ANNUAL TAX INCREMENT FINANCE REPORT
OFFICE OF ILLINOIS COMPTROLLER JUDY BAAR TOPINKKA

Name of Municipality: City of Moline
County: Rock Island
Unit Code: 081-050-30

Reporting Fiscal Year: **2010**
Fiscal Year End: 12/31/**2010**

TIF Administrator Contact Information

First Name: Patrick
Last Name: Burke
Address: 619 16th St.
Title: Economic Development Manager
Telephone: (309)-524-2034
City: Moline Zip: 61265
E-Mail: pburke@moline.il.us

I attest to the best of my knowledge, this report of the redevelopment project areas in:
City/Village of **Moline** is complete and accurate at the end of this reporting fiscal year under the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

Patrick Burke
Written signature of **TIF Administrator**

6/8/11
Date

Section 1 (65 ILCS 5/11-74.4-5 (d) (1.5) and 65 ILCS 5/11-74.6-22 (d) (1.5)*)

FILL OUT ONE FOR EACH TIF DISTRICT ADD ADDITIONAL ROWS AS NECESSARY

Name of Redevelopment Project Area	Date Designated	Date Terminated
TIF #1 Downtown	12/16/86	
TIF #2 One Moline Place	10/27/98	
TIF #3 Old Moline High School	4/13/04	
TIF #4 Autumn Trails	9/27/05	
TIF #5 KONE Centre	2/10/09	
TIF #6 Moline Place Phase II & III	2/09/10	

*All statutory citations refer to one of two sections of the Illinois Municipal Code: the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

James R. Thompson Center
Local Government Division
100 W. Randolph Street, Suite 15-500
Chicago, IL 60601
Tel.: (312) 814-2451 Fax: (312) 814-2986
e-mail: locgov@mail.ioc.state.il.us

SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]

Name of Redevelopment Project Area:	Downtown
Primary Use of Redevelopment Project Area*:	Combination/Mixed
If "Combination/Mixed" List Component Types:	Commercial/Industrial
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):	
Tax Increment Allocation Redevelopment Act __X___	**Industrial Jobs Recovery Law _____**

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] **If yes, please enclose the amendment labeled Attachment A**	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] **Please enclose the CEO Certification labeled Attachment B**		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] **Please enclose the Legal Counsel Opinion labeled Attachment C**		X
Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] **If yes, please enclose the Activities Statement labeled Attachment D**		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] **If yes, please enclose the Agreement(s) labeled Attachment E**		X
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] **If yes, please enclose the Additional Information labeled Attachment F**	X	
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] **If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G**	X	
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] **If yes, please enclose the Joint Review Board Report labeled Attachment H**		X
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] **If yes, please enclose the Official Statement labeled Attachment I**	X	
Was analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] **If yes, please enclose the Analysis labeled Attachment J**	X	
Cumulatively, have deposits equal or greater than $100,000 been made into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) **If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K**		X
Cumulatively, have deposits of incremental revenue equal to or greater than $100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] **If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L**		X
A list of all intergovernmental agreements in effect in FY 2010, to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] **If yes, please enclose list only of the intergovernmental agreements labeled Attachment M**		X

* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))
Provide an analysis of the special tax allocation fund.

	Reporting Year	Cumulative	
Fund Balance at Beginning of Reporting Period	$ (6,215,003.00)		

Revenue/Cash Receipts Deposited in Fund During Reporting FY:

			% of Total
Property Tax Increment	$ 2,693,392	$ 26,380,415	38%
State Sales Tax Increment	$ 213,224	$ 3,615,995	5%
Local Sales Tax Increment	$ 297,944	$ 2,707,289	4%
State Utility Tax Increment	$ -		0%
Local Utility Tax Increment	$ -		0%
Interest	$ 52,979	$ 468,001	1%
Land/Building Sale Proceeds	$ -	$ 91,667	0%
Bond Proceeds	$ -	$ 30,780,000	45%
Transfers from Municipal Sources	$ 100,000	$ 3,603,469	5%
Private Sources		$ 476,390	1%
Other (identify source __Rents_____; if multiple other sources, attach schedule)	$ 116,435	$ 596,814	1%

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period	$ 3,473,974		
Cumulative Total Revenues/Cash Receipts		$ 68,720,040	100%
Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)	$ 3,889,439.65		
Distribution of Surplus			
Total Expenditures/Disbursements	$ 3,889,440		
NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS	$ (415,466)		
FUND BALANCE, END OF REPORTING PERIOD	$ (6,630,469)		

- if there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

SECTION 3.2 A- (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))
ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND
(by category of permissible redevelopment cost, amounts expended during reporting period)

FOR AMOUNTS >$10,000 SECTION 3.2 B MUST BE COMPLETED

Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]

		Reporting Fiscal Year
1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)		
Administration	218,032	
Professional Services	236,060	
		$ 454,092
2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)		
		$ -
3. Property assembly, demolition, site preparation and environmental site improvement costs. Subsection (q)(2), (o)(2) and (o)(3)		
Land Acquistion	981,233	
		$ 981,233
4. Costs of rehabilitation, reconstruction, repair or remodeling and replacement of existing public buildings. Subsection (q)(3) and (o)(4)		
Developer Rebates	105,754	
		$ 105,754
5. Costs of construction of public works and improvements. Subsection (q)(4) and (o)(5)		
		$ -
6. Costs of removing contaminants required by environmental laws or rules (o)(6) - Industrial Jobs Recovery TIFs ONLY		
		$ -

TIF Name _____

7. Cost of job training and retraining, including "welfare to work" programs Subsection (q)(5), (o)(7) and (o)(12)		
		$ -
8. Financing costs. Subsection (q) (6) and (o)(8)		
Debt Service Payments	2,348,361	
		$ 2,348,361
9. Approved capital costs. Subsection (q)(7) and (o)(9)		
		$ -
10. Cost of Reimbursing school districts for their increased costs caused by TIF assisted housing projects. Subsection (q)(7.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		$ -
11. Relocation costs. Subsection (q)(8) and (o)(10)		
		$ -
12. Payments in lieu of taxes. Subsection (q)(9) and (o)(11)		
		$ -
13. Costs of job training, retraining advanced vocational or career education provided by other taxing bodies. Subsection (q)(10) and (o)(12)		
		$ -

14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)		
		$ -
15. Costs of construction of new housing units for low income and very low-income households. Subsection (q)(11)(F) - Tax Increment Allocation Redevelopment TIFs ONLY		
		$ -
16. Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		$ -

TOTAL ITEMIZED EXPENDITURES		$ 3,889,440

TIF Name _____

Section 3.2 B

List all vendors, including other municipal funds, that were paid in excess of $10,000 during the current reporting year.

_____ **There were no vendors, including other municipal funds, paid in excess of $10,000 during the current reporting period.**

Name	Service	Amount
Geograph Industries	Installation Bus Shelters	$ 13,965.38
Renew Moline	Consulting	$ 147,232.77
Bank of Orion	Tax Rebate	$ 15,064.92
West Gate Partners	Tax Rebate	$ 51,526.36
Uniform Den	Tax Rebate	$ 10,353.71
Trimble	Tax Rebate	$ 10,360.01
High Rent	Property Purchase	$ 978,733.49
Illinois Dept of Commerce & Comm Affairs	Debt Service	$ 11,539.05
Cole Taylor Bank	Debt Service	$ 2,336,821.26

SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5) 65 ILCS 11-74.6-22 (d) (5))
Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period
(65 ILCS 5/11-74.4-5 (d) (5) (D) and 65 ILCS 5/11-74.6-22 (d) (5) (D))

FUND BALANCE, END OF REPORTING PERIOD | |

	Amount of Original Issuance	Amount Designated
1. Description of Debt Obligations		
General Obligation Bonds Series 2002B	$ 3,240,000	$ 2,185,913
General Obligation Bonds Series 2002C	$ 5,000,000	$ 4,207,200
General Obligation Bonds Series 2003A	$ 1,800,000	$ 2,492,635
General Obligation Bonds Series 2003B	$ 7,875,000	$ 9,849,117
Total Amount Designated for Obligations	$ 17,915,000	
2. Description of Project Costs to be Paid		
more for part 1		
General Obligation Bonds Series 2004B/C $8,990,000		$ 10,061,033
Total Amount Designated for Project Costs		$ 10,061,033
TOTAL AMOUNT DESIGNATED		$ 10,061,033
SURPLUS*/(DEFICIT)		$ (10,061,033)

* NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing

SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

_____ **No property was acquired by the Municipality Within the Redevelopment Project Area**

Property Acquired by the Municipality Within the Redevelopment Project Area

Property (1):	Sears warehouse
Street address:	1201 Fourth Avenue
Approximate size or description of property:	30,168 sf
Purchase price:	$ 978,733.49
Seller of property:	High Rent

Property (2):	Moline Auto
Street address:	1311 4th Avenue
Approximate size or description of property:	12,378 sf
Purchase price:	270,000.00
Seller of property:	Herminio and Anna Zepeda

Property (3):	Berry Bearing building
Street address:	1908-24 Fifth Avenue and 1909 6th Avenue
Approximate size or description of property:	32,880 sf
Purchase price:	356,000.00
Seller of property:	RiverStone Group

Property (4):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

SECTION 5 - 65 ILCS 5/11-74.4-5 (d) (7) (G) and 65 ILCS 5/11-74.6-22 (d) (7) (G)
Please include a brief description of each project.

_____ No Projects Were Undertaken by the Municipality Within the Redevelopment Project Area

	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Estimated Cost of the Total Project
TOTAL:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0
Project 1: Heart of America			
Private Investment Undertaken (See Instru	$4,577,500	$-	$4,577,500
Public Investment Undertaken	$391,000	$809,000	$1,200,000
Ratio of Private/Public Investment	11 29/41	0	3 22/27
Project 2: Watermark Corners			
Private Investment Undertaken (See Instru	$1,400,000	$-	$1,400,000
Public Investment Undertaken	$56,965	$153,035	$210,000
Ratio of Private/Public Investment	24 49/85	6 2/3	
Project 3: Caxton Block			
Private Investment Undertaken (See Instru	$5,500,000	$-	$5,500,000
Public Investment Undertaken	$84,332	$740,668	$825,000
Ratio of Private/Public Investment	65 19/87	0 6 2/3	
Project 4: Red Cross Headquarters			
Private Investment Undertaken (See Instru	$2,300,000	$-	$2,300,000
Public Investment Undertaken	$-	$-	$0
Ratio of Private/Public Investment	0	0	0
Project 5: Quad City Rowing Association			
Private Investment Undertaken (See Instru	$750,000	$-	$750,000
Public Investment Undertaken	$-	$-	$-
Ratio of Private/Public Investment	0	0	0
Project 6: John Deere Collectors Center			
Private Investment Undertaken (See Instru	$5,000,000	$-	$5,000,000
Public Investment Undertaken	$-	$750,000	$750,000
Ratio of Private/Public Investment	0	0 6 2/3	
Project 7: Moline Centre Master Plan Update			
Private Investment Undertaken (See Instru	$35,000	$-	$35,000

Public Investment Undertaken	$35,000	$-		$35,000
Ratio of Private/Public Investment	1		0	1

Project 8:				
Heritage Place				
Private Investment Undertaken (See Instru	$13,000,000	$-		$13,000,000
Public Investment Undertaken	$2,009,483		$1,090,517	$3,100,000
Ratio of Private/Public Investment	6 23/49		0 4 6/31	

Project 9:				
Mixed Use (John Deere Commons)				
Private Investment Undertaken (See Instru	$15,000,000	$-		$15,000,000
Public Investment Undertaken	$661,173	$-		$2,000,000
Ratio of Private/Public Investment	22 68/99		0 7 1/2	

Project 10:				
Fifth Avenue Building				
Private Investment Undertaken (See Instru	$1,500,000		$5,000,000	$6,500,000
Public Investment Undertaken	$-		$970,500	$970,500
Ratio of Private/Public Investment	0		0	6 30/43

Project 11:				
Heritage Woods				
Private Investment Undertaken (See Instru	$100,000		$11,900,000	$12,000,000
Public Investment Undertaken	$-	$-	$-	
Ratio of Private/Public Investment	0		0	0

Project 12:				
Fifteenth Street Streetscaping				
Private Investment Undertaken (See Instru	$-	$-	$-	
Public Investment Undertaken	$-		$763,000	$763,000
Ratio of Private/Public Investment	0		0	0

Project 13:				
Bass Street Landing				
Private Investment Undertaken (See Instru	$-	$-	$-	
Public Investment Undertaken	$3,500,000		$1,750,000	$5,250,000
Ratio of Private/Public Investment	0		0	0

Project 14:				
LeClaire Hotel				
Private Investment Undertaken (See Instru	$9,500,000	$-		$9,500,000
Public Investment Undertaken	1000000 (loan)		$-	
Ratio of Private/Public Investment	0		0	0

Project 15:				
Riverfront Mixed Use (less John Deere projects)				
Private Investment Undertaken (See Instru	$9,000,000	$-		$9,000,000
Public Investment Undertaken	$25,000,000	$-		$25,000,000
Ratio of Private/Public Investment	9/25		0 9/25	

Project 16:				
Three Kings of Moline				
Private Investment Undertaken (See Instru	$510,000	$-		$510,000
Public Investment Undertaken	$90,000	$-		$90,000

Ratio of Private/Public Investment	5 2/3			0 5 2/3	
Project 17:					
Reliance Building					
Private Investment Undertaken (See Instru		$935,000	$-		$935,000
Public Investment Undertaken		$165,000	$-		$165,000
Ratio of Private/Public Investment	5 2/3			0 5 2/3	
Project 18:					
Amendment to Bass Street Landing					
Private Investment Undertaken (See Instru		$8,251,800	$-		$8,251,800
Public Investment Undertaken		$1,996,000	$-		$1,996,000
Ratio of Private/Public Investment		4 11/82		0	4 11/82
Project 19:					
Stoney Creek Inn					
Private Investment Undertaken (See Instru		$6,200,000	$-		$6,200,000
Public Investment Undertaken		$3,800,000	$-		$3,800,000
Ratio of Private/Public Investment		1 12/19		0	1 12/19
Project 20:					
Uniform Den					
Private Investment Undertaken (See Instru		$360,000			$360,000
Public Investment Undertaken		$90,000			$90,000
Ratio of Private/Public Investment		4			4
Project 21:					
GemVision					
Private Investment Undertaken (See Instructions)					$5,968,610
Public Investment Undertaken					$895,291
Ratio of Private/Public Investment				6 2/3	
Project 22:					
Gateway Lofts					
Private Investment Undertaken (See Instru		$1,800,000			$1,800,000
Public Investment Undertaken		$183,064			$183,064
Ratio of Private/Public Investment		1/10			1/10
Project 23:					
West Gateway					
Private Investment Undertaken (See Instructions)					$2,500,000
Public Investment Undertaken					$314,300
Ratio of Private/Public Investment					1/8
Project 24:					
Enterprise Lofts					
Private Investment Undertaken (See Instru		$12,000,000			$12,000,000
Public Investment Undertaken		$200,000			$200,000
Ratio of Private/Public Investment		60/1			60/1
Project 25:					
Private Investment Undertaken (See Instructions)					
Public Investment Undertaken					

Ratio of Private/Public Investment

Optional: Information in the following sections is not required by law, but would be helpful in evaluating the performance of TIF in Illinois.

SECTION 6

Provide the base EAV (at the time of designation) and the EAV for the year reported for the redevelopment project area

Year redevelopment project area was designated	Base EAV	Reporting Fiscal Year EAV
1986	27,153,391	50,300,852

List all overlapping tax districts in the redevelopment project area.
If overlapping taxing district received a surplus, list the surplus.

__X___ The overlapping taxing districts did not receive a surplus.

Overlapping Taxing District	Surplus Distributed from redevelopment project area to overlapping districts
Rock Island County	$ -
Moline Township	$ -
City of Moline	$ -
Moline School District # 40	$ -
Metropolitan Airport Authority	$ -
Black Hawk College	$ -
Rock Island County Metropolitan Transit Authority	$ -
	$ -
	$ -
	$ -
	$ -
	$ -
	$ -
	$ -
	$ -

SECTION 7

Provide information about job creation and retention

Number of Jobs Retained	Number of Jobs Created	Description and Type (Temporary or Permanent) of Jobs	Total Salaries Paid
			$ -
			$ -
			$ -
			$ -
			$ -
			$ -
			$ -

SECTION 8

Provide a general description of the redevelopment project area using only major boundaries:

Optional Documents	Enclosed	
Legal description of redevelopment project area	No	
Map of District	Yes	

ATTACHMENT "B"

TIF 1 - 6
Certification of Chief Executive Officer

I, Donald P. Welvaert, am the duly elected Chief Executive Officer of the City of Moline, County of Rock Island, State of Illinois, and as such do hereby certify that the City of Moline has complied with all requirements pertaining to the Tax Increment Financing Redevelopment Act during fiscal year 2010 (January 1st - December 31st).

9/26/11
Date

Donald P. Welvaert
Donald P. Welvaert, Mayor

ATTACHMENT "C"

TIF 1 - 6
OPINION OF LEGAL COUNSEL

I, Maureen E. Riggs, am the City Attorney for the City of Moline, Illinois.

I have received all information provided to me by the city administration, and based on that information, I believe that the City of Moline has conformed to all applicable requirements of the Tax Increment Redevelopment Allocation Act (found generally at 65 ILCS 5/11-74.4-1, et seq.) set forth thereunder to the best of my knowledge and belief for fiscal year 2010 (January 1st - December 31st) with the exception of the current configuration of TIF #2 as explained in Attachment "D."

9/23/11
Date

Maureen E. Riggs, City Attorney

ATTACHMENT "D"

TIF 1
ACTIVITIES STATEMENT

Enterprise Lofts

Gorman & Company's Enterprise Lofts will be a $12 million, 69 residential unit project. The four story building will include 29 one-bedroom, 26 two-bedroom, and 14 three-bedroom apartments. There will be 2,500 sf of ground level retail space. The building also will feature a conference room, a multimedia theater, a business center, a cyber café, and a community room with an outdoor deck. The groundbreaking occurred November 22, 2010. The project should open November 2011.

Amtrak Station

The City facilitated the acquisition of two properties: the Sears warehouse building (1201 4th Avenue) and Moline Auto (1311 4th Avenue) for the proposed Amtrak station. The project will re-establish passenger rail service from Moline to Chicago.

John Deere Information Technology Building

As a result of the I-74 Iowa-Illinois Corridor project, John Deere & Co. will be losing parking lots. The City entered into an agreement with the state of Illinois to acquire the Berry Bearing building (1908-1924 5th Avenue) and 1909 6th Avenue. The buildings will be demolished and the lots will be paved for parking.

ATTACHMENT "E"

TIF 1
2010 AGREEMENTS

The following agreements were executed during this reporting fiscal year.

Council Bill/Resolution No. 1157-2010
Sponsor: _____

A RESOLUTION

AUTHORIZING the concept of a redevelopment project as proposed to be constructed on the property located in the 2800 block of River Drive, Moline, Illinois, for the e3 project; and

AFFIRMING the intent of the City to provide incentives so that the project will be economically viable; and

AUTHORIZING staff to negotiate a development agreement to be reviewed for approval by the City Council for a term of 12 months with Heart of America Group exclusively.

WHEREAS, Heart of America Group has been selected as the developer for the e3 redevelopment project; and

WHEREAS, redevelopment of the site will enhance the Western Illinois University campus project, provide new property and sales tax to the Tax Increment Financing District, and increase the viability of River Drive and the surrounding area.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MOLINE, ILLINOIS, as follows:

That staff is hereby authorized to negotiate a development agreement concerning redevelopment of the property exclusively with Heart of America Group, which agreement shall be subject to further review and approval by the City Council. The term of this Resolution shall be 12 months.

BE IT FURTHER RESOLVED that this Resolution is adopted pursuant to the City's Home Rule powers provided in Article VII of the Illinois Construction and is intended to supercede and control over any conflicting or contrary statute, rule or pronouncement of State law.

BE IT FURTHER RESOLVED that City staff is authorized to proceed by negotiation for the ultimate sale or lease of municipal real property needed for this project; however, any such final sale or lease shall be by ordinance and subject to final approval by the City Council.

BE IT FURTHER RESOLVED that the intentions, affirmations and authorizations of the City of Moline as expressed in the recital of the project identified herein are approved as to concept; provided, however that neither and none of such intentions, affirmations, authorizations or recitals are binding upon the City nor may the same 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; and provided further, that any and all such agreements referenced herein shall be separately reviewed and approved by the City Council subsequent to this Resolution and also approved as to form by the Law Director.

CITY OF MOLINE, ILLINOIS

Mayor

April 6, 2010
Date

Passed: April 6, 2010
Approved: April 13, 2010

Attest:
City Clerk

APPROVED AS TO FORM:

Law Director

Council Bill/Resolution No. 1167-2010
Sponsor:_____

A RESOLUTION

AUTHORIZING the Mayor and City Clerk to execute a letter of consent to modify the maturity date of a loan from the Illinois Housing Development Authority to LeClaire Apartments, LLC for the LeClaire Hotel Apartments.

WHEREAS, in June 1994, the City executed a Development Agreement with LeClaire Apartments, LLC to facilitate redevelopment of the former LeClaire Hotel into the LeClaire Hotel Apartments; and

WHEREAS, the City granted a TIF loan to LeClaire Apartments, LLC in the amount of $1,000,000 and said loan is secured by a second lien mortgage against LeClaire; and

WHEREAS, the Illinois Housing Development Authority (IHDA) granted a subsequent loan on the property in the amount of $500,000 and holds a third lien on the property; and

WHEREAS, LeClaire has requested that IHDA amend its loan by modifying the June 23, 2012 maturity date back to the original maturity date of December 23, 2010, and IHDA has requested that LeClaire first secure the City's consent to said modification; and

WHEREAS, the City understands that the IHDA loan modification will have no effect on LeClaire's obligations under the TIF Loan and that LeClaire's primary member, Housing Horizons, LLC, has agreed to cover any shortfall on the payment due under the IHDA loan upon the revised maturity date should the property's cash flow be insufficient to cover such payment; and

WHEREAS, the City acknowledges that the execution of the letter of consent is a material inducement to IHDA modification of its loan.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MOLINE, ILLINOIS, as follows:

That the Mayor and City Clerk are hereby authorized to execute a letter of consent to the modification of the maturity date of a loan from the Illinois Housing Development Authority to LeClaire Apartments, LLC for the LeClaire Hotel Apartments; provided, however, that that said letter of consent is in substantially similar form and content to that attached hereto and incorporated herein by this reference thereto as Exhibit "A" and has been approved as to form by the Law Director.

CITY OF MOLINE, ILLINOIS

Scott Raes

Mayor

Date

Passed: April 27, 2010

Approved: May 4, 2010

Attest: Nancy A Kowalski

City Clerk

Approved as to Form:

Marvin E. Gray

Law Director

HOUSING HORIZONS, LLC
351 PHELPS DRIVE
IRVING, TEXAS 75038

April 14, 2010

By Facsimile
Mr. Jeff Lester
City of Moline
619 16th Street
Moline, IL 61265

Re: Loan ("**TIF Loan**") from the City of Moline ("**City**") to LeClaire Apartments, LLC, a Wisconsin limited liability company ("**Borrower**") in the amount of $1,000,000.00 as further described in that Tax Incremental Financing Development Agreement ("**TIF Agreement**") dated as of June 23, 1994 between the City and Borrower and further secured by a second lien mortgage ("**Second Mortgage**") recorded in the Office of the Recorder of Deeds of Rock Island County, Illinois against the LeClaire Apartments in Moline, Illinois ("**Property**")

Dear Jeff:

As we discussed yesterday, there is a third lien on the Property that secures a loan from the Illinois Housing Development Authority ("**IHDA**"). The IHDA loan was in the original amount of $500,000 and currently has a principal balance of approximately $340,000 ("**IHD Loan**"). The Borrower has requested that IHDA modify the IHDA Loan by changing the current June 23, 2012 maturity date back to the original maturity date of December 23, 2010 ("**IHDA Modification**").

As a condition to so modifying the IHDA Loan, the IHDA has requested that Borrower secure the consent of the City to the IHDA Modification. Be advised the IHDA Modification will have no effect on the Borrower's obligations under the TIF Loan (as modified in June, 2009). Be further advised that Housing Horizons, LLC, the 99.99% member of the Borrower, has agreed to cover any shortfall associated with the balloon payment due under the IHDA Loan upon the December 23, 2010 maturity date to the extent the Property's cash flows are insufficient to cover such payment.

Please have this letter countersigned by an authorized representative of the City to signify the City's consent to the above-mentioned IHDA Modification.

If you have any questions about these matters, please do not hesitate to contact me at (972) 281-1456.

Very truly yours,

LeClaire Apartments, LLC, a Wisconsin limited liability company

By: Housing Horizons, LLC, a Texas limited liability Company, Manager

By: _____
Name: Drew G. Alexandrou
Title: Secretary and General Counsel

Acknowledged and agreed to by:

City of Moline

By: Donald P. Welvaert
Name: DONALD P. WELVAERT
Title: MAYOR

Attest: Tracy Koranda
Tracy Koranda, City Clerk

cc: Mark A. Scalzo

Do you need to sign the letter "approved?"

No

Council Bill No./Resolution No. 1209-2010
Sponsor: _____

A RESOLUTION

AUTHORIZING the Mayor and City Clerk to execute an Agreement for Sale of Real Estate with High Rent, L.L.C. for property located at 1201 4th Avenue and 323 13th Street, Moline, Illinois.

WHEREAS, the City seeks to acquire the property located at 1201 4th Avenue and 323 13th Street. Moline, Illinois, for assimilation into the new Amtrak Station; and

WHEREAS, High Rent, L.L.C. is the owner of the property and has agreed to sell and convey said property to the City of Moline.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MOLINE, ILLINOIS, as follows:

That the Mayor and City Clerk are hereby authorized to execute an Agreement for Sale of Real Estate with High Rent, L.L.C. for property located at 1201 4th Avenue and 323 13th Street (Parcel Numbers MO-5430 and MO-5432) for $993,000.00 provided said agreement is substantially similar in form and content to that attached hereto as Exhibit "A," and has been approved as to form by the Law Director; and the same officials are hereby authorized to execute all necessary documents referenced therein; and all appropriate City officers and staff are further authorized to do all things necessary to complete each of the City's responsibilities and enforce each of the City's expected benefits as referred to in such Agreement.

BE IT FURTHER RESOLVED that this resolution shall be in full force and effect upon its passage.

CITY OF MOLINE, ILLINOIS

Donald P. Wilhaert
Mayor
July 20, 2010
Date

Passed: July 20, 2010
Approved: July 27, 2010

Attest: Tracy Alexander
City Clerk

Approved as to Form:

Law Director

AGREEMENT FOR SALE OF REAL ESTATE

AGREEMENT, by and between the **CITY OF MOLINE**, a municipal corporation (hereinafter **"City"**), located in Moline, Illinois, and **High Rent, LLC** (hereinafter "Seller"), for City to Purchase, for and in consideration of the sum of **Ten Dollars and other good and valuable consideration ($10.00),** the properties located at **1201-1209 4th Avenue and 323-325 13th Street Moline, Illinois 61265,** more particularly described in **Exhibit 1,** attached hereto and incorporated herein (hereinafter "Property").

WITNESSETH:

WHEREAS, In furtherance of the objectives of, and pursuant to the City's desire to advance the AMTRAK station for the Quad Cities region in downtown Moline, the City has decided to obtain certain real property to address municipal needs and has offered to buy, and the Seller is willing to purchase said real property (hereinafter "Property"); more particularly described in **Exhibit 1,** attached hereto and incorporated herein.

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

Sec. 1 PURCHASE PRICE

Subject to all terms, covenants and conditions of the Agreement, the Seller will sell the Property to the City for and the City will purchase Property from the Seller and pay therefore the amount of **Nine-hundred-ninety-three thousand and No/100ths Dollars ($993,000.00)** (hereinafter "Purchase Price") to be paid by certified funds at the time of closing subject to the usual and customary prorations and deductions.

Sec. 2. CLOSING AND POSSESSION

Closing shall be on or before **13th day of August, 2010,** or on such other date as the parties hereto may mutually agree to in writing. Possession shall be given at closing. Closing shall take place at the office of the escrow agent mutually acceptable to City and Seller, and City shall accept the conveyance and pay the Purchase Price to the Seller at such time and place.

Sec. 3. CONVEYANCE OF PROPERTY

(a) Form of Deed. The Seller shall convey title to the Property by Warranty Deed ("Deed") in an "as is, where is" condition. Conveyance shall be on an "as is/where is" condition with all faults and defects, known or unknown, physical or otherwise and without representation or warranty, express or implied. Seller does represent, however, that there are no known conditions, faults or defects of which Seller or its officers, employees or agents is currently aware. At closing, and upon delivery of the Deed to City, whatever occupancy rights Seller has in and to the Property will become City's rights. The cost to record the Deed shall be paid by City. The conveyance and title of the Property shall, in addition to other conditions, covenants and restrictions set forth or referred to elsewhere in the Agreement, be subject to:

1. Applicable statutes, orders, rules and regulations of the Federal Government and State of Illinois, and laws and ordinances of the City of Moline, including zoning, building, and land subdivision laws and regulations; and

2. All easements of record;

3. Matters that would be revealed by an ALTA survey of the Property;

(b) Proration of Taxes and Adjustments.

1. General real estate taxes will be pro-rated at time of closing. Any special assessments of record shall be paid by the Seller. The Seller shall provide details of any known or contemplated special assessments at closing and City is responsible for all special assessments imposed after the date of closing; and

2. There are no leases for the subject property requiring a credit for deposits or proration of rents, apart from an oral, month-to-month lease whereby O'Rourke pays $500 per month for storage space; said $500 per month shall become the property of the City for each month commencing after closing.

(c) Expenses of Transfer. Seller shall pay: (1) Recording fees for deed and mortgages, and mortgage releases, if any. (2) City shall pay the reasonable cost of Seller's title search, abstracting or mortgage title insurance policy as required by City to show clear title in Seller. Each party shall be responsible for its own attorney fees and customary closing costs. Closing costs do not ordinarily include charges incident to the City's financing, and such charges shall be paid by City.

(d) Title Insurance. Seller shall provide a commitment for title insurance issued by a title insurance company regularly doing business in the county where the premises are located, committing the company to issue an owner's policy in the usual form insuring merchantable title to the real estate in Purchase for the amount of the purchase price, within ten days of the exercise of the Sales Agreement. Provision of title insurance shall not change the "as is/where is" nature of this transaction.

(e) Cell Tower Lease. Seller has furnished existing lease agreements and related documents to City regarding the rooftop leasehold for purposes of supporting and maintaining a cellular telephone transmission tower. The parties acknowledge and agree that the instant conveyance is subject to that leasehold and that it runs with the land. The parties further acknowledge that the right to receive revenues from the leasehold has been conveyed to a third party, that the duty to support the cellular telephone transmission tower is not affected by that conveyance, and that any new rights to receive revenues that may arise from the use of the cellular telephone transmission tower shall become the property of City at closing.

(e) Settlement Procedures. To the extent the subject transaction is covered by its provisions, the parties agree to comply with the Real Estate Settlement Procedures Act of 1974 (RESPA).

Sec. 4. PROPERTY CONDITION AND CERTAIN OTHER ACTION BY CITY

(a) Property Condition:

1. City acknowledges that the City has inspected the real estate and the improvements thereof; the City is acquainted with the condition thereof and the City accepts the same in "As Is" condition.

2. The Seller and City acknowledge and agree that the Seller owns and maintains the existing building on the Property and that the Seller owns certain equipment, furniture, and supplies within the building. The Seller will receive and retain ownership of such equipment, furniture and supplies that are not fixtures to the real estate, so long as removed prior to closing. The Seller may continue, without expense, to store his recreational vehicle and associated items of personal property at the premises until the City's contractor requires those items to be removed for

construction purposes; provided, however, that Seller explicity indemnifies City and holds city harmless from any damage, loss, theft, fire, casualty related in any way to said personal property and City makes no warranty or representation as to the condition, functionality, or operability of any of the personal property once it is removed from the property. The Seller agrees to relinquish all rights and interests to all other equipment, furniture, and supplies located within the building at the time of closing to the City.

3. Notwithstanding paragraph 4(a)(2) above, the parties acknowledge and agree that the Seller owns and wishes to retain the personal property, too voluminous to detail herein, on the 5th and 6th floors of the building. The City agrees to remove or have removed that personal property at no cost to Seller once City commences to remodel the building. The City makes no warranty or representation as to the condition, functionality, or operability of any of the personal property once it is removed from the 5th floor and Seller explicity indemnifies City and holds city harmless from any damage, loss, theft, fire, casualty related in any way to said personal property.

4. To save expense to both parties, either party may, upon ten (10) days written notice each to the other, permit the scrapping of any of the personal property referenced in Paragraph 3 immediately preceding for anyone willing to haul away said personal property, except for the Air Conditioner located on the 6th floor, without recompense to the other.

5. Seller shall not provide an ALTA survey of the Property.

(b) Utility Payments. Upon closing, the City will be responsible for all utility payments, including but not limited to, water, sewer, storm water, electricity, and gas bills.

Sec. 5. COVENANTS BINDING UPON SUCCESSORS IN INTEREST: PERIOD OF DURATION

It is intended and agreed that the covenants provided in this agreement shall be covenants running with the land binding to the fullest extent permitted by law and equity for the benefit and in favor of and enforceable by, the City, it successors and assigns, and any successor in interest to the Property, or any part thereof, and the United States.

Sec. 6. CONFLICT OF INTEREST: CITY'S REPRESENTATIVES NOT INDIVIDUALLY LIABLE

No member, official or employee of the City shall have any personal interest, direct or indirect in this Agreement, nor shall any such member, official or employee participate in any decision relating to this Agreement which affects his or her personal interests or

interests of any corporation, partnership or association in which he is directly, indirectly, interested. No member, official or employee of the City shall be personally liable to the City or any successor in interest in the event of any default or breach by the City or for any amount which may become due to the City or successor or on any obligations under the terms of this Agreement.

Sec. 7. PROVISIONS NOT MERGED WITH DEED

No provision of this Agreement is intended to or shall be merged by reason of any deed transferring title to the Property from the City to the City or any successor in interest, and any such deed shall not be deemed to affect or impair the provisions and covenants of this Agreement.

Sec. 8. ENTIRE AGREEMENT

This Agreement and its Exhibits contain the entire agreement among the parties, and supersedes all prior agreements or other understandings, oral or written, not expressly retained herein. It shall inure to the benefit of, and shall be binding upon the parties hereto and their respective successors or assigns. This Agreement may be modified only by a written amendment signed by all of the parties.

Sec. 9. APPLICABLE LAW

This Agreement shall be governed by the laws of the State of Illinois, and the sole and exclusive venue for any disputes arising out of this Agreement shall be any state court located within Rock Island County, Illinois, or federal court located within the appropriate venue. A waiver of any part of this Agreement shall be limited to that specific event and shall not be a waiver of the entire Agreement.

Sec. 10. 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 all parties, their respective heirs and assigns, as to such remaining terms.

Sec. 11. 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.

Sec. 12. ACCEPTANCE BY CITY

Until accepted by City, this document constitutes an irrevocable offer to sell by Seller on the terms stated above. Seller acknowledges and agrees that this Agreement is subject to City's right and legal responsibility to formally submit this Agreement to the City Council for review, approval and authorization to execute. If not so approved by the Council by July 27th, 2010, this offer and Agreement shall be void. The parties understand that the City Council may not approve this Agreement and that until approved by the City Council, it is not and shall not be binding upon the City, its officers, employees or agents.

This Agreement has been read and executed in duplicate on the dates beside the parties' authorized agents' signatures.

IN WITNESS WHEREOF, **HIGH RENT, LLC, seller,** has caused this Agreement for Sale of Real Estate to be executed this 20th day of July, 2010.

_____, _____

Jeff High, Manager

STATE OF ILLINOIS)
) ss
COUNTY OF ROCK ISLAND)

On this 20 day July, A.D. 2010 before me, the undersigned, a Notary Public in and for said County and State, personally appeared **Jeff High** to me personally known, who being by me duly sworn, did say that he/she is the **Member** of High Rent, LLC; that said instrument was signed on behalf of said High Rent, LLC by authority of its managing members; and that the said Jeff High as such Member, acknowledged the execution of said instrument to be the voluntary act and deed of said High Rent, LLC and by him voluntarily executed.

"OFFICIAL SEAL"
Vickie L Felger
Notary Public, State of Illinois
My Commission Expires 1/4/2011

Vickie L. Felger
NOTARY PUBLIC

IN WITNESS WHEREOF, the **CITY OF MOLINE**, has caused this Agreement for Sale of Real Estate to be duly executed in its name and on its behalf by Donald P. Welvaert, its Mayor, this 20th day of July, 2010.

CITY OF MOLINE (CITY)

Donald P. Welvaert, Mayor

Attest:

Tracy Koranda, City Clerk

STATE OF ILLINOIS)
) ss
COUNTY ROCK ISLAND)

On this 20 day July, A.D. 2010 before me, the undersigned, a Notary Public in and for said County and State, personally appeared **Donald P. Welvaert** and **Tracy Koranda** to me personally known, who being by me duly sworn, did say that he/she/they is the **Mayor** and **City Clerk** of the City of Moline, that said instrument was signed on behalf of said City of Moline, an Illinois Municipal Corporation, by authority of its City Council; and that the said Donald P.

Welvaert as such Mayor, acknowledged the execution of said instrument to be the voluntary act and deed of said City, by it and by him/her/them voluntarily executed.

NOTARY PUBLIC

Approved as to form:

Jeffrey D. Lester, Law Director

OFFICIAL SEAL
MARY C BARRETT
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:02/10/11

EXHIBIT 1
DESCRIPTION OF PROPERTY

Lots 5, 6, 7 and 8 in Block 15 in that part of the City of Moline known as and called "Old and Original Town", excepting so much thereof as is owned and occupied by the Chicago, Rock Island and Pacific Railway Company; and also that part of former 13th Street Right of Way lying North of 4th Avenue and South of said Chicago, Rock Island and Pacific Railway Company Right of Way; all situated in Section 32, Township 18 North, Range 1 West of the 4th Principal Meridian, County of Rock Island, State of Illinois.

For Informational Purposes Only:

Address:	1201-1209 4th Avenue, 323-325 13th Street Moline, Illinois 61265
Parcel:	08-5430, 08-5432
PIN:	0832319005, 0832319004
Taxpayer Number:	08-3361900, 08-3362000

Memorandum

To: **Tracy Koranda, City Clerk**

From: **Amy Saunders, Legal Assistant** (ajs)

Date: **September 30, 2010**

Re: **Resolution No. 1209-2010**
Agreement for Sale of Real Estate

Attached please find the original Agreement for Sale of Real Estate and Secondary Agreement (Escrow) between the City and the High Rent, LLC to file with the above-referenced Council Bill.

Amy

:ajs
Attachments

SECONDARY AGREEMENT
(ESCROW)

This Secondary Agreement (Escrow) is a supplement to and part of the Agreement for Sale of Commercial Real Estate, dated July 20, 2010 by and between:

CITY OF MOLINE, a municipal corporation , Moline, Illinois (Purchaser)

and

HIGH RENT, LLC, (Seller)

WHEREAS, the City Council of the City of Moline has approved the purchase of the subject property in the amount of $993,000.00, and;

WHEREAS, the City of Moline is unable to complete the closing of the transaction according to the terms of the Agreement for Sale of Real Estate which specified a closing date of on or before August 13th, 2010.

THEREFORE, in consideration of the mutual obligations of the parties hereto, each of them does agree with the other as follows:

1. **CLOSING DATE**

The closing date is hereby extended to October 29, 2010.

2. **ESCROW OF FUNDS**

The City will place the full purchase price of $993,000.00 in an escrow account with First Midwest Bank, Moline, IL, no later than September 24, 2010. The escrow account shall be an interest bearing account and the Seller will be paid the interest at the closing of the transaction. The parties understand and agree that the City is using the purchase of this property to fulfill its local match requirements for the TIGER II grant from the federal government. Should the City not receive TIGER II grant approval prior to October 29, 2010, the parties agree that City shall be permitted to assign its right to purchase the property to the Moline CDC as purchaser and the Moline CDC shall be permitted by the Seller to purchase the property in lieu of the City on the same terms and conditions as the City pursuant to the Agreement for Sale of Real Estate.

All other terms of the Agreement for Sale of Real Estate remain unchanged.

Date: 9/23/10

HIGH RENT, LLC

Jeff High, Manager

Date: 9/17/10

CITY OF MOLINE

Donald P. Welvaert, Mayor

Attest:

Tracy Koranda, City Clerk.

AGREEMENT FOR SALE OF REAL ESTATE

AGREEMENT, by and between the **CITY OF MOLINE**, a municipal corporation (hereinafter **"City"**), located in Moline, Illinois, and **High Rent, LLC** (hereinafter "Seller"), for City to Purchase, for and in consideration of the sum of **Ten Dollars and other good and valuable consideration ($10.00),** the properties located at **1201-1209 4th Avenue and 323-325 13th Street Moline, Illinois 61265,** more particularly described in **Exhibit 1,** attached hereto and incorporated herein (hereinafter "Property").

WITNESSETH:

WHEREAS, In furtherance of the objectives of, and pursuant to the City's desire to advance the AMTRAK station for the Quad Cities region in downtown Moline, the City has decided to obtain certain real property to address municipal needs and has offered to buy, and the Seller is willing to purchase said real property (hereinafter "Property"); more particularly described in **Exhibit 1,** attached hereto and incorporated herein.

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

Sec. 1. PURCHASE PRICE

Subject to all terms, covenants and conditions of the Agreement, the Seller will sell the Property to the City for and the City will purchase Property from the Seller and pay therefore the amount of **Nine-hundred-ninety-three thousand and No/100ths Dollars ($993,000.00)** (hereinafter "Purchase Price") to be paid by certified funds at the time of closing subject to the usual and customary prorations and deductions.

Sec. 2. CLOSING AND POSSESSION

Closing shall be on or before the **13th day of August, 2010,** or on such other date as the parties hereto may mutually agree to in writing. Possession shall be given at closing. Closing shall take place at the office of the escrow agent mutually acceptable to City and Seller, and City shall accept the conveyance and pay the Purchase Price to the Seller at such time and place.

Sec. 3. CONVEYANCE OF PROPERTY

(a) Form of Deed. The Seller shall convey title to the Property by Warranty Deed ("Deed") in an "as is, where is" condition. Conveyance shall be on an "as is/where is" condition with all faults and defects, known or unknown, physical or otherwise and without representation or warranty, express or implied. Seller does represent, however, that there are no known conditions, faults or defects of which Seller or its officers, employees or agents is currently aware. At closing, and upon delivery of the Deed to City, whatever occupancy rights Seller has in and to the Property will become City's rights. The cost to record the Deed shall be paid by City. The conveyance and title of the Property shall, in addition to other conditions, covenants and restrictions set forth or referred to elsewhere in the Agreement, be subject to:

1. Applicable statutes, orders, rules and regulations of the Federal Government and State of Illinois, and laws and ordinances of the City of Moline, including zoning, building, and land subdivision laws and regulations;

2. All easements of record; and

3. Matters that would be revealed by an ALTA survey of the Property.

(b) Proration of Taxes and Adjustments.

1. General real estate taxes will be pro-rated at time of closing. Any special assessments of record shall be paid by the Seller. The Seller shall provide details of any known or contemplated special assessments at closing and City is responsible for all special assessments imposed after the date of closing; and

2. There are no leases for the subject property requiring a credit for deposits or proration of rents, apart from an oral, month-to-month lease whereby O'Rourke pays $500 per month for storage space; said $500 per month shall become the property of the City for each month commencing after closing.

(c) Expenses of Transfer. Seller shall pay: (1) Recording fees for deed and mortgages, and mortgage releases, if any. (2) City shall pay the reasonable cost of Seller's title search, abstracting or mortgage title insurance policy as required by City to show clear title in Seller. Each party shall be responsible for its own attorney fees and customary closing costs. Closing costs do not ordinarily include charges incident to the City's financing, and such charges shall be paid by City.

(d) Title Insurance. Seller shall provide a commitment for title insurance issued by a title insurance company regularly doing business in the county where the premises are located, committing the company to issue an owner's policy in the usual form insuring merchantable title to the real estate in Purchase for the amount of the purchase price, within ten days of the exercise of the Sales Agreement. Provision of title insurance shall not change the "as is/where is" nature of this transaction.

(e) Cell Tower Lease. Seller has furnished existing lease agreements and related documents to City regarding the rooftop leasehold for purposes of supporting and maintaining a cellular telephone transmission tower. The parties acknowledge and agree that the instant conveyance is subject to that leasehold and that it runs with the land. The parties further acknowledge that the right to receive revenues from the leasehold has been conveyed to a third party, that the duty to support the cellular telephone transmission tower is not affected by that conveyance, and that any new rights to receive revenues that may arise from the use of the cellular telephone transmission tower shall become the property of City at closing.

(f) Settlement Procedures. To the extent the subject transaction is covered by its provisions, the parties agree to comply with the Real Estate Settlement Procedures Act of 1974 (RESPA).

Sec. 4. PROPERTY CONDITION AND CERTAIN OTHER ACTION BY CITY

(a) Property Condition:

1. City acknowledges that the City has inspected the real estate and the improvements thereof; the City is acquainted with the condition thereof and the City accepts the same in "As Is" condition.

2. The Seller and City acknowledge and agree that the Seller owns and maintains the existing building on the Property and that the Seller owns certain equipment, furniture, and supplies within the building. The Seller will receive and retain ownership of such equipment, furniture and supplies that are not fixtures to the real estate, so long as removed prior to closing. The Seller may continue, without expense, to store his recreational vehicle and associated items of personal property at the premises until the City's contractor requires those items to be removed for

construction purposes; provided, however, that Seller explicitly indemnifies City and holds city harmless from any damage, loss, theft, fire, casualty related in any way to said personal property and City makes no warranty or representation as to the condition, functionality, or operability of any of the personal property once it is removed from the property. The Seller agrees to relinquish all rights and interests to all other equipment, furniture, and supplies located within the building at the time of closing to the City.

3. Notwithstanding paragraph 4(a)(2) above, the parties acknowledge and agree that the Seller owns and wishes to retain the personal property, too voluminous to detail herein, on the 5th and 6th floors of the building. The City agrees to remove or have removed that personal property at no cost to Seller once City commences to remodel the building. The City makes no warranty or representation as to the condition, functionality, or operability of any of the personal property once it is removed from the 5th floor and Seller explicity indemnifies City and holds City harmless from any damage, loss, theft, fire, casualty related in any way to said personal property.

4. To save expense to both parties, either party may, upon ten (10) days written notice each to the other, permit the scrapping of any of the personal property referenced in Paragraph 3 immediately preceding for anyone willing to haul away said personal property, except for the Air Conditioner located on the 6th floor, without recompense to the other.

5. Seller shall not provide an ALTA survey of the Property.

(b) Utility Payments. Upon closing, the City will be responsible for all utility payments, including but not limited to, water, sewer, storm water, electricity, and gas bills.

Sec. 5. COVENANTS BINDING UPON SUCCESSORS IN INTEREST: PERIOD OF DURATION

It is intended and agreed that the covenants provided in this Agreement shall be covenants running with the land binding to the fullest extent permitted by law and equity for the benefit and in favor of and enforceable by, the City, its successors and assigns, and any successor in interest to the Property, or any part thereof, and the United States.

Sec. 6. CONFLICT OF INTEREST: CITY'S REPRESENTATIVES NOT INDIVIDUALLY LIABLE

No member, official or employee of the City shall have any personal interest, direct or indirect in this Agreement, nor shall any such member, official or employee participate in any decision relating to this Agreement which affects his or her personal interests or

interests of any corporation, partnership or association in which he is directly or indirectly interested. No member, official or employee of the City shall be personally liable to the City or any successor in interest in the event of any default or breach by the City or for any amount which may become due to the City or successor or on any obligations under the terms of this Agreement.

Sec. 7. PROVISIONS NOT MERGED WITH DEED

No provision of this Agreement is intended to or shall be merged by reason of any deed transferring title to the Property from the City to the City or any successor in interest, and any such deed shall not be deemed to affect or impair the provisions and covenants of this Agreement.

Sec. 8. ENTIRE AGREEMENT

This Agreement and its Exhibits contain the entire agreement among the parties, and supersedes all prior agreements or other understandings, oral or written, not expressly retained herein. It shall inure to the benefit of, and shall be binding upon the parties hereto and their respective successors or assigns. This Agreement may be modified only by a written amendment signed by all of the parties.

Sec. 9. APPLICABLE LAW

This Agreement shall be governed by the laws of the State of Illinois, and the sole and exclusive venue for any disputes arising out of this Agreement shall be any state court located within Rock Island County, Illinois, or federal court located within the appropriate venue. A waiver of any part of this Agreement shall be limited to that specific event and shall not be a waiver of the entire Agreement.

Sec. 10. 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 all parties, their respective heirs and assigns, as to such remaining terms.

Sec. 11. 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.

Sec. 12. ACCEPTANCE BY CITY

Until accepted by City, this document constitutes an irrevocable offer to sell by Seller on the terms stated above. Seller acknowledges and agrees that this Agreement is subject to City's right and legal responsibility to formally submit this Agreement to the City Council for review, approval and authorization to execute. If not so approved by the Council by July 27th, 2010, this offer and Agreement shall be void. The parties understand that the City Council may not approve this Agreement and that until approved by the City Council, it is not and shall not be binding upon the City, its officers, employees or agents.

This Agreement has been read and executed in duplicate on the dates beside the parties' authorized agents' signatures.

IN WITNESS WHEREOF, **HIGH RENT, LLC, seller,** has caused this Agreement for Sale of Real Estate to be executed this 27th day of Sept, 2010.

_____, _____

Jeff High, Manager

STATE OF ILLINOIS)
) ss
COUNTY OF ROCK ISLAND)

On this 27th day Sept, A.D. 2010 before me, the undersigned, a Notary Public in and for said County and State, personally appeared **Jeff High** to me personally known, who being by me duly sworn, did say that he/she is the **Member** of High Rent, LLC; that said instrument was signed on behalf of said High Rent, LLC by authority of its managing members; and that the said Jeff High as such Member, acknowledged the execution of said instrument to be the voluntary act and deed of said High Rent, LLC and by him voluntarily executed.

NOTARY PUBLIC

OFFICIAL SEAL
HECTOR LAREAU
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES 12-19-2010

IN WITNESS WHEREOF, the **CITY OF MOLINE**, has caused this Agreement for Sale of Real Estate to be duly executed in its name and on its behalf by Donald P. Welvaert, its Mayor, this 19th day of September, 2010.

CITY OF MOLINE (CITY)

Donald P. Welvaert, Mayor

Attest:

Tracy Koranda, City Clerk

STATE OF ILLINOIS)
) ss
COUNTY ROCK ISLAND)

On this 17th day September, A.D. 2010 before me, the undersigned, a Notary Public in and for said County and State, personally appeared **Donald P. Welvaert** and **Tracy Koranda** to me personally known, who being by me duly sworn, did say that he/she/they is the **Mayor** and **City Clerk** of the City of Moline, that said instrument was signed on behalf of said City of Moline, an Illinois Municipal Corporation, by authority of its City Council; and that the said Donald P. Welvaert as such Mayor, acknowledged the execution of said instrument to be the voluntary act and deed of said City, by it and by him/her/them voluntarily executed.

NOTARY PUBLIC

Approved as to form:

Jeffrey D. Lester, Law Director

"OFFICIAL SEAL"
Amy J Madden
Notary Public, State of Illinois
My Commission Expires 9/24/2013

EXHIBIT 1
DESCRIPTION OF PROPERTY

Lots 5, 6, 7 and 8 in Block 15 in that part of the City of Moline known as and called "Old and Original Town", excepting so much thereof as is owned and occupied by the Chicago, Rock Island and Pacific Railway Company; and also that part of former 13th Street Right of Way lying North of 4th Avenue and South of said Chicago, Rock Island and Pacific Railway Company Right of Way; all situated in Section 32, Township 18 North, Range 1 West of the 4th Principal Meridian, County of Rock Island, State of Illinois.

For Informational Purposes Only:

Address:	1201-1209 4th Avenue, 323-325 13th Street Moline, Illinois 61265
Parcel:	08-5430, 08-5432
PIN:	0832319005, 0832319004
Taxpayer Number:	08-3361900, 08-3362000

Council Bill/Resolution 1220-2010
Sponsor: _____

A RESOLUTION

AUTHORIZING the Mayor and City Clerk to execute an Option to Purchase Real Estate between the City of Moline and Herminio Zepeda and Anna M. Zepeda for property generally located at 1311 4th Avenue, Moline, Illinois, in the amount of $270,000.00 and relocation costs of $50,000.00.

WHEREAS, the City seeks to acquire the property located at 1311 4th Avenue, Moline, Illinois; and

WHEREAS, Herminio and Anna M. Zepeda are the owners of the property and have agreed to sell and convey said property to the City of Moline.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MOLINE, ILLINOIS, as follows:

That the Mayor and City Clerk are hereby authorized to execute on behalf of the City of Moline, an Option to Purchase Real Estate between Herminio Zepeda and Anna M. Zepeda for property generally located at 1311 4th Avenue, Moline, Illinois, in the amount of $270,000.00 and relocation costs of $50,000.00; provided said Option is substantially similar in form and content to that attached hereto and incorporated herein by this reference thereto as Exhibit "A," and has been approved as to form by the Law Director; and the same officials are hereby authorized to execute all necessary documents referenced therein; and all appropriate City officers and staff are further authorized to do all things necessary to complete each of the City's responsibilities and enforce each of the City's expected benefits as referred to in such Agreement.

BE IT FURTHER RESOLVED that this resolution shall be in full force and effect upon its passage.

CITY OF MOLINE, ILLINOIS

Mayor

August 3, 2010
Date

Passed: August 3, 2010
Approved: August 10, 2010

Attest: _____
City Clerk

APPROVED AS TO FORM:

_____
Law Director

OPTION TO PURCHASE REAL ESTATE
ADDRESS: 1311 4TH AVENUE, MOLINE, ILLINOIS
PARCEL: 08-5433

For and in consideration of the sum of **Two Thousand, Five Hundred and No/100ths Dollars ($2500.00)** (hereinafter "Option Fee") tendered herewith, **Herminio Zepeda and Anna M. Zepeda**, (hereinafter "Sellers") do hereby grant unto the **City of Moline, Illinois** (hereinafter "City") an exclusive Option to Purchase (hereinafter "Option") the property located at **1311 4th Avenue, Moline, Illinois 61265** more particularly described in **Exhibit 1,** attached hereto and incorporated herein (hereinafter "Property"), on the following terms and conditions:

1. **Grant Contingency.** This option is dependent on City receiving a TIGER II grant from the Federal Government. If the City does not receive the grant the City may declare this option null and void.

2. **Purchase Price.** Subject to prorations and credits hereinafter provided, the parties agree that the purchase price (Purchase Price) for the Property shall be $270,000 which shall be payable be payable and allocated as follows: **Two Hundred and Seventy Thousand No/100ths Dollars ($270,000.00)** payable by certified cashier's check to Sellers at time of closing.

3. **Relocation Costs.** The City shall pay **Fifty Thousand No/100ths Dollars ($50,000.00)** to Sellers for Illinois Eminent Domain relocation costs payable by certified cashier's check to Seller at time of closing.

4. **Option Term.** The Option shall be for **One Hundred Eighty (180) days** (hereinafter "Option Term"), commencing on the date of acceptance by the City Council. Sellers will be allowed to occupy the property throughout the option term. The City will give Sellers a 90 days notice to vacate after closing on purchase of the property. By the end of said 90 days notice, Sellers' operation shall cease and all associated equipment, including oil separator, underground hoist, door controls, and other equipment related to the auto repair business, shall be removed by Sellers and vacated from the property.

5. **Exercise Option/Sales Agreement.**

(a) **Exercising Option.** City shall exercise this Option by delivery of three executed copies of the Agreement for Purchase of Real Estate (hereinafter "Sales Agreement") for the subject Property that has been negotiated between City and Sellers. The Purchase Agreement shall be delivered pursuant to Section 6 herein. The Purchase Agreement shall require the following:

(i) **Purchase Price.** The purchase price shall be **Two Hundred and Seventy Thousand No/100ths Dollars ($270,000.00)** payable by certified cashier's check to Sellers at time of closing.

(iii) **Closing.** A closing for the property shall occur within Thirty (30) days of the exercise of this Option.

(iv) **Conveyance.** Sellers shall convey title by Warranty Deed ("Deed") subject to the terms and conditions of the Option and satisfaction of all closing contingencies. Conveyance shall be on an "as is/ where is" condition with all fault and defects, known or unknown, physical or otherwise and without representation or warranty, express or implied. Such provision shall bar all tort, warranty, and misrepresentation claims – including any action based on non-disclosure. At closing, and upon delivery of the Deed to City, whatever occupancy rights Seller has in and to the Property will become City's rights. The cost to record the Deed shall be paid by City.

(v) **Title Insurance.** Sellers shall provide a commitment for title insurance issued by a title insurance company regularly doing business in the county where the premises are located, committing the company to issue an owner's policy in the usual form insuring merchantable title to the real estate in Purchase for the amount of the purchase price, within ten days of the exercise of the Sales Agreement. Provision of title insurance shall not change the "as is/where is" nature of this transaction.

(vi) **Tax Proration and Special Assessments.** General real estate taxes for the current tax year, if any, will be pro-rated at time of closing. Any special assessments of record shall be paid by the City. The Seller shall provide details of any known or contemplated special assessments at closing.

6. **Environmental Conditions.** The City is awaiting the results of a Phase 2 Environmental Site Assessment on the property. This Option is contingent on the Phase 2 Environment Site Assessment being acceptable to City in its sole discretion and the City may declare the Option null and void upon receiving the results of said Assessment.

7. **Assignment.** This Option shall not be assigned by either party.

8. **Notice.** 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: Law Director
1616 6th Avenue
Moline, IL 61265

WITH A COPY TO: Christopher Mathias, AICP
Property Management Coordinator
619 16th Street
Moline, IL 61265

TO SELLER: Herminio and Anna M. Zepeda
1311 4th Avenue
Moline, IL 61265

WITH A COPY TO: William Phares
Seller's Attorney
4500 Kennedy Drive
East Moline, IL 61244

IN WITNESS WHEREOF, the undersigned have signed and sealed this Option to Purchase Real Estate.

Dated: July 28, 2010

Seller

By:

Herminio Zepeda

Anna M. Zepeda

Dated: 8/17/10

City of Moline

Donald P. Welvaert, Mayor

Attest:

Tracy Koranda
City Clerk

Approved as to Form:

Jeffrey D. Lester, Law Director

EXHIBIT 1
LEGAL DESCRIPTION

A tract of land located in the City of Moline, County of Rock Island and State of Illinois, described as follows: All that part of Lots Five (5), Six (6), Seven (7), and Eight (8) in Block Sixteen (16) in that part of the Town (now City) of Moline, known as the "Old or Original Town", lying southerly of a line fifteen (15) feet southerly from, as measured at right angles to, and parallel to, the center line of Chicago, Rock Island and Pacific Railroad Company's eastbound main track, situated in the County of Rock Island and State of Illinois.

For Informational Purposes Only:

Address:	1311 4th Avenue Moline, Illinois 61265
Parcel:	08-5433
PIN:	0832319003
Taxpayer Number:	08-3362100

William T. Phares, P.C.
Attorney at Law
4500 Kennedy Drive
P.O. Box 457
East Moline, IL 61244-0457
TEL (309) 796-0170
FAX (309) 796-2884
Email: wtpharesca@aol.com

[File 21015]

July 28, 2010

Chris Mathias
Property Management Coordinator
City of Moline
619 16th Street
Moline, IL. 61265

RE: Herminio and Anna M. Zepeda

Dear Chris:

I enclose two originally signed Option Agreements, as signed by my clients, Herminio and Anna Zepeda. We have amended the the last sentence of paragraph 4, to clarify the equipment that shall be removed from the building upon delivery of possession.

If acceptable, please have the appropriate officials sign where indicated, with the city seal affixed, and return one original to me with the City's check check made payable to William T. Phares, attorney for Herminio Zepeda and Anna M. Zepeda, in the amount of $2,500.00.

Please call me with any questions.

Very truly yours,

William T. Phares

WILLIAM T. PHARES
WTP/kd
Enclosures
Cc: H & A Zepeda

City Clerk
Tracy A. Koranda

619 – 16th Street
Moline, Illinois 61265

Phone: (309) 524-2004

E-Mail:
tkoranda@moline.il.us

August 19, 2010

To: Vickie Felger, Law

Re: CB 1220-2010, Option to Purchase Real Estate

Please find the attached copy of CB 1220-2010 and two original contracts to be signed by the Law Director. Please return both original fully executed contracts to me.

Thank You,
Tracy A. Koranda

Offer to Negotiate Exclusively

September 24, 2010

Jeff Nelson
Executive Director
The Rock Island County Metropolitan Mass Transit District
MetroLINK
1515 River Drive
Moline, Illinois 61265

RE: OFFER TO NEGOTIATE EXCLUSIVELY FOR REDEVELOPMENT OF PROPERTY LOCATED AT 1201-1205-1209 4th AVENUE and 323-325 13th STREET, MOLINE, ILLINOIS, and TO OPERATE A TRAIN STATION ON THE SAME PREMISES.

Dear Jeff:

The City of Moline (hereinafter "City") hereby submits to The Rock Island County Metropolitan Mass Transit District (hereinafter " MetroLINK") an Offer to Negotiate Exclusively for the period of up to one-hundred-twenty (120) days (hereinafter "Negotiation Period") for the purchase and development of property located at 1201-1205-1209 4th Avenue (Parcel MO-5430) and 323-325 13th Street (Parcel MO-5432), Moline, Illinois (hereinafter "Site"). We likewise offer to negotiate exclusively with MetroLINK concerning the operation of a train station and the division of responsibilities between the City and MetroLINK for said train station. We understand that MetroLINK is interested in purchasing or leasing or otherwise acquiring control over these parcels and other privately owned land for the development and operation of a train station and other Transit Oriented Development projects, including green space and parking, commonly known as the Moline Train Station (hereinafter "Project").

The City requests that METROLINK negotiate exclusively with the City for up to one-hundred-twenty (120) days, during which time each party will seek to complete all necessary development agreements, purchase contracts, leases, operational agreements management agreements, and/or amendments to existing intergovernmental agreements, to be entered into by METROLINK and the City for the Project. The City's right to negotiate is subject to the requirements of applicable state and local statutes, ordinances, rules and regulations. METROLINK should understand that notwithstanding any representation to the contrary, METROLINK's right to negotiate is subject to the right of the City to terminate negotiations upon five (5) days written notice and that certain agreements are also subject to the approval of the respective governing bodies, committees and/or boards of the City. Notwithstanding the foregoing, the City understand and agrees that during the Negotiation Period, METROLINK will expend substantial time, effort, and funds in structuring the acquisition, financing and

development of the Site and the City agrees, during the Negotiation Period, not to assist, enter into negotiations with, or provide information to any third party regarding a possible acquisition of the Site.

METROLINK understands that, provided no prior termination occurs, negotiations may be extended beyond the one-hundred-twenty (120) day period at the sole option of the City and if, after the one-hundred-twenty (120) day period, the agreements hereinabove described are not consummated, the City, at its sole option, may then terminate this letter agreement.

METROLINK should further understand that the City reserves the right at any time to request additional information and data from METROLINK and that the City particularly reserves the right to obtain further information, data and commitments to ascertain the depth of METROLINK's capability and desire to enter into and perform expeditiously the agreements hereinabove described. The time limitations to obtain and submit such additional matter will be determined by the City, at its sole discretion.

The design and development objectives for the Site shall be specified in the agreements and actual development shall conform to these objectives. All drawings, plans, and specifications for such development shall be subject to the prior approval of the City.

Unless and until definitive agreements have been executed and delivered, and except as otherwise expressly set forth herein to the contrary, the City will not be under any legal obligation of any kind whatsoever with respect to this transaction by virtue of this or any written or oral expression with respect to such a transaction by an employee, agent, representative or affiliate except for the matters specifically agreed to herein. In any event, City obligations will arise only from subsequently executed agreements and only for the obligations specified therein.

Except as hereinafter provided, each party shall be responsible for its own costs expenses (including attorney fees and legal expenses) in connection with this offer and the negotiations and execution of resulting written agreements, in any and the consummation of the transactions contemplated thereby. METROLINK further agrees to indemnify and hold the City, and its respective employees, officers, consultants, attorneys and agents harmless and defend those parties from any claims, damages, judgments, costs and expenses (including attorney fees and legal costs) arising either proximately or remotely from, or otherwise related to, any act, omission, negligence or misconduct on the part of METROLINK or its employees, officers, consultants, attorneys and agents.

Neither the City, nor its respective employees, officers, consultants, attorneys nor agents shall be liable for any costs or expenses of the developer, including, without limitation, attorney fees or legal costs and any real estate commissions and brokerage fees which may arise therefrom. The City represents that it has engaged no broker, agency or finder in connection with this transaction.

This offer, when and if accepted by METROLINK shall become an agreement and such agreement shall be governed and construed in accordance with the law of the State of Illinois.

Sincerely,

CITY OF MOLINE, ILLINOIS

By: Donald P. Welvaert

Donald P. Welvaert

Title: Mayor

Date: 2/9/11

Attest: Tracy A. Koranda

Tracy A. Koranda
City Clerk

MetroLINK

By: Jeff Nelson

Jeff Nelson

Title: Executive Director

Date: 2/9/11

Attest: Jennifer Canty

Title: Manager of Administration

Approved as to form:

Jeffrey D. Lester, Law Director

Prepared by:
Jeffrey D. Lester, Law Director
619 16th Street, Moline, IL 61265

LEGAL DESCRIPTION

Legal Description:

Lot Eight (8) in Block Fifteen (15) in that part of the City of Moline known as and called "Old or Original Town", excepting so much thereof as is owned and occupied by the Chicago, Rock Island and Pacific Railway Company, situated in Section Thirty-Two (32), Township Eighteen (18) North, Range One (1) West of the Fourth (4th) Principal Meridian, County of Rock Island and State of Illinois. AND Part of the 13th Street Right of Way, North of 4th Avenue, South of the Chicago, Rock Island and Pacific Railway Company Right of Way and between Blocks 15 and 16 in that part of the City of Moline known as and called"Old or Original Town", situated in Section Thirty-Two (32), Township Eighteen (18) North, Range One (1) West of the Fourth (4th) Principal Meridan, commonly described as right-of-way in the 300 Block of 13th Street, situated in the County of Rock Island and State of Illinois. AND Easterly 0.50 inches of the 12th Street Right of Way along Lot Five (5) in Block Fifteen (15) in that part of the City of Moline known as and called "Old or Original Town", South of the Railroad. Situated in the County of Rock Island and State of Illinois.

Lots Five (5), Six (6) and Seven (7) in Block Fifteen (15) in that part of the City of Moline known as and called "Old or Original Town", excepting so much thereof as is owned and occupied by the Rock Island & Pacific Railway Co., situated in Section Thirty-Two (32), Township Eighteen (18) North, Range One (1) West of the Fourth (4th) Principal Meridian, situated in the County of Rock Island and State of Illinois.

Permanent Index Number:

Property ID: Moline 5432

Property ID: Moline 5430

Council Bill No. /Ordinance No. 4053-2010
Sponsor_____

A SPECIAL ORDINANCE

AUTHORIZING the Mayor and City Clerk to execute a Fourth Amendment to the Development Agreement with Moline Enterprise Live-Work Lofts, LLC to reflect the current schedule, purchase price, as well as the anticipated Tax Increment Financing (TIF) rebate to the developer.

WHEREAS, that the Purchase Price shall be changed from Eight Hundred Forty Thousand Dollars ($840,000.00) to Four Hundred Twenty Five Thousand Dollars ($425,000.00) and all references to "$840,000.00" in Section 1 of the Purchase Agreement shall be replaced with "$425,000.00"; and

WHEREAS, the City wishes to support redevelopment within the LeClaire Web Support Development District and diversify the land uses within Tax Increment Financing District #1; and

WHEREAS, that this Fourth Amendment is made effective the 21st day of September, 2010 between the City of Moline, Illinois ("Purchaser") and Financial District Properties HQO, L.L.C. ("Seller").

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MOLINE, ILLINOS, as follows:

Section 1 – That the Mayor and City Clerk are hereby authorized to execute a Fourth Amendment to the Development Agreement with Moline Enterprise Live-Work Lofts, LLC to reflect the current schedule, purchase price, as well as the anticipated Tax Increment Financing (TIF) rebate to the developer; provided said Agreement is substantially similar in form and content to that attached hereto and incorporated herein by reference thereto as Exhibit "A," and has been approved to as to form by the Law Director.

Section 2 – That this ordinance shall be in full force and effect from and after passage, approval and, if required by law, publication in the manner provided for by law.

CITY OF MOLINE, ILLINOIS

Mayor

9/21/10
Date

Passed: 9.21.10

Approved: 9.28.10

Attest: _____
City Clerk

Approved as to Form:

_____
Law Director

DEVELOPMENT AGREEMENT
Between The
CITY OF MOLINE
and
MOLINE ENTERPRISE LIVE-WORK LOFTS, LLC

THIS INDENTURE ("Agreement") made and entered into on this 21st day of September, 2010 by and between the City of Moline, an Illinois Municipal Corporation ("City"), and Moline Enterprise Live-Work Lofts, LLC ("Developer").

WITNESSETH:

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

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, City seeks to support redevelopment within the LeClaire Web Support Development District through the granting of certain lawful incentives, including but not limited to, those available through TIF to Developer in connection with the Moline Enterprise Lofts (hereinafter "Project"); and

WHEREAS, Developer seeks to benefit from the acceptance of said City incentives, including but not limited to, the Project being located in a TIF District and consequently, eligible for TIF incentives; and

WHEREAS, for City to grant said incentives the Project must meet certain conditions, including but not limited to, all property within the Project remaining property tax eligible through December 31, 2021, as set forth in this Development Agreement, along with other conditions; and

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

i. Properties to be included in the Project shall include, but not be limited to, land, and if applicable buildings, located at 1809 River Drive, (hereinafter "parcel number MO 5402-1"); 1829 River Drive, (hereinafter "parcel number MO 5401"); and 121 19th Street, (hereinafter "parcel number MO 5398"); all parcels situated in the City of Moline, County of Rock Island and State of Illinois, and more fully described in Exhibit "A," attached hereto and incorporated herein (hereinafter collectively "Property").

ii. Completion of the Project Management Team/Design Build Management Team Process with City and Renew Moline.

iii. New construction of a 4-story urban building containing 69 residential units with amenities including a conference room, a theater with multimedia presentation equipment, a business center, cyber café, and a top floor community room with outdoor deck. All ground level units will have individual storefront entrances leading from the street to an office/showroom space (called "live-work units"). The building will also include approximately 2,326 square feet of ground floor retail space at the southeast corner.

iv. On-site parking to the rear of the building and off site parking to the north in a separate parking lot which will accommodate a total of 85 vehicles.

v. In addition, the Project will include streetscape improvements and landscaping and streetscape improvements interior to the Project as well as right-of-way, similar to other downtown projects. Developer will maintain the site landscaping, and all streetscape improvements.

vi. The project will also include the relocation of stoplight mechanicals, electrical utilities and existing Wayfinding signage currently located in the ROW and private property at the southeast corner of River Drive and 19th Street. The City shall assist the Developer in the facilitation of the relocation of these items. The City shall financially participate in the relocation of the MidAmerican Energy power pole up to fifty percent (50%) of the cost or of relocation up to twenty thousand dollars ($20,000), whichever amount is lower.

vii. Developer acknowledges that City cannot provide TIF incentives unless certain conditions are met, including but not limited to, owners or tenants of Project properties being real estate tax generating entities. It is understood and agreed by Developer that tenants of the Property and Developer will not seek property tax exemption status during the duration of TIF #1 (which expires on December 31, 2021). Further, Developer agrees that during the life of the TIF #1, as it relates to Property, as defined within this Agreement, or later to be included in the Project, Developer: a) shall exercise due diligence in determining if any person or entity attempting to lease or purchase is claiming tax exempt status, b) shall incorporate into all its leases the following clause: "Tenant agrees that during the term of this lease it shall not seek tax exempt status," and c) Developer shall not claim tax exempt status itself, so long as it maintains ownership of Property in the Project.

The City and the Developer acknowledge that the Equalized Assessed Valuation (EAV) of Section 42 Housing is determined utilizing State of Illinois Code and the Department of Revenue regulations, each of which is found generally in 35 ILCS 200/10-235, 35 ILCS 200/10-245, 35 ILCS 200/10-250, 35 ILCS 200/10-255, and 35 ILCS 200/10-260.

A preliminary estimate based upon the projected income approach has been reviewed and it has been determined by the Moline Township Assessor that the EAV will be approximately $2,600,000.

WHEREAS, City believes the Project to be located as set forth in Exhibit "A" and the fulfillment generally of the terms of this Agreement are in the vital and best interests of 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 "D:"

A. **Maximum TIF Payment.** City's total project commitment from the net incremental real estate tax generated by the Project under this Section 1 shall not exceed Two Hundred Thousand and 00/100 Dollars ($200,000).

B. **Property Tax Rebate.** Subject to the qualifications and limitations contained above and throughout this document, the City shall pay through its TIF Fund to Developer the net incremental annual real estate taxes only for TIF eligible costs as defined by the Act, up to a maximum amount of Two Hundred Thousand Dollars ($200,000.00), which will be designated as reimbursement for TIF eligible expenses as identified in the Act, (65 ILCS 5/11-74.4-3) as illustrated in Exhibit "B" attached hereto and incorporated herein by reference ("Redevelopment Project Costs"), subject to the maximum identified in I.C. and I.D. herein. Such rebate payment shall be paid as follows: from the net incremental annual real estate taxes received by the City from the Project, $20,000 per year for a total of $200,000, 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 City. Notwithstanding anything else herein to the contrary, Developer shall advance all funds and all costs necessary to redevelop the property in conformance with the project plan and project elements described herein, relative to the Developer's use of the property. Any remaining net incremental annual real estate taxes generated by the Project and which may otherwise have been due and payable to the Developer as reimbursement for TIF eligible expenses shall be assigned to the City for TIF Eligible Expenses. The property tax rebate period will start with assessment year 2012 and payment year 2013 . 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 $20,000 payment referenced herein shall be from the incremental property tax generated solely by the "Project Property," and paid to the City's TIF Account; the City shall remit to the Developer within thirty (30) days 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 "C" are for illustrative purposes, and the actual annual payments to be made in any given year may be 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 TIF eligible costs (see Exhibit "B") incurred or incidental to the redevelopment plan and Project.

D. **Final Payment.** Upon the City's making the final payment to the Developer as specified in 1.B., but subject to the limitations contained elsewhere herein, the City's obligations under this Agreement shall be fully paid and satisfied, regardless of subsequent changes made by the Illinois General Assembly or Illinois Department of Revenue concerning evaluation.

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, as now enacted or hereafter amended.

I. **Sale of Property.** The City agrees to acquire the Property from its current owner. The City agrees to then sell the Property to Renew Moline, Inc. ("Renew Moline") pursuant to the Bargain and Sale Agreement attached as Exhibit "E". Renew Moline will then convey the Property to the Developer.

J. **Waiver of City Fees.** The City agrees to comply with the Enterprise Zone requirements specified in I.F. above.

K. **State Tax Credits.** The parties acknowledge that an appraisal of the Property by Urban Real Estate Research, Inc. has valued the property at $425,000. The City has agreed to sell the Property to Renew Moline for the sum of $200,000 and to make a charitable contribution to Renew Moline in the amount of $225,000 (which is the difference between the fair market value of the Property and $200,000) plus the amounts provided to the project pursuant to sections J above and L below (approximately $52,000). The City intends to obtain Illinois State Tax Credits in connection with such donation. The Developer agrees to assist the City in obtaining an allocation of such Tax Credits and selling such Tax Credits to a third party buyer. The Developer further agrees to reimburse the City for any out-of-pocket costs and expenses incurred by the City in connection with such allocation and sale of the Tax Credits. The City shall be entitled to retain all of the sale proceeds related to such Tax Credits.

L. **Waiver of Bond/Letter of Credit.** The City agrees to accept Developer's assignment of TIF monies due it hereunder (as set forth in Section I.B. above) as satisfaction of the requirement that the Developer obtain a bond and/or letter of credit in connection with its development of the Project and the City's issuance of building permits for the Project.

II. DEVELOPER AGREEMENT TO DEVELOP PROPERTY.

A. Upon the execution of this Agreement, the Developer shall complete the Project substantially in accordance with the plans and specifications for the Project, which plans and specifications must be approved by City prior to commencement of the Project (such approval may not unreasonably be withheld), as may be normal, customary or required in order to proceed with the Project, in accordance with all applicable rules, codes, regulations, ordinances and laws, including without limitation, the City's DBMT process.

B. Developer agrees to complete the following Project elements:

i. Acquire all property to be included in the Project including, but not be limited to, parcel number MO 5401, parcel number MO 5402-1, and parcel number MO 5398; all parcels situated in the City of Moline, County of Rock Island and State of Illinois, and more fully described in Exhibit "A"; and

ii. Completion of the Project Management Team/Design Build Management Team Process with City and Renew Moline.

iii. New construction of a 4-story urban building containing 69 residential units with amenities including a conference room, a theater with multimedia presentation equipment, a business center, cyber café, and a top floor community room with outdoor deck. All ground level units will have individual storefront entrances leading from the street to an office/showroom space (called "live-work units"). The building will also include approximately 2,326 square feet of ground floor retail space at the southeast corner.

iv. On-site parking to the rear of the building and off site parking to the north in a separate parking lot to accommodate a total of 85 vehicles.

v. In addition, the Project will include streetscape improvements and landscaping and streetscape improvements interior to the Project as well as right-of-way, similar to other downtown projects. Developer will maintain the site landscaping, and all streetscape improvements.

vi. Developer acknowledges that City cannot provide TIF incentives unless certain conditions are met, including but not limited to, owners or tenants of Project properties being real estate tax generating entities. It is understood and agreed by Developer that tenants of the Property and Developer will not seek property tax exemption status during the duration of TIF #1 (which will expire on December 31, 2021). Further, Developer agrees that during the life of TIF #1, as it relates to Property, as defined within this Agreement, or later to be included in the Project, Developer: a) shall exercise due diligence in determining if any person or entity attempting to lease or purchase is claiming tax exempt status, b) shall incorporate into all its leases the following clause: "Tenant agrees that during the term of this lease it shall not seek tax exempt status," and c) Developer shall not claim tax exempt status itself, so long as it maintains ownership of Property in the Project.

vii. Developer shall seek Exchange Grant and Low-Income Housing Tax credits and conventional financing as primary and secondary financing components.

C. Code Compliance and Environmental Certification. Developer certifies that 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 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 Building Official and Fire Chief. Developer also certifies that no utilities located on or in the Redevelopment Project shall be connected to the water, stormwater and sewer utilities belonging to the City except in accordance with the applicable provisions of the City Code and upon payment of any connection fees required in the City Code. Finally, Developer certifies that the building will be constructed to a standard of basic LEED certification.

D. Assessed Valuation. Developer agrees not to appeal the annual assessed valuation of the Property as determined by the Moline Township Assessor during the term of this Agreement, provided that any such assessment is consistent with that of comparable properties within the City's Tax Increment Financing District #1 and in compliance with the State of Illinois Code and the Department of Revenue regulations regarding Section 42 Housing. Notwithstanding the foregoing, in the event the annual assessed valuation of the Property exceeds the projected equalized assessed valuation of the Property in the amount of $2,600,000, Developer shall have the right to appeal such valuation in accordance with applicable laws; provided, however, that any such appeal shall not seek to appeal the valuation to an amount below $2,600,000.

E. 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 and agrees that failure to meet deadlines is a breach of this agreement, unless an extension has been agreed to in writing by City.

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

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, 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 one hundred eighty (180) days of the execution of this Agreement.

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 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 a Wisconsin Limited Liability Company duly organized and existing under the laws of the State of Wisconsin 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. Developer further represents and warrants that it is authorized to do business in Illinois and has completed all actions necessary to do so, and the necessary proceedings referenced herein are consistent and compliant with Illinois 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.

VIII. 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 employee thereof (so long as such employee 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 employee thereof (so long as such employee is hired by the Developer). The Developer shall, at the Developer's sole cost and expenses, appear, defend and pay all reasonable charges of attorneys, 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 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.

IX. 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.

X. 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 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 days (30) after written request, such consent shall be deemed given. The City retains the right to audit such assignee to determine net worth.

XI. SURVIVAL OF WARRANTIES AND REPRESENTATIONS.

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

XII. 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. Any default cured by the Developer's investor member shall be deemed a cure by the Developer.

XIII. REMEDIES UPON DEFAULT.

A. If the Developer is in default of this Agreement, the City shall provide the Developer and its investor member 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 or its investor member 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; provided, however, that where a specific time is established herein (i.e., one hundred eighty (180) days to obtain financing provided in III.A. above), this paragraph shall not be used to extend the time provided and the City may proceed without additional notice or cure periods and demand immediate performance or alternatively terminate 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 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. Notwithstanding the foregoing, in the event any petition, pleading, proceeding or appointment set forth above is involuntary, the City may not terminate this Agreement unless the Developer fails to cause such involuntary petition, pleading, proceeding or appointment to be dismissed within ninety (90) days after its filing. To effect the City's termination of this Agreement under this Section XIII.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 XIII.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 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.

XIV. 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.

XV. 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 City of Moline 619 16th Street Moline, IL 61265
WITH A COPY TO:	Law Director City of Moline 1616 6th Avenue Moline, IL 61265
WITH A COPY TO:	Planning & Development Director City of Moline 619 16th Street Moline, IL 61265
TO DEVELOPER:	Moline Enterprise Live-Work Lofts, LLC Attn: Gary Gorman President Gorman & Company, Inc. 200 N. Main St. Oregon, WI 53575
WITH A COPY TO:	Edward (Ted) Matkom General Counsel and Senior Development Manager Gorman & Company, Inc. 200 N. Main Street Oregon, WI 53575
AND WITH A COPY TO DEVELOPER'S INVESTOR MEMBER AT:	GL-Moline Lofts Moline LLC 1000 South Washington, Suite 200 Lansing, MI 48910

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

XVI. COUNTERPARTS.

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

XVII. HEADINGS.

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

XVIII. 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.

XIX. 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.

XX. 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.

XXI. 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.

XXII. 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 sixty (60) days from that date to execute this Agreement, and this Agreement shall not be binding on the parties until duly executed by both parties.

XXIII. 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: 10/13/10

Donald P. Wehaert

Donald Wehaert, Mayor

Attest: Tracy Koranda

Tracy Koranda, City Clerk

Approved as to form:

Jeffrey D. Lester, Law Director

DEVELOPER:

DATED: 10/13/10

MOLINE ENTERPRISE LIVE-WORK LOFTS, LLC

BY MOLINE ENTERPRISE LIVE-WORK LOFTS GP, LLC, Manager

BY GORMAN & COMPANY, INC., Member

BY

Gary J. Gorman, President

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

On this 14th day of October, 2010, 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)

Vickie L. Felger
NOTARY PUBLIC

"OFFICIAL SEAL"
Vickie L Felger
Notary Public, State of Illinois
My Commission Expires 1/4/2011

STATE OF Wisconsin)
) SS:
COUNTY OF Milwaukee)

On this 14th day of October, 2010, before me, a Notary Public in and for said County and State aforesaid, personally appeared GARY J. GORMAN, to me personally known, who being by me duly sworn (or affirmed) did say that he is the President of Gorman & Company, Inc. (the "Corporation") and that said instrument was signed on behalf of the Corporation, as a member of Moline Enterprise Live-Work Lofts GP, LLC, as the manager of Moline Enterprise Live-Work Lofts, LLC. GARY J. GORMAN acknowledged the execution of said instrument to be the voluntary act and deed of said Corporation, by it and by him voluntarily executed.

(seal)

NOTARY PUBLIC
permanent commission

EXHIBIT "A"

LEGAL DESCRIPTIONS

(a) Lots Seven (7) and Eight (8) in Block Four (4) in the "Old" or "Original Town" of Moline; situated in the City of Moline, County of Rock Island, and State of Illinois.

For Informational Purposes Only
Parcel: MO-5398
Address: 121 19th Street, Moline, Illinois 61265
Tax ID: 08-3350600

(b) All that part of Lot One (1) in Block Seven (7) in that part of the City of Moline known as and called the "Old" or "Original" Town of Moline, said Block Seven (7) being situated in the Northeast Quarter of Section 32, Township 18 North, Range 1 West of the 4th P.M., excepting the following described property:

Beginning at a point in the West line of said Lot One (1), said point being 13.21 feet Northwesterly of the Southwest corner of said Lot One (1); thence Northeasterly to a point, said point being 19 feet Northerly of the Southerly line of said Lot One (1), measured at right angels thereto and 25 feet Westerly of the Easterly line of said Lot One (1), measured at right angles thereto; thence Southwesterly to appoint on the Westerly line of said Lot One (1), 7 feet from the Southwest corner of said Lot One (1) as measured a long the Westerly line of said Lot; thence Northwesterly to the point of beginning, contains 171 Sq. Ft (0.0039 acres) more or less.

Also excluding the following described tract:

Beginning at a point in the East line of said Lot One (1), said point being 26 feet Northwesterly of the Southeast corner of said Lot One (1); thence Southwesterly along a line extending from the last described point to a point 19 feet Northerly of the Southerly line of said Lot One (1), measured at right angles thereto, and 25 feet Westerly of the Easterly line of said Lot One (1), measured at right angles thereto, to a point of intersection with a line 5 feet Westerly and parallel with the East line of said Lot One (1); thence Northwesterly to the Northeast corner of said Lot One (1); thence Southeast to the point of beginning, containing 310 Sq. Ft (0.0071 acres) more or less.

Also excluding the following described tract:

Beginning at the Southeast corner of Lot One (1); thence Northerly along the Easterly line of said Lot, Twenty-Six (26) feet; thence Southwesterly to a point Nineteen (19) feet Northerly of the Southerly line of said Lot One (1); measured at right angels thereto, and Twenty-Five (25) feet Westerly of the Easterly line of said Lot One (1), measured at right angles thereto; thence Southwesterly to a point on the Westerly line of said Lot One (1), Seven (7) feet from the Southwest corner of said Lot (as measured along the said Westerly line of said Lot); thence Southerly along the Westerly line of said Lot One (1) to the Southwest corner of said Lot One (1); thence Easterly along the Southerly line of said Lot One (1), eighty (80) feet, more or less, to the place of beginning; Situated in Rock Island County, Illinois

For Informational Purposes Only
Parcel: MO-5401
Address: 1829 River Drive, Moline, Illinois 61265
Tax ID: 08-3350900

(c) Lot Number Two (2) and Lot Number Three (3), all in Block Number Seven (7) in that part of the City of Moline known as and called "Old" or "Original Town", situated in Rock Island County, Illinois; excepting there from that portion of said premises conveyed to the State of Illinois for road purposes by deed dated December 23, 1970 and recorded August 6, 1971, Record Book 491 on Page 252 in the office of the Recorder of Deeds for Rock Island County, Illinois.

For Informational Purposes Only
Parcel: MO-5402-1
Address: 1809 River Drive, Moline, Illinois 61265
Tax ID: 08-3351100

EXHIBIT "B"

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
- And other items permitted by the Act
- 50% of Affordable Housing Costs

EXHIBIT "C"

Illustrative Example

No. Of Yrs.	Assmt Yr	Payable Yr	Net Prop. Tax Incre.	Prop. Tax Rebate	TIF Fund
1	2012	2013	$66,000	$20,000	$46,000
2	2013	2014	$67,980	$20,000	$47,980
3	2014	2015	$70,019	$20,000	$50,019
4	2015	2016	$72,120	$20,000	$52,120
5	2016	2017	$74,284	$20,000	$54,284
6	2017	2018	$76,512	$20,000	$56,512
7	2018	2019	$78,807	$20,000	$58,807
8	2019	2020	$81,172	$20,000	$61,172
9	2020	2021	$83,607	$20,000	$63,607
10	2021	2022	$86,115	$20,000	$66,115
	Total		$756,616.00	$200,000.00	$556,616

EXHIBIT "D"

DEVELOPMENT TIMETABLE

Completed	DBMT submittal and review
Completed	Site/Building Design Begins
October 2010 – October 2011	Construction
October 2011	Open

EXHIBIT "E"

Bargain Sale

REAL ESTATE BARGAIN SALE CONTRACT

1. **Renew Moline, Inc.**, an Illinois not-for-profit corporation (the "Purchaser"), agrees to purchase at a price of Four Hundred Twenty Five Thousand and No/100 Dollars ($425,000.00) (the "Purchase Price") on the terms set forth herein, the property located at 121 19th Street, 1829 River Drive and 1809 River Drive, all in Moline, Illinois, as legally described on Exhibit A attached hereto (hereinafter, the "Real Estate").

2. **City of Moline, Illinois**, a municipal corporation existing under the laws of the State of Illinois ("Seller"), agrees to sell the Real Estate described above at the Purchase Price and on the terms set forth herein, and to convey or cause to be conveyed to Purchaser title thereto by a recordable special warranty deed, with release of homestead rights, subject only to: (a) covenants, conditions and restrictions of record, provided said covenants, restrictions and conditions do not interfere with Purchaser's intended use of the Real Estate as affordable rental housing, (b) private, public and utility easements, if any, and roads and highways, if any, provided the easements, roads and highways do not interfere with Purchaser's intended use of the Real Estate as previously described, (c) special taxes or assessments for improvements not yet completed; (d) any unconfirmed special tax or assessment; (e) installments not due at the date hereof of any special tax or assessment for improvements heretofore completed; and (f) general real estate taxes not due and payable.

3. Purchaser shall not provide an Earnest Money deposit.

4. Purchaser shall pay the Purchase Price (plus or minus prorations hereunder) on the Closing Date as follows:

Purchaser and Seller acknowledge and agree that the Real Estate has been appraised at a value of $425,000 pursuant to the appraisal report prepared by Urban Real Estate Research, Inc. dated as of June 4, 2010. Purchaser and Seller further acknowledge and agree that Seller shall make a charitable property donation to Purchaser in the amount of $225,000 and that as a result of this charitable donation, the balance of the Purchase Price due from Purchaser on the Closing Date shall be reduced by $225,000 to $200,000 (the "Reduced Purchase Price").

5. The closing shall occur on or before December 31, 2010 ("Closing Date"), or any date prior to December 31, 2010 to which the Purchaser and Seller mutually agree. The Closing shall occur at the office of the title company providing title insurance to Purchaser, provided title is shown to be good or is accepted by Purchaser.

6. Seller shall deliver possession to Purchaser at Closing in the same condition as it is as of the date of this Contract.

7. A duplicate original of this Contract, duly executed by Seller, shall be delivered to the Purchaser within three (3) days from the date below.

8. This Contract is an Exhibit to a certain Developer Agreement of even date herewith between Seller and Moline Enterprise Live-Work Lofts, LLC ("Developer"), and this Contract and the Developer Agreement together contain the entire agreement and understanding of the parties in respect of the subject matter hereof, and the same may not be amended, modified or discharged, nor may any of its terms be waived, except by an instrument in writing signed by the party to be bound thereby. Should any provision between this Contract and said Developer Agreement conflict, the one most favorable to Seller shall control.

Dated: September ____, 2010

Purchaser:	Renew Moline, Inc., an Illinois not-for-profit corporation	Seller:	City of Moline, a municipal corporation
	By: _____		By: Donald P. Welvaert
	Name: _____		Name: DONALD P. WELVAERT
	Title: _____		Title: MAYOR
Address:	1506 River Drive Moline, IL 61265 Attention: Jim Bowman	Address:	619 16th Street Moline, IL 61265 Attention: Ray Forsythe

Attest:
Tracy A. Koranda
Tracy A. Koranda
City Clerk

RIDER A

CONDITIONS AND STIPULATIONS

1. Purchaser will obtain, at its cost, not less than 5 days prior to the time of closing, a title commitment for an owner's title insurance policy issued by a commercially reputable title insurance company, in the amount of the Purchase Price, covering title to the real estate on or after the date hereof, showing title in the intended grantor subject only to (a) the general exceptions contained in the policy, (b) the title exceptions set forth in paragraph 2 of the Contract and (c) title exceptions pertaining to liens or encumbrances of a definite or ascertainable amount which may be removed by the payment of money at the time of closing and which the Seller shall so remove at that time (all of which are herein referred to as the "Permitted Exceptions"). The title commitment shall be conclusive evidence of good title as therein shown as to all matters insured by the policy, subject only to the exceptions as therein stated. It shall be a condition to Seller's obligations hereunder that Seller shall have obtained title to the Real Estate from the current owner thereof.

2. If the title commitment or an ALTA Survey of the Real Estate (obtained by Purchaser, at its expense) disclose unpermitted exceptions or survey matters that render title unmarketable such as an encroachment or unrecorded easement (a "Survey Defect"), Seller shall have 3 days from the date of delivery thereof to have the Survey Defect corrected, the unpermitted exceptions removed from the commitment or to have the title insurer commit to insure against loss or damage that may be occasioned by such unpermitted exceptions or Survey Defect. If Seller fails to have the Survey Defect or unpermitted exceptions removed, or in the alternative, to obtain the commitment for title insurance specified above as to such unpermitted exceptions or Survey Defect within the specified time, Purchaser may terminate this Contract or elect, upon notice to Seller within 1 day after expiration of the foregoing 3-day period, to take title as it then is with right to deduct from the Purchase Price liens or encumbrances of a definite or ascertainable amount.

3. Rents and security deposits, premiums under assignable insurance policies, water and other utility charges, fuels, prepaid service contracts (at Purchaser's option), general taxes, and other similar items shall be adjusted ratably as of the time of closing. Seller shall provide Purchaser with proof of payment at the closing of the then most recent utility bills. The amount of the current general taxes not then ascertainable shall be adjusted on the basis of 100% of the most recent ascertainable taxes.

The amount of any general taxes which may accrue by reason of new or additional improvements shall be adjusted as follows: **None**. Seller represents and warrants that it has not made any new or additional improvements not previously included in any assessment for purposes of determining general real estate taxes.

All prorations are final unless otherwise provided herein.

4. Purchaser's acquisition of the Real Estate is exempt from payment of such stamp or transfer taxes pursuant to 35 ILCS section 200/31-45(b) as Purchaser is a corporation organized exclusively for charitable, religious or educational purposes that is exempt from federal taxation under Section 501(c) of the Internal Revenue Code. Purchaser shall furnish a completed Real Estate Transfer Declaration signed by Purchaser or Purchaser's agent in the form required pursuant to the Real Estate Transfer Tax Act of the State of Illinois, and shall furnish any declaration or meet other requirements as established by any local ordinance with regard to a transfer or transaction tax.

5. The provisions of the Uniform Vendor and Purchaser Risk Act of the State of Illinois shall be applicable to this Contract.

6. In consideration of Seller's agreement not to require an Earnest Monday deposit from Purchaser, if Seller terminates this Contract without Purchaser's fault, Purchaser shall not have any legal recourse against Seller other than the right to receive reimbursement for the expenses it reasonably incurred in the performance of its obligations hereunder. If the termination is caused by the Purchaser's fault, then Purchaser shall immediately assign to Seller all of Purchaser's right, title and interest in any agreement for sale of the Real Estate entered into by the Purchaser with a third-party.

7. If Purchaser elects to purchase a title insurance policy insuring title to the Real Estate, this sale shall close through an escrow with the title company in accordance with the general

provisions of the usual form of Deed and Money Escrow Agreement then in use by such title company, with such special provisions inserted in the escrow agreement as may be required to conform with this Contract. The cost of the escrow shall be paid by Purchaser.

8. Time is of the essence of this Contract.

9. All notices herein required shall be in writing and shall be served on the parties at the addresses following their signatures on the Contract. The mailing of a notice by registered or certified mail, return receipt requested, or by facsimile with first class mail delivery to counsel for Purchaser and Seller, shall be sufficient service.

10. Purchaser and Seller hereby agree to make all disclosures and do all things necessary to comply with the applicable provisions of the Real Estate Settlement Procedures Act of 1974, the Residential Property Disclosure Act of Illinois, and the Residential Lead-Based Paint Hazard Reduction Act of 1992. In the event that either party shall fail to make appropriate disclosure when asked, such failure shall be considered a breach on the part of said party.

11. Seller represents that it is not a "foreign person" as defined in Section 1445 of the Internal Revenue Code and is therefore exempt from the withholding requirements of said Section. Seller will furnish Purchaser at closing the Exemption Certification set forth in said Section.

12. Seller's Representations and Covenants. Seller makes the following representations and covenants to Purchaser as of the date hereof, which representations shall be true as of the date of closing of the Contract, shall survive the closing and delivery of the deed, and shall be actionable after closing for a period of two years from the closing date:

(a) To the best of Seller's knowledge, there are no unrecorded ground leases, commercial leases or residential leases, licenses, deeds of trusts, mortgages, or other encumbrances of any type, which might impair Purchaser's to be acquired fee simple absolute ownership in the Real Estate;

(b) To the best of Seller's knowledge, there is no litigation pending, threatened or contemplated against the Seller or the Real Estate which will affect the Seller's ability to sell the Real Estate to Purchaser or which will affect adversely the Real Estate in any way, including, without limitation, the use, ownership and operation of the Real Estate; and

(c) Except with Purchaser's prior written consent, Seller shall not enter into any ground lease, commercial or residential lease relating to the Real Estate.

Except for the representations and covenants contained in this Section 12, the Purchaser agrees that it is purchasing the Real Estate "AS IS."

13. Seller and Purchaser each represent to the other that neither has retained a broker with respect to the purchase or sale of the Real Estate

[remainder of page left blank intentionally]

EXHIBIT A

LEGAL DESCRIPTION

(a) Lots Seven (7) and Eight (8) in Block Four (4) in the "Old" or "Original Town" of Moline; situated in the City of Moline, County of Rock Island, and State of Illinois.

For Informational Purposes Only Parcel: MO-5398
Address: 12119th Street, Moline, Illinois 61265 Tax ID:
08-3350600

(b) All that part of Lot One (1) in Block Seven (7) in that part of the City of Moline known as and called the "Old" or "Original" Town of Moline, said Block Seven (7) being situated in the Northeast Quarter of Section 32, Township 18 North, Range 1 West of the 4th P.M., excepting the following described property:

Beginning at a point in the West line of said Lot One (1), said point being 13.21 feet Northwesterly of the Southwest corner of said Lot One (1); thence Northeasterly to a point, said point being 19 feet Northerly of the Southerly line of said Lot One (1), measured at right angles thereto and 25 feet Westerly of the Easterly line of said Lot One (1), measured at right angles thereto; thence Southwesterly to appoint on the Westerly line of said Lot One (1),7 feet from the Southwest corner of said Lot One
(1) as measured along the Westerly line of said Lot; thence Northwesterly to the point of beginning, contains 171 Sq. Ft (0.0039 acres) more or less.

Also excluding the following described tract:

Beginning at a point in the East line of said Lot One (1), said point being 26 feet Northwesterly of the Southeast corner of said Lot One (1); thence Southwesterly along a line extending from the last described point to a point 19 feet Northerly of the Southerly line of said Lot One (1), measured at right angles thereto, and 25 feet Westerly of the Easterly line of said Lot One (1), measured at right angles thereto, to a point of intersection with a line 5 feet Westerly and parallel with the East line of said Lot)ne (1); thence Northwesterly to the Northeast corner of said Lot One (1); thence Southeast to the point of beginning, containing 310 Sq. Ft (0.0071 acres) more or less.

Also excluding the following described tract:

Beginning at the Southeast corner of Lot One (1); thence Northerly along the Easterly line of said Lot, Twenty-Six (26) feet; thence Southwesterly to a point Nineteen (19) feet Northerly of the Southerly line of said Lot One (1); measured at right angles thereto, and Twenty-Five (25) feet Westerly of the Easterly line of said

Lot One (1), measured at right angles thereto; thence Southwesterly to a point on the Westerly line of said Lot One (1), Seven (7) feet from the Southwest corner of said Lot (as measured along the said Westerly line of said Lot); thence Southerly along the Westerly line of said Lot One (1) to the Southwest corner of said Lot One (1); thence Easterly along the Southerly line of said Lot One (1), eighty (80) feet, more or less, to the place of beginning; Situated in Rock Island County, Illinois

For Informational Purposes Only Parcel: MO-5401
Address: 1829 River Drive, Moline, Illinois 61265 Tax ID:
08-3350900

(c) Lot Number Two (2) and Lot Number Three (3), all in Block Number Seven (7) in that part of the City of Moline known as and called "Old" or "Original Town", situated in Rock Island County, Illinois; excepting therefrom that portion of said premises conveyed to the State of Illinois for road purposes by deed dated December 23, 1970 and recorded August 6, 1971, Record Book 491 on Page 252 in the office of the Recorder of Deeds for Rock Island County, Illinois.

For Informational Purposes Only Parcel: MO-5402-1
Address: 1809 River Drive, Moline, Illinois 61265 Tax ID:
08-3351100

ATTACHMENT "H"

TIF 1 - 5
JOINT REVIEW BOARD REPORT

The Joint Review Board met August 31, 2010 to review 2009 activity for TIF 1 - 5.

Joint Review Board Meeting

TIF 1-5 Review for 2009
Committee-of-the- Whole
August 31, 2010 9:00 AM
Minutes

Present:
Dave Hendrickx (Moline Township)
Dave McDermott (Moline School District #40)
Kathy Carr (City of Moline)
Patrick Burke (City of Moline)
Ray Forsythe (City of Moline)
Lew Steinbrecher (City of Moline)

Patrick Burke reviewed the 2009 financial status and activity for each TIF district. TIF #1 had a fund balance deficit of $6,215,003. The total itemized expenditures were $5,008,415. Debt obligations were $31,136,380. The base EAV in 1986 was $27,361,607. The 2009 EAV was $49,530,739.

TIF #2 fund balance deficit was $591,130. The total itemized expenditures were $240,425. Debt obligations were $2,622,270. The base EAV in 1998 was $49,818. The 2009 EAV was $2,096,982.

TIF #3 fund balance was $10,188. The total itemized expenditures were $48,167. There were no debt obligations. The base EAV in 2004 was $376,088. The 2009 EAV was $925,225.

TIF #4 fund balance was $74,804. The total itemized expenditures were $206,440. There were no debt obligations. The base EAV in 2005 was $101,494. The EAV in 2009 was $2,545,340. The EAV is expected to decline next year as the home values in the project have fallen by up to 36%.

TIF #5 was created February 10. There was no financial activity to report other than the base EAV is $0.

TIF projects were discussed.

The first building for the Western Illinois University campus is under construction. The $15 million project will house the College of Business Technology and the School of Engineering. The first building will be completed August 2011 with classes beginning fall of 2011. WIU has received $4 million for architectural and engineering for phase II. Phase II will be a $60 million project that will house the College of Arts and Sciences, Education and Human Services, and Fine Arts and Communication. Phase II construction will begin after the first building has been completed.

RiverTech Boulevard behind WIU and the streetscaping around WIU will move forward without the portion funded by the EDA grant as the grant has not been awarded yet. The bid letting will occur in September, 2010. The streetscaping will cost approximately $940,000.

The City is negotiating with Heart of America to develop e3, the mixed use project adjacent to the future WIU campus. Heart of America is securing tenants. A development agreement has not been finalized.

The City has signed a term sheet with a Wisconsin developer for the FlexTech space. The developer is considering 30,000 – 50,000 sf of research/office space.

Gorman & Company received the final piece of funding from the IL Housing Development Authority for Enterprise Lofts. Construction on the $12 million, 69 unit affordable housing project may begin October, 2010.

The final plat for the Kone Tower project was recorded September, 2010. The city will sell the lot to Financial District Properties KP, LLC/Rodney Blackwell September 15. The developer wants to renegotiate the development agreement in order to secure financing for the project.

The City has applied for two federal grants in regard to the Amtrak station totaling $18 million. The City will be notified by the end of September, 2010 whether the grant applications were successful. The City has bought the former Sears warehouse building for $933,000 and has an option to purchase the Moline Automotive for $350,000 as a portion of the City's match toward this project.

Once the IL EPA approves of the asbestos remediation, demolition of the former nurses' dormitory at One Moline Place will occur. The timeframe of the demolition is unknown. Demolition will take approximately 60 – 80 days. After demolition occurs, the city will take possession and begin negotiating with developers. Approximately 80 residential units are planned

ATTACHMENT "K"

TIF 1 - 5
AUDITED FINANCIAL STATEMENTS

City of Moline, Illinois

Balance Sheet
Governmental Funds
December 31, 2010

	Primary Government			
Assets	General	Park	Tax Increment Financing #1	Debt Service
Cash and cash equivalents	$ 1,047,107	$ 681,065	$ -	$ 34
Investments	3,788,973	-	-	-
Receivables:				
Property taxes	8,039,235	2,710,400	3,136,423	-
Accounts, net of allowance for collection losses of $822,777	1,679,749	24,703	-	-
Accrued interest	-	-	418	-
Loans	-	-	994,171	7,008,036
Other taxes	5,550,349	-	104,820	-
Due from other governmental units	145,077	37,924	-	-
Due from other funds	1,234,434	126	-	50,000
Inventories	5,417	-	-	-
Prepaid items	-	10,513	-	-
Interfund advances	3,794,898	-	-	-
Total assets	$ 25,285,239	$ 3,464,731	$ 4,235,832	$ 7,058,070
Liabilities and Fund Balances (Deficits)				
Liabilities:				
Accounts payable	$ 359,637	$ 24,919	$ 63,844	$ -
Accrued expenses	801,592	20,558	7,232	-
Due to other funds	43,479	428,540	-	-
Due to other governments	-	-	50,000	-
Deferred and unearned revenue	9,925,467	2,594,680	3,739,786	-
Deposits	46,283	1,100	9,319	-
Line of credit	-	-	-	7,007,951
Interfund advances	-	-	6,996,120	-
Total liabilities	11,176,458	3,069,797	10,866,301	7,007,951
Fund balances (deficits):				
Reserved for:				
Inventories	5,417	-	-	-
Prepaid items	-	10,513	-	-
Loans	-	-	-	7,008,036
Advances	3,794,898	-	-	-
Unreserved, reported in:				
General Fund	10,308,466	-	-	-
Special revenue funds	-	384,421	(6,630,469)	-
Debt Service Fund	-	-	-	(6,957,917)
Capital Projects Fund	-	-	-	-
Total fund balances (deficits)	14,108,781	394,934	(6,630,469)	50,119
Total liabilities and fund balances	$ 25,285,239	$ 3,464,731	$ 4,235,832	$ 7,058,070

See Notes to Basic Financial Statements.

City of Moline, Illinois

Statement of Revenues, Expenditures and Changes In Fund Balances (Deficits)
Governmental Funds
Year Ended December 31, 2010

	Primary Government			
	General	Park	Tax Increment Financing #1	Debt Service
Revenues:				
Taxes	$ 30,156,238	$ 2,783,829	$ 3,204,559	$ -
Licenses and permits	778,997	-	-	-
Intergovernmental	527,605	237,301	-	-
Charges for services	4,529,362	869,023	51,935	-
Fines and forfeitures	365,188	-	-	-
Use of money and property	75,334	115,803	117,480	122
Contributions	-	3,588	-	-
Miscellaneous	378,683	1,127	-	416,345
Total revenues	36,811,407	4,010,671	3,373,974	416,467
Expenditures:				
Current:				
General government	2,433,339	-	-	-
Public safety	24,564,811	-	-	-
Public works	8,635,975	-	-	-
Economic development	1,332,974	-	558,247	-
Culture and recreation	-	3,621,254	-	-
Libraries	-	-	-	-
Capital outlay	108,201	211,931	981,233	-
Debt Service:				
Principal	-	-	-	11,769,437
Interest and fiscal agent fees	-	-	1,600	3,443,798
Total expenditures	37,075,300	3,833,185	1,541,080	15,213,235
Excess (deficiency) of revenues over expenditures	(263,893)	177,486	1,832,894	(14,796,768)
Other financing sources (uses):				
Transfers in	273,769	140,126	100,000	7,346,887
Transfers out	(311,290)	-	(2,348,360)	-
Proceeds from sale of capital assets	11,285	-	-	-
Total other financing sources (uses)	(26,236)	140,126	(2,248,360)	7,346,887
Net change in fund balances	(290,129)	317,612	(415,466)	(7,449,881)
Fund balances (deficits), beginning of year	14,398,910	77,322	(6,215,003)	7,500,000
Fund balances (deficits), end of year	$ 14,108,781	$ 394,934	$ (6,630,469)	$ 50,119

See Notes to Basic Financial Statements.

City of Moline, Illinois

Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
December 31, 2010

	Special Revenue			
	Tax Increment Financing #2	Tax Increment Financing #6	Tax Increment Financing #3	Tax Increment Financing #4
Assets				
Cash and cash equivalents	$ -	$ -	$ 946	$ 25,031
Investments	-	-	-	-
Receivables:				
Property taxes	193,413	-	54,010	294,568
Accounts, net of allowance for collection losses of none	-	-	-	-
Accrued interest	-	-	-	-
Loans	-	-	-	-
Other taxes	-	-	-	-
Due from other governmental units	-	-	-	-
Due from other funds	-	-	-	-
Interfund advances	-	-	-	7,000
Total assets	$ 193,413	$ -	$ 54,956	$ 326,599
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ -
Accrued expenses	-	-	89	-
Due to other funds	669,000	35,221	-	-
Deferred revenue	193,413	-	53,728	192,771
Deposits	-	-	-	-
Total liabilities	862,413	35,221	53,817	192,771
Fund balances (deficits):				
Reserved for:				
Loans	-	-	-	-
Advances	-	-	-	7,000
Unreserved, undesignated	(669,000)	(35,221)	1,139	126,828
Total fund balances (deficits)	(669,000)	(35,221)	1,139	133,828
Total liabilities and fund balances	$ 193,413	$ -	$ 54,956	$ 326,599

(Continued)

City of Moline, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds (Continued)
Year Ended December 31, 2010

	Special Revenue			
	Tax Increment Financing #2	Tax Increment Financing #6	Tax Increment Financing #3	Tax Increment Financing #4
Revenues:				
Taxes	$ 161,119	$ -	$ 51,845	$ 204,542
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	61	-	18	70
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	161,180	-	51,863	204,612
Expenditures:				
Current:				
General government	-	-	-	-
Public works	-	-	-	-
Economic development	200	6,204	60,912	145,588
Culture and recreation	-	-	-	-
Libraries	-	-	-	-
Capital outlay	-	-	-	-
Debt service, interest and fiscal charges	-	-	-	-
Total expenditures	200	6,204	60,912	145,588
Excess (deficiency) of revenues over expenditures	160,980	(6,204)	(9,049)	59,024
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(238,850)	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	(238,850)	-	-	-
Net change in fund balances	(77,870)	(6,204)	(9,049)	59,024
Fund balances (deficits), beginning of year	(591,130)	(29,017)	10,188	74,804
Fund balances (deficits), end of year	$ (669,000)	$ (35,221)	$ 1,139	$ 133,828

(Continued)

Special Revenue			
NSP2 Grant Fund	Tax Increment Financing #5	Capital Projects	Totals
$ -	$ -	$ 1,076	$ 1,794,594
-	-	336,146	2,168,927
-	-	-	5,067,103
-	-	-	2,017
-	-	13,432	28,145
-	-	-	143,426
-	-	1,401,756	1,680,206
173,844	-	-	664,035
-	-	1,209,366	2,180,570
-	-	226,000	1,418,000
$ 173,844	$ -	$ 3,187,776	$ 15,147,023
$ 40,576	$ -	$ 27,990	$ 324,282
-	-	-	112,855
133,268	1,405	-	2,549,700
173,844	-	577,312	5,626,868
-	-	11,160	11,160
347,688	1,405	616,462	8,624,865
-	-	-	143,426
-	-	226,000	1,418,000
(173,844)	(1,405)	2,345,314	4,960,732
(173,844)	(1,405)	2,571,314	6,522,158
$ 173,844	$ -	$ 3,187,776	$ 15,147,023

Special Revenue			
NSP2 Grant	Tax Increment Financing #5	Capital Projects	Totals
$ -	$ -	$ 4,802,224	$ 11,083,241
67,851	-	190,000	3,382,405
-	-	25,854	105,336
-	-	-	53,691
-	-	23,613	66,899
-	-	-	320,577
-	-	630	432,807
67,851	-	5,042,321	15,444,956
-	-	-	449,275
-	-	-	1,503,973
140,425	1,405	-	2,133,168
-	-	-	26,163
-	-	-	2,890,066
101,270	-	1,389,483	3,225,745
-	-	1,800	20,266
241,695	1,405	1,391,283	10,248,656
(173,844)	(1,405)	3,651,038	5,196,300
-	-	211,290	225,055
-	-	(4,210,037)	(5,426,187)
-	-	-	109,077
-	-	(3,998,747)	(5,092,055)
(173,844)	(1,405)	(347,709)	104,245
-	-	2,919,023	6,417,913
$ (173,844)	$ (1,405)	$ 2,571,314	$ 6,522,158

ATTACHMENT "L"

CERTIFIED AUDIT REPORT

Following is the Section "Q" compliance letter dated May 26, 2011 for fiscal year 2010.

McGladrey

Independent Auditor's Report on
Compliance with Illinois Municipal Code
Subsection (Q) Section 11-74.4-3 of Public Act 85-1142

To the Honorable Mayor and
Members of the City Council
City of Moline, Illinois
Moline, Illinois

We have audited the basic financial statements of the City of Moline, Illinois, as of and for the year ended December 31, 2010 and have issued our report thereon dated May 26, 2011. These financial statements are the responsibility of the City of Moline, Illinois' management. Our responsibility is to express an opinion on the eligibility of expenditures pursuant to subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Compliance with laws, regulations, contracts and grants applicable to the City of Moline, Illinois is the responsibility of the City of Moline, Illinois' management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the City of Moline, Illinois' compliance with provisions of subsection (q) of Section 11-74.4-3 of Public Act 85-1142. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance with subsection (q) of Section 11-74.4-3 of Public Act 85-1142.

This report is intended for the information of the Mayor and City Council, management and appropriate regulatory or oversight agencies and is not intended to be and should not be used by anyone other than the specified parties.

McGladrey & Pullen, LLP

Davenport, Iowa
May 26, 2011

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Member of RSM International network, a network of independent accounting, tax and consulting firms.

ATTACHMENT "M"

TIF 1
INTERGOVERNMENTAL AGREEMENTS

The City of Moline entered into an intergovernmental agreement (General Ordinance 3028-2010) with the state of Illinois, Department of Transportation, in order to acquire the property at 1908-24 Fifth Avenue and 1909 Sixth Avenue. The terms of the agreement stated that the City would purchase the parcels and the state would reimburse the City up to $356,000. The acquisition and reimbursement were to take place in 2011.