

Committee-of-the-Whole Agenda

6:30 p.m.

Tuesday, January 22, 2013

Informational

- **2013 Façade Improvement Program Update** (Pam Owens, Main Street Coordinator and Rebecca Gall, Historic Preservation Specialist)
- **Capital Improvement Projects Reserves** (Scott Hinton, City Engineer)

Questions on the Agenda

Agenda Items

1. **Approval of a Change of Scope for Project #1179, 2013 Sanitary Sewer Replacement Program** (Scott Hinton, City Engineer)
2. **Approval of a Change of Scope for Project #1176, 5th Avenue, 11th – 14th Streets** (Scott Hinton, City Engineer)
3. **Approval of a Reconciliation Change Order with Walter D Laud, Inc. for Project #1161, 2012 Water Main Improvements** (Scott Hinton, City Engineer)
4. **Approval of a Reconciliation Change Order with Hoerr Construction, Inc. for Project #1159, 2012 Joint Sewer Lining Program** (Scott Hinton, City Engineer)
5. **Approval of the Prevailing Wage Ordinance** (Scott Hinton, City Engineer)
6. **Consideration of The Planning Center Development Agreement with Covariance Holdings, LLC** (Patrick Burke, Economic Development Manager)
7. **Consideration of The Villas at Black Hawk Development Agreement with Bluffstone, LLC and Black Hawk College Foundation** (Patrick Burke, Economic Development Manager)
8. **Request to begin exclusive negotiations with The Amin Group for the private development at the John Deere Commons Development Opportunity/Quad Cities Multi-Modal Facility.**
(Ray Forsythe, Planning & Development Director)
9. **Approval of a Performance Based Development Agreement between the City of Moline and Moline Hotel Group, LLC.** (Ray Forsythe, Planning and Development Director)
10. **Other**

Explanation

1. Approval of a Change of Scope for Project #1179, 2013 Sanitary Sewer Replacement Program (Scott Hinton, City Engineer)

Explanation: Project #1179 includes the street and utility replacement for 24th Avenue, 28th – 30th Streets and an asphalt overlay on 24th Avenue, 27th – 28th Streets. Further investigation performed during the design phase of the project shows that both the street and utilities in the 2700 block of 24th Avenue are also in need of replacement. Staff believes that the City should take advantage of economies of scale and perform the additional work in 2013 as part of Project #1179 rather than delaying the work until 2014.

Staff Recommendation: Staff recommends approval of the change of scope to include the 2700 block of 24th Avenue.

Fiscal Impact: Funds are budgeted and available as follows:

ACCOUNT	BUDGETED	ADD 2700 BLOCK	TOTAL
Utility Tax	280,000		405,000
CIP		125,000	195,000
Water	145,000	50,000	195,000
WPC	185,000	90,000	275,000
Storm	35,000	5,000	40,000
	645,000	270,000	915,000

Public Notice/Recording: N/A

Goals Impacted: Quality Neighborhoods; Improved City Infrastructure

2. Approval of a Change of Scope for Project #1176, 5th Avenue, 11th – 14th Streets (Scott Hinton, City Engineer)

Explanation: In 2005, the City hired Shive Hattery to develop the Downtown Streetscaping Master Plan. This Plan provided the framework for the decorative lighting and streetscaping installed as part of the recent 5th Avenue reconstruction projects. After work was completed on the first two sections of 5th Avenue, it became apparent that the Plan was deficient in its street lighting recommendations on 5th Avenue from 11th – 15th Streets. This section did not include the taller poles nor the decorative light hanging over the street. To maintain a consistent appearance along 5th Avenue from 11th – 19th Streets, staff recommends that the street lights from 11th - 15th Street be installed to match those currently installed from 15th – 19th Streets.

Staff Recommendation: Staff recommends approval of the change of scope to include the additional lighting on 5th Avenue from 11th – 15th Streets.

Fiscal Impact: Funds are budgeted and available as follows:

ACCOUNT	BUDGETED	ADD LIGHTING	TOTAL
CIP	615,000	205,000	820,000
SSA	500,000		500,000
Water	225,000		225,000
WPC	75,000		75,000
Storm	140,000		140,000
	1,555,000	205,000	1,760,000

Public Notice/Recording: N/A

Goals Impacted: Quality Neighborhoods; Improved City Infrastructure

3. Approval of a Reconciliation Change Order with Walter D Laud, Inc. for Project #1161, 2012 Water Main Improvements (Scott Hinton, City Engineer)

Explanation: Project #1161 includes the replacement of “red” water mains at four locations: 15th Avenue west of 32nd Street, 29th Avenue west of 4th Street, 31st Street Court south of 24th Avenue, and 36th Ave/44th St/34th Ave Place east of 41st Street. In order to make final payment to the contractor and close out the contract, a reconciliation change order is needed in the amount of \$17,910.27. The change order reflects the difference between the estimated bid quantities and final quantities actually constructed. The change order increases the original contract value of \$346,885.50 by 5.2% to \$364,795.77. Additional documentation attached.

Staff Recommendation: Staff recommends approval of the change order.

Fiscal Impact: Funds are budgeted and available as follows:

ACCOUNT	BUDGETED	ORIGINAL CONTRACT	CHANGE ORDERS	TOTAL
CIP				\$0.00
Water		346,885.50	17,910.27	\$364,795.77
WPC				\$0.00
Storm				\$0.00
	0.00	346,885.50	17,910.27	\$364,795.77

Public Notice/Recording: N/A

Goals Impacted: Quality Neighborhoods; Improved City Infrastructure

4. Approval of a Reconciliation Change Order with Hoerr Construction, Inc. for Project #1159, 2012 Joint Sewer Lining Program (Scott Hinton, City Engineer)

Explanation: In order to make final payment to the contractor and close out the contract, a reconciliation change order is needed in the amount of \$39,105.38. The change order reflects the difference between the estimated bid quantities and final quantities actually constructed. The change order increases the original contract value of \$159,988.20 by 24.4% to \$199,093.58. The majority of the additional cost is related to work performed in preparation for IDOT’s 2013 work near 38th Street and John Deere Road. Sanitary sewers identified by IDOT for replacement were lined instead at a much lower cost. Additional documentation attached.

Staff Recommendation: Staff recommends approval of the change order.

Fiscal Impact: Funds are budgeted and available as follows:

ACCOUNT	BUDGETED	ORIGINAL CONTRACT	CHANGE ORDERS	TOTAL
CIP				\$0.00
Water				\$0.00
WPC	750,000.00	143,518.20	38,490.58	\$182,008.78
Storm	20,000.00	16,470.00	614.80	\$17,084.80
	770,000.00	159,988.20	39,105.38	\$199,093.58

Public Notice/Recording: N/A

Goals Impacted: Quality Neighborhoods; Improved City Infrastructure

5. Approval of the Prevailing Wage Ordinance (Scott Hinton, City Engineer)

Explanation: State Statute requires the City to annually adopt an ordinance requiring prevailing wages to be paid on City-funded construction projects. This Special Ordinance repeals Special Ordinance No. 4004-2012 which declared the prevailing wages for 2012. Additional documentation attached.

Staff Recommendation: Staff recommends approval of the Special Ordinance.

Fiscal Impact: N/A
Public Notice/Recording: Newspaper Publication, File with Department of Labor
Goal Impacted: Improved City Infrastructure & Facilities; Financially Strong City

6. Consideration of The Planning Center Development Agreement with Covariance Holdings, LLC (Patrick Burke, Economic Development Manager)

Explanation: The former Moline Community Center at 1615 5th Avenue is in the process of being rehabilitated into office space for The Planning Center, a financial planning firm. The total project cost is approximately \$700,000. The City would rebate a maximum of \$40,000 through this agreement. The entire project will be conducted in a manner that will qualify for the historic preservation tax credit. The City has participated in this project through the creation of the downtown historic district, the downtown façade program, enterprise zone benefits, and consideration of this development agreement. Additional documentation attached.

Staff Recommendation: Approve
Fiscal Impact: The project's increased value is projected to create sufficient increment within TIF 1 to supply the City's subsidy.
Public Notice/Recording: N/A.
Goals Impacted: Strong Local Economy; A Great Place to Live

7. Consideration of The Villas at Black Hawk Development Agreement with Bluffstone, LLC and Black Hawk College Foundation (Patrick Burke, Economic Development Manager)

Explanation: In cooperation with the Black Hawk Foundation, Bluffstone is proposing to build a 42 unit, 120 bed student housing facility for Black Hawk College students on a site that is currently tax exempt. The project will offer amenities such as study rooms with wifi access, media center, fitness center, and 24 hour on-site management. The estimated total project cost is \$5,700,000. In order to satisfy financing requirements of a debt coverage ratio of 1.3 or greater, Bluffstone is requesting a property tax rebate from the Moline school district, Black Hawk College, Rock Island County, and the City. Additional documentation attached.

Staff Recommendation: Property tax rebate of 60% per year for the first six years.
Fiscal Impact: The City will receive unrealized property tax revenue each year.
Public Notice/Recording: N/A.
Goals Impacted: Moline – Great Place to Live

8. Request to begin exclusive negotiations with The Amin Group for the private development at the John Deere Commons Development Opportunity/Quad Cities Multi-Modal Facility. (Ray Forsythe, Planning & Development Director)

Explanation: On November 6, 2012, Renew Moline in cooperation with the City of Moline and MetroLINK issued a *Request for Letters of Interest for the Transit Oriented Development on the John Deere Commons*. The request had a deadline of Friday, December 7, 2012 for submittal. Several responses were received and reviewed by staff from the City, Renew Moline and MetroLINK. Follow-up interviews were conducted December 12th and 13th with two (2) of the Development Teams who submitted Letters of Interest. Following the interviews, it was determined by consensus to recommend the Amin Group as the Preferred Developer for the Multi-Modal Project. The Project Management Team concurred with the Staff recommendation at their meeting on January 16, 2012. The Developer has indicated an interest in developing the O'Rourke Building with two (2) phases. Phase I will include the first floor which will be developed to house the rail station and will also house retail outlets which will enhance the overall experience of the station. Phase II will consist of floors 2 through 6 which will house an extended stay hotel. The Exclusive Right to Negotiate Resolution will allow the City and the Developer the necessary time to enter into a Development Agreement which will outline the duties and responsibilities of each party.

Staff Recommendation: Approval
Fiscal Impact: Increased Property, Sales, Utility and Use Taxes; potential sale or lease of the City-owned property.
Public Notice/Recording: N/A
Goals Impacted: Financially Strong City; Strong Local Economy; A Great Place to Live

9. Approval of a Performance Based Development Agreement between the City of Moline and Moline Hotel Group, LLC. (Ray Forsythe, Planning and Development Director)

Explanation: Moline Hotel Group, LLC has a contract to purchase the former Deere Collector's Center at 320 16th Street. Moline Hotel Group has indicated that the project will include the partial demolition of the building, substantial remodeling and a 4 story addition to convert the property into a Hyatt Place or Hilton Garden Inn select service hotel, consisting of 100 suites, indoor swimming pool, fitness center, food and beverage service, meeting rooms and parking to accommodate 104 vehicles. Based on financial projections and development costs, staff has negotiated a performance based development agreement that outlines the roles and responsibilities of each party as well as a property tax rebate which is in line with current Council Economic Development Policy. The terms of the agreement were presented at the January 16, 2013 Project Management Team meeting and have been recommended for approval. Additional documentation attached.

Staff Recommendation: Approval
Fiscal Impact: Increased Property, Sales, Food and Beverage, Hotel/Motel, Utility and Use Taxes
Public Notice/Recording: N/A
Goals Impacted: Financially Strong City; Strong Local Economy, A Great Place to Live

CITY OF MOLINE

CONTRACT CHANGE ORDER

Project No. : 1161

Description: 2012 Water Main Improvements

Contractor : Walter D. Laud Inc.

Date : 3-Dec-12

Change Order No. : 1 and FINAL

Sheet 1 of 1

WORK DAYS		CONTRACT	
Contract	50	Original Contract	\$346,885.50
Changes	0	Changes To-Date	\$17,910.27
Adjusted		Adjusted Contract	\$364,795.77
% Change			5.2%

*	Item	Description	Quantity	Unit	Price	Addition	Deduction
	1	WATER MAIN, D.I.P., P CL 350, 8"	-30	LF	\$62.00		(\$1,860.00)
	2	WATER MAIN, D.I.P., P CL 350, 6"	1	LF	\$62.00	\$62.00	
	3	6" X 8" TAP TEE, W / 8" VALVE AND VALVE BOX	-1	EA	\$8,500.00		(\$8,500.00)
	4	8" X 8" X 8" TAP TEE, W/ 8" VALVE AND BOX		EA	\$4,250.00		
	5	12" X 8" TAP TEE, W/8" VALVE AND BOX		EA	\$4,500.00		
	6	22.5 DEG. BEND, 8"	-2	EA	\$250.00		(\$500.00)
	7	45 DEG, BEND, 8"	8	EA	\$250.00	\$2,000.00	
	8	90 DEG. BEND, 6"	-1	EA	\$225.00		(\$225.00)
	9	90 DEG. BEND, 8"		EA	\$300.00		
	10	REDUCER, D.I., M.J., 8" x 6"	4	EA	\$200.00	\$800.00	
	11	TEE, D.I., M.J., 8" x 8"	3	EA	\$600.00	\$1,800.00	
	12	8" X 8" X 6" TEE	-2	EA	\$350.00		(\$700.00)
	13	VALVE BOX TO BE REMOVED		EA	\$50.00		
	14	8" VALVE & VALVE BOX		EA	\$1,100.00		
	15	REMOVE TEE		EA	\$275.00		
	16	REMOVE EXISTING VALVE VAULT		EA	\$150.00		
	17	REMOVE FRAME & TOP SECTION OF VALVE VAL		EA	\$150.00		
	18	WATER SERVICE CONNECTION, 1"	-1	EA	\$325.00		(\$325.00)
	19	WATER SERVICE CONNECTION, 1.25"		EA	\$800.00		
	20	WATER SERVICE CONNECTION, 1.5"		EA	\$850.00		
	21	WATER SERVICE PIPE, 1"	2.23	LF	\$19.00	\$42.37	
	22	WATER SERVICE PIPE, 1.25"	0.7	LF	\$25.00	\$17.50	
	23	WATER SERVICE PIPE, 1" BORED	23.9	LF	\$19.00	\$454.10	
	24	WATER SERVICE PIPE, 1.5" BORED	-1.1	LF	\$23.00		(\$25.30)
	25	CURB STOP & BOX, 1"	-1	EA	\$150.00		(\$150.00)
	26	CURB STOP & BOX, 1.25"		EA	\$200.00		
	27	FIRE HYDRANT TO BE REMOVED		EA	\$200.00		
	28	FIRE HYDRANT ASSEMBLY COMPLETE		EA	\$3,900.00		
	29	DIMJ CAP, 8"	-1	EA	\$225.00		(\$225.00)
	30	DIMJ CAP, 6"		EA	\$125.00		
	31	TRENCH BACKFILL	-59.4	CY	\$0.50		(\$29.70)
	32	SEEDING SPECIAL COMPLETE	-372.5	SY	\$1.00		(\$372.50)
	33	CLASS B PATCH TYPE 2	11.2	SY	\$125.00	\$1,400.00	
	34	CLASS B PATCH TYPE 3	-15.8	SY	\$119.00		(\$1,880.20)
	35	CLASS B PATCH TYPE 4	41.7	SY	\$99.00	\$4,128.30	
	36	DRIVEWAY REMOVAL	5.8	SY	\$8.00	\$46.40	
	37	SIDEWALK REMOVAL	-194.69	SF	\$0.50		(\$97.35)
	38	PCC DRIVEWAY PAVEMENT	9.7	SY	\$62.50	\$606.25	
	39	PCC SIDEWALK	-184.7	SF	\$5.75		(\$1,062.03)
	40	AGGREGATE SURFACE COURSE, 6"	-26.4	SY	\$5.00		(\$132.00)
	41	STANDARD TEST CONNECTION, 1"			\$200.00		
	42	RELOCATE CURBSIDE MAILBOX	-2		\$100.00		(\$200.00)
	43	TRAFFIC CONTROL COMPLETE			\$2,000.00		

*	44	6"X6"X6" TAPPED TEE W/6" VALVE BOX	2	\$8,200.00	\$16,400.00
*	45	8" DIMJ PLUG	1	\$200.00	\$200.00
*	46	CURB STOP AND BOX 1.5"	1	\$300.00	\$300.00
*	47	FOUNDATION REMOVAL	1	\$298.55	\$298.55
*	48	CURB CUT FOR SIDEWALK RAMP	1	\$315.00	\$315.00
*	49	DETECTABLE WARNING SURFACE	32	\$40.00	\$1,280.00
*	50	SURE GRIP LOCKING GASKET	1	\$175.00	\$175.00
*	51	SOLID SLEEVE, 8"	2	\$330.00	\$660.00
*	52	SOLID SLEEVE, 6"	2	\$265.00	\$530.00
*	53	REMOVE AND REPLACE DOUBLE INLET	1	\$1,978.87	\$1,978.87
*	54	HYDRANT EXTENSION	1	\$700.00	\$700.00

* Denotes new item added to contract			Totals		\$34,194.34	(\$16,284.07)
Previous Changes =	Total Changes To-Date = \$17,910.27		Net Change		\$17,910.27	

REASON FOR CHANGE

- 1-43, Adjustment for final field measurements.
- 44 & 45, Adjustment for final field measurements.
- 46, Water Service was actually 1.5" instead of 1.25".
- 47, Encountered foundation wall in trench and had to remove and dispose of.
- 48 & 49, Added to make handicap ramps ADA accessible.
- 50, Installed to prevent water main from coming apart due to pressure.
- 51 & 52, Fittings needed to tie into existing water main.
- 53, Structure had to be removed to replace water main.
- 54, Hydrant elevation needed to be changed to meet existing ground elevation.

CHANGE ORDER APPROVAL

Contractor: Scott C. Savel

Date: 12/3/12

BUDGET SUMMARY

Water Funds

Budgeted=	
As-Bid=	\$346,885.50
Change=	\$17,910.27
Total=	\$364,795.77

CITY OF MOLINE

CONTRACT CHANGE ORDER

Project No. : 1159

Description: 2012 Joint Sanitary / Storm Sewer Lining

Contractor : Hoerr Construction, Inc.

Date : 5-Dec-12

Change Order No. : 1 FINAL

Sheet 1 of 1

WORK DAYS		CONTRACT	
Contract	N/A	Original Contract	\$159,988.20
Changes		Changes To-Date	\$39,105.38
Adjusted		Adjusted Contract	\$199,093.58
% Change			24.4%

* Item	Description	Quantity	Unit	Price	Addition	Deduction	
WPC FUNDS (320-1840-433.08-30)							
1	400 BLOCK OF 21ST STREET, 18"	7.3	LF	\$60.00	\$438.00		
2	100 BLOCK OF 34TH STREET, 12"	-20.1	LF	\$26.40		(\$530.64)	
3	330-3900 BLOCK OF RIVER DRIVE, 12"	33.7	LF	\$26.40	\$889.68		
4	5200-5300 BLOCK OF RIVER DRIVE, 8"	8.5	LF	\$20.20	\$171.70		
5	100 BLOCK OF 54TH STREET, 8"	441.9	LF	\$20.20	\$8,926.38		
6	5400 BLOCK OF 1ST AVENUE, 8"	5.8	LF	\$20.20	\$117.16		
7	200 BLOCK OF 54TH STREET, 8"	-434	LF	\$20.20		(\$8,766.80)	
8	REINSTATE SERVICES	8	EA	\$50.00	\$400.00		
9	TRAFFIC CONTROL		LS	\$500.00			
10	34TH STREET, 8"	381.4	LF	\$20.20	\$7,704.28		
11	35TH STREET, 8"	79.4	LF	\$20.20	\$1,603.88		
12	38TH AVENUE, 8"	964.7	LF	\$20.20	\$19,486.94		
* 13	8". INSIGNIA END SEALS	12	EA	\$175.00	\$2,100.00		
* 14	12" INSIGNIA END SEALS	14	EA	\$225.00	\$3,150.00		
* 15	EXTRA FOR ADDITIONAL PIPE CLEANING	1	LS	\$2,800.00	\$2,800.00		
STORM SEWER FUNDS (330-1971-433.08-35)							
16	2532 30TH STREET, 18" VCP/CMP	1.2	LF	\$54.00	\$64.80		
* 17	18" INSIGNIA END SEALS	2	EA	\$275.00	\$550.00		
* Denotes new item added to contract					Totals	\$48,402.82	(\$9,297.44)
Previous Changes = \$0.00				Tot. Changes To-Date = \$39,105.38		Net Change	\$39,105.38

REASON FOR CHANGE

Reconciliation Change Order

1-12 & 16, Adjustment for final field measurements.

13,14,17, Installed new style end seals.

15, Sanitary sewer pipe needed additional cleaning than normally required.

CHANGE ORDER APPROVAL

Contractor: 

Date: 12-7-12

BUDGET SUMMARY

WPC FUNDS

BUDGETED:	\$750,000.00
AS-BID=	\$143,518.20
CHANGE=	\$38,490.58
TOTAL=	\$182,008.78

STORM FUNDS

BUDGETED:	\$20,000.00
AS-BID=	\$16,470.00
CHANGE=	\$614.80
TOTAL=	\$17,084.80

Rock Island County Prevailing Wage for February 2013

(See explanation of column headings at bottom of wages)

Trade Name	RG	TYP	C	Base	FRMAN	M-F>8	OSA	OSH	H/W	Pensn	Vac	Trng
=====	==	===	=	=====	=====	=====	===	===	=====	=====	=====	=====
ASBESTOS ABT-GEN		BLD		23.440	24.380	1.5	1.5	2.0	6.450	7.060	0.000	0.800
ASBESTOS ABT-GEN		HWY		25.650	26.650	1.5	1.5	2.0	6.450	7.060	0.000	0.800
ASBESTOS ABT-MEC		BLD		20.500	21.500	1.5	1.5	2.0	6.250	3.500	0.000	0.000
BOILERMAKER		BLD		35.010	38.010	2.0	2.0	2.0	7.070	13.83	0.000	0.300
BRICK MASON		BLD		26.500	28.000	1.5	1.5	2.0	8.050	5.430	0.000	0.500
CARPENTER		BLD		26.380	27.700	1.5	1.5	2.0	7.960	8.660	0.000	0.600
CARPENTER		HWY		27.640	29.390	1.5	1.5	2.0	9.080	11.34	0.000	0.450
CEMENT MASON		BLD		25.100	27.100	1.5	1.5	2.0	6.400	8.840	0.000	0.500
CEMENT MASON		HWY		24.730	25.730	1.5	1.5	2.0	6.400	9.180	0.000	0.500
CERAMIC TILE FNSHER		BLD		18.460	0.000	1.5	1.5	2.0	8.050	5.510	0.000	0.240
ELECTRIC PWR EQMT OP		ALL		29.410	0.000	1.5	1.5	2.0	5.590	8.230	0.000	0.290
ELECTRIC PWR GRNDMAN		ALL		24.580	0.000	1.5	1.5	2.0	5.490	6.890	0.000	0.250
ELECTRIC PWR LINEMAN		ALL		37.090	40.800	1.5	1.5	2.0	5.740	10.38	0.000	0.370
ELECTRICIAN		BLD		31.520	33.520	1.5	1.5	2.0	7.320	10.82	0.000	0.310
ELECTRONIC SYS TECH		BLD		23.750	25.500	1.5	1.5	2.0	7.120	5.260	0.000	0.310
ELEVATOR CONSTRUCTOR		BLD		39.380	44.300	2.0	2.0	2.0	11.88	12.71	3.150	0.600
GLAZIER		BLD		26.360	27.860	1.5	1.5	2.0	6.940	6.520	0.000	0.350
HT/FROST INSULATOR		BLD		29.190	30.390	1.5	1.5	2.0	5.420	12.05	0.000	0.900
IRON WORKER		ALL		28.000	30.240	1.5	1.5	2.0	9.390	10.68	0.000	0.620
LABORER		BLD	1	21.940	22.820	1.5	1.5	2.0	6.450	7.060	0.000	0.800
LABORER		BLD	2	23.440	24.380	1.5	1.5	2.0	6.450	7.060	0.000	0.800
LABORER		BLD	3	24.090	25.050	1.5	1.5	2.0	6.450	7.060	0.000	0.800
LABORER		HWY	1	25.150	26.150	1.5	1.5	2.0	6.450	7.060	0.000	0.800
LABORER		HWY	2	25.650	26.650	1.5	1.5	2.0	6.450	7.060	0.000	0.800
LABORER		HWY	3	26.280	27.280	1.5	1.5	2.0	6.450	7.060	0.000	0.800
LATHER		BLD		26.380	27.700	1.5	1.5	2.0	7.960	8.660	0.000	0.600
MACHINIST		BLD		43.550	46.050	1.5	1.5	2.0	6.130	8.950	1.850	0.000
MARBLE FINISHERS		BLD		18.460	0.000	1.5	1.5	2.0	8.050	5.510	0.000	0.240
MARBLE MASON		BLD		22.800	23.300	1.5	1.5	2.0	8.050	5.510	0.000	0.240
MILLWRIGHT	N	BLD		34.400	37.840	1.5	1.5	2.0	8.770	13.85	0.000	0.500
MILLWRIGHT	S	BLD		27.250	28.950	1.5	1.5	2.0	6.700	12.32	0.000	0.500
OPERATING ENGINEER		BLD	1	29.900	31.900	1.5	1.5	2.0	15.40	6.600	1.500	0.850
OPERATING ENGINEER		BLD	2	28.300	31.900	1.5	1.5	2.0	15.40	6.600	1.500	0.850
OPERATING ENGINEER		BLD	3	27.150	31.900	1.5	1.5	2.0	15.40	6.600	1.500	0.850
OPERATING ENGINEER		BLD	4	30.150	31.900	1.5	1.5	2.0	15.40	6.600	1.500	0.850
OPERATING ENGINEER		BLD	5	30.650	31.900	1.5	1.5	2.0	15.40	6.600	1.500	0.850
OPERATING ENGINEER		BLD	6	31.150	31.900	1.5	1.5	2.0	15.40	6.600	1.500	0.850
OPERATING ENGINEER		BLD	7	30.900	31.900	1.5	1.5	2.0	15.40	6.600	1.500	0.850
OPERATING ENGINEER		HWY	1	29.900	31.900	1.5	1.5	2.0	15.40	6.600	1.500	0.850
OPERATING ENGINEER		HWY	2	28.300	31.900	1.5	1.5	2.0	15.40	6.600	1.500	0.850
OPERATING ENGINEER		HWY	3	27.150	31.900	1.5	1.5	2.0	15.40	6.600	1.500	0.850
OPERATING ENGINEER		HWY	4	30.150	31.900	1.5	1.5	2.0	15.40	6.600	1.500	0.850
OPERATING ENGINEER		HWY	5	30.650	31.900	1.5	1.5	2.0	15.40	6.600	1.500	0.850
OPERATING ENGINEER		HWY	6	31.150	31.900	1.5	1.5	2.0	15.40	6.600	1.500	0.850
OPERATING ENGINEER		HWY	7	30.400	31.900	1.5	1.5	2.0	15.40	6.600	1.500	0.850
OPERATING ENGINEER		HWY	8	30.900	31.900	1.5	1.5	2.0	15.40	6.600	1.500	0.850
PAINTER		ALL		27.320	28.320	1.5	1.5	1.5	5.000	6.100	0.000	0.600
PAINTER OVER 30FT		ALL		28.570	29.570	1.5	1.5	1.5	5.000	6.100	0.000	0.600
PAINTER PWR EQMT		ALL		27.820	28.820	1.5	1.5	1.5	5.000	6.100	0.000	0.600
PILEDRIVER		BLD		26.380	27.700	1.5	1.5	2.0	7.960	8.660	0.000	0.600
PILEDRIVER		HWY		27.640	29.390	1.5	1.5	2.0	9.080	11.34	0.000	0.450
PIPEFITTER		ALL		36.550	40.210	1.5	1.5	2.0	5.650	12.15	0.000	1.000

PLASTERER	BLD	27.800	29.800	1.5	1.5	2.0	6.600	6.500	0.000	0.600
PLUMBER	ALL	36.550	40.210	1.5	1.5	2.0	5.650	12.15	0.000	1.000
ROOFER	BLD	25.130	26.380	1.5	1.5	2.0	8.610	5.620	0.000	0.260
SHEETMETAL WORKER	BLD	30.070	32.070	1.5	1.5	2.0	7.140	10.54	0.000	0.540
SPRINKLER FITTER	BLD	36.390	39.140	1.5	1.5	2.0	8.420	8.350	0.000	0.450
STONE MASON	BLD	26.500	28.000	1.5	1.5	2.0	8.050	5.430	0.000	0.500
TERRAZZO FINISHER	BLD	18.460	0.000	1.5	1.5	2.0	8.050	5.510	0.000	0.240
TERRAZZO MASON	BLD	22.800	23.300	1.5	1.5	2.0	8.050	5.510	0.000	0.240
TILE LAYER	BLD	26.380	27.700	1.5	1.5	2.0	7.960	8.660	0.000	0.600
TILE MASON	BLD	22.800	23.300	1.5	1.5	2.0	8.050	5.510	0.000	0.240
TRUCK DRIVER	ALL 1	31.340	0.000	1.5	1.5	2.0	10.30	5.010	0.000	0.250
TRUCK DRIVER	ALL 2	31.780	0.000	1.5	1.5	2.0	10.30	5.010	0.000	0.250
TRUCK DRIVER	ALL 3	32.020	0.000	1.5	1.5	2.0	10.30	5.010	0.000	0.250
TRUCK DRIVER	ALL 4	32.280	0.000	1.5	1.5	2.0	10.30	5.010	0.000	0.250
TRUCK DRIVER	ALL 5	33.130	0.000	1.5	1.5	2.0	10.30	5.010	0.000	0.250
TRUCK DRIVER	O&C 1	25.070	0.000	1.5	1.5	2.0	10.30	5.010	0.000	0.250
TRUCK DRIVER	O&C 2	25.420	0.000	1.5	1.5	2.0	10.30	5.010	0.000	0.250
TRUCK DRIVER	O&C 3	25.620	0.000	1.5	1.5	2.0	10.30	5.010	0.000	0.250
TRUCK DRIVER	O&C 4	25.820	0.000	1.5	1.5	2.0	10.30	5.010	0.000	0.250
TRUCK DRIVER	O&C 5	26.500	0.000	1.5	1.5	2.0	10.30	5.010	0.000	0.250
TUCKPOINTER	BLD	26.500	28.000	1.5	1.5	2.0	8.050	5.430	0.000	0.500

Legend: RG (Region)

TYP (Trade Type - All,Highway,Building,Floating,Oil & Chip,Rivers)

C (Class)

Base (Base Wage Rate)

FRMAN (Foreman Rate)

M-F>8 (OT required for any hour greater than 8 worked each day, Mon through Fri.)

OSA (Overtime (OT) is required for every hour worked on Saturday)

OSH (Overtime is required for every hour worked on Sunday and Holidays)

H/W (Health & Welfare Insurance)

Pensn (Pension)

Vac (Vacation)

Trng (Training)

Explanations

ROCK ISLAND COUNTY

MILLWRIGHT (SOUTH) - South of Interstate 80.

The following list is considered as those days for which holiday rates of wages for work performed apply: New Years Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Christmas Day and Veterans Day in some classifications/counties. Generally, any of these holidays which fall on a Sunday is celebrated on the following Monday. This then makes work performed on that Monday payable at the appropriate overtime rate for holiday pay. Common practice in a given local may alter certain days of celebration. If in doubt, please check with IDOL.

Oil and chip resealing (O&C) means the application of road oils and liquid asphalt to coat an existing road surface, followed by application of aggregate chips or gravel to coated surface, and subsequent rolling of material to seal the surface.

EXPLANATION OF CLASSES

ASBESTOS - GENERAL - removal of asbestos material/mold and hazardous materials from any place in a building, including mechanical systems where those mechanical systems are to be removed. This includes the removal of asbestos materials/mold and hazardous materials from

ductwork or pipes in a building when the building is to be demolished at the time or at some close future date.

ASBESTOS - MECHANICAL - removal of asbestos material from mechanical systems, such as pipes, ducts, and boilers, where the mechanical systems are to remain.

CERAMIC TILE FINISHER, MARBLE FINISHER, TERRAZZO FINISHER

Assisting, helping or supporting the tile, marble and terrazzo mechanic by performing their historic and traditional work assignments required to complete the proper installation of the work covered by said crafts. The term "Ceramic" is used for naming the classification only and is in no way a limitation of the product handled. Ceramic takes into consideration most hard tiles.

ELECTRONIC SYSTEMS TECHNICIAN

Installing, assembling and maintaining sound and intercom, protection alarm (security), master antenna television, closed circuit television, computer hardware and software programming and installation to the network's outlet and input (EXCLUDING all cabling, power and cable termination work historically performed by wiremen), door monitoring and control, nurse and emergency call programming and installation to the system's outlet and input (EXCLUDING all cabling, power and cable termination work historically performed by wiremen), clock and timing; and the installation and maintenance of transmit and receive antennas, transmitters, receivers, and associated apparatus which operates in conjunction with the above systems. All work associated with these system installations will be included EXCEPT (1) installation of protective metallic conduit, excluding less than ten-foot runs strictly for protection of cable, and (2) 120 volt AC (or higher) power wiring and associated hardware.

LABORER - BUILDING

Class 1: General laborer, carpenter tender, tool cribman, salamander tender, flagman, form handler, floor sweeper, material handler, fencing laborer, cleaning lumber, landscaper, unloading explosives, laying of sod, planting/removal of trees, wrecking laborer, unloading of Re-Bars, scaffold worker, signal man on crane.

Class 2: Handling of materials treated with creosote, kettle men, prime mover or motorized unit used for wet concrete or handling of building materials, vibrator operator, mortar mixer, power tools used under the jurisdiction of laborers, sand points, gunnite nozzle men, welders, cutters, burners and torchmen, chain saw operator, jackhammer and drill operators, paving breakers, air tamping hammerman, concrete saw operator, concrete burning machine operator, coring machine operator - hod carrier and plasterer tender.

Class 3: Caisson worker after 6 foot depth, dynamite man, asbestos abatement worker, tunnel miners - mixerman (plaster only), pump man.

LABORER - HEAVY & HIGHWAY

Class 1: Rod or chain man, flagman, dumpman, spotter, broom man, landscaper, planting and removal of trees, fencing laborers, dispatcher, ticket writer, scaleman, cleaning of forms or lumber (in bone yard), laying of sod, moving and/or maintenance of flares and barricades.

Class 2: Operation of all hand, electric, air, hydraulic or mechanically powered tools under the jurisdiction of Laborers' including jackhammers, tempers, air spades, augers, concrete saws, chain saws, utility saws, rock drills, vibrators, mortar mixer, power and hand saw (when clearing timber) general laborer (not elsewhere covered), craft-tender, material checker, material handler, form handler, concrete dumper, puddler, form setter helper, explosives handler, dynamite helper, center strip, reinforcing in concrete, wire mesh handler and installer, prime mover or any mechanical device taking the place of concrete buggy or wheelbarrow, sandpoint setter, asphalt kettleman. Sheeting hammer drivers, laying and jointing of telephone conduit, gas distribution men, pipe setter on laterals, drain tiles, culvert pipe, and storm sewer catch basin leads, catch basins, manholes, batch dumpers, tank cleaners, cofferdam workers, bankman on floating plant, jointman with pipelayers. Back-up man (corker, joint maker) with pipe setter on sewer and water mains, batterboard man or laser operator on sewer and water main, labor in ditch, or tunnel, on sewer or water mains and telephone conduit. Cutters, burners, torchman, gravel box man, asphalt plant laborers, concrete plant laborer, deck hand, unloading of steel and rebar, laser beam operator, wrecking laborers.

Class 3: Asphalt raker or luteman, head form setter, head dynamite man (powderman) head string or wireline man (on paving), pipe setter on sewer or water main, gunnite nozzle man, asphalt or concrete curb machine operator, head grade man, head tunnel miner, concrete burning machine operator, coring machine operator, welder.

OPERATING ENGINEERS - BUILDING

Class 1. Shovel; Concrete Spreader; Dipper Dredge Operator; Dipper Dredge Crane man; Dual Purpose Truck (boom, Boom, Winch, etc.); Mechanic-Welder; Pile Driver; Boom Tractor or Side Boom; Trenching Machine (40 H.P. and over); Building Hoist (1, 2 or 3 drums); Cleaning and Priming Machine; Backfiller (throw bucket); Locomotive Engineer; Concrete Paver; Slip Form Paver; Caisson Augering Machines; Mucking Machine; Asphalt Heater-Planer Unit; Laser Screed; Pug Mill; Concrete Conveyor or Pump; Mechanical loaded Log Chippers or similar machines; Group Equipment Greaser; Off-Road Haul Units; Pipe Bending; Automatic Curbing Machines; Blastholer; Self-Propelled Rotary Drill or similar machines; Work Boat; Combination Concrete Finishing Machine and Float; Asphalt Paver Screed Operator; Forklift (6,000 lb. cap. or over or working heights 28 ft. and above); Chip Spreader; Straddle Carrier; Asphalt Paver; Asphalt Plant Operator; Boring Machine (Directional, Vertical, or Horizontal); Central Redi-Mix Plant Operator; Combination Backhoe Front End loader; Concrete Breaker or Hydro-Hammer (excluding walk-behinds); Concrete Wheel Saw (Large self-propelled - excluding walk-behinds); Crusher (Stone, Concrete, Asphalt, etc.); Curing-Tinning Machine; Excavator; Farm-type Tractor Operating Scoop or Scraper or with Power Attachment; Grader; Motor Grader; Motor Patrol; Auto Grader; Form Grader; Pull Grader; Sub Grader; Elevating Grader; Guard Rail Post Driver; Hoists; Hydraulic Dredge Leverman or Engineer; Hydro-Vac truck mounted or pull type (excluding hose work), and similar equipment; Loader (Track, Rubber Tire, or Articulated); Milling Machine (excluding walk-behinds); Road Widener-Shoulder Spreader; Scraper (Self-Propelled); Self-Propelled Roller or Tire Roller (on asphalt or Blacktop); Sheep Foot or Pad Foot Compactor (excluding walk-behinds); Steel Track-Type Tractor (Dozer, Push Cat, etc.); Transfer or Shuttle Buggy (excluding motorized wheel barrows and Georgia buggies).

Class 2. Asphalt Booster; Fireman and Pump Operator at Asphalt Plant; Mud Jack; Distributor; Self-propelled Roller (other than provided for in Class I); Pump Operator (more than one well-point pump); Trench Machine (under 40 H.P.); Forklift (less than 6,000 lb. cap. or working heights below 28 ft.); Gypsum Pump; Conveyor over 20 H.P.; Light Plant; Boiler (Engineer or Fireman); Mechanical Broom; Driver on Truck Crane or similar machines; Elevator (Permanent inside or Temporary outside); Farm-Type Tractor (without Power Attachment); Grout Pump (excluding hose work).

Class 3. Skid Loader; Oiler; Mechanic's Helper; Mechanical Heater (other than steam boiler); Small Outboard Motor Boat (Safety Boat and Life Boat); Engine Driven Welding Machine; Water Pumps; Air Compressor (400 c.f.m. or over); Deck Engineers.

Class 4. Leadman - Mechanic or Equipment Greaser.

Class 5. Track Excavator with Bucket (4 cubic yard and up to but not including 6 cubic yard).

Class 6. Track Excavator with Bucket (6 cubic yard and over).

Class 7. Crane (Friction or Hydraulic, regardless of size or attachments); Tow or Push Boat.

OPERATING ENGINEERS- HIGHWAY

Class 1. Shovel; Concrete Spreader; Dipper Dredge Operator; Dipper Dredge Crane man; Dual Purpose Truck (Boom, Winch, etc.); Mechanic-Welder; Pile Driver; Boom Tractor or Side Boom; Building Hoist (1, 2 or 3 drums); Cleaning and Priming Machine; Backfiller (throw bucket); Locomotive Engineer; Concrete Paver; Slip Form Paver; Caisson Augering Machines; Mucking Machine; Asphalt Heater Planer Unit; Laser Screed; Pug Mill; Concrete Conveyor or Pump (excluding truck-mounted); Mechanical loaded Log Chippers or similar machines; Group Equipment Greaser; off-road haul units; Pipe Bending; Automatic Curbing Machines; Blastholer; Self-propelled Rotary Drill or similar machines; Work Boat; Combination Concrete Finishing Machine and Float; Asphalt Paver Screed Operator; Forklift (6,000 lb. cap. or over or working heights above 28 ft.); Chip Spreader; Asphalt Paver; Asphalt Plant Operator; Boring Machine (Directional, Vertical, or Horizontal); Central Redi-Mix Plant Operator; Combination Backhoe Front End loader; Concrete Breaker or Hydro-Hammer (excluding walk-behinds); Concrete Wheel Saw (Large self-propelled - excluding walk-behinds); Crusher (Stone, Concrete, Asphalt, etc.); Curing-Tinning Machine; Excavator; Farm-Type Tractor Operating Scoop or Scraper with Power Attachment; Grader; Motor Grader; Motor Patrol; Auto Grader; Form Grader; Pull Grader; Sub Grader; Elevating Grader; Guard Rail Post Driver; Hoists; Hydraulic Dredge Leverman or Engineer; Hydro-Vac truck mounted or pull type, and similar equipment; Loader (Track, Rubber Tire, or Articulated); Milling Machine (excluding walk-behinds); Road Widener-Shoulder Spreader; Scraper (self-propelled); Self-propelled Roller or Tire Roller (on asphalt or Blacktop); Sheep Foot or Pad Foot Compactor (excluding walk-behinds); Steel Track-Type Tractor (Dozer, Push Cat, etc.); Transfer or Shuttle Buggy (excluding motorized wheel barrows and Georgia buggies); Trenching Machine (40 H.P. and over).

Class 2. Asphalt Booster; Fireman and Pump Operator at Asphalt Plant; Mud Jack; Farm-Type Tractor without Power attachment; Distributor; Straddle Carrier; Self-propelled Roller or Compactor (other than provided for in Class I); Pump Operator (more than one well-point

pump); Trench Machine (under 40 H.P.); Forklift (less than 6,000 lb. capacity or working heights below 28 ft.); Conveyor over 20 H.P.; Air Compressor (400 c.f.m. or over); Light Plant; Boiler (Engineer or Fireman); Mechanical Broom; Driver on Truck Crane or similar machines; Elevator (Permanent inside or Temporary outside); Grout Pump (excluding hose work).

Class 3. Oiler; Mechanic's Helper; Mechanical Heater (other than steam boiler); Small Outboard Motor Boat (Safety Boat and Life Boat); Engine Driven Welding Machine; skid steer.

Class 4. Leadman - Mechanic or Equipment Greaser.

Class 5. Track Excavator with Bucket (4 cubic yard and up to but not including 6 cubic yard).

Class 6. Track Excavator with Bucket (6 cubic yard and over).

Class 7. Truck mounted Concrete Conveyor or Pumps Extending to 90 ft. or more.

Class 8. Crane (Friction or Hydraulic, regardless of size or attachments); Tow or Push Boat.

TRUCK DRIVER - BUILDING, HEAVY AND HIGHWAY CONSTRUCTION

Class 1. Drivers on 2 axle trucks hauling less than 9 ton. Air compressor and welding machines and brooms, including those pulled by separate units, truck driver helpers, warehouse employees, mechanic helpers, greasers and tiremen, pickup trucks when hauling materials, tools, or workers to and from and on-the-job site, and fork lifts up to 6,000 lb. capacity.

Class 2. Two or three axle trucks hauling more than 9 ton but hauling less than 16 ton. A-frame winch trucks, hydrolift trucks, vector trucks or similar equipment when used for transportation purposes. Fork lifts over 6,000 lb. capacity, winch trucks, four axle combination units, and ticket writers.

Class 3. Two, three or four axle trucks hauling 16 ton or more. Drivers on water pulls, articulated dump trucks, mechanics and working forepersons, and dispatchers. Five axle or more combination units.

Class 4. Low Boy and Oil Distributors.

Class 5. Drivers who require special protective clothing while employed on hazardous waste work.

TRUCK DRIVER - OIL AND CHIP RESEALING ONLY.

This shall encompass laborers, workers and mechanics who drive contractor or subcontractor owned, leased, or hired pickup, dump, service, or oil distributor trucks. The work includes transporting materials and equipment (including but not limited to, oils, aggregate supplies, parts, machinery and tools) to or from the job site; distributing oil or liquid asphalt and aggregate; stock piling material when in connection with the actual oil and chip contract. The Truck Driver (Oil & Chip Resealing) wage classification does not include supplier delivered materials.

Other Classifications of Work:

For definitions of classifications not otherwise set out, the Department generally has on file such definitions which are available. If a task to be performed is not subject to one of the classifications of pay set out, the Department will upon being contacted state which neighboring county has such a classification and provide such rate, such rate being deemed to exist by reference in this document. If no neighboring county rate applies to the task, the Department shall undertake a special determination, such special determination being then deemed to have existed under this determination. If a project requires these, or any classification not listed, please contact IDOL at 217-782-1710 for wage rates or clarifications.

LANDSCAPING

Landscaping work falls under the existing classifications for laborer, operating engineer and truck driver. The work performed by landscape plantsman and landscape laborer is covered by the existing classification of laborer. The work performed by landscape operators (regardless of equipment used or its size) is covered by the classifications of operating engineer. The work performed by landscape truck drivers (regardless of size of truck driven) is covered by the classifications of truck driver.

DEVELOPMENT AGREEMENT

Between the

CITY OF MOLINE

and

COVARIANCE HOLDINGS, LLC
dba:THE PLANNING CENTER

THIS INDENTURE ("Agreement") made and entered into on this _____ day of _____, 2012, by and between the City of Moline, an Illinois Municipal Corporation ("City"), and Covariance Holdings, LLC, an Illinois Limited Liability Company ("Developer").

WITNESSETH:

WHEREAS, the City wishes to engage in certain lawful activities authorized by applicable law to assist private persons and entities in carrying out certain redevelopment activities which are identified in the Project Plan for the City's Tax Incremental Financing District (TIF) enacted pursuant to the Tax Increment Allocation Redevelopment Act, found generally at 65 ILCS 5/11-74.4-1 et. seq. (the "Act"); and

WHEREAS, the City wishes to enter into this Development Agreement with the Developer in order to facilitate redevelopment of the Property (as defined below) located at 1615 Fifth Avenue; and

WHEREAS, the Redevelopment Project shall consist of the following elements, to-wit:

- i. Rehabilitation of 1615 Fifth Avenue into commercial/office space to be occupied by The Planning Center.

The foregoing elements of the Planning Center Project shall hereinafter be collectively referred to as the "Redevelopment Project" unless individually identified; and

WHEREAS, the Redevelopment Project is to take place upon that certain real property described above as parcel number 08-5500, which is more particularly described in Exhibit A, "Legal Description," attached hereto and incorporated herein by this reference thereto ("Property"); and

WHEREAS, the City has made a commitment to identify and conserve those properties which serve as a visible reminder to the City's architectural and social history, thereby contributing to the cultural and economic vitality and livability of the City through the implementation of sound urban planning and design principles; and

WHEREAS, the City wishes to assist private developers in carrying out projects that expand housing opportunities and create commercial enterprises in the City; and

WHEREAS, the City believes that the Redevelopment Project to be located on the Property and the fulfillment generally of the terms of this Agreement are in the vital and best interests of the City and its residents, and are in accord with its duty, authority, and the public purposes and conditions arising under the Act and all applicable state and local laws and requirements.

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby stipulate, covenant, contract and agree as follows, to-wit:

I. CITY'S AGREEMENT TO PROVIDE ASSISTANCE.

The following sets forth the intentions, undertakings and contractual obligations and responsibilities of the City under this Agreement in accordance with the Development Timetable contained in Exhibit B, attached hereto and incorporated by reference herein:

- A. Maximum TIF Payment. The City's total payment paid from the net incremental real estate tax generated by the Redevelopment Project under this Section I shall not exceed Forty Thousand Dollars (\$40,000) of the total costs for the Redevelopment Project and shall not extend beyond December 31, 2021, which is the expiration of the property tax TIF district.

The estimated total project cost for the Redevelopment Project is Seven Hundred Thousand Dollars (\$700,000). Providing that the equalized assessed value of parcel 08-5500 is greater than Two Hundred Thousand Dollars (\$200,000) annually, then the City will rebate Five Thousand Dollars (\$5,000) every year through 2021. If the equalized assessed value is less than Two Hundred Thousand Dollars (\$200,000) in any given year, then no property tax rebate would be provided that year. In no event shall the maximum total assistance ever exceed Forty Thousand Dollars (\$40,000) distributed from the property tax rebate.

- B. Property Tax Rebate. The City shall pay through its TIF Fund to Developer the net incremental annual real estate taxes as follows:
- ❖ \$5,000 annually in: 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021 or until the final payment is made or the TIF District expires in 2021, it being understood that should the Maximum TIF Payment be paid prior to any of the dates listed on this schedule, then no additional amount will be due or owing from the City. In no event will any payment be made after 2021.

The net incremental annual real estate taxes shall be used by the Developer only to pay for eligible redevelopment costs allowed under the Act (65 ILCS 5/11-74.4-3) as illustrated in Exhibit C, "Redevelopment Project Costs," attached hereto and incorporated herein by this reference, subject to the maximum identified in I.A. above. The base year for computation purposes of the net annual increment is agreed to be the annual real estate taxes for parcel 08-5500; the base Equalized Assessed Valuation (EAV) for the base year 2012 is \$85,239. The property tax rebate period will start with assessment year 2013 and payment year 2014. An illustrative example of the payments called for under this paragraph is shown in Exhibit D attached hereto and incorporated by reference herein. The payment shall be from the incremental property tax generated solely by the Property, and paid to the City's TIF Account; the City shall remit to the Developer within thirty-days (30) after receipt of total annual payment into said City's TIF Account from Rock Island County. The parties agree that the figures shown in Exhibit D are for illustrative purposes, and the actual annual payments to be made in any given year may be \$0 depending upon the actual experience.

- C. Maximum Amount of Property Tax Rebate. Pursuant to 65 ILCS 5/11-74.4-3(q), the maximum amount of rebate shall not exceed the sum of all reasonable or necessary eligible costs (see Exhibit C) incurred or incidental to the Redevelopment Plan and Redevelopment Project.
- D. Final Payment. Upon final payment of the amount specified in paragraph I.A., above, or upon making the final payment as specified in I.B. above, the City's obligations under this Agreement shall be fully paid and satisfied regardless of the total amount of payments actually received by the Developer.
- E. Interest. There shall be no interest charged to the City or due to the Developer pursuant to this Agreement at any time, and no interest shall ever be paid to the Developer from the City pursuant to this Agreement, irrespective of whether or not the City is delinquent or otherwise tardy in making payments required hereunder.
- F. Enterprise Zone Benefits. The City shall take no action to eliminate the Enterprise Zone while still authorized by statute for the benefit and duration of the Redevelopment Project by which means materials can be purchased for the construction of the Redevelopment Project without the imposition of sales tax and other economic benefits may be obtained under the Enterprise Zone guidelines as are available under the law. The City will cooperate and assist the Developer in its application for all Enterprise Zone benefits, if any, but the City does not warrant or assure or guarantee that any such benefits will be available to the Developer.

- G. Grants and Loan Applications. The City agrees to use its best efforts to support the Developer in applying to state and federal grant or loan programs that will enhance the Redevelopment Project.
- H. TIF Amendments. The parties expressly understand and agree that all payments provided for in the paragraphs set forth above shall be at all times subject to the requirements and restrictions of the Act.

II. DEVELOPER AGREEMENT TO DEVELOP PROPERTY.

- A. Upon the execution of this Agreement, the Developer shall complete the Redevelopment Project substantially in accordance with the plans and specifications for the Redevelopment Project, which plans and specifications must be approved by the City prior to commencement of the Redevelopment Project (such approval may not unreasonably be withheld), as may be normal, customary or required in order to proceed with the Redevelopment Project, in accordance with all applicable rules, codes, regulations, ordinances and laws, including without limitation, the City's Design/Build Management Team ("DBMT") process.
- B. Developer agrees to complete the following project elements:
 - i. Rehabilitation of 1615 Fifth Avenue into commercial/office space.
- C. Code Compliance. To the best of the Developer's knowledge, the Redevelopment Project, as designed, is and shall be in full compliance with all applicable state and local laws and ordinances. Further, Developer warrants that the City Code Compliance Manager or Building Official and City Fire Department shall have approved all building plans submitted and agrees to follow all recommendations and requirements of the City Code and the City Code Compliance Manager or Building Official and Fire Chief.
- D. Assessed Valuation. Developer agrees to a minimum equalized assessed value of Two Hundred Thousand Dollars (\$200,000) and a minimum fair market value of Six Hundred Thousand Dollars (\$600,000). Developer agrees not to appeal the annual assessed valuation of the Property as determined by the Moline Township Assessor until the expiration of this TIF district, provided that any such assessment is consistent with that of comparable properties within the City's Tax Increment Financing District #1.

III. CONDITIONS PRECEDENT TO CITY'S INCENTIVE PAYMENTS HEREUNDER.

- A. The Parties agree that the performance of their respective obligations set forth herein is specifically contingent upon the satisfaction and performance of the Developer having obtained debt and equity financing, or commitments for the same, in

such amounts and having such financial terms as are reasonable and related to a fair market financing subject to the exercise of the Developer's discretion within sixty (60) days of the execution of this Agreement.

B. Prior to the disbursement of any TIF rebate payments, Developer shall provide documentation of the actual project cost incurred, which have been independently verified by a third party mutually agreed to by City and Developer, at Developer's expense. Failure to provide an independently verified accounting of project costs for purposes of calculating the TIF rebate payments pursuant to paragraphs I. A and I. B, preceding, shall constitute a breach of this Development Agreement and relieve the City of its obligation to make payments hereunder.

C. This project may be subject to the Illinois Prevailing Wage Act. Developer agrees to comply with the Act and agrees to indemnify and hold harmless City from any and all claims, damages, fines, fees and penalties arising out of non-compliance with the Act by Developer and its agents.

IV. WARRANTIES OF THE CITY.

The City represents and warrants to the Developer that it is empowered and authorized to execute and deliver this Agreement and to lend and deliver the assistance described herein upon proof of eligible "redevelopment project costs" pursuant to Section 5/11-74.4-3(q) of the Act, and to execute and deliver all other agreements and documents, if any, required hereunder to be executed and delivered by the City. This Agreement has been, and each such document at the time it is executed and delivered will be, duly executed and delivered on behalf of the City pursuant to its legal power and authority to do so. When executed and delivered to the Developer, all such agreements shall constitute a legal, valid, and binding obligation of the City, enforceable in accordance with the terms of all such agreements.

V. WARRANTIES OF THE DEVELOPER.

A. The Developer represents and warrants to the City that the Developer is an Illinois Limited Liability Company duly organized and existing under the laws of the State of Illinois and that all proceedings of the Developer necessary to authorize the negotiation and execution of this Agreement and the consummation of the transaction contemplated by this Agreement have been taken in accordance with applicable law.

B. The Developer represents and warrants to the City that this Agreement has been duly authorized, executed, and delivered by the Developer, and will be enforceable against the Developer by its terms, except to the extent that such enforceability shall be limited by bankruptcy, or solvency, or similar laws of general application affecting the enforcement of creditor rights, and by equitable principles.

C. The Developer represents and warrants to the City that the execution and delivery of this Agreement, and the consummation of the transactions contemplated in this Agreement will not violate any provision of its operating agreement or any other contract, agreement, court order or decree to which the Developer may be a party or to

which the Developer may be subject, or any applicable federal or state law or municipal ordinance.

VI. DEVELOPER'S INDEMNIFICATION.

The Developer shall indemnify and hold harmless the City, its agents, officers and employees against all injuries, deaths, losses, damages, claims, suits, liabilities, judgments, costs and expenses (including any liabilities, judgments, costs and expenses and reasonable attorney's fees) which may arise directly or indirectly from the failure of the Developer or any contractor, subcontractor or agent or employee thereof (so long as such contractor, subcontractor or agent or employee thereof is hired by the Developer) to timely pay any contractor, subcontractor, laborer or materialman, from any default or breach of the terms of this Agreement by the Developer, or from any negligence or reckless or willful misconduct of the Developer or any contractor, subcontractor agent or employee thereof (so long as such contractor, subcontractor or agent or employee is hired by the Developer or Developer's contractor). The Developer shall, at the Developer's sole cost and expense, appear, defend and pay all charges, attorneys' fees, costs and other expenses arising therefrom or incurred in connection therewith. If any judgment shall be rendered against the City, its agents, officers, officials or employees in any such action, the Developer shall, at the Developer's sole cost and expense, satisfy and discharge the same. This paragraph shall not apply, and the Developer shall have no obligation whatsoever, with respect to any acts of negligence or reckless or willful misconduct on the part of the City or any of its officers, agents, employees or contractors.

VII. ENTIRE AGREEMENT.

This document and exhibits hereto contain the entire agreement between the Developer and the City as to this Agreement and its burdens and benefits shall inure to the benefit of, and shall be binding upon the parties hereto or a memorandum thereof and their respective heirs, executors, successors, and assigns. This Agreement or a memorandum thereof shall be recorded as set forth below, and may be modified only by written amendment signed by the Developer and the City, which amendment shall become effective upon recording by either party in the Recorder's Office in Rock Island County, Illinois.

VIII. ASSIGNMENT.

The Developer hereunder may assign the rights, duties, and obligations of the Developer only with the prior written consent of the City (which consent may not unreasonably be withheld). For the purposes of this paragraph, consent shall be deemed given by the City upon execution of this Agreement for any assignment to any person or entity having a verified net worth of not less than Five Million and No/100 Dollars (\$5,000,000.00). If a request for consent is not denied in writing on or before thirty (30) days after written request, such consent shall be deemed given.

IX. SURVIVAL OF WARRANTIES AND REPRESENTATIONS.

Any warranty, representation, or agreement herein contained shall survive the execution of the Agreement.

X. NOTICE OF DEFAULT.

In the event either party is in default hereunder (the "Defaulting Party"), the other party (the "Non-Defaulting Party") shall be entitled to take any action allowed by applicable law by virtue of said default provided that the Non-Defaulting Party first gives the Defaulting Party written notice of default describing the nature of the default, what action, if any, is deemed necessary to cure the same and specifying a time period of not less than thirty (30) days in which the default may be cured by the Defaulting Party.

XI. REMEDIES UPON DEFAULT.

A. If, in the City's judgment, the Developer is in default of this Agreement, the City shall provide the Developer with a written statement indicating in adequate detail any failure on the Developer's part to fulfill its obligations under this Agreement. Except as required to protect against further damages, the City may not exercise any remedies against the Developer in connection with such failure until thirty (30) days after giving such notice. If such default cannot be cured within such thirty (30) day period, such thirty (30) day period shall be extended for such time as is reasonably necessary for the curing of the same, so long as the Developer diligently proceeds with such cure; if such default is cured within such extended period, the default shall not be deemed to constitute a breach of this Agreement. A default not cured as provided above shall constitute a breach of this Agreement. Any failure or delay by the City in asserting any of its rights or remedies as to any default or alleged default or breach shall not operate as a waiver of any such default or breach or of any rights or remedies it may have as a result of such default or breach.

B. If the Developer materially fails to fulfill its obligations under this Agreement after notice is given by the City and any cure periods described in Paragraph A above have expired or if all or a portion of any such agreement is terminated, the City may elect to terminate this Agreement or exercise any right or remedy it may have at law or in equity, including without limitation the right to specifically enforce the terms and conditions of this Agreement. If any voluntary or involuntary petition or similar pleading under any section or sections of any bankruptcy or insolvency act shall be filed by or against the Developer, or any voluntary or involuntary proceeding in any court or tribunal shall be instituted to declare the Developer insolvent or unable to pay the Developer's debts, or the Developer makes an assignment for the benefit of its creditors, or a trustee or receiver is appointed for the Developer or for the major part of the Developer's property, the City may elect, to the extent such election is permitted by law and is not unenforceable under applicable federal bankruptcy laws, but is not required, with or without notice of such election and with or without entry or other action by the City, to forthwith terminate this Agreement. To effect the City's termination of this Agreement under this Section XI.B., the City's sole obligation shall be to record, in the office of the Rock Island County Recorder, a Certificate of Default executed by the Mayor of the City or such other person as shall be designated by the City, stating that this Agreement is terminated pursuant to the provisions of this Section XI.B., in which event this Agreement by virtue of the recording

of such certificate, shall *ipso facto* automatically become null and void and of no further force and effect.

C. If, in the Developer's judgment, the City is in material default of this Agreement, the Developer shall provide the City with a written statement indicating in adequate detail any failure on the City's part to fulfill its obligations under this Agreement. The Developer may not exercise any remedies against the City in connection with such failure until thirty (30) days after giving such notice. If such default cannot be cured within such thirty (30) day period, such thirty (30) day period shall be extended for such time as is reasonably necessary for the curing of the same, so long as the City diligently proceeds with such cure; if such default is cured within such extended period, the default shall not be deemed to constitute a breach of this Agreement. A default not cured as provided above shall constitute a breach of this Agreement. Any failure or delay by the Developer in asserting any right or remedy as to any default or any alleged default or breach shall not operate as a waiver of any such default or breach or of any rights or remedies it may have as a result of such default or breach.

D. In addition to any other rights or remedies, a party may institute legal action against the other party to cure, correct or remedy any default, or to obtain any other remedy consistent with the purpose of this Agreement, either at law or in equity, including, but not limited to the equitable remedy of an action for specific performance. Notwithstanding the foregoing, in the event either party shall institute and complete legal action against the other party because of a breach of any agreement or obligation contained in this Agreement, the substantially prevailing party shall be entitled to recover all costs and expenses, including reasonable attorneys' fees, incurred in connection with such action.

E. The rights and remedies of the parties are cumulative and the exercise by a party of one or more of such rights or remedies shall not preclude the exercise by it, at the same time or different times, of any other rights or remedies for the same default or for any other default by the other party.

XII. NON-DISCRIMINATION.

The Developer agrees that neither the Property nor any portion thereof, shall be sold to, leased, or used by the Developer in a manner to permit discrimination or restriction on the basis of race, creed, ethnic origin or identity, color, gender, sexual orientation, religion, marital status, age, handicap, or national origin, and that the development of and construction and operations on the Property shall be in compliance with all effective laws, ordinances, and regulations relating to discrimination on any of the foregoing grounds.

XIII. NOTICES.

Any notice required or permitted hereunder shall be in writing, signed by the party giving the notice, and shall be deemed given when (a) hand delivered to the party to whom the notice is addressed; (b) mailed by certified mail, return receipt requested,

United States mail, postage prepaid; or (c) delivered by overnight courier delivery service (i.e. Federal Express, UPS, etc.) and addressed to the party at the address shown as follows:

TO CITY: City Administrator and City Clerk
619 16th Street
Moline, IL 61265

WITH A COPY TO: City Attorney
619 16th Street
Moline, IL 61265

TO DEVELOPER: Covariance Holdings, LLC
Mathew Sivertsen, Manager
1615 Fifth Avenue
Moline, IL 61265

WITH A COPY TO: Mark D. Churchill
Churchill & Churchill, P.C.
1610 Fifth Avenue
Moline, IL 61265

Any party may change the address to which notices shall be sent by notice given in accordance with the terms of this paragraph.

XIV. COUNTERPARTS.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original.

XV. HEADINGS.

Descriptive headings are for convenience only and shall not control or affect the meaning or construction of any provision of this Agreement.

XVI. APPLICABLE LAW.

This Agreement, and each of its subparts and incorporated items thereto shall be interpreted under the laws of the State of Illinois and any action brought to enforce or interpret any of its provisions or otherwise involving this Agreement must be filed in a Rock Island County, Illinois, court of competent jurisdiction.

XVII. SEVERABILITY.

Should any part of this Agreement be determined to be illegal, invalid, or otherwise unenforceable, then all such remaining parts not so affected by such illegality, invalidity, or unenforceability shall continue in full force and effect, fully binding both parties, their respective heirs and assigns, as to such remaining terms.

XVIII. 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.

XIX. ASSURANCE OF FURTHER ACTION.

From time to time hereafter and without further consideration, each of the parties to this Agreement shall execute and deliver, or cause to be executed and delivered, such recordable memoranda, further instruments, and agreements, and shall take such other actions, as any other party may reasonably request, in order to more effectively memorialize, confirm, and effectuate the intentions, undertakings, and obligations contemplated by this Agreement.

XX. DELAYED EXECUTION.

After this Agreement is approved by the Moline City Council and duly signed by the Mayor and attested by the City Clerk, the Developer shall have up to ten days (10) from that date to execute this Agreement, and this Agreement shall not be binding on the parties until duly executed by both parties.

XXI. DISCLAIMER OF THIRD PARTY BENEFITS.

The intentions, affirmations, authorizations and agreements between the parties hereto as expressed herein are approved solely by and between the parties hereto and no other; and provided further, however, that neither and none of such intentions, affirmations, authorizations or agreements may be relied upon by any person or entity, to such entity or person(s) detriment, or for any reason whatsoever, whether third person or otherwise. Any such reliance or purported reliance as a third party beneficiary to this Agreement or predicated upon any other relationship to any of the parties hereto and each of them, whether real or alleged, is specifically disclaimed by the parties herein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates set forth above their respective signatures.

(Signature provisions on following page)

THE CITY OF MOLINE, ILLINOIS

COVARIANCE HOLDINGS, LLC

DATED: _____

DATED: _____

By: _____
Donald Welvaert, Mayor

By: _____
Matthew Sivertsen, Manager

Attest: _____
Tracy Koranda, City Clerk

Approved as to form:

Maureen E. Riggs, City Attorney

STATE OF ILLINOIS)
)
COUNTY OF ROCK ISLAND) SS:

On this _____ day of _____, 2012, before me, the undersigned, a Notary Public in and for the State of Illinois, personally appeared **DONALD WELVAERT** and **TRACY KORANDA** to me personally known, who, being by me duly sworn, did say that they are the Mayor and City Clerk, respectively, of the **CITY OF MOLINE**, executing the within and foregoing instrument to which this is attached; that said instrument was signed (and sealed) on behalf of (the seal affixed thereto is the seal of said corporation) as such officers acknowledged the execution of said instrument to be the voluntary act and deed of said corporation, by it and by them voluntarily executed.

(seal)

NOTARY PUBLIC

STATE OF _____)
)
COUNTY OF _____) SS:

On this _____ day of _____, 2012, before me, a Notary Public in and for said County and State aforesaid, personally appeared **MATTHEW SIVERTSEN** to me personally known, who being by me duly sworn (or affirmed) did say that he is the Manager of **COVARIANCE HOLDINGS, LLC**, and that said instrument was signed on behalf of the limited liability company; **MATTHEW SIVERTSEN** acknowledged the execution of said instrument to be the voluntary act and deed of said limited liability company, by it and by him voluntarily executed.

(seal)

NOTARY PUBLIC

EXHIBIT A
LEGAL DESCRIPTION

The East Forty (40) feet of Lot Six (6) and the West Seventy (70) feet (except the East 34 feet) of Lot Seven (7) all in Block Number Twenty-Four (24) in that part of the City of Moline known as and called the Old or Original Town of Moline; situated in the County of Rock Island and the State of Illinois.

For Informational Purposes Only

Address: 1615 Fifth Avenue
Parcel Number: 08-5500

EXHIBIT B

DEVELOPMENT TIMETABLE

July 2012 - Purchased 1615 Fifth Avenue

August 2012 – Roof replacement

September 2012 – Sign removal and interior build out

October 2012 – Restoration of front façade and HVAC

January 2013 – Finish interior renovation

February 2013 – The Planning Center opens for business

EXHIBIT C
REDEVELOPMENT COSTS

Costs as Permitted Pursuant to Section 5/11-74.4-3(q) of the Act:

- Acquisition and other Property Assembly Costs

- Development Services Design and Engineering Services

- Legal/Appraisal

- Surveys and Environmental Reports Related to Property Assembly or Reconstruction, Remodeling, Repair, or Rehabilitation

- Reconstruction, rehabilitation, repair or remodeling

- And other items permitted by the Act

EXHIBIT D
ILLUSTRATIVE EXAMPLE OF FINANCIAL ASSISTANCE

No. Of Yrs.	Assessment Yr	Payable Yr	Property Tax Rebate
1	2013	2014	\$5,000
2	2014	2015	\$5,000
3	2015	2016	\$5,000
4	2016	2017	\$5,000
5	2017	2018	\$5,000
6	2018	2019	\$5,000
7	2019	2020	\$5,000
8	2020	2021	\$5,000

Providing that the equalized assessed value of parcel 08-5500 is greater than Two Hundred Thousand Dollars (\$200,000) annually, then the City will rebate Five Thousand Dollars (\$5,000) every year through 2021.

Villas at Black Hawk

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
City Portion of Property Tax	22,863	23,434	23,434	23,434	24,020	24,621	25,236	25,867	26,514	27,177	\$246,600
Developer Request	22,863	23,434	23,434	23,434	24,020	24,621	20,189	15,520	10,606	5,435	\$193,556
Administration's Recommendation	13,718	14,060	14,060	14,060	14,412	14,773					\$85,084
Property Taxes Retained by City	9,145	9,374	9,374	9,374	9,608	9,848	25,236	25,867	26,514	27,177	\$161,516

The Villas at Black Hawk College

Proposed On Campus Student Housing for Black Hawk College

- ✓ 42 units / 120 student beds
- ✓ 2- Three story buildings with student apartments, 1 -2,987 SF building student center
- ✓ Property location was gifted by Black Hawk College to Black Hawk Foundation
- ✓ The Black Hawk Foundation will lease the ground to The Villas at Black Hawk in exchange for \$10,000 of housing scholarship

Requesting 10 year Real Estate Tax Abatement to be awarded as follows:

Years 1-6 100% Abatement, Year 7 - 80%, Year 8 - 60%, Year 9 – 40%, Year 10 - 20%, Year 11 -0%

*Currently there is no property tax income for this property. As it remains in the hands of the foundation, there would be no opportunity for property tax revenue.

*The estimated full assessment for year 1 would be \$103,922. The city's share is 22.14%

*Based on this estimate, given the 10 abatement period the city would receive \$91,006.12 in property taxes from The Villas. Over that 10 year period, the city would have abated \$196,216.97.

*The location on campus is controlled by the Black Hawk College Foundation. The mission of the foundation allows for only services that will enhance the student experience or grow enrollment. If this location is not used for student housing through this public private partnership, the ground would be used in the future for academic buildings. Academic buildings do **not generate any** property tax.

*Moline School District, Black Hawk College and Rock Island County have already provided verbal agreements. Agreements will be finalized over the next few weeks.

Supporting Information

About Bluffstone: *Bluffstone* specializes in bringing Division I style, amenity rich apartment complexes to smaller colleges & universities. They contain amenities that often cannot be found anywhere else in town. Students will find large suites, private baths, on-site wellness centers and high tech media centers all in a secure, controlled access community. The developments offer "campus-style" living with upscale features typically found only in big city developments. Bluffstone brands their student housing communities as The Villas. With a corporate office in Bettendorf, Iowa, Bluffstone owns and manages student properties throughout the Midwest.

Why Student Housing for Community Colleges: Student housing is a growing component in the success of community colleges throughout the country. In the state of Illinois, community colleges are not allowed to operate on campus housing, to achieve the much needed offering of on campus housing community colleges must enter into public private partnerships. Black Hawk College currently offers housing on the BHC-East campus, Galva, IL this housing is owned and operated by the college Foundation. Bluffstone completed construction of The Villas at Carl Sandburg Galesburg, IL to create a student housing partnership with Carl Sandburg College. The Villas at Carl Sandburg is fully occupied by student athletes, local students from the Galesburg area, as well as international students.

Apartment Financial Proforma **The Villas at Blackhawk** **Exhibit E**

page 1 of 2

Cash Basis construction Interest at: **5.00%**

Fiscal Year 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024

Apartment Operations Costs		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Principal	100%	\$4,581,640	\$4,581,640										
Interest	5.75%												
Term/Amort.	25 years												
Annual P&I Payment			229,082	349,937	349,937	349,937	349,937	349,937	349,937	349,937	349,937	349,937	349,937
Cost Inflation Factor:	2.5%												
Year 1 Property Tax Correction	Levy Assessed Value		\$0	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Property Taxes	0.00%	\$0											
Abatement				103,922	106,520	106,520	106,520	109,183	111,912	114,710	117,578	120,517	123,530
City Incentives				(98,726)	(101,194)	(101,194)	(101,194)	(103,724)	(106,317)	(87,180)	(67,019)	(45,797)	(23,471)
Salaries	41,489	\$41,489	42,527	43,590	44,679	45,796	46,941	48,115	49,318	50,551	51,815	53,110	54,438
Utilities	67,231	67,231	68,912	70,635	72,401	74,211	76,066	77,968	79,917	81,915	83,963	86,062	88,213
Insurance, Property	\$9,900	9,900	10,148	10,401	10,661	10,928	11,201	11,481	11,768	12,062	12,364	12,673	12,990
Accounting/Professional Fees	\$0												
Management Fee													
Maint & Reserve	4.00%		24,920	25,411	25,911	26,421	26,941	27,471	28,013	28,565	29,129	29,704	30,290
Total Operations Cost			187,739	192,300	202,168	207,084	211,988	217,012	222,291	227,700	255,178	283,887	313,872
per bed			\$1,564	\$1,602	\$1,685	\$1,726	\$1,767	\$1,808	\$1,852	\$1,896	\$2,126	\$2,366	\$2,616
per square foot			\$4.21	\$4.31	\$4.53	\$4.64	\$4.75	\$4.86	\$4.98	\$5.10	\$5.72	\$6.36	\$7.04
Total Operations Cost & Debt Service			\$416,821	\$542,237	\$552,105	\$557,022	\$561,925	\$566,949	\$572,229	\$577,638	\$605,115	\$633,824	\$663,809

Revenue		2.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.5%	2.5%	2.5%	3.0%
Revenue Inflation Factor:														
Rents:	Count Monthly Rate Annual/ Unit													
1 bedroom / 1 bathroom	0 \$599.00													
2 bedroom / 2 bathroom	24 \$1,000.00	240,000	244,800	249,696	254,690	259,784	264,979	270,279	275,685	282,577	289,641	296,882	305,789	
4 bedroom / 4 bathroom	18 \$1,800.00	324,000	330,480	337,090	343,831	350,708	357,722	364,877	372,174	381,479	391,015	400,791	412,815	
Summer Income	1 \$4,500.00	45,000	45,900	46,818	47,754	48,709	49,684	50,677	51,691	52,983	54,308	55,665	57,335	
Total Units	42	609,000	621,180	633,604	646,276	659,201	672,385	685,833	699,550	717,038	734,964	753,338	775,939	
Total Beds	120													
Other Revenue:														
Vending Machine	120 1.50	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	
Laundry	120 5.00	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	
Dry cleaning/laundry service	120													
Renters Insurance	120													
Bus. Ctr (Faxing, printing, copying, shipping)	120 1.00	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	
Arcade (Darts, Golden T)	120													
Parent care packages	120													
Withheld deposits	120 \$25.00	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	
Total Revenue		655,800	668,700	681,858	695,279	708,969	722,932	737,175	751,702	770,225	789,210	808,671	832,607	
per bed		\$5,465	\$5,573	\$5,682	\$5,794	\$5,906	\$6,024	\$6,143	\$6,264	\$6,419	\$6,577	\$6,739	\$6,938	
Vacancy - Residential	5.00%	(32,790)	(33,435)	(34,093)	(34,764)	(35,448)	(36,147)	(36,859)	(37,585)	(38,311)	(39,041)	(40,424)	(41,630)	
Net Annual Revenue/(Loss)		206,189	93,028	95,660	103,494	111,595	119,837	128,087	136,479	126,599	115,926	104,428	95,708	
Cumulative Net Revenue			299,217	394,877	498,371	609,966	729,802	857,890	994,369	1,120,968	1,236,894	1,341,322	1,437,030	
Expense/Income Ratio		29%	29%	30%	30%	30%	30%	30%	30%	33%	36%	39%	41%	

CAP Rate	7.00%	\$6,218,158.00	\$6,328,077.09	\$6,365,673.96	\$6,477,583.46	\$6,593,318.54	\$6,711,055.22	\$6,828,923.57	\$6,948,810.82	\$6,807,657.03	\$6,655,190.50	\$6,490,933.79	\$6,366,368.27
80% LTV		\$4,974,526.40	\$5,062,461.67	\$5,092,539.17	\$5,182,066.77	\$5,274,654.83	\$5,368,844.18	\$5,463,138.86	\$5,559,048.65	\$5,446,125.63	\$5,324,152.40	\$5,192,747.03	\$5,093,094.62
LTV		73.68%	72.40%	71.97%	70.73%	69.49%	68.27%	67.09%	65.93%	67.30%	68.84%	70.59%	71.97%
NOI		\$435,271.06	\$442,965.40	\$445,597.18	\$453,430.84	\$461,532.30	\$469,773.87	\$478,024.65	\$486,416.76	\$476,535.99	\$465,863.33	\$454,365.37	\$445,645.78
Debt coverage Ratio		1.90	1.27	1.27	1.30	1.32	1.34	1.37	1.39	1.36	1.33	1.30	1.27

Tax Basis	Year 1
Income	\$ 655,800
Op Costs	\$ (187,739)
Interest Expense	\$ (263,444)
Building Depreciation	80% \$3,665,312 27.5 \$ (133,284)
Segregated Depreciation	20% \$916,328 5 \$ (183,266)
Tax Loss	\$ (111,933)

Apartment Financial Proforma
The Villas at Blackhawk

Cash Basis
 Fiscal Year 2025

Apartment Operations Costs	
Principal Interest	
Term/Amort.	
Annual P&I Payment	349,937
Cost Inflation Factor:	2.5%
Year 1 Property Tax Correction	
Property Taxes	126,619
Abatement	-
City Incentives	-
Salaries	55,799
Utilities	90,418
Insurance, Property	13,314
Accounting/Professional Fees	-
Management Fee	32,576
Maint & Reserve	59,441
Total Operations Cost	378,167
per bed	\$3,151
per square foot	\$8.48
Total Operations Cost & Debt Service	\$728,105

Revenue	
Revenue Inflation Factor:	3.0%
Rents:	
1 bedroom / 1 bathroom	-
2 bedroom / 2 bathroom	314,962
4 bedroom / 4 bathroom	425,199
Summer Income	59,055
Total Units	799,217
Total Beds	-
Other Revenue:	
Vending Machine	2,160
Laundry	7,200
Dry cleaning/laundry service	-
Renters Insurance	-
Bus. Ctr (Faxing, printing, copying, shippin	1,440
Arcade (Darts, Golden T)	-
Parent care packages	-
Withheld deposits	47,244
Total Revenue	857,261
per bed	\$7,144
Vacancy - Residential	(42,863)
Net Annual Revenue/(Loss)	86,293
Cumulative Net Revenue	1,523,324
Expense/Income Ratio	44%

CAP Rate	\$6,231,865.46
80% LTV	\$4,985,492.37
LTV	73.52%
NOI	\$436,230.58
Debt coverage Ratio	1.25

Tax Basis	
Income	
Op Costs	
Interest Expense	
Building Depreciation	
Segregated Depreciation	
Tax Loss	

DEVELOPMENT AGREEMENT
Between the
CITY OF MOLINE
and
BLACK HAWK COLLEGE FOUNDATION
a 501(c)(3) Tax Exempt Charitable Organization
and
VILLAS AT BLACK HAWK, LLC an Illinois Limited Liability Company.

THIS INDENTURE ("Agreement") made and entered into on this _____ day of _____, 2013, by and between the City of Moline, an Illinois Municipal Corporation ("City"), Black Hawk College Foundation, a 501(c)(3) Charitable Organization ("Foundation") and Villas at Black Hawk, LLC, an Illinois limited liability company ("Developer").

WITNESSETH:

WHEREAS, City wishes to assist private developers in carrying out projects that expand the tax base and residential opportunities in the City; and

WHEREAS, City wishes to enhance educational opportunities in the City; and

WHEREAS, City wishes to participate in this performance based Development Agreement for the following public purposes, which purposes shall include, without limitation the development of the community and the City's general tax base, the general public benefit, including the improvement of the health, safety and welfare of the City and its residents; as well as the elimination of undeveloped areas and areas which have remained undeveloped without public participation; for the increase of the City's tax base, including without limitation, the increase in the City's property tax; and

WHEREAS, City seeks to support development within the Blackhawk Planning District through the granting of certain lawful incentives, including but not limited to, Property Tax Rebates to Developer in connection with a student housing project for Black Hawk College (hereinafter "the Project" as further defined and depicted within Exhibit A); and

WHEREAS, "Developer" is Villas at Black Hawk, LLC, an Illinois limited liability company; and

WHEREAS, "Black Hawk College Foundation", a 501(c)(3) Charitable Organization owns the property that the project will be developed on and has entered into a long term lease with the Developer; and

WHEREAS, the City and Developer seek to benefit from the acceptance of said incentives; and

WHEREAS, the Developer has entered into separate agreements with Rock Island County, Moline School District No. 40 and Black Hawk College providing for property tax rebates; and

WHEREAS, the Project shall include, but not be limited to, the following elements, to-wit:

- i. Developer has submitted a preliminary plan (Exhibit A hereto). The Project, “Villas at Black Hawk,” located at 6600 34th Avenue, Parcel #274-3 South Moline Township, consists of site improvements, parking, landscaping and construction of a three-story student housing building. Total construction cost is budgeted at \$5,727,050. The site is approximately 1.588 acres and zoned ORT Office/Research Park and Technology District. The proposed new construction Project will be an amenity rich community to be located near the campus of Black Hawk College. The property will be a 42 unit, 120 bed student community consisting of 24 two bedroom two bath apartments, 18 four bedroom four bath apartments. The three-story structure will provide amenities such as:
 - Individual Leases (leases by the bed)
 - Sand Volleyball Court
 - Social Room with Media Center, Gaming, and Vending
 - Study Rooms with complimentary Wi-Fi access
 - Twenty-four Hour Fitness Center
 - Twenty-four Hour Management onsite
 - Resident Life Programs
- ii. Due to extraordinary costs associated with developing the Project Property, the City acknowledges that the Developer cannot proceed with the Project absent financial assistance. In order to receive bank financing, the desired debt coverage ratio is a minimum of 1.30. With the City’s assistance, the Project generates sufficient cash flow to cover operating expenses as well as debt service. The Debt Coverage Ratio varies from 1.29 – 1.39. By year 2025, the Project will generate sufficient income to cover expenses and debt service and Developer will no longer need City assistance. The pro forma is attached as Exhibit B.

The property is the underutilized track and field complex at Black Hawk College and currently has an assessed value of \$0. The Developer has requested a Property Tax Rebate from the City of Moline to accommodate the incentives needed to facilitate the Project. It is estimated that the Project will increase the property value to a minimum of \$3,500,000, which would have an equalized assessed value of \$1,165,000 and a property tax liability of \$103,922 in year one. The Developer has submitted a Tax Benefit Analysis – Exhibit C that illustrates the incremental property taxes to be generated by the Project and requested annual rebate request to the City.

NOW, THEREFORE, in consideration of the foregoing recitals, which are substantive and binding and not superfluous, the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby stipulate, covenant, contract and agree that the foregoing recitals are incorporated hereunder by reference as the agreement between the parties and the parties further agree as follows, to-wit:

I. CITY'S AGREEMENT TO PROVIDE ASSISTANCE.

The following sets forth the intentions, undertakings and contractual obligations and responsibilities of the City under this Agreement in accordance with the Development Timetable contained in Exhibit D:

- A. Property Tax Rebate. City's total project commitment from the net incremental real estate tax generated by the Project under this Section I shall not exceed a total of Eighty Five Thousand Eighty Four Dollars (\$85,084.00) and shall not extend beyond December 31, 2020. An illustrative example of the payments called for under this paragraph is shown in Exhibit C attached hereto and by this reference made a part hereof. The annual payment referenced herein shall be from the property tax generated solely by the "Project Property" for property taxes incurred the prior year and paid to the City's General Fund. The City shall remit the annual payment to the Developer within thirty (30) days after receipt of total annual payment into the City's General Fund from Rock Island County as follows:
 - 60%: 2015
 - 60%: 2016
 - 60%: 2017
 - 60%: 2018
 - 60%: 2019,
 - 60%: 2020, it being understood that should the maximum payment be paid prior to any of the dates listed on this schedule, then no additional amount will be due or owing from the City. In no event will any payment be made after 2020.
- B. The estimated total cost for the Project including, site acquisition, design, engineering and other professional fees and construction is Five Million Seven Hundred Twenty Seven Thousand Fifty Dollars (\$5,727,050). It is estimated that the Project will increase the property value to a minimum of \$3,500,000 with an equalized assessed value of \$1,165,000.
- C. Final Payment. Upon making the final payment as specified in I.A. above, the City's obligations under this Agreement shall be fully paid and satisfied.
- D. Interest. There shall be no interest charged to City or due to Developer pursuant to this Agreement at any time, and no interest shall ever be paid to Developer from City pursuant to this Agreement, regardless of whether or not City is delinquent or otherwise tardy in making payments required hereunder.

- E. In the event that Developer fails to (a) commence construction of the Project within 90 days of the execution of this Development Agreement, and/or (b) fails to substantially complete the Project on or before August 31, 2013 (the anticipated Construction Completion Date) (a “Fundamental Breach”) or (c) abandons the project after commencement of construction, then the City may terminate this Agreement pursuant to terms and conditions acceptable to the City, which acceptance shall be indicated in advance and in writing separate from this Agreement; and, provided further, as set forth above, “abandoned” or “abandonment” shall mean that Developer has vacated and relinquished possession of the project at any time after the commencement of construction of the initial infrastructure of the project for a period of one hundred eighty (180) days or more.
- F. Amendments. The parties expressly understand and agree that all payments provided for in the paragraphs set forth above shall be at all times subject to the requirements and restrictions of the Constitution of the State of Illinois.
- G. The Project shall be developed consistently with the project elements described in the recitals preceding this Agreement, which recitals are hereby incorporated herein by this reference hereto as if fully set out at this point. The parties agree that the specific location and design of the student housing building and associated improvements shall be subject to the site plan and necessary building plans submitted to the City and approved by all necessary parties. Developer warrants that the deadlines within the Phasing Schedule set out in this agreement shall also create the obligation on the part of the Developer. Developer warrants that the project elements constitute a minimum level of performance and failure to create and accomplish said elements consistent with this Phasing Schedule set out in this agreement without the express written permission of the City shall constitute a material breach hereof.

II. FOUNDATIONS AGREEMENT TO LEASE TO DEVELOPER PROPERTY.

- A. Under separate agreement the Black Hawk College Foundation has agreed to a long term lease with the Developer for the purposes of constructing the project as described in the recitals preceding this Agreement.

III. DEVELOPER AGREEMENT TO DEVELOP PROPERTY.

- A. Upon the execution of this Agreement, the Developer shall initiate the Project substantially in accordance with the plans and specifications for the Project, which plans and specifications must be approved by any and/or all of the following: Plan Commission, City Council and City Staff, prior to commencement of the Project, in accordance with all applicable City rules, codes, regulations, ordinances and laws. Further, Developer confirms that Development,

use of and construction on the Property, shall at all times comply with and be in accordance with this Agreement, the Moline Zoning Code, the Moline Subdivision Code and any special use granted in connection therewith, the Final Development Plan, the Landscape Plan, Elevations Plan, regulatory requirements and compliance advisories, and all other requirements of law, it being understood that in the event of a conflict between or among any of the above plans or documents, the plan or document that provides the greatest control and protection for the City, (most restrictive toward development) shall control. All of the above plans and documents shall be interpreted so that the duties and requirements imposed by any one of them are cumulative among all of them, unless otherwise provided in this Agreement.

- B. Developer agrees to complete the following Project elements:
- i. All Project Elements as set forth in this Agreement;
 - ii. Development Review and Regulatory Review Process. Completion of the development review and regulatory approval process with City. The Developer agrees that no construction activities will occur on the Project site without completion of all planning approvals.
 - iii. Code Compliance. Developer certifies that the Development Project, as designed, is and shall be in full compliance with all applicable federal, state and local laws and ordinances and that the Project fully satisfies and complies with the development review and regulatory approval process hereinabove described. Further, Developer warrants that the City Building Official and City Fire Department (and related applicable regulating agencies) shall have approved all building plans submitted and agrees to follow all requirements of the City Code and the City Building Official and Fire Chief or other designee of the City Administrator.
- C. Assessed Valuation and Payment of Property Taxes. Payment of property taxes shall be the responsibility of Developer. The obligation of Developer under this Section shall commence with the tax year 2014 on which taxes are paid during 2015 and continue through the term of this agreement which is tax year 2019 payable 2020. Developer agrees not to appeal the annual assessed valuation of the Property as determined by the Township Assessor during the term of this Agreement, provided that any such assessment is consistent with that of comparable properties within the City of Moline.
- D. Developer understands and agrees that the meeting of deadlines as set forth in Exhibit D is necessary, in order to meet the terms of this Agreement and make City incentives possible. Developer understands that failure to meet deadlines is a material breach of this Agreement, unless an extension has been agreed to in writing by the City.

- E. Developer, may not, without the City's consent (not to be unreasonably withheld, conditioned or delayed): (i) enter into a merger, sale, transfer, conveyance, liquidation or consolidation that would have a materially adverse affect on the ability of the Developer to complete the Project; (ii) directly or indirectly sell or transfer (except for leases) all or substantially all of its assets; (iii) enter into any transaction outside the ordinary course of business that would materially and adversely affect the ability of the Developer to complete the Project; or (iv) assume or guarantee the obligations of any other person or entity that would materially and adversely affect the ability of Developer to complete the Project.
- F. Developer and City acknowledge that the purpose of affording public assistance to the Project is to accomplish the stated public purposes and not to subsidize an otherwise economically viable development project. Developer has represented and averred that it cannot complete the Project but for expenditure of funds in the form of Property Tax Reimbursements. While it has been determined by the City Council that the Project would not be undertaken but for the public assistance being provided, the parties recognize that the ongoing profitability of the Project to Developer is based upon projections that may or may not be fulfilled. Therefore, in order to ensure that the public assistance being provided does not subsidize an unreasonable level of earnings for Developer, the parties agree that a reasonable level of earnings for the project is an annual Debt Coverage Ratio near 1.30, unless unique circumstances with specific requirements from financing sources require a change as reasonably agreed to by the City. The payment by the City may be amended to effectuate this provision. Developer agrees to permit the City to audit its books, records and accountings concerning this provision, no more than once every year. The right to audit shall expire one (1) year after Developer closes its books for the final year of this agreement.

III. CONDITION PRECEDENT TO CITY'S AGREEMENT TO ISSUE REBATES.

- A. Developer's Obligation to obtain Debt and Equity Financing. The Parties agree that the performance of their respective obligations set forth herein is specifically contingent upon the satisfaction and performance of the Developer having obtained debt and equity financing, or commitments for the same for the Project within ninety (90) days of the execution of this Agreement. Therefore, Developer agrees to provide sufficient equity and construction financing necessary to complete the Project as described herein, and the City will have no obligation to perform any action otherwise required herein until Developer provides the City with evidence of its equity financing and construction debt financing commitment to complete the entire Project in accordance with terms acceptable to the City. Developer shall also provide the City with all legal and financial documents verifying the existence of Villas at Black Hawk, LLC and the Developer's ability to otherwise complete and discharge its obligations under this Development Agreement. Developer shall secure and/or participate with third parties to invest, construct and lease improvements of the Project as provided herein.

IV. WARRANTIES OF THE CITY.

The City represents and warrants to the Foundation and Developer that it is empowered and authorized to execute and deliver this Agreement and to lend and deliver the assistance described herein upon proof of eligible “redevelopment project costs” pursuant to the Illinois Constitution and to execute and deliver all other agreements and documents, if any, required hereunder to be executed and delivered by City. This Agreement has been, and each such document at the time it is executed and delivered will be, duly executed and delivered on behalf of City pursuant to its legal power and authority to do so. When executed and delivered to Developer, all such agreements shall constitute a legal, valid, and binding obligation of City, enforceable in accordance with the terms of all such agreements.

V. WARRANTIES OF THE FOUNDATION.

The Foundation represents and warrants to the City and Developer that it is empowered and authorized to execute and deliver this Agreement and to lease and deliver the property described herein pursuant to the Illinois Constitution and to execute and deliver all other agreements and documents, if any, required hereunder to be executed and delivered by Foundation. The Foundations agrees not to appeal the property tax assessment during the term of this Agreement. This Agreement has been, and each such document at the time it is executed and delivered will be, duly executed and delivered on behalf of Foundation pursuant to its legal power and authority to do so. When executed and delivered to City and Developer, all such agreements shall constitute a legal, valid, and binding obligation of Foundation, enforceable in accordance with the terms of all such agreements.

VI. WARRANTIES OF THE DEVELOPER.

- A. Developer represents and warrants to City and Foundation that Developer is an Illinois Limited Liability Company duly organized and existing under the laws of the State of Illinois and a corporation of good standing in the State of Illinois and that all proceedings of Developer necessary to authorize the negotiation and execution of this Agreement and the consummation of the transaction contemplated by this Agreement have been taken in accordance with applicable law.
- B. Developer represents and warrants to City and Foundation that this Agreement has been duly authorized, executed, and delivered by Developer, and will be enforceable against Developer by its terms, except to the extent that such enforceability shall be limited by bankruptcy, or solvency, or similar laws of general application affecting the enforcement of creditor rights, and by equitable principles.
- C. Developer represents and warrants to City and Foundation that the execution and delivery of this Agreement, and the consummation of the transactions contemplated in this Agreement will not violate any provision of its operating agreement or any other contract, agreement, court order or decree to which

Developer may be a party or to which Developer may be subject, or any applicable federal or state law or municipal ordinance.

VII. INDEMNIFICATION.

Developer shall indemnify and hold harmless City and the agents, officers and employees of each against all injuries, deaths, losses, damages, claims, suits, liabilities, judgments, costs and expenses (including any liabilities, judgments, costs and expenses and reasonable attorney's fees) which may arise prior to the execution hereof or arise directly or indirectly from the failure of Developer or any contractor, subcontractor or agent or employee thereof (so long as such contractor, subcontractor or agent or employee thereof is hired by Developer) to timely pay any contractor, subcontractor, laborer or material man, from any default or breach of the terms of this Agreement by Developer, or from any negligence or reckless or willful or wanton misconduct of Developer or any contractor, subcontractor (or) agent or employee thereof (so long as such contractor, subcontractor or agent or employee is hired by Developer). Developer shall, at Developer's sole cost and expense, appear, defend and pay all charges of attorneys, costs and other expenses arising therefrom or incurred in connection therewith. If any judgment shall be rendered against City, or the agents, officers, officials or employees of each in any such action, Developer shall, at Developer's sole expense, satisfy and discharge the same. This paragraph shall not apply, and Developer shall have no obligation whatsoever, with respect to any acts, negligence or reckless or willful misconduct on the part of City, or any of the officers, agents, employees or contractors of either; provided, however, that, without limiting the foregoing Developer indemnification in any way, Developer specifically acknowledges that Developer and has selected its own engineers, attorneys, designers, architects, contractors, consultants or other professionals (hereinafter: "professionals") for its own purposes and shall make no claim against City related to Developer's employment of such professionals, whether the employment of such professional was recommended, concurred with or acquiesced in by either.

Foundation shall indemnify and hold harmless City and the agents, officers and employees of each against all injuries, deaths, losses, damages, claims, suits, liabilities, judgments, costs and expenses (including any liabilities, judgments, costs and expenses and reasonable attorney's fees) which may arise prior to the execution hereof or arise directly or indirectly from the failure of Foundation or any contractor, subcontractor or agent or employee thereof (so long as such contractor, subcontractor or agent or employee thereof is hired by Foundation) to timely pay any contractor, subcontractor, laborer or material man, from any default or breach of the terms of this Agreement by Foundation, or from any negligence or reckless or willful or wanton misconduct of Foundation or any contractor, subcontractor (or) agent or employee thereof (so long as such contractor, subcontractor or agent or employee is hired by Foundation). Foundation shall, at Foundation's sole cost and expense, appear, defend and pay all charges of attorneys, costs and other expenses arising therefrom or incurred in connection therewith. If any judgment shall be rendered against City, or the agents, officers, officials or employees of each in any such action, Foundation shall, at Foundation's sole expense, satisfy and discharge the same. This paragraph shall not apply, and Foundation shall have no obligation whatsoever, with respect to any acts, negligence or reckless or willful misconduct on the part of City, or any of the officers, agents, employees or contractors of either; provided, however, that, without limiting the foregoing Foundation indemnification in any way,

Foundation specifically acknowledges that Foundation has selected its own engineers, attorneys, designers, architects, contractors, consultants or other professionals (hereinafter: “professionals”) for its own purposes and shall make no claim against City related to Foundation’s employment of such professionals, whether the employment of such professional was recommended, concurred with or acquiesced in by either.

City makes no representations or warranties as to whether or not the Illinois Prevailing Wage Act applies to this Project. Payment of Prevailing Wage, if required, is the sole responsibility of the Developer and/or its contractors and subcontractors. Developer and Foundation agree to indemnify and hold harmless the City and the agents, officers and employees of each against all losses, damages, claims, suits, liabilities, judgments, costs and expenses (including any liabilities, judgments, costs and expenses and reasonable attorney's fees) which may arise from any claims pertaining to the Illinois Prevailing Wage Act.

VIII. ASSIGNMENT.

The Developer hereunder may assign the rights, duties, and obligations of Developer only with the prior written consent of City, which consent may not unreasonably be withheld, conditioned or delayed. City may reasonably consider the financial statement and/or resources available to an assignee in relation to the outstanding indebtedness remaining on the Rebate Payments of the City and the ability of the assignee of the Developer to meet the Developer obligations as set forth in this Agreement as to Developer.

IX. SURVIVAL OF WARRANTIES AND REPRESENTATIONS.

Any warranty, representation, or agreement herein contained shall survive the execution of the Agreement.

X. NOTICE OF DEFAULT.

- A. In the event either party is in default hereunder (the “Defaulting Party”), the other party (the “Non-Defaulting Party”) shall be entitled to take any action allowed by applicable law by virtue of said default provided that the Non-Defaulting Party first gives the Defaulting Party written notice of default describing the nature of the default, what action, if any, is deemed necessary to cure the same and specifying a time period of not less than thirty (30) days in which the default may be cured by the Defaulting Party or such additional reasonable time as necessary to cure, provided the Defaulting Party has commenced a cure within the time herein provided and diligently and continuously continues to resolve the default as is reasonable under the then circumstances.

XI. REMEDIES UPON DEFAULT.

- A. If, in City’s judgment, Developer is in default of this Agreement, City shall provide Developer with a written statement indicating in adequate detail any

failure on Developer's part to fulfill its obligations under this Agreement. Except as required to protect against further damages, City may not exercise any remedies against Developer in connection with such failure until thirty (30) days after giving such notice. If such default cannot be cured within such thirty (30) day period, such thirty (30) day period shall be extended for such time as is reasonably necessary for the curing of the same, so long as Developer diligently proceeds with such cure; if such default is cured within such extended period, the default shall not be deemed to constitute a breach of this Agreement. A default not cured as provided above shall constitute a breach of this Agreement. Any failure or delay by City in asserting any of its rights or remedies as to any default or alleged default or breach shall not operate as a waiver of any such default or breach or of any rights or remedies it may have as a result of such default or breach.

- B. If Developer materially fails to fulfill its obligations under this Agreement (including without limitation any incorporated agreements or agreements to which this Development Agreement is incorporated) after notice is given by City and any cure periods described in Paragraph A above have expired or if all or a portion of any such agreement is terminated, City may elect to exercise any right or remedy it may have at law or in equity, including the right to specifically enforce the terms and conditions of this Agreement.
- C. If any voluntary or involuntary petition or similar pleading under any section or sections of any bankruptcy or insolvency act shall be filed by or against Developer, or any voluntary or involuntary proceeding in any court or tribunal shall be instituted to declare Developer insolvent or unable to pay Developer's debts, or Developer makes an assignment for the benefit of its creditors, or a trustee or receiver is appointed for Developer or for the major part of the Developer's property, City may elect, to the extent such election is permitted by law and is not unenforceable under applicable federal bankruptcy laws, but is not required, with or without notice of such election and with or without entry or other action by City, to forthwith terminate this Agreement. To effect City's termination of this Agreement under this Section XI. C., City's sole obligation, after notice of such election and ten (10) business days thereafter, shall be to record, in the office of the Rock Island County Recorder, a Certificate of Default executed by the Mayor of the City or such other person as shall be designated by the City, stating that this Agreement is terminated pursuant to the provisions of this Section XI. C., in which event this Agreement by virtue of the recording of such certificate, shall *ipso facto* automatically become null and void and of no further force and effect.
- D. If, in Developer's judgment, City is in material default of this Agreement, the Developer shall provide City with a written statement indicating in adequate detail any failure on City's part to fulfill its obligations under this Agreement. Except as required to protect against further damages, Developer may not exercise any remedies against City in connection with such failure until thirty (30) days

after giving such notice. If such default cannot be cured within such thirty (30) day period, such thirty (30) day period shall be extended for such time as is reasonably necessary for the curing of the same, so long as City diligently proceeds with such cure; if such default is cured within such extended period, the default shall not be deemed to constitute a breach of this Agreement. A default not cured as provided above shall constitute a breach of this Agreement. Any failure or delay by Developer in asserting any right or remedy as to any default or any alleged default or breach shall not operate as a waiver of any such default or breach or of any rights or remedies it may have as a result of such default or breach.

- E. In addition to any other rights or remedies, a party may institute legal action against any other party to cure, correct or remedy any default, or to obtain any other remedy consistent with the purpose of this Agreement, either at law or in equity, including, but not limited to the equitable remedy of an action for specific performance. Notwithstanding the foregoing, in the event a party shall institute and complete legal action against any other party because of a breach of any agreement or obligation contained in this Agreement, the substantially prevailing party shall be entitled to recover all costs and expenses, including reasonable attorneys' fees, incurred in connection with such action.
- F. The rights and remedies of the parties are cumulative and the exercise by a party of one or more of such rights or remedies shall not preclude the exercise by it, at the same time or different times, of any other rights or remedies for the same default or for any other default by any other party. The remedies hereinabove described in this Section XI. shall not have the effect of limiting any rights and remedies which City possess in accordance with any other section herein.

XII. NON-DISCRIMINATION.

Developer agrees that neither the Property nor any portion thereof, shall be sold to, leased, or used by Developer in a manner to permit discrimination or restriction on the basis of race, creed, ethnic origin or identity, color, gender, sexual orientation, religion, marital status, age, handicap, or national origin, and that the development of and construction and operations on the Property shall be in compliance with all effective laws, ordinances, and regulations relating to discrimination on any of the foregoing grounds.

XIII. NOTICES.

Any notice required or permitted hereunder shall be in writing, signed by the party giving the notice, and shall be deemed given when (a) hand delivered to the party to whom the notice is addressed; (b) mailed by certified mail, return receipt requested, United States mail, postage prepaid; or (c) delivered by overnight courier delivery service (i.e. Federal Express, UPS, etc.) and addressed to the party at the address shown as follows:

If to Developer:

If to the City:

Villas at Black Hawk, LLC.
Attention: Tim Baldwin, Pat Sherman, Ben Estep
1805 State Street, Suite 103
Bettendorf, IA 52722

City of Moline
619 16th Street
Moline, IL 61265
Attn: City Administrator and City
Clerk

If to Foundation:
Black Hawk College Foundation
6600 – 34th Avenue
Moline, Illinois 61265
Attn: Shelly Cain

With a copy to:
City of Moline
619 16th Street
Moline, Illinois 61265
Attn: Economic Development

Any party may change the address to which notices shall be sent by notice given in accordance with the terms of this paragraph.

XIV. COUNTERPARTS.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original.

XV. HEADINGS.

Descriptive headings are for convenience only and shall not control or affect the meaning or construction of any provision of this Agreement.

XVI. APPLICABLE LAW.

This Agreement, and each of its subparts and incorporated items thereto, shall be interpreted under the laws of the State of Illinois and any action brought to enforce or interpret any of its provisions or otherwise involving this Agreement must be filed in a Rock Island County, Illinois, court of competent jurisdiction.

XVII. SEVERABILITY.

Should any part of this Agreement be determined to be illegal, invalid, or otherwise unenforceable, then all such remaining parts not so affected by such illegality, invalidity, or unenforceability shall continue in full force and effect, fully binding both parties, their respective heirs and assigns, as to such remaining terms.

XVIII. 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.

XIX. ASSURANCE OF FURTHER ACTION.

From time to time hereafter and without further consideration, each of the parties to this Agreement shall execute and deliver, or cause to be executed and delivered, such recordable memoranda, further instruments, and agreements, and shall take such other actions, as any other party may reasonably request, in order to more effectively memorialize, confirm, and effectuate the intentions, undertakings, and obligations contemplated by this Agreement.

XX. DISCLAIMER OF THIRD PARTY BENEFITS.

The intentions, affirmations, authorizations and agreements between the parties hereto as expressed herein are approved solely by and between the parties hereto and no other; and provided further, however, that neither and none of such intentions, affirmations, authorizations or agreements may be relied upon by any person or entity, to such entity or person(s) detriment, or for any reason whatsoever, whether third person or otherwise. Any such reliance or purported reliance as a third party beneficiary to this agreement or predicated upon any other relationship to any of the parties hereto and each of them, whether real or alleged, is specifically disclaimed by the parties herein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates set forth above their respective signatures.

THE CITY OF MOLINE, ILLINOIS

DATED: _____

Donald Welvaert, Mayor

Attest: _____
Tracy A. Koranda, City Clerk

Approved as to form:

Maureen E. Riggs, City Attorney

BLACK HAWK COLLEGE FOUNDATION

DATED: _____

Shelly Cain, Executive Director

Villas at Black Hawk, LLC

DATED: _____

By: _____

By: _____

By: _____

**EXHIBIT B
Proforma**

Apartment Financial Proforma		The Villas at Blackhawk												Exhibit B		
The Villas at Blackhawk		page 1 of 2														
Construction Budget:		5.00%														
Year	Year Total	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Apartment Operations Costs																
Property	100%	\$4,247,849														
Interest	8.75%															
Electricity																
Water & Sewer																
Gas																
Trash																
Insurance																
Management Fee																
Reserve Fund																
Other																
Total Operations Cost																
Total Revenue																
Net Operating Income																
Revenue																
Residential Rental																
Commercial																
Other																
Total Revenue																
Other Revenue																
Laundry																
Storage																
Other																
Total Other Revenue																
Operating Expenses																
Property Taxes																
Insurance																
Utilities																
Repairs & Maintenance																
Management Fee																
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Total Revenue																
Operating Expenses																
Property Taxes																
Insurance																
Utilities																
Repairs & Maintenance				</												

EXHIBIT C
TAX BENEFIT ANALYSIS

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
City Portion of Property Tax	22,863	23,434	23,434	23,434	24,020	24,621	25,236	25,867	26,514	27,177	\$246,600
Developer Request	22,863	23,434	23,434	23,434	24,020	24,621	20,189	15,520	10,606	5,435	\$193,556
Admin Recommendation	13,718	14,060	14,060	14,060	14,412	14,773					\$85,084
Prop Taxes Retained by City	9,145	9,374	9,374	9,374	9,608	9,848	25,236	25,867	26,514	27,177	\$161,516

EXHIBIT D
DEVELOPMENT TIMETABLE

February 2013 - Ground breaking, Site Work
February 2013 - July 2013 - Construction and Completion
August 2013 - Certificate of Occupancy

**PERFORMANCE BASED
DEVELOPMENT AGREEMENT**

Between the

CITY OF MOLINE

and

MOLINE HOTEL GROUP, LLC

THIS INDENTURE ("Agreement") made and entered into on this _____ day of _____, 2013, by and between the City of Moline, an Illinois Municipal Corporation ("City"), and Moline Hotel Group, LLC, an Illinois Limited Liability Company ("Developer").

WITNESSETH:

WHEREAS, the City wishes to engage in certain lawful activities authorized by applicable law to assist private persons and entities in carrying out certain redevelopment activities which are identified in the Project Plan for the City's Tax Incremental Financing District (TIF) enacted pursuant to the Tax Increment Allocation Redevelopment Act, found generally at 65 ILCS 5/11-74.4-1 et. seq. (the "Act"); and

WHEREAS, the City wishes to enter into this Performance Based Development Agreement with the Developer in order to facilitate redevelopment of the Property (as defined below) located at 320 16th Street, Moline, Illinois; and

WHEREAS, the Redevelopment Project shall consist of the following elements, to-wit:

- i. Purchase of the building at 320 16th Street and land identified as parcel number 08-5459.
- ii. Rehabilitation and new construction at 320 16th Street into a Hyatt Place Select Service Hotel or a Hilton Garden Inn, or their respective successors or assignees, or another hotel flag if pre-approved by the written consent of the City and Developer which will include approximately 100 units consisting of suites, indoor swimming pool, large fitness center, food and beverage, meeting rooms and parking as preliminary schematics in Exhibit E identify.
- iii. Assumption of the existing parking lease for parking spaces currently leased with the City of Moline from Deere & Company.
- iv. Completion of a Licensing Agreement with the City of Moline to allow the construction of a portico/drop-off area which will extend into City Property/ROW.

The foregoing elements of the Hyatt Place Project shall hereinafter be collectively referred to as the "Redevelopment Project" unless individually identified; and

WHEREAS, the Redevelopment Project is to take place upon that certain real property described above as parcel number 08-5459, which is more particularly described in Exhibit A, "Legal Description," attached hereto and incorporated herein by this reference thereto ("Property"); and

WHEREAS, the City has made a commitment to identify and conserve those properties which serve as a visible reminder to the City's architectural and social history, thereby contributing to the cultural and economic vitality and livability of the City through the implementation of sound urban planning and design principles; and

WHEREAS, the City wishes to assist private developers in carrying out projects that expand economic development opportunities and create commercial enterprises in the City; and

WHEREAS, the City believes that the Redevelopment Project to be located on the Property and the fulfillment generally of the terms of this Agreement are in the vital and best interests of the City and its residents, and are in accord with its duty, authority, and the public purposes and conditions arising under the Act and all applicable state and local laws and requirements.

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby stipulate, covenant, contract and agree as follows, to-wit:

I. CITY'S AGREEMENT TO PROVIDE ASSISTANCE.

The following sets forth the intentions, undertakings and contractual obligations and responsibilities of the City under this Agreement in accordance with the Development Timetable contained in Exhibit B, attached hereto and incorporated by reference herein:

- A. Maximum TIF Payment. The City's total payment paid from the net incremental real estate tax generated by the Redevelopment Project under this Section I shall not exceed fifteen percent (15%) of the estimated total costs for the Redevelopment Project and shall not extend beyond December 31, 2021, which is the expiration of the property tax TIF district.

The estimated total project cost for the Redevelopment Project is Eleven Million Five Hundred Thousand Dollars (\$11,500,000). Fifteen percent (15%) of such estimated total project cost equals One Million Seven Hundred Twenty Five Thousand Dollars (\$1,725,000), referred to herein

as the Maximum TIF Payment. In no event shall the Maximum TIF Payment ever exceed One Million Seven Hundred Twenty Five Thousand Dollars (\$1,725,000). In the event that the total project cost is less than the amount shown above, then fifteen percent (15%) of the reduced project cost will be the maximum amount paid to the Developer through the term of this Agreement. If, for example, the total project costs are twenty percent (20%) less than the amount shown above, then the total City rebate to Developer will be reduced by twenty percent (20%).

B. Property Tax Rebate. The City shall pay through its TIF Fund to Developer the net incremental annual real estate taxes as follows:

- ❖ 2014, 2015, 2016, 2017: 100%
- ❖ 2018: 90%
- ❖ 2019: 80%
- ❖ 2020: 70%:
- ❖ 2021: 58.56145% or the percentage need to reach a total of 15% of the total project cost. However the TIF District expires in 2021, it being understood that should the Maximum TIF Payment be paid prior to any of the dates listed on this schedule, then no additional amount will be due or owing from the City. In no event will any payment be made after 2021.

The net incremental annual real estate taxes shall be used by the Developer only to pay for eligible redevelopment costs allowed under the Act (65 ILCS 5/11-74.4-3) as illustrated in Exhibit C, "Redevelopment Project Costs," attached hereto and incorporated herein by this reference, subject to the maximum identified in I.A. above. The base year for computation purposes of the net annual increment is agreed to be 2011, which is the most current year. The Equalized Assessed Valuation (EAV) for the base year 2011 is \$208,009. The current annual property taxes equal \$18,547.12. This amount will be the base amount used for calculating increment generated by the Redevelopment Project. The property tax rebate period will start with assessment year 2013 and payment year 2014. An illustrative example of the payments called for under this paragraph is shown in Exhibit D attached hereto and incorporated by reference herein. The percentage payment shall be from the incremental property tax generated solely by the Property, and paid to the City's TIF Account; the City shall remit to the Developer within thirty-days (30) after receipt of total annual payment into said City's TIF Account from Rock Island County. In the event that the Incremental Real Estate Taxes generated are less than the amount shown on Exhibit D, then the percentage of net Incremental Real Estate Taxes generated by the Redevelopment Project will be paid to the Developer for the particular year in question as set forth above. The parties agree that the figures shown in Exhibit D are for illustrative purposes, and the actual annual payments to

be made in any given year may be more or less than the amount shown or may be \$0 depending upon the actual experience.

- C. Maximum Amount of Property Tax Rebate. Pursuant to 65 ILCS 5/11-74.4-3(q), the maximum amount of rebate shall not exceed the sum of all reasonable or necessary eligible costs (see Exhibit C) incurred or incidental to the Redevelopment Plan and Redevelopment Project.
- D. Final Payment. Upon final payment of the amount specified in paragraph I.A., above, or upon making the final payment as specified in I.B. above, the City's obligations under this Agreement shall be fully paid and satisfied regardless of the total amount of payments actually received by the Developer.
- E. Interest. There shall be no interest charged to the City or due to the Developer pursuant to this Agreement at any time, and no interest shall ever be paid to the Developer from the City pursuant to this Agreement, irrespective of whether or not the City is delinquent or otherwise tardy in making payments required hereunder.
- F. Enterprise Zone Benefits. The City shall take no action to eliminate the Enterprise Zone while still authorized by statute for the benefit and duration of the Redevelopment Project by which means materials can be purchased for the construction of the Redevelopment Project without the imposition of sales tax and other economic benefits may be obtained under the Enterprise Zone guidelines as are available under the law. The City will cooperate and assist the Developer in its application for all Enterprise Zone benefits, if any, but the City does not warrant or assure or guarantee that any such benefits will be available to the Developer.
- G. Grants and Loan Applications. The City agrees to use its best efforts to support the Developer in applying to state and federal grant or loan programs that will enhance the Redevelopment Project.
- H. TIF Amendments. The parties expressly understand and agree that all payments provided for in the paragraphs set forth above shall be at all times subject to the requirements and restrictions of the Act.

II. **DEVELOPER AGREEMENT TO DEVELOP PROPERTY.**

- A. Upon the execution of this Agreement, the Developer shall complete the Redevelopment Project substantially in accordance with the plans and specifications for the Redevelopment Project, which plans and specifications must be approved by the City prior to commencement of the Redevelopment Project (such approval may not unreasonably be withheld), as may be normal, customary or required in order to proceed with the Redevelopment Project, in accordance with all applicable rules,

codes, regulations, ordinances and laws, including without limitation, the City's Design/Build Management Team ("DBMT") process.

- B. Developer agrees to complete the following project elements:
- i. Purchase of the building formally known as the John Deere Collectors Center at 320 16th Street and land identified as parcel number 08-5459;
 - ii. Rehabilitation and new construction at 320 16th Street into a Hyatt Place Select Service Hotel or a Hilton Garden Inn, or their respective successors or assignees, or another hotel flag if pre-approved by the written consent of the City and Developer which will include approximately 100 units consisting of suites, indoor swimming pool, large fitness center, food and beverage, meeting rooms and parking as identified in Exhibit E.
 - iii. Complete the process for a Licensing Agreement with the City of Moline to allow the portico/drop-off to be installed on a portion of the City property.
 - iv. Obtain a sublease or right to use agreement with Deere & Company or the City for the parking currently leased from the City by Deere & Company.
- C. Code Compliance. To the best of the Developer's knowledge, the Redevelopment Project, as designed, is and shall be in full compliance with all applicable state and local laws and ordinances. Further, Developer warrants that the City Code Compliance Manager or Building Official and City Fire Department shall have approved all building plans submitted and agrees to follow all recommendations and requirements of the City Code and the City Code Compliance Manager or Building Official and Fire Chief.
- D. Assessed Valuation. Developer agrees to a minimum equalized assessed value of Three Million Two Hundred Fifty Eight Thousand Three Hundred Thirty Three Dollars and Thirty Three Cents (\$3,258,333.33) and a minimum fair market value of Nine Million Seven Hundred Seventy Five Thousand Dollars (\$9,775,000.00). Developer agrees not to appeal the annual assessed valuation of the Property as determined by the Moline Township Assessor until the expiration of this TIF district, provided that any such assessment is consistent with that of comparable properties.

III. CONDITIONS PRECEDENT TO CITY'S INCENTIVE PAYMENTS HEREUNDER.

A. The Parties agree that the performance of their respective obligations set forth herein is specifically contingent upon the satisfaction and performance of the Developer having obtained a franchise agreement with Hyatt Place Select Service Hotel or a Hilton Garden Inn, or their respective successors or assignees, or another hotel flag if pre-approved by the written consent of the City and Developer and approval of the completed Redevelopment Project by the hotel franchisor and having obtained debt and equity financing, or commitments for the same, in such amounts and having such financial terms as are reasonable and related to a fair market financing subject to the exercise of the Developer's discretion within sixty (60) days of the execution of this Agreement.

B. Prior to the disbursement of any TIF rebate payments, Developer shall provide documentation of the actual project cost incurred, which have been independently verified by a third party mutually agreed to by City and Developer, at Developer's expense. Failure to provide an independently verified accounting of project costs for purposes of calculating the TIF rebate payments pursuant to paragraphs I. A and I. B, preceding, shall constitute a breach of this Development Agreement and relieve the City of its obligation to make payments hereunder.

IV. WARRANTIES OF THE CITY.

The City represents and warrants to the Developer that it is empowered and authorized to execute and deliver this Agreement and to lend and deliver the assistance described herein upon proof of eligible "redevelopment project costs" pursuant to Section 5/11-74.4-3(q) of the Act, and to execute and deliver all other agreements and documents, if any, required hereunder to be executed and delivered by the City. This Agreement has been, and each such document at the time it is executed and delivered will be, duly executed and delivered on behalf of the City pursuant to its legal power and authority to do so. When executed and delivered to the Developer, all such agreements shall constitute a legal, valid, and binding obligation of the City, enforceable in accordance with the terms of all such agreements.

V. WARRANTIES OF THE DEVELOPER.

A. The Developer represents and warrants to the City that the Developer is an Illinois Limited Liability Company duly organized and existing under the laws of the State of Illinois and that all proceedings of the Developer necessary to authorize the negotiation and execution of this Agreement and the consummation of the transaction contemplated by this Agreement have been taken in accordance with applicable law.

B. The Developer represents and warrants to the City that this Agreement has been duly authorized, executed, and delivered by the Developer, and will be enforceable against the Developer by its terms, except to the extent that such enforceability shall be limited by bankruptcy, or solvency, or similar laws of general application affecting the enforcement of creditor rights, and by equitable principles.

C. The Developer represents and warrants to the City that the execution and delivery of this Agreement, and the consummation of the transactions contemplated in this Agreement will not violate any provision of its operating agreement or any other contract, agreement, court order or decree to which the Developer may be a party or to which the Developer may be subject, or any applicable federal or state law or municipal ordinance.

VI. DEVELOPER'S INDEMNIFICATION.

The Developer shall indemnify and hold harmless the City, its agents, officers and employees against all injuries, deaths, losses, damages, claims, suits, liabilities, judgments, costs and expenses (including any liabilities, judgments, costs and expenses and reasonable attorney's fees) which may arise directly or indirectly from the failure of the Developer or any contractor, subcontractor or agent or employee thereof (so long as such contractor, subcontractor or agent or employee thereof is hired by the Developer) to timely pay any contractor, subcontractor, laborer or materialman, from any default or breach of the terms of this Agreement by the Developer, or from any negligence or reckless or willful misconduct of the Developer or any contractor, subcontractor agent or employee thereof (so long as such contractor, subcontractor or agent or employee is hired by the Developer or Developer's contractor). The Developer shall, at the Developer's sole cost and expense, appear, defend and pay all charges, attorneys' fees, costs and other expenses arising therefrom or incurred in connection therewith. If any judgment shall be rendered against the City, its agents, officers, officials or employees in any such action, the Developer shall, at the Developer's sole cost and expense, satisfy and discharge the same. This paragraph shall not apply, and the Developer shall have no obligation whatsoever, with respect to any acts of negligence or reckless or willful misconduct on the part of the City or any of its officers, agents, employees or contractors.

VII. ENTIRE AGREEMENT.

This document and exhibits hereto contain the entire agreement between the Developer and the City as to this Agreement and its burdens and benefits shall inure to the benefit of, and shall be binding upon the parties hereto or a memorandum thereof and their respective heirs, executors, successors, and assigns. This Agreement or a memorandum thereof shall be recorded as set forth below, and may be modified only by written amendment signed by the Developer and the City, which amendment shall become effective upon recording by either party in the Recorder's Office in Rock Island County, Illinois.

VIII. ASSIGNMENT.

The Developer hereunder may assign the rights, duties, and obligations of the Developer only with the prior written consent of the City (which consent may not unreasonably be withheld). For the purposes of this paragraph, consent shall be deemed given by the City upon execution of this Agreement for any assignment to any person or entity having a verified net worth of not less than Ten Million and No/100 Dollars (\$10,000,000.00). If a request for consent is not denied in writing on or before thirty (30) days after written request, such consent shall be deemed given.

IX. SURVIVAL OF WARRANTIES AND REPRESENTATIONS.

Any warranty, representation, or agreement herein contained shall survive the execution of the Agreement.

X. NOTICE OF DEFAULT.

In the event either party is in default hereunder (the "Defaulting Party"), the other party (the "Non-Defaulting Party") shall be entitled to take any action allowed by applicable law by virtue of said default provided that the Non-Defaulting Party first gives the Defaulting Party written notice of default describing the nature of the default, what action, if any, is deemed necessary to cure the same and specifying a time period of not less than thirty (30) days in which the default may be cured by the Defaulting Party.

XI. REMEDIES UPON DEFAULT.

A. If, in the City's reasonable judgment exercised in good faith and with honesty in fact, the Developer is in default of this Agreement, the City shall provide the Developer with a written statement indicating in adequate detail any failure on the Developer's part to fulfill its obligations under this Agreement. Except as required to protect against further damages, the City may not exercise any remedies against the Developer in connection with such failure until thirty (30) days after giving such notice. If such default cannot be cured within such thirty (30) day period, such thirty (30) day period shall be extended for such time as is reasonably necessary for the curing of the same, so long as the Developer diligently proceeds with such cure; if such default is cured within such extended period, the default shall not be deemed to constitute a breach of this Agreement. A default not cured as provided above shall constitute a breach of this Agreement. Any failure or delay by the City in asserting any of its rights or remedies as to any default or alleged default or breach shall not operate as a waiver of any such default or breach or of any rights or remedies it may have as a result of such default or breach.

B. If the Developer materially fails to fulfill its obligations under this Agreement after notice is given by the City and any cure periods described in Paragraph A above have expired or if all or a portion of any such agreement is terminated, the City may elect to terminate this Agreement or exercise any right or remedy it may have at law or in equity, including without limitation the right to specifically enforce the terms and conditions of this Agreement. If any voluntary or involuntary petition or similar pleading under any section or sections of any bankruptcy or insolvency act shall be filed by or against the Developer, or any voluntary or involuntary proceeding in any court or tribunal shall be instituted to declare the Developer insolvent or unable to pay the Developer's debts, or the Developer makes an assignment for the benefit of its creditors, or a trustee or receiver is appointed for the Developer or for the major part of the Developer's property, the City may elect, to the extent such election is permitted by law and is not unenforceable under applicable federal bankruptcy laws, but is not required, with or without notice of such election and with or without entry or other action by the City, to forthwith terminate this Agreement. To effect the City's termination of this Agreement under this Section XI.B., the City's

sole obligation shall be to record, in the office of the Rock Island County Recorder, a Certificate of Default executed by the Mayor of the City or such other person as shall be designated by the City, stating that this Agreement is terminated pursuant to the provisions of this Section XI.B., in which event this Agreement by virtue of the recording of such certificate, shall *ipso facto* automatically become null and void and of no further force and effect.

C. If, in the Developer's judgment, the City is in material default of this Agreement, the Developer shall provide the City with a written statement indicating in adequate detail any failure on the City's part to fulfill its obligations under this Agreement. The Developer may not exercise any remedies against the City in connection with such failure until thirty (30) days after giving such notice. If such default cannot be cured within such thirty (30) day period, such thirty (30) day period shall be extended for such time as is reasonably necessary for the curing of the same, so long as the City diligently proceeds with such cure; if such default is cured within such extended period, the default shall not be deemed to constitute a breach of this Agreement. A default not cured as provided above shall constitute a breach of this Agreement. Any failure or delay by the Developer in asserting any right or remedy as to any default or any alleged default or breach shall not operate as a waiver of any such default or breach or of any rights or remedies it may have as a result of such default or breach.

D. In addition to any other rights or remedies, a party may institute legal action against the other party to cure, correct or remedy any default, or to obtain any other remedy consistent with the purpose of this Agreement, either at law or in equity, including, but not limited to the equitable remedy of an action for specific performance. Notwithstanding the foregoing, in the event either party shall institute and complete legal action against the other party because of a breach of any agreement or obligation contained in this Agreement, the substantially prevailing party shall be entitled to recover all costs and expenses, including reasonable attorneys' fees, incurred in connection with such action.

E. The rights and remedies of the parties are cumulative and the exercise by a party of one or more of such rights or remedies shall not preclude the exercise by it, at the same time or different times, of any other rights or remedies for the same default or for any other default by the other party.

XII. NON-DISCRIMINATION.

The Developer agrees that neither the Property nor any portion thereof, shall be sold to, leased, or used by the Developer in a manner to permit discrimination or restriction on the basis of race, creed, ethnic origin or identity, color, gender, sexual orientation, religion, marital status, age, handicap, or national origin, and that the development of and construction and operations on the Property shall be in compliance with all effective laws, ordinances, and regulations relating to discrimination on any of the foregoing grounds.

XIII. NOTICES.

Any notice required or permitted hereunder shall be in writing, signed by the party giving the notice, and shall be deemed given when (a) hand delivered to the party to whom the notice is addressed; (b) mailed by certified mail, return receipt requested, United States mail, postage prepaid; or (c) delivered by overnight courier delivery service (i.e. Federal Express, UPS, etc.) and addressed to the party at the address shown as follows:

TO CITY: City Administrator and City Clerk
619 16th Street
Moline, IL 61265

WITH A COPY TO: City Attorney
619 16th Street
Moline, IL 61265

TO DEVELOPER: Moline Hotel Group, LLC
Attn: Neil R. Densmore
245 Horizon Drive, Suite 106
Verona, WI 53593

WITH A COPY TO: Heninger and Heninger P.C.
Attn: Ralph W. Heninger
101 W. 2nd St. Suite 501
Davenport, IA 52801

Any party may change the address to which notices shall be sent by notice given in accordance with the terms of this paragraph.

XIV. COUNTERPARTS.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original.

XV. HEADINGS.

Descriptive headings are for convenience only and shall not control or affect the meaning or construction of any provision of this Agreement.

XVI. APPLICABLE LAW.

This Agreement, and each of its subparts and incorporated items thereto shall be interpreted under the laws of the State of Illinois and any action brought to enforce or interpret any of its provisions or otherwise involving this Agreement must be filed in a Rock Island County, Illinois, court of competent jurisdiction.

XVII. SEVERABILITY.

Should any part of this Agreement be determined to be illegal, invalid, or otherwise unenforceable, then all such remaining parts not so affected by such illegality,

invalidity, or unenforceability shall continue in full force and effect, fully binding both parties, their respective heirs and assigns, as to such remaining terms.

XVIII. 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.

XIX. ASSURANCE OF FURTHER ACTION.

From time to time hereafter and without further consideration, each of the parties to this Agreement shall execute and deliver, or cause to be executed and delivered, such recordable memoranda, further instruments, and agreements, and shall take such other actions, as any other party may reasonably request, in order to more effectively memorialize, confirm, and effectuate the intentions, undertakings, and obligations contemplated by this Agreement.

XX. DELAYED EXECUTION.

After this Agreement is approved by the Moline City Council and duly signed by the Mayor and attested by the City Clerk, the Developer shall have up to ten days (10) from that date to execute this Agreement, and this Agreement shall not be binding on the parties until duly executed by both parties.

XXI. DISCLAIMER OF THIRD PARTY BENEFITS.

The intentions, affirmations, authorizations and agreements between the parties hereto as expressed herein are approved solely by and between the parties hereto and no other; and provided further, however, that neither and none of such intentions, affirmations, authorizations or agreements may be relied upon by any person or entity, to such entity or person(s) detriment, or for any reason whatsoever, whether third person or otherwise. Any such reliance or purported reliance as a third party beneficiary to this Agreement or predicated upon any other relationship to any of the parties hereto and each of them, whether real or alleged, is specifically disclaimed by the parties herein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates set forth above their respective signatures.

(Signature provisions on following page)

EXHIBIT A
LEGAL DESCRIPTION

All of Lots 5 – 6 and 7 and All of Lot 8, Block 19 in that part of the City of Moline known as and called the Old or Original Town of Moline, Illinois.

EXHIBIT B

DEVELOPMENT TIMETABLE

- Purchase Property: February 2013
- Demolition and Site Preparation*: February/March 2013
- Rehabilitation of Existing Building: March – November
- New Construction: March 2013
- Finishes/Furniture and Equipment: November - December 2013
- Grand Opening: December 2013

*Developer will comply with all City Ordinances and Requirements for Building Permits. In addition all required DBMT/PMT and City Approvals will be complied with and the schedule may be altered accordingly.

** The foregoing timeline is predicated upon the State of Illinois EPA issuing a no further remedial action letter to Deere & Company that is assignable to the Developer.

EXHIBIT C
REDEVELOPMENT COSTS

Costs as Permitted Pursuant to Section 5/11-74.4-3(q) of the Act:

- Acquisition and other Property Assembly Costs
- Development Services Design and Engineering Services
- Legal/Appraisal
- Surveys and Environmental Reports Related to Property Assembly or Reconstruction, Remodeling, Repair, or Rehabilitation
- Reconstruction, rehabilitation, repair or remodeling
- And other items permitted by the Act

EXHIBIT D
ILLUSTRATIVE EXAMPLE OF FINANCIAL ASSISTANCE*

Hyatt Place

Total Project Cost	85%	EAV	2012 Tax Rate	15% Rebate
\$11,500,000.00	\$9,775,000.00	\$3,258,333.33	\$8.9165/100	\$1,725,000.00

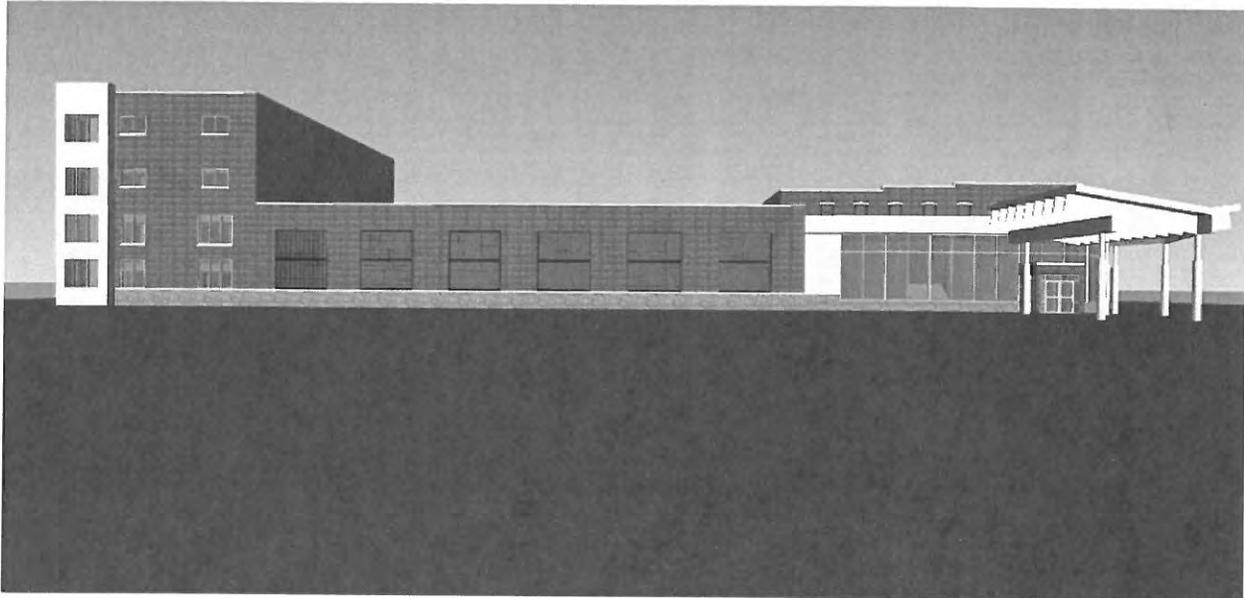
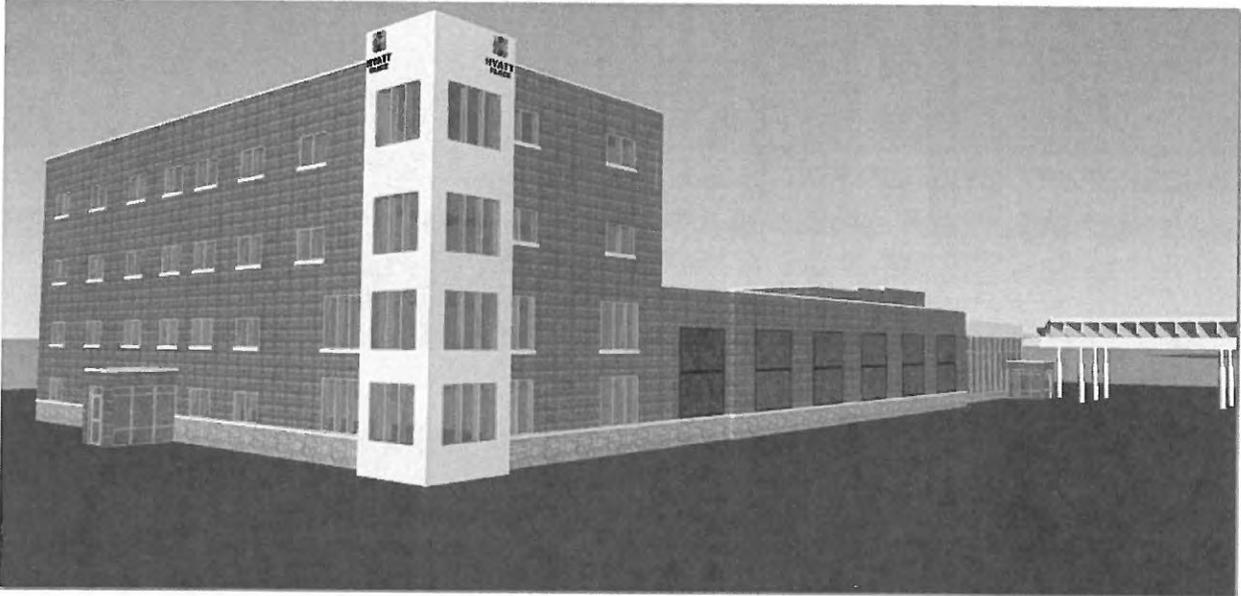
Year Taxes Paid	Taxes	Base	Increment	Rebate	Developer	TIF #1
2014 (partial year)	\$145,264.65	\$22,798.42	\$122,466.23	100%	\$122,466.23	\$0.00
2015	\$290,529.29	\$22,798.42	\$267,730.87	100%	\$267,730.87	\$0.00
2016	\$290,529.29	\$22,798.42	\$267,730.87	100%	\$267,730.87	\$0.00
2017	\$290,529.29	\$22,798.42	\$267,730.87	100%	\$267,730.87	\$0.00
2018	\$290,529.29	\$22,798.42	\$267,730.87	90%	\$240,957.78	\$26,773.09
2019	\$290,529.29	\$22,798.42	\$267,730.87	80%	\$214,184.70	\$53,546.17
2020	\$290,529.29	\$22,798.42	\$267,730.87	70%	\$187,411.61	\$80,319.26
2021	\$290,529.29	\$22,798.42	\$267,730.87	58.56145%	\$156,787.08	\$110,943.79
Total	\$2,178,969.69	\$182,387.36	\$1,996,582.32		\$1,725,000.01	\$271,582.31

**This table is for illustrative purposes only. Actual Taxes and Increment will be based on the EAV as established by the Moline Township and Rock Island Township Assessors and the Tax Levy established by the City of Moline. The annual Property Tax Rebate will be based on the available increment that is generated from the project and will not be paid until all annual property taxes are received by the City of Moline from the Rock Island County Treasurer. In no case shall the Developer receive more than 15% of estimated total project costs as outlined in this Performance Based Development Agreement.*

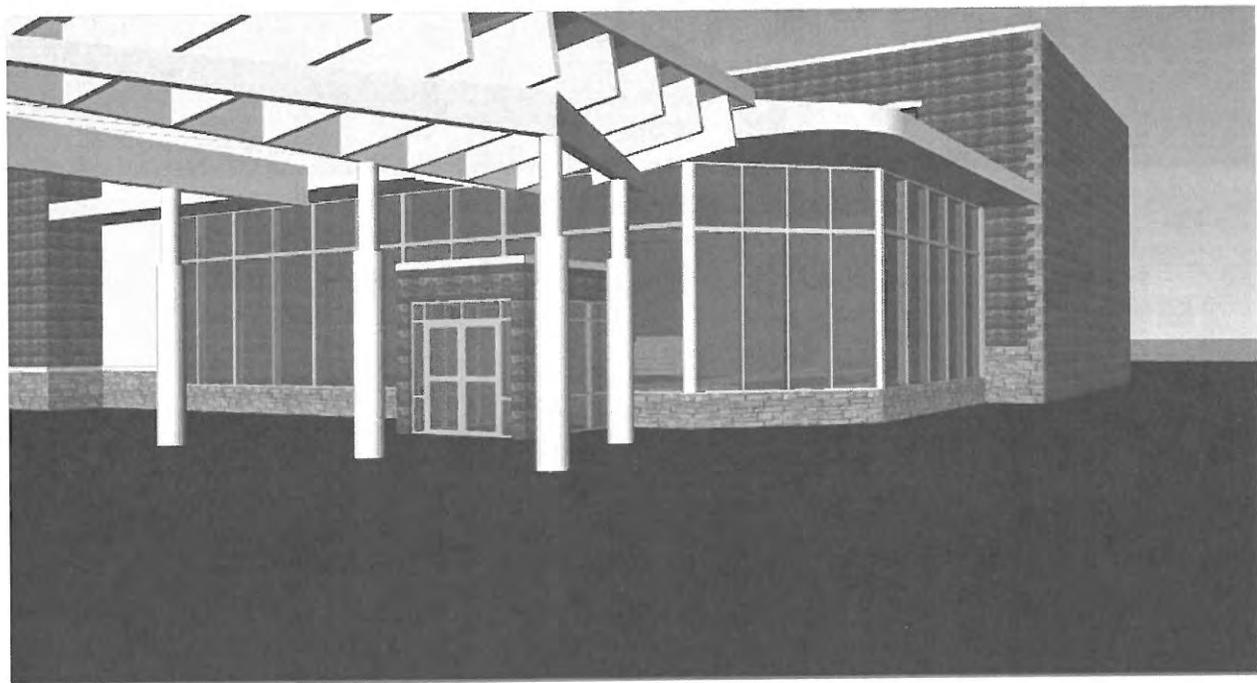
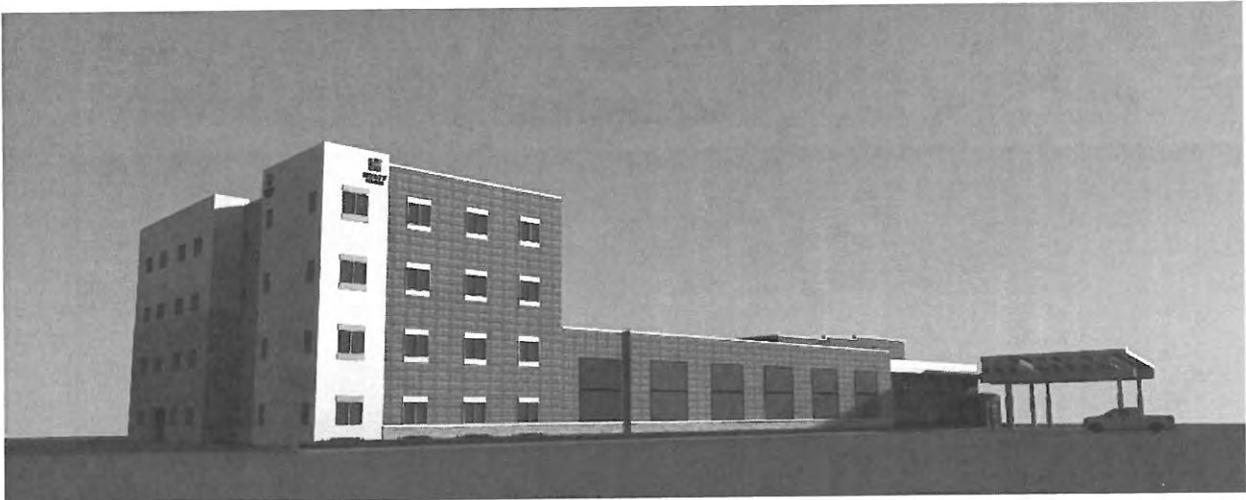
***Estimated EAV is based on the formula of 1/3 of 85% of the Total Project Cost.*

****The 2021 Rebate will be calculated based on the outstanding amount due to the Developer. The TIF District expires in 2021, it being understood that should the Maximum TIF Payment be paid prior to any of the dates listed on this schedule, then no additional amount will be due or owing from the City. In no event will any payment be made after 2021 nor more than \$1,725,000 or a lesser amount as determined from the actual construction cost if less than the estimated total project cost*

**EXHIBIT E
SCHEMATICS**



Conceptual Design Only as plans are subject to change.



Conceptual Design Only as plans are subject to change.

