherwise would have had.

**WARRANTY; DEFENSE OF TITLE.** The following provisions relating to ownership of the Property are a part of this Mortgage:

**Title.** Grantor warrants that: (a) Grantor holds good and marketable title or record to the Property in fee simple, free and clear of all liens and encumbrances other than that of a primary lender, those set forth in the Real Property description or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Mortgage, and (b) Grantor has the full right, power, and authority to execute and deliver this Mortgage to Lender.

**Defense of Title.** Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Lender under this Mortgage, Grantor shall defend the action at Grantor's expense. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Grantor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such participation.

**Compliance With Laws.** Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

**Survival of Promises.** All promises, agreements, and statements Grantor has made in this Mortgage shall survive the execution and delivery of this Mortgage, shall be continuing in nature and shall remain in full force and effect until such time as Grantor's Indebtedness is paid in full.

## MORTGAGE (cont'd)

---

**CONDEMNATION.** The following provisions relating to condemnation proceedings are a part of this Mortgage:

**Application of Net Proceeds.** If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation, Lender may at its election require that all or any portion of the net proceeds of the award be applied to the Indebtedness or the repair or restoration of the Property. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorneys' fees incurred by Lender in connection with the condemnation.

**FURTHER ASSURANCES; ATTORNEY-IN-FACT.** The Following provisions relating to further assurances and attorney-in-fact are a part of this Mortgage:

**Further Assurances.** At any time, and from time to time, upon request of Lender, Grantor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refilled, or rerecorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (1) Grantor's obligations under the Loan provided for in the Redevelopment Agreement, this Mortgage, and the Related Documents, and (2) the liens and security interest created by this Mortgage, whether now owned or hereafter acquired by Grantor. Unless prohibited by law or Lender agrees to the contrary in writing, Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

**Attorney-in-Fact.** If Grantor fails to do any of the things referred to in the preceding paragraph and is declared in default, Lender may do so for and in the name of Grantor, and at Grantor's expense. For such purposes, Grantor hereby irrevocably appoints Lender as Grantor's attorney-in-fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish the matters referred to in the preceding paragraph.

**FULL PERFORMANCE.** If Grantor pays all the Indebtedness when due, and otherwise performs all the obligations imposed upon Grantor under this Mortgage, Lender shall execute and deliver to Grantor a suitable satisfaction of this Mortgage and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property.

**EVENTS OF DEFAULT.** At Lender's option, Grantor will be in default under this Mortgage if any of the following happen:

**Payment Default.** Grantor fails to make any payment when due under the Indebtedness.

**Default on Other Payments.** Failure of Grantor within the time required by this Mortgage to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

**Break Other Promises.** Grantor breaks any promise made to Lender or fails to perform promptly at the time and strictly in the manner provided in this Mortgage or in any agreement related to this Mortgage.

**False Statements.** Any representation or statement made or furnished to Lender by Grantor or on Grantor's behalf under this Mortgage or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished.

**Defective Collateralization.** This Mortgage or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

**Insolvency.** The dissolution of Grantor, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

**Taking of the Property.** Any creditor or governmental agency tries to take any of the Property or any other of Grantor's property in which Lender has a lien. This includes taking of, garnishing of or levying on Grantor's accounts, including deposit accounts, with Lender. However, if Grantor disputes in good faith whether the claim on which the taking of the Property is based is valid or reasonable, and if Grantor give Lender written notice of the claim and furnishes Lender with monies or a surety bond satisfactory to Lender to satisfy the claim, then this default provision will not apply.

**Breach of Other Agreement.** Any breach by Grantor under the terms of any other agreement, including but not limited to the Redevelopment Agreement executed on October 2, 2023, which is incorporated herein by this reference (the "Note" or the "Loan"), between Grantor and Lender that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Grantor to Lender, whether existing now or later.

**Events Affecting Guarantor.** Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the Indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

**RIGHTS AND REMEDIES ON DEFAULT.** Upon the occurrence of an Event of Default and at any time thereafter, Lender, at Lender's option, may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:

**Accelerate Indebtedness.** Lender shall have the right at its option without notice to Grantor to declare the entire Indebtedness immediately due and payable, including any prepayment penalty that Grantor would be required to pay.

**Mortgagee in Possession.** Lender shall have the right to be placed as mortgagee in possession or to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The mortgagee in possession or receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

**Judicial Foreclosure.** Lender may obtain a judicial decree foreclosing Grantor's interest in all or any part of the Property.

**Deficiency Judgment.** If permitted by applicable law, Lender may obtain a judgment for any deficiency remaining in the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this section.

**Other Remedies.** Lender shall have all other rights and remedies provided in this Mortgage or the Loan or available at law or in equity.

**Sale of the Property.** To the extent permitted by applicable law, Grantor hereby waives any and all right to have the Property marshaled. In exercising its rights and remedies, Lender shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property.

**Election of Remedies.** All of Lender's rights and remedies will be cumulative and may be exercised alone or together. An election by Lender to choose any one remedy will not bar Lender from using any other remedy. If Lender decides to spend money or to perform any of the Grantor's obligations under this Mortgage, after Grantor's failure to do so, that decision by Lender will not affect Lender's right to declare Grantor in default and to exercise Lender's remedies.

**Attorneys' Fees; Expenses.** If Lender institutes any suit or action to enforce any of the terms of this Mortgage, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Loan rate set forth in the Redevelopment Agreement from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees and title insurance, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

**NOTICES.** Any notice required to be given under this Mortgage, including without limitation any notice of default and any notice of sale shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Mortgage. All copies of notices of foreclosure from the holder of any lien which has priority over this Mortgage shall be sent to Lender's address, as shown near the beginning of this Mortgage. Any person may change his or her address for notices under this Mortgage by giving formal written notice to the other person or persons, specifying that the purpose of the notice is to change the person's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors. It will be Grantor's responsibility to tell the others of the notice from Lender.

**MISCELLANEOUS PROVISIONS.** The following miscellaneous provisions are a part of this Mortgage:

**Amendments.** What is written in this Mortgage and in the Related Documents is Grantor's entire agreement with Lender concerning the matters covered by this Mortgage. To be effective, any change or amendment to this Mortgage must be in writing and must be signed by whoever will be bound or obligated by the change or amendment.

**Caption Headings.** Caption headings in this Mortgage are for convenience purposes only and are not to be used to interpret or define the provisions of this Mortgage.

**Governing Law.** This Mortgage will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Illinois without regard to its conflicts of law provisions. This Mortgage has been accepted by Lender in the State of Illinois.

**No Waiver by Lender.** Grantor understands Lender will not give up any of Lender's rights under this Mortgage unless Lender does so in writing. The fact that Lender delays or omits to exercise any right will not mean that Lender has given up that right. If Lender does agree in writing to give up one of Lender's rights, that does not mean Grantor will not have to comply with the other provisions of this Mortgage. Grantor also understands that if Lender does consent to a request, that does not mean that Grantor will not have to get Lender's consent again if the situation happens again. Grantor further understands that just because Lender consents to one or more of Grantor's requests, that does not mean Lender will be required to consent to any of Grantor's future requests. Grantor waives presentment, demand for payment, protest, and notice of dishonor.

**Severability.** If a court finds that any provision of this Mortgage is not valid or should not be enforced, that fact by itself will not mean that the rest of his Mortgage will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Mortgage even if a provision of this Mortgage may be found to be invalid or unenforceable.

**Merger.** There shall be no merger of the interest or estate created by this Mortgage with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

**Successors and Assigns.** Subject to any limitations stated in this Mortgage on transfer of Grantor's interest, this Mortgage shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Mortgage and the Indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Mortgage or liability under the Indebtedness.

**Time is of the Essence.** Time is of the essence in the performance of this Mortgage.

**Waiver of Homestead Exemption.** Grantor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of Illinois as to all Indebtedness secured by this Mortgage.



## MORTGAGE (cont'd)

---

**SUBORDINATION OF MORTGAGE:** Pursuant to the Loan set forth in the Redevelopment Agreement, this Mortgage shall be subordinate to the following mortgages:

- 1) 1<sup>st</sup> Mortgage on the Real Property held by the primary lender for the Borrower's project located thereon, upon request of the Borrower.

**DEFINITIONS.** The following words shall have the following meanings when used in this Mortgage:

**Borrower.** The word "Borrower" means Prescott Properties Mendota Main, LLC, Series No. 1 Main – No. 4 Main, and all its successors and assigns.

**Event of Default.** The words "Event of Default" mean any of the events of default set forth in this Mortgage in the events of default section of this Mortgage.

**Grantor.** The word "Grantor" means Prescott Properties Mendota Main, LLC, Series No. 1 Main – No. 4 Main.

**Guaranty.** The word "Guaranty" means the guaranty from guarantor, endorser, surety, or accommodation party to Lender, including without limitation a guaranty of all or part of the Loan set forth in the Redevelopment Agreement.

**Improvements.** The word "Improvements" means all existing and future improvements, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

**Indebtedness.** The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Loan set forth in the Redevelopment Agreement or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Loan or Related Documents and any amounts expended or advanced by Lender to discharge Grantor's obligations or expenses incurred by Lender to enforce Grantor's obligations under this Mortgage, together with interest on such amounts as provided in this Mortgage.

**Lender.** The word "Lender" means the City of Mendota, Illinois, its successors and/or assigns. The words "successors or assigns" mean any person or company that acquires any interest in the Loan.

**Mortgage.** The word "Mortgage" means this Mortgage between Grantor and Lender.

**Note.** The word "Note" or "Loan" means the Loan described in the Redevelopment Agreement executed by the Parties on October 2, 2023, together with all renewals of, extensions of, modifications of, refinancing of, consolidations of, and substitutions.

**Real Property.** The words "Real Property" mean the real property, interests and rights, as further described in this Mortgage.

**Related Documents.** The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, mortgages, deeds of trust, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

MORTGAGE (cont'd)

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MORTGAGE, AND GRANTOR AGREES TO ITS TERMS.

GRANTOR:  
PRESCOTT PROPERTIES MENDOTA  
MAIN, LLC, SERIES NO. 1 MAIN – NO. 4, MAIN,  
an Illinois series limited liability company

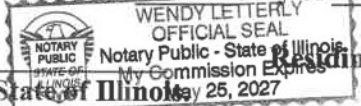
By: [Signature]  
Thomas K. Prescott, Its Manager

INDIVIDUAL ACKNOWLEDGMENT

STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF LA SALLE )

On this day before me, the undersigned Notary Public, personally appeared Thomas K. Prescott, who is the Manager of Prescott Properties Mendota Main, LLC, Series No. 1 Main – No. 4 Main, and authorized to sign on its behalf, and known to me to be the individual described in and who executed the Mortgage, and acknowledged that he/she/they signed the Mortgage as his/her/their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 17 day of October, 2023.

By Wendy Letterly  Residing at 1714 Peri Dr. Mendota IL  
Notary Public in and for the State of Illinois

My commission expires May 25, 2027

---

**LEGAL DESCRIPTION**

**Parcel 1:**

Commencing at the Northeast corner of the Southeast Quarter of Section 32, Township 36 North, Range 1, East of the Third Principal Meridian, thence South on the East line of said Quarter Section 84 feet, thence West at right angles with said East line of said Quarter Section, 80 feet, thence North parallel to said East line of said Quarter Section to the North line of said Quarter Section, thence East on said North line of said Quarter Section, 80 feet to the point of beginning, it being understood that 15 feet of the East end of said land is used for street purposes, situated in the City of Mendota, LaSalle County, Illinois and EXCEPTING THEREFROM that part deeded to the State of Illinois for right of way per Document No. 2002-10928 and 2002-10930.

Permanent Index No.: 01-32-400-005

Commonly known as: 614 13<sup>th</sup> Ave., Mendota, IL 61342

**Parcel 2:**

Commencing at a point 80 feet West of the Northeast corner of the Southeast Quarter of Section 32, Township 36 North, Range 1 East of the Third Principal Meridian, thence South on a line parallel with the East line of said Quarter Section 84 feet, thence East at right angle 80 feet, to the East line of said Quarter Section, thence South on the East line of said Quarter Section 16 feet, thence West at right angle with the East line of said Quarter Section 250 feet, thence North, parallel with the East line of said Quarter Section, to the North line of said Quarter Section, thence East on the North line of said Quarter Section to the point of beginning, it being understood that the East 15 feet of the South 16 feet of said land has been, by former owners thrown out to widen the Street, and it being also understood that a strip or gore piece of said land is in the public highway, and all being situated in the City of Mendota, LaSalle County, Illinois.

Permanent Index No.: 01-32-400-006

Commonly known as: Mendota, IL 61342

**Parcel 3:**

The West Half of Lot 2 and the North 125 feet of the East Half of Lot 2 in Block 1 in the Subdivision of the North 32.66 acres of the East 45.44 acres of the Southeast Quarter of Section 32, Township 36 North, Range 1, East of the Third Principal Meridian, in the City of Mendota, said premises being more particularly described as follows: Commencing 225 feet South of the Northeast corner of the Southeast Quarter of said Section 32; thence West at right angles with the East line of the said Southeast Quarter, 250 feet; thence South parallel with the East line of said Southeast Quarter 50 feet; thence West at right angles with the East line of said Southeast Quarter, 250 feet; thence North parallel with the East line of the said Southeast Quarter, 175 feet; thence East parallel with the South line and at right angles with said West line, 500 feet; thence South 125 feet to the point of beginning;

**AND ALSO:**

Lot 10, in Block 1, in the Subdivision of the North 32.66 acres of the East 45.44 acres of the Southeast Quarter of Section 32, Township 36 North, Range 1, East of the Third Principal Meridian, situated in the City of Mendota, EXCEPTING THEREFROM that portion thereof conveyed to McDonald's Corporation by Doc. #673209 and described as follows: Part of the Southeast Quarter of Section 32, Township 36 North, Range 1 East of the Third Principal Meridian, described as follows: Commencing at the Northeast corner of said Southeast Quarter Section, thence South 89 degrees 47 minutes 55 seconds West 520.00 feet along the East-West Half Section line of said Section 32 to the true point of beginning, thence continue South 89 degrees 47 minutes 55 seconds West 230.00 feet along said East-West Half Section line to a point,

MORTGAGE (cont'd)

thence South 2 degrees 23 minutes 44 seconds East 275.00 feet on a line parallel with the East line of said Southeast Quarter Section to a point, thence North 89 degrees 47 minutes 55 seconds East 230.00 feet on a line parallel with the East-West Half Section line of said Section 32 to a point, thence North 2 degrees 23 minutes 44 seconds West 275.00 feet on a line parallel with the East line of said Southeast Quarter Section to the true point of beginning, all situated in Mendota;

all situated in LaSalle County, Illinois.

Permanent Index No.: 01-32-400-015  
Commonly known as: Mendota, IL 61342

**Parcel 4:**

Lot 3 in Block 1 in the Plat of Subdivision of the North 32.66 acres of the East 45.44 acres of the Southeast Quarter of Section 32, Township 36 North, Range 1, East of the Third Principal Meridian, according to the Plat thereof recorded in Plat Book E, Page 45, in LaSalle County, Illinois.

Permanent Index Nos.: 01-32-400-007  
Commonly known as: Mendota, IL 61342

**Parcel 5:**

The South 50 feet of the East 250 feet of Lot 2 in Block 1 in the Subdivision of the North 32.66 acres of the East 45.44 acres of the Southeast Quarter of Section 32, Township 36 North, Range 1, East of the Third Principal Meridian, and more particularly described as follows: Commencing 225 feet South of the Northeast corner of the Southeast Quarter of said Section 32; thence South 50 feet; thence West at right angles with the East line of said Southeast Quarter, 250 feet; thence North parallel with the East line of said Southeast Quarter, 50 feet; thence East parallel with the South line and at right angles with said West line 250 feet to the point of beginning, all said property situated in the City of Mendota, all situated in LaSalle County, Illinois.

Permanent Index No.: 01-32-400-014  
Commonly known as: 608 13<sup>th</sup> Ave., Mendota, IL 61342

**Parcel 6:**

The West 190 feet of Lot 1, in Block 1, in the Subdivision of the North 32.66 acres of the East 45.44 acres of the Southeast Quarter of Section 32, in Township 36 North, Range 1, East of the Third Principal Meridian, according to the Plat of said Subdivision recorded in Book "E" of Plats, at page 45, in the Recorder's Office of LaSalle County, Illinois, situated in the City of Mendota, in LaSalle County, Illinois.

Permanent Index No.: 01-32-400-012  
Commonly known as: 1315 Washington St., Mendota, IL 61342

**Parcel 7:**

The East Sixty (60) feet of the West Two Hundred Fifty (250) feet of Lot One (1), in Block One (1), in the Subdivision of the North 32.66 acres of the East 45.44 acres of the Southeast Quarter (S.E. 1/4) of Section Thirty-two (32), in Township Thirty-six (36) North, Range One (1) East of the Third Principal Meridian, situated in the City of Mendota, County of LaSalle and State of Illinois.

Permanent Index No.: 01-32-400-011  
Commonly known as: 1311 Washington St., Mendota, IL 61342

**PROMISSORY NOTE**

Date: October 17, 2023

MENDOTA, ILLINOIS

1. PARTIES

Borrower: **Prescott Brothers, Inc., an Illinois Corporation and  
Prescott Properties Mendota Main, LLC, Series No. 1 Main – Series  
No. 4 Main, an Illinois Series Limited Liability Company**

Lender/Note Holder: **City of Mendota, an Illinois Municipality**

2. BORROWER'S PROMISE TO PAY

In return for a loan that the Borrower has received, Borrower promises to pay U.S. **Four Hundred Thousand and 00/100<sup>th</sup> Dollars (\$400,000.00)** (this amount is called "principal") to the Lender according to the terms herein. The Lender is also called the "Note Holder".

3. INTEREST

Interest will not be charged on unpaid principal.

4. PAYMENTS AND TERM

Lender agrees to annually forgive Twenty percent (20%) of the balance owed commencing on October 2, 2023 and continuing until October 2, 2028, provided Borrower remains in compliance with all terms of a Tax Increment Financing Redevelopment Agreement approved by the City on October 2, 2023.

This Note is due in full on October 2, 2028, unless forgiven by the City.

5. BORROWER'S FAILURE TO PAY AS REQUIRED

(A) Late Charge for Overdue Payments.

If the Note Holder has not received the full amount by the end of 15 calendar days after the date it is due, Borrower will pay a late charge to the Note Holder, which will be equal to Five percent (5.0%) of my overdue payment of principal.

(B) Default.

If Borrower does not pay the full amount, or such is not forgiven, Borrower will be in default.

(C) Notice of Default.

If Borrower is in default, the Note Holder may send Borrower a written notice telling Borrower that the Note Holder may require Borrower to pay immediately in full the amount of principal that has not been paid and that Borrower owes on that amount.

(D) No Waiver By Note Holder.

Even if, at a time when Borrower is in default, the Note Holder does not require immediately payment in full as described above, the Note Holder still has the right to do so if Borrower is in default at a later date.

(E) Payment of Note Holder's Cost and Expenses.

If the Note Holder has required Borrower to pay immediately in full as described above, the Note Holder will still have the right to be paid back by Borrower for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorneys' fees.

6. GIVING OF NOTICES

Unless applicable law requires a different method, any notice that must be given to Borrower under this Note will be given by delivering it or mailing it by first class mail to Borrower at the Property Address above or at a different address if Borrower gives the Note Holder a notice of Borrower's different address. Any notice that must be given to the Note Holder under this Note will be given by mailing first class mail to the Note Holder at their address opposite their name or a different address if Borrower is given notice of a different address.

7. WAIVERS

Borrower and any other person who has obligations under this Note waive the rights of presentment and notice of dishonor.

8. GOVERNING LAW

This note has been governed by the Laws of the State of Illinois and venue shall be in LaSalle County, Illinois.

9. BINDING

This Note is binding upon the Successors, heirs, and assigns of the parties.


WITNESS THE HAND AND SEAL OF THE UNDERSIGNED

**BORROWER:**


**Prescott Brothers Inc., an Illinois Corporation**

Dated: October 17, 2023

By:   
Thomas K. Prescott, President

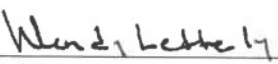
Attest:  
By:   
Its Secretary

**Prescott Properties Mendota Main, LLC,  
Series No. 1 Main – Series No. 4 Main, an Illinois  
Series Limited Liability Company**

By:   
Thomas K. Prescott, Manager

Attest:  
By:   
Its Secretary

Subscribed to and sworn to before me  
this 17 day of October, 2023.

  
Notary Public

