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:	One Moline Place
Primary Use of Redevelopment Project Area*:	Residential
If "Combination/Mixed" List Component Types:	
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	$ (488,996.00)		

Revenue/Cash Receipts Deposited in Fund During Reporting FY:

			% of Total
Property Tax Increment	$ 161,119	$ 755,697	94%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	$ 61	$ 50,977	6%
Land/Building Sale Proceeds			0%
Bond Proceeds			0%
Transfers from Municipal Sources			0%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)			0%

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period	$ 161,180		
Cumulative Total Revenues/Cash Receipts		$ 806,674	100%
Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)	$ 239,050.00		
Distribution of Surplus			
Total Expenditures/Disbursements	$ 239,050		
NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS	$ (77,870)		
FUND BALANCE, END OF REPORTING PERIOD	$ (566,866)		

- 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)		
Trust Agent Fees	200	
		$ 200
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)		
		$ -
4. Costs of rehabilitation, reconstruction, repair or remodeling and replacement of existing public buildings. Subsection (q)(3) and (o)(4)		
		$ -
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	238,850	
		$ 238,850
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		$ 239,050

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
Cole Taylor Bank	Debt Service	$ 238,850.00

TIF Name _____

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 2003	$ 2,415,000	$ 2,383,384
Total Amount Designated for Obligations	$ 2,415,000	
2. Description of Project Costs to be Paid		
Total Amount Designated for Project Costs		$ -
TOTAL AMOUNT DESIGNATED		$ -
SURPLUS*/(DEFICIT)		$ -

* 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.

__X___ No property was acquired by the Municipality Within the Redevelopment Project Area

Property Acquired by the Municipality Within the Redevelopment Project Area

Property (1):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (2):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (3):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

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	Total Estimated to Complete Project
TOTAL:			
Private Investment Undertaken (See Instructions)	$ -	$ -	$ 12,000,000
Public Investment Undertaken		$ -	$ 2,400,000
Ratio of Private/Public Investment	0		5
Project 1:			
Private Investment Undertaken (See Instructions)			$ 12,000,000
Public Investment Undertaken			$ 2,400,000
Ratio of Private/Public Investment	0		5
Project 2:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0
Project 3:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0
Project 4:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0
Project 5:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0
Project 6:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0
Project 7:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0
Project 8:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0
Project 9:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

TIF NAME _____

Project 10:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 11:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 12:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 13:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 14:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 15:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 16:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 17:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 18:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 19:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 20:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 21:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 22:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 23:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 24:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 25:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

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
1998	49,818	2,381,334

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
			$ -
			$ -
			$ -
			$ -
			$ -
			$ -
			$ -

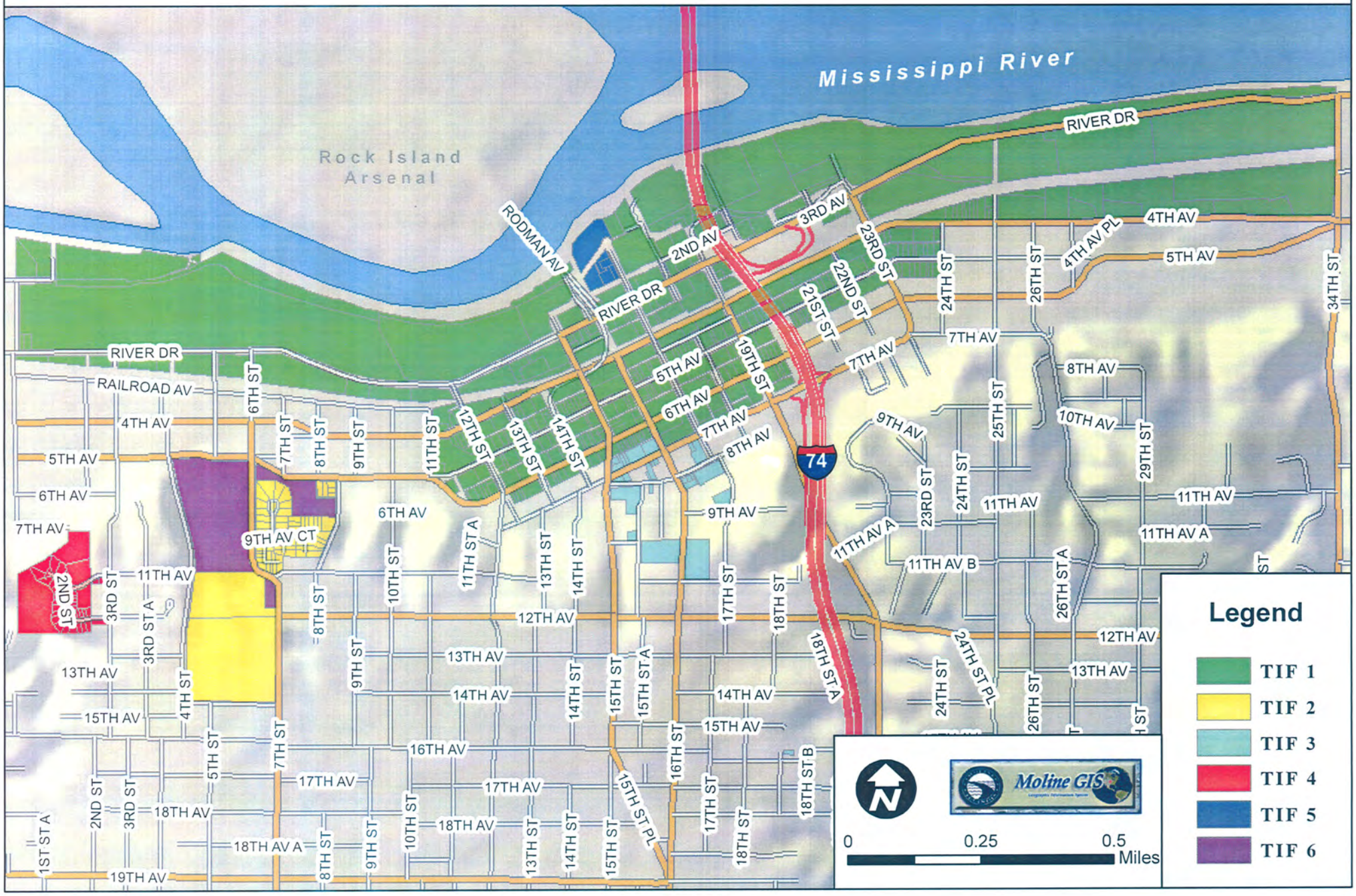
SECTION 8

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	

City of Moline

TIF Districts



ATTACHMENT "A"

TIF 2
2010 AMENDMENTS

The following amendment was executed during this reporting fiscal year.

Council Bill/General Ordinance No. 3004-2010
Sponsor: _____

AN ORDINANCE

ADOPTING and approving the 2010 Amendment to the City of Moline One Moline Place TIF Redevelopment Project Area (TIF No. 2).

WHEREAS, pursuant to the Tax Increment Allocation Redevelopment Act, 65 5/11-74.4-1 et. seq., hereinafter referred to as the "Act," the City of Moline (the "City") did on October 27, 1998 adopted Ordinance 98-10-4b which approved a Redevelopment Plan and Project (the "Plan"), designated a redevelopment project area and established tax increment financing for a specific area legally described therein as One Moline Place and commonly referred to as the TIF No. 2 (the "Area"); and

WHEREAS, it is now desirable and for the best interest of the citizens of the City to amend the Area boundaries by removing additional property and street rights-of-way therefrom in order to establish a new TIF redevelopment project area to be identified as the Moline Place Phase II and III redevelopment Project Area; and property and street rights-of-way therefrom in order to establish a new TIF redevelopment project area to be identified as the Moline Place Phase II & III Redevelopment Project Area; and

WHEREAS, the City also desires to amend the Plan to allow for the Area to receive revenue from or to transfer revenue to the adjoining Moline Place Phase II & III Redevelopment Project Area to be established in the future and as permitted by subsection 11-74.4-4(q), of the Act and to revise the estimated date of completion of redevelopment projects and retirement of obligations as authorized by subsection 11-74.4-3(n) of the Act; and

WHEREAS, subsection 11-74.4-5(c) of the Act provides that a redevelopment plan and redevelopment project area may be amended, provided that changes do not:

(1) add additional parcels of property to the proposed redevelopment project area;

(2) substantially affect the general land uses proposed in the redevelopment plan;

(3) substantially change the nature of the redevelopment project;

(4) increase the total estimated redevelopment project cost set out in the redevelopment plan by more than 5% after adjustment for inflation from the date the plan was adopted;

(5) add additional redevelopment project costs to the itemized list of redevelopment project costs set out in the redevelopment plan; or,

(6) increase the number of inhabited residential units to be displaced from the redevelopment project area, as measured from the time of creation of the redevelopment project area, to a total of more than 10.

Said changes may be made without further public hearing, and related notices and procedures including the convening of a joint review board as set forth in Section 11-74.4-6 of the Act, provided that the municipality shall give notice of any such changes by mail to each affected taxing district and registrant on the interested parties registry, provided for under Section 11-74.4-4.2, and by publication in a newspaper of general circulation within the affected taxing districts. Such notice by mail and by publication shall each occur not later than 10 days following the adoption by ordinance of such changes; and

WHEREAS, the change to the Project Area boundary involves the removal of property and, therefore, may be made without further hearing and related notices and procedures.

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

Section 1. That the area described in the attached Exhibit A is hereby removed from the TIF Area No. 2.

Section 2. That the following be added to the last sentence under the subsection entitled "Sources of Funds" on Page 13 of the Plan to include:

... "including, but not limited to state and federal programs, local sales tax, and applicable revenues from any adjoining TIF redevelopment project area."

Section 3. That the last subsection of the Plan entitled "Date of Completion" (page 16) shall be deleted in its entirety and be replaced with the following:

"Estimated Date for Completion of Redevelopment Project

The estimated date for the completion of redevelopment projects or retirement of obligations issued shall not be later than December 31 of the year in which the payment to the City Treasurer as provided in subsection (b) of Section 11-74.4-8 of the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year after the year in which the ordinance approving the One Moline Place Redevelopment Project Area was adopted (Ordinance 98-10-4). This statutory language translates to December 31, 2022."

Section 4. That the City Clerk is hereby directed to notify the County Clerk of this 2010 Amendment within 10 days from the date of passage and approval of this Ordinance.

Section 5. That the City Clerk is hereby directed, within 10 days from the date of passage and approval, to give notice of the passage of this Ordinance by mail to each affected taxing

Section 5. That the City Clerk is hereby directed, within 10 days from the date of passage and approval, to give notice of the passage of this Ordinance by mail to each affected taxing district and registrant on the interested parties registry and publish said notice in the Moline Dispatch, a newspaper of general circulation within the affecting taxing districts.

Section 6. That all ordinances and parts of ordinances in conflict with the provisions of this ordinance are repealed to the extent of such conflict.

Section 7. 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

Donald P. Welvaert
Mayor

2/2/10
Date

Passed: 2.2.10

Approved: 2.9.10

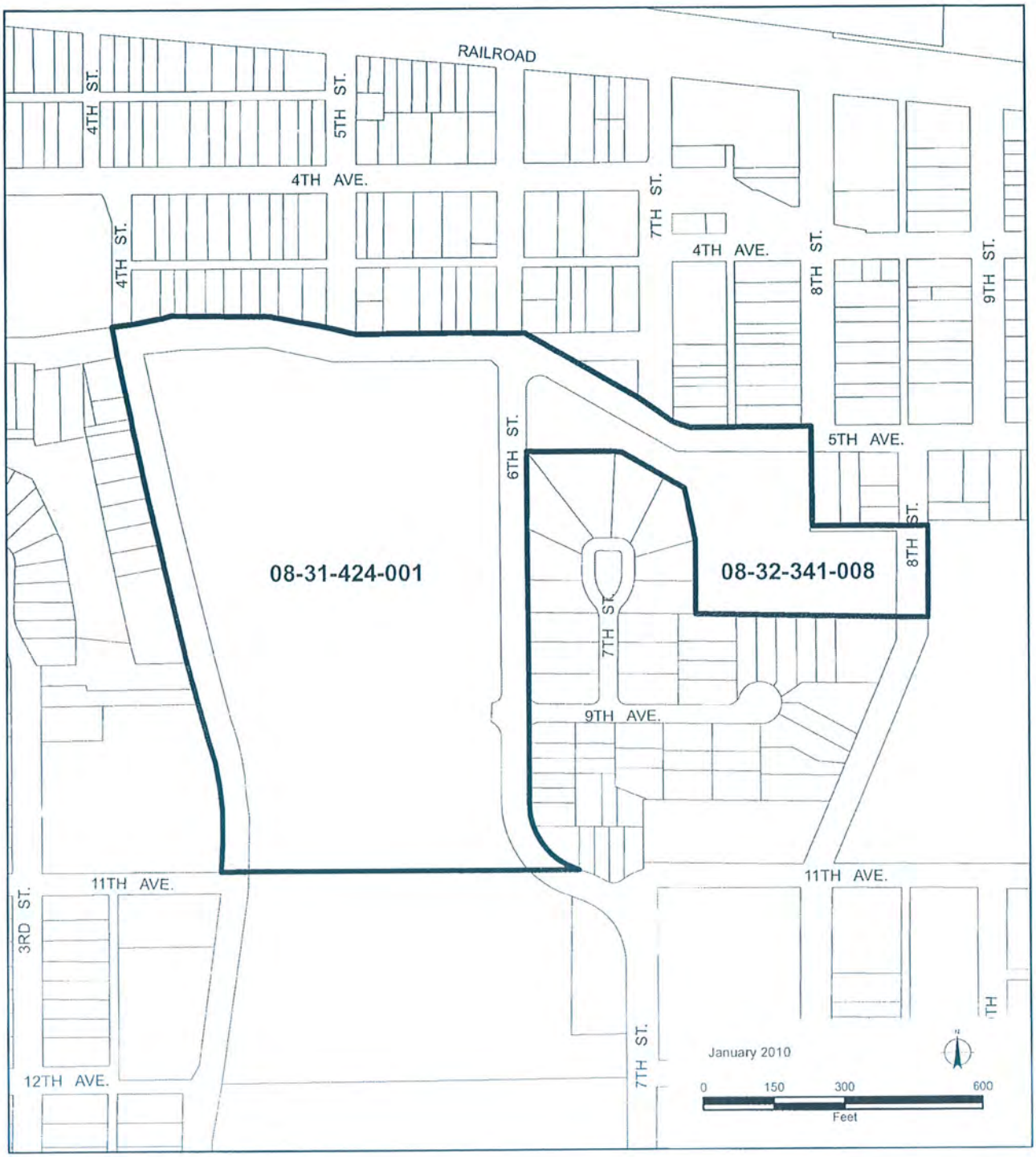
Attest: Tracy L. Koranda
City Clerk

Approved as to Form:

Law Director

Exhibit A

**Area to be Removed from City of Moline
TIF Redevelopment Project Area No. 2**



Legend

Area to be Removed from Redevelopment Project Area

Area to be Removed from Project Area

Exhibit A

Moline Place Redevelopment Project Area (TIF No. 2)
City of Moline, Illinois

PGAVURBANCONSULTING

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 2
ACTIVITIES STATEMENT

When TIF 2 was amended in order to create TIF 6, TIF 2 inadvertently lost its contiguity. The City will need to clarify the boundaries of TIFs 2 and 6.

The City amended the development agreement in October, 2010. The bank and the developer agreed to demolish the nurse's dorm building. The developer voluntarily relinquished his right to develop the site after the building was demolished. The City will issue a bond to retire the existing debt and also accept ownership of Moline Place Phase II & III.

A single family home, a six plex and a three plex were built in One Moline Place.

ATTACHMENT "E"

TIF 2
2010 AGREEMENTS

The following agreements were executed during this reporting fiscal year.

Council Bill/Special Ordinance No. 4061-2010
Sponsor:_____

A SPECIAL ORDINANCE

AUTHORIZING the Mayor and City Clerk to execute an Amended and Restated Redevelopment Agreement with Northwest Bank and Trust Company, Moline Place Development, L.L.C., and Michael R. Shamsie for redevelopment within the One Moline Place TIF District and to execute any necessary agreements referenced therein; and further authorizing all appropriate City officers and staff to do all things necessary to complete each of the City's responsibilities and to enforce each of the City's benefits pursuant to said Amended and Restated Redevelopment Agreement.

WHEREAS, pursuant to Council Bill/Special Ordinance No. 4025-2009, adopted August 11, 2009, the City entered into a Redevelopment Agreement with Northwest Bank and Trust ("Bank"), Moline Place Development, L.L.C. ("Developer"), and Michael R. Shamsie ("Shamsie") to facilitate the redevelopment of property located within the One Moline Place TIF District, including demolition of the former nurses dormitory on the property and completion of Phases II and III of the project; and

WHEREAS, due to the indebtedness of Developer to the City and of Developer and Shamsie to the Bank, Developer does not have the financial wherewithal to complete demolition of the nurses dormitory and complete Phases II and III and therefore wishes to exit the project, relinquishing Developer's interest therein, and enabling new developers to purchase the property from the City and assume and complete the redevelopment; and

WHEREAS, the City wishes to continue its support of redevelopment within the One Moline Place TIF District, through the granting of certain lawful incentives, including but not limited to, those available through TIF to the Bank in connection with the redevelopment of One Moline Place; and

WHEREAS, Developer and Bank are willing to proceed with demolition of the nurses dormitory, provided Developer's debt with Bank is paid and the excess costs of the demolition constitute TIF eligible costs reimbursable to Bank; and

WHEREAS, the Amended and Restated Redevelopment Agreement ("Amended Agreement") will allow for the financing to demolish the nurses dormitory; and

WHEREAS, the City will issue a bond to pay off the outstanding TIF eligible costs owed to Bank by Developer, which will enable the completion of Phase I of the One Moline Place development; and

WHEREAS, the City will capture and retain incremental property tax revenues from Phase I development to retire the bond and will be given ownership control over Phases II and III of the development; and

WHEREAS, upon demolition of the dormitory, Developer will no longer have an interest in the property and the City will seek a new developer to complete the project; and

WHEREAS, all aspects of the Amended Agreement are designed and intended to enhance the public health, safety, morals, and welfare, as related to the City of Moline and its citizens.

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

Section 1 – That the Mayor and City Clerk are hereby authorized to execute an Amended and Restated Redevelopment Agreement with Northwest Bank and Trust Company, and Moline Place Development, L.L.C., and Michael R. Shamsie for redevelopment within the One Moline Place TIF District and to execute any necessary agreements referenced therein; and further authorizing all appropriate City officers and staff to do all things necessary to complete each of the City's responsibilities and to enforce each of the City's benefits pursuant to said agreement; provided, however, that said agreement 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.

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

CITY OF MOLINE, ILLINOIS

Mayor

10/26/10
Date

Passed: 10.26.10

Approved: 11.02.10

Attest: _____
City Clerk

Approved as to Form:

Law Director

Memorandum

To: **Tracy Koranda, City Clerk**

From: **Vickie Felger, Legal Services Specialist** vlf

Date: **March 10, 2011**

Re: **CB/Special Ordinance 4061-2010: One Moline Place Amended and Restated Development Agreement**

Tracy, enclosed for scanning and filing with CB/S.O. 4061-2010 (adopted 10/26/10) is a fully executed original Amended and Restated Redevelopment Agreement for One Moline Place. The parties are the City, Northwest Bank & Trust Company, Moline Place Development, LLC, and Michael R. Shamsie.

Thank you.

:vlf (ext. 2010)
Enclosure

AMENDED and RESTATED
REDEVELOPMENT AGREEMENT FOR
ONE MOLINE PLACE DEVELOPMENT ("Agreement")

Between the

CITY OF MOLINE, ILLINOIS

And

NORTHWEST BANK & TRUST COMPANY,
a Federal Savings Bank,

And

MOLINE PLACE DEVELOPMENT, L.L.C., an Illinois Limited Liability Company ("Developer")

And

MICHAEL R. SHAMSIE

THIS AMENDED and RESTATED AGREEMENT is made and entered into on this 10th day of November, 2010, by and between the CITY OF MOLINE, an Illinois Municipal Corporation ("City"), NORTHWEST BANK & TRUST COMPANY, a Federal Savings Bank ("Bank"), MOLINE PLACE DEVELOPMENT, L.L.C., an Illinois Limited Liability Company ("Developer"), and MICHAEL R. SHAMSIE ("Shamsie").

RECITALS:

WHEREAS, on or about August 25, 1999, the City and Developer made, executed and delivered for the benefit of each other a certain Development Agreement, entitling Developer to certain tax increment financing benefits ("TIF Proceeds"), provided certain conditions had been met regarding a development known as One Moline Place ("Development"); that the Development Agreement was amended from time to time to permit, among other things, the Development to occur over three (3) phases to which Developer did in fact construct and substantially complete Phase I of the Development; and

WHEREAS, on or about October 7, 2009, the City, Bank, Developer and Shamsie made, executed and delivered for the benefit of each other a certain Redevelopment Agreement and the parties desire to amend and restate that Agreement hereby; and

WHEREAS, Developer is currently indebted to the City in the approximate sum of Nine Hundred Sixteen Thousand Nine Hundred Twenty Nine Dollars and Ninety Cents ($916,929.90) and the Developer and Shamsie are currently indebted to Bank in an amount in excess of Two

Million Eight Hundred Seventy Thousand One Hundred Fifty-Two Dollars ($2,870,152.00), such that Developer does not have the financial wherewithal to complete Phases II and III of the Development and demolish the Nurses Dormitory (as hereinafter defined); and

WHEREAS, the success of the Development depends on the demolition of the Nurses Dormitory (as hereinafter defined) and completion of Phases II and III of the Development; and

WHEREAS, Developer and Bank are willing to proceed with the demolition of the Nurses Dormitory, provided Developer's debt with Bank is paid and the excess costs of such demolition constitute TIF eligible costs reimbursable to Bank under the TIF incentives permitted by the Act as hereinafter specified as set forth in this Agreement; and

WHEREAS, Developer is willing to relinquish its interest in the Development to the City to enable new developers to complete the Development; and

WHEREAS, 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" or the "TIF Act"); and

WHEREAS, City seeks to support redevelopment within the One Moline Place TIF District, through the granting of certain lawful incentives including, but not limited to, those available through TIF to Bank in connection with the Development on the Project Property as hereinafter defined (hereinafter "Project" or "Redevelopment Project"); and

WHEREAS, Bank 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 (as hereinafter defined) must meet certain conditions, including, but not limited to, all property within the Project remaining property tax eligible through the year 2032 ("TIF Expiration Date"), as set forth in this Agreement, along with other conditions; and

WHEREAS, the Project Property (as hereinafter defined) is a part of an approximate 28.8 acre area of land legally described on Exhibit "A" attached hereto and incorporated herein by this reference, all of which is located within the same TIF District ("TIF Property"), an area of land legally described on Exhibit "B" attached hereto and incorporated herein by this reference, and owned by Developer; and

WHEREAS, Developer wishes to exit the Development, release all claims and obligations against the City, and be released from all claims and obligations by the City, excepting the $10,136.87 owed the City previously in fines and outstanding charges, in consideration for such exit from the Development and said $10,136.87 has been credited by the City to the account of the Developer; and

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

a. Demolition of the "Nurses Dormitory," including without limitation the removal of all materials, fill and grading of the site, proper disposal of all removed materials, abatement of any asbestos on the site and compliance with any stormwater or erosion regulations for the site;

b. Developer's fulfillment of the purchase agreement with Alex McGehee to purchase four (4) lots in Block 1 and nine (9) lots in Block 2 or completion of a sale of those same lots to another reasonably satisfactory builder on terms and conditions comparable to those set forth hereinbelow and the closing of said purchase agreement with Alex McGehee has been completed; provided, however, that Bank and Developer acknowledge that the City cannot provide TIF incentives unless certain conditions are met, including but not limited to, owners or tenants of the Project being ad valorem real estate tax generating and taxpaying entities. Therefore, it is understood and agreed by Bank and Developer that tenants or purchasers of any property located within the TIF Property shall not be permitted to seek property tax exemption status during the duration or extension of said TIF or any new TIF created for the Project and therefore, neither Bank nor Developer will sell or lease to any entity that would claim or be likely to claim tax exempt status. Further, Bank and Developer agree that during the life of the TIF, as it relates to Project Property or as defined within this Agreement, for the four (4) lots in Block 1 and nine (9) lots in Block 2 referenced above or any other property later to be included in the Project, Bank and 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 any and all future leases or sales agreements for or related to the Project Property the following clauses: (i) for a lease, "Tenant agrees that during the term of this lease it shall not seek tax exempt status;" (ii) for a sales agreement, "Buyer agrees that at no time during the life of the TIF related to this property will it seek tax exempt status;" c) neither Bank nor Developer shall claim tax exempt status for itself, so long as it maintains ownership or other interest in the Project Property or any TIF Property; and d) Payment of property taxes, and Bank or Developer each represent that it has not challenged or contested the equalized assessed valuation of any TIF or Project Property and further that each agrees not to challenge or contest the equalized assessed valuation of any TIF or Project Property pending completion of the conveyance contemplated herein.

c. Extension of the existing TIF or creation of a new TIF by the City;

d. Conveyance of all Phases of the Project Property after satisfactory completion of the demolition specified hereinabove whereby Developer shall deed to the City the Project Property in exchange for the City discharging its obligations as delineated in Paragraph VI below (said area of land being immediately west and north of and adjoining the One Moline Place Phase I Development Site on the balance of the TIF Property). The Project Property will be conveyed by Developer in "as is" condition, though the Developer and Bank will endeavor to obtain a "No Further Remediation" letter ("NFR Letter") from the Illinois Environmental Protection Agency concerning the known asbestos contamination within the building on the Nurses Dormitory premises; provided, however, that nothing herein shall relieve Developer from

its responsibilities pursuant to a hold harmless agreement dated January 7, 2004, and Developer reaffirms its commitment to the City to hold harmless pursuant to said agreement.

It is expected that the costs of the Nurses Dormitory remediation (including without limitation the demolition of the building, fill and grading of the site and abatement of asbestos on the Project Property) will not exceed Seven Hundred Seventy-Five Thousand Dollars ($775,000.00). The Project Property shall be delivered to City from Developer via a standard warranty deed, free and clear of all liens and encumbrances, except as specified herein. Developer and Bank shall deliver and pay the costs of an owner's title insurance policy for the Project Property and pay all costs and expenses, including without limitation paying all property taxes assessed against the property through date of possession, whether such taxes are now due and payable or not.

e. Reimbursement to Bank of TIF eligible expenses in the sum of Two Million Four Hundred Thirty Thousand One Hundred Fifty-Two Dollars ($2,430,152.00) which had been previously incurred by Developer and which Developer has previously assigned to Bank once the Nurses Dormitory has been demolished and deeded to City as set forth herein; said reimbursement to be accomplished through the issuance of obligations by the City;

f. Making of a non-recourse loan by Bank to City, secured by a mortgage on the Project Property, all as set forth herein;

g. Sale of the Project Property by the City as part of a new development and new development agreement with a new developer selected by the City, all as set forth herein; and

h. Relinquishment by Developer and Bank of any claim to any TIF increment, except as to Bank as set forth hereinbelow, and relinquishment by Developer of any claim, right or interest under any Development Agreement executed prior to this Agreement along with mutual releases of all claims against Developer and Shamsie by the City, excepting the $10,136.87 owed the City previously in fines and outstanding charges and said $10,136.87 has been credited by the City to the account of the Developer; and,

WHEREAS, City believes the Project Property 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 the City and its residents, and are in accord with its duty, authority, and the public purposes and conditions arising under the Act and all applicable state and local laws and requirements.

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

I. <u>DEFINITIONS UNDER THIS AGREEMENT</u>. The parties believe that certain definitions will help in determining the meaning and carrying out the terms and understandings of this Agreement, and therefore agree to the following definitions which shall have the meanings ascribed to them as set forth below:

Adjusted Amount of the Non-Recourse Loan: The amount owed to the Bank as a result of any dollar for dollar increase to the Non-Recourse Loan occasioned by any amount that asbestos removal and demolition costs exceed the sale amount referenced in Paragraph III(B)(iv) herein.

Environmental Conditions: The presence of any materials, substances or conditions which are "hazardous" or "toxic" as those terms are defined in any environmental laws and regulations adopted by any governmental body which are applicable to the Project Property as of the date of this Agreement.

Environmental Assessments: Certain studies, evaluations and reports, detailed herein, concerning the Environmental Conditions of the Project Property generally described herein.

Non-Recourse Loan: That certain loan of even date herewith that is secured only by the mortgage on the Project Property but for which the City shall never be liable or obligated to pay and for which Bank's recovery is limited to the collateral, unless adjusted as provided for herein.

Nurses Dormitory: The dilapidated structure currently located on the Project Property and located at the colloquial address known as 635 10th Avenue, Moline, Illinois.

Priority Items: Those items that must be paid prior to the Bank being paid for sale of the Project Property by the City to a new developer, should there be any Remaining Amount of Non-Recourse Loan.

Project Elements: Those elements set forth herein which create the Project which is the subject of this Agreement, as described in concept above.

Project Property: That property which is the subject of this Agreement and which is legally described in Exhibit "A" as if set out at this point.

Recordable Memorandum: One or more written agreements between the City and Bank which sets forth in memorandum form suitable for filing and recording such of the terms and agreements of the parties thereto as they may mutually determine.

Remaining Amount of the Non-Recourse Loan: The Adjusted Amount of the Non-Recourse Loan less the net cash proceeds Bank receives at the time of sale referenced in Paragraph III(B)(iv) herein.

TIF Property: That property which is legally described in Exhibit "B" as if set out at this point.

Unavoidable Delays: Act of God, casualties, war, embargo, riots, strikes, unavailability of materials (but not failure of a party to pay for such materials), litigation commenced by third persons (including litigation seeking to enjoin the ability of a party to act), and all other acts or omissions, causes or events which are with respect to a party beyond that party's control.

II. SIMULTANEOUS UNDERTAKINGS. City and Bank agree to simultaneously undertake the following obligations:

A. CITY'S AGREEMENT TO PROVIDE ASSISTANCE. The following sets forth certain intentions, undertakings and contractual obligations and responsibilities of the City to Bank under this Agreement, subject to certain responsibilities of Bank as set forth in this Agreement:

(i) TIF Extension/Re-TIF: City shall contact local legislators in an endeavor to extend the life of the existing TIF District another twelve (12) years to 2035, or, in the alternative, should such extension be ineffective, then City shall remove Phase II and Phase III from the current One Moline Place TIF and create a new TIF including both Phases II and III and potentially other property. City shall discharge its obligations hereunder prior to issuance of the debt or obligations contemplated herein.

(ii) Incur Obligation to Pay Bank. By approval and execution of this Agreement, the City agrees to pay Bank Two Million Four Hundred Thirty Thousand One Hundred Fifty-Two Dollars ($2,430,152.00) reflecting a portion of the outstanding loans made to Developer and Shamsie for previously incurred TIF eligible expenses in Phase I of the Development, receipt of documentation for such TIF eligible expenses is hereby acknowledged by the City;

it being understood by and between the parties that this obligation arises if and only if the asbestos mitigation in, and demolition of, said Nurses Dormitory has been completed in accordance with State Law and City Code and that the Project Property has been cleared of all rubble and debris and the site filled and graded as required by law, code or regulation or a Certificate of Completion is obtained pursuant to II B(1) below. This obligation to pay Bank shall be approved prior to any further obligations due and owing Bank, Developer and/or Shamsie hereunder. Should the City issue new bonds to pay Bank and refinance its current debt in the approximate sum of Two Million Four Hundred Thirty Thousand One Hundred Fifty Two Dollars ($2,430,152.00), it is specifically understood that the bonds must be issued or obligations incurred and the proceeds thereof used to pay City's obligations to Bank once they arise before further actions are required under this Agreement.

B. BANK'S AND DEVELOPER'S UNDERTAKINGS. The following sets forth certain intentions, undertakings and contractual obligations and responsibilities of the Bank and Developer under this Agreement, subject to certain responsibilities of the City set forth in Paragraph II(A) above:

(i) Demolition of Nurses Dormitory. Upon the execution of this Agreement, the Bank and Developer shall complete the demolition of the Nurses Dormitory substantially in accordance with the plans and permits for the demolition, which plans and specifications must be approved or issued by City prior to commencement of the demolition (such approval or issuance may not unreasonably be withheld) and all appropriate permits obtained, as may be normal, customary or required in order to proceed with the demolition, fill and grading of the site, in accordance with all applicable rules, codes, regulations, ordinances and laws, including without

limitation, the City's Code. Further, Bank confirms that demolition, grading, and development and use of the Project Property, shall at all times comply with and be in accordance with this Agreement, Final Plat of Subdivision, Zoning Code, Subdivision Code and any special use granted in connection therewith, and all other requirements of law. All of the above plans and documents shall be interpreted so that the duties and requirements imposed by any one of them are cumulative among all of them, unless otherwise provided in this Agreement. Developer shall execute a contract with one or more contractors ("Contractor") suitable to the City which shall specifically provide for the asbestos removal and environmental matters relating to the Nurses Dormitory, as well as a performance bond. Copies of these contracts shall be provided to the City and shall include a Construction and Traffic Management Plan ("CTM Plan").

At a minimum, the CTM Plan shall include, without limitation, the following:

(a) The schedule and traffic routes for demolition traffic accessing the Project Property;

(b) The designation of machinery and demolition material storage areas on the Project Property;

(c) Provisions for the screening of demolition areas within the Project Property;

(d) Hours of operation and schedule for demolition on the Project Property, including a critical path analysis framework and result;

(e) Location of areas on the Project Property for the parking of demolition vehicles and vehicles operated by demolition employees;

(f) Location of alternative off-street parking to replace any parking temporarily lost due to demolition; and

(g) The location of temporary and durable off-street parking on the Project Property for demolition employees.

At all times during demolition of the Nurses Dormitory, Bank and Developer shall keep all routes used for demolition traffic to be free and clear of mud, dirt, debris, obstructions and hazards and shall repair any damage caused by such demolition traffic.

During demolition of the Nurses Dormitory, Bank and Developer shall install temporary surface off-street parking on the Property for the parking of demolition employee vehicles, temporarily divert or control any heavy accumulation of storm water away from or through the Property in a manner approved in advance by the City's Engineer.

Bank and Developer warrant that each will be able to substantially meet a project timeline based upon the following factors, Unavoidable Delays excepted:

1. Commencement of demolition began on or about October 12, 2010.

2. Completion of the demolition will be in accordance with the Demolition Contract, along with such additional time as is reasonable and necessary to obtain approval from the Illinois Environmental Protection Agency ("IEPA"), if necessary.

Bank and Developer certify that the demolition, as planned, is and shall be in full compliance with all applicable state and local laws and ordinances. Further, Bank and Developer warrant that the City Building Official and City Fire Department shall have approved all building plans submitted and agree to follow all recommendations and requirements of the City Code and the City Building Official and Fire Chief.

Bank and Developer understand and agree that the meeting of deadlines as set forth herein is necessary in order to meet the terms of this Agreement and make City incentives possible. Bank and Developer further understand that a failure to substantially meet said deadlines is a material breach of this Agreement, unless an extension has been agreed to in writing by City.

Bank and Developer agree that until the demolition has been completed as referenced below, Bank and Developer may not, without the City's consent (not to be unreasonably withheld): (i) enter into a merger, sale, transfer, conveyance, liquidation or consolidation that would have a materially adverse affect on the ability of either to complete the demolition; (ii) directly or indirectly sell or transfer (except for leases) all or substantially all of its assets; (iii) enter into any transaction outside the ordinary course of business that would materially and adversely affect the ability of either to complete the demolition; or (iv) assume or guarantee the obligations of any other person or entity that would materially and adversely affect the ability of either to complete the demolition.

Notwithstanding the foregoing, completion of demolition of the Nurses Dormitory shall be achieved when:

1. certification of such is made by Contractor to the City that compliance with this Agreement has been met; or

2. a NFR letter is issued by the State; or

3. approval is obtained by the City Administrator ("Certificate of Completion");

whichever is earlier.

Notwithstanding the foregoing, in the event that final grading and seeding of the Nurses Dormitory is not completed by the fall of 2010 due to weather conditions, the City agrees for the purposes of this Agreement that the Contractor or City Administrator may issue a Certificate of Completion, provided (i) the Contractor has been paid in full (including payment for said final grading and seeding), (ii) the Contractor agrees to perform said final grading and seeding for the City or its assigns promptly upon the return of appropriate weather conditions, and (iii) the City is made, pursuant to the requisite rider, a dual obligee under Contractor's Performance Bond.

(ii) Consummation of Purchase Agreement. Developer and/or Bank has fulfilled the purchase agreement with Alex McGehee.

(iii) Conveyance of Project Property and Relinquishment of Rights. Bank, Developer and City acknowledge that the purpose of affording public assistance to the Project is to accomplish the stated public purposes and not to subsidize an otherwise economically viable development project. Bank and Developer have represented and averred that neither can complete the demolition but for the payments contemplated hereunder and receipt of TIF reimbursement payments for TIF eligible expenses previously incurred. While it has been determined by the City Council that the demolition would not be undertaken but for the public assistance being provided, the parties recognize that the ongoing profitability of the Project to Bank is based upon projections that may or may not be fulfilled. Therefore, in order to ensure that the public assistance being provided does not subsidize an unreasonable level of earnings for Bank, the parties agree that Developer will:

(a) Convey by warranty deed the Project Property to the City or its assigns, free and clear of all liens and encumbrances but subject to easements, covenants and restrictions of record; Bank will represent that Developer has agreed to this term and condition and will indemnify and hold City harmless from any contrary claim in the future. Closing on the Project Property shall occur contemporaneously with the payment to Bank of the City's obligation under Article III A below;

(b) Relinquish any and all interest under the TIF Development Agreement for the Development and any and all amendments thereto or assign such interest to the City or its designee, such that all incremental property taxes generated from Phase I Development will be used exclusively by the City to service the new debt, any existing City debt related to the project and thereafter any additional revenues will be applied against the funds owed the City by the Developer and/or Shamsie;

(c) Relinquish any and all rights to the City, such that Developer will have no further ownership interest in the Development or Project Property; and

(d) Tender all documents and anything embodied in documentary form relating to the engineering reports, studies, homeowners associations, and the like to the Development to the City.

III. CITY'S PAYMENTS AND CONDITIONS PRECEDENT THERETO.

A. Payment of Bank Indebtedness. City shall pay Bank promptly as specified herein no later than five (5) days after a Certificate of Completion is issued in accordance with the terms of this Agreement. Failure to pay Bank as specified herein shall constitute an event of default hereunder.

B. Incurrence of Non-Recourse Loan. The objective of the City in entering into this Agreement is as set forth herein, but is specifically to provide financial incentives to the Developer and Bank for the primary purpose of demolishing the Nurses Dormitory and redeveloping the Project Property. Therefore, notwithstanding anything else herein to the contrary, and as a condition precedent to the remainder of the parties' obligations under this Agreement, Bank agrees to finance Developer (with Shamsie's guaranty) up to Seven Hundred Seventy Five Thousand Dollars ($775,000.00) for the removal of asbestos and demolition of the Nurses Dormitory. Bank shall have the option to increase the amount of its financing in the event removal and demolition costs exceed said amount; although any increase shall not result in additional obligation from, or costs to, the City. The Bank will administer this activity through the Developer by releasing funds directly to the contractors based upon contractor's sworn statements, pay requests and valid lien waivers, and Developer will allow the Bank and City to monitor the work through the Illinois Environmental Protection Agency to ensure compliance with asbestos removal regulations.

If the City has the cash available after bonding, in its sole and exclusive determination, City shall pay to Bank Four Hundred Forty Thousand Dollars ($440,000.00) to purchase the property identified in Exhibit "A", subject to clear title, free and clear of all liens and encumbrances of any sort. If the City does not have cash available as described herein, then upon satisfaction of the conditions set forth in Paragraphs II(B)(ii) and II(B)(iii), Bank shall make a Non-Recourse Loan to the City or its assigns in an amount up to Four Hundred Forty Thousand Dollars ($440,000.00) which shall be secured by, among other things (e.g. Shamsie's guaranty), a mortgage on the Project Property identified in Exhibit "A." Said amount presumes that cost of the asbestos removal and demolition of the Nurses Dormitory does not exceed Seven Hundred Seventy-Five Thousand Dollars ($775,000.00) (including protective advances made by Bank (e.g. real estate taxes) and any amounts necessary to pay interest current on all loans made by Bank to Developer, Shamsie and all affiliated loans); provided, however, that all parties understand that the amount of this Non-Recourse Loan may be increased dollar for dollar by the amount that asbestos removal and demolition costs exceed Seven Hundred Seventy-Five Thousand Dollars ($775,000.00), thus becoming the Adjusted Amount of the Non-Recourse Loan, payable by Developer and Shamsie only, as the case may be; and provided further that any advances shall not result in additional obligation from, or costs to, the City and ***the City*** will never owe more than Four Hundred Forty Thousand Dollars ($440,000.00) to pay off the non-recourse loan, remove the mortgage and receive clear title.

The terms and conditions of this Non-Recourse Loan are as follows:

(i) Until the Project Property is sold, but no longer than three (3) years in duration;

(ii) Interest shall be Prime as published in the Wall Street Journal plus three percent (3%) with a floor of six and one-quarter percent (6 1/4%), payable monthly;

(iii) Bank shall look solely to the Project Property for repayment; however, Bank shall take such action as is necessary to assure that Developer and/or Shamsie pays interest current; provided, however, that in no event shall City be liable for current interest; and

(iv) City and the Bank agree that the price of the Project Property sold by the City should be no less than Four Hundred Forty Thousand Dollars ($440,000.00). If the City sells the Project Property and realizes less than Four Hundred Forty Thousand Dollars ($440,000.00), the City shall pay Bank the difference at closing. In no event will the Bank receive more than the amount the Bank is owed on the Adjusted Amount of the Non-Recourse Loan.

There shall be no interest charged to City or due to Bank pursuant to this Agreement at any time, and no interest shall ever be paid to Bank from City pursuant to this Agreement, irrespective of whether or not City is delinquent or otherwise tardy in making payments specified hereunder.

In the event that Bank or Developer fail to (a) complete demolition of the Nurses Dormitory prior to twelve (12) months after the execution of this Agreement, Unavoidable Delays excepted, and/or (b) fail to substantially complete site filling and grading work prior to twelve (12) months after the execution of this Agreement, beyond the applicable cure periods, Unavoidable Delays excepted, or (c) abandons the Project after commencement of demolition, then the City may exercise any and all rights and remedies it has under this Agreement or under law and selection of any shall not be a waiver of any other such rights or remedies. With the exception of the mortgage, Bank will retain on the Project Property to secure its Non Recourse Loan, any other mortgage or liens, including potential mechanics liens or other liens outstanding on the Project Property, shall be discharged by the Developer and Bank at the closing hereunder. Current real property taxes and installments of special assessments shall be prorated as of the date of closing. In addition, so long as Developer and Bank are reasonably pursuing such efforts to complete grading and fill, such twelve month period shall be extended as reasonably necessary to account for any delays. As set forth above, "abandoned" or "abandonment" shall mean that Developer or Bank have vacated and relinquished possession of the Project Property at any time after the commencement of construction of the Project for a period of ninety (90) days or more.

IV. SPECIFIC WARRANTIES.

A. WARRANTIES OF THE CITY. The City represents and warrants to the parties that it is empowered and authorized to execute and deliver this Agreement and to lend and deliver the assistance described herein upon proof of TIF 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 City. The City further represents to the parties that it has fully complied with and satisfied the requirements of the TIF Act pertaining to the establishment of the TIF District referenced herein and in entering into this Agreement. This Agreement has been, and each such document at the time it is executed and delivered will be, duly executed and delivered on behalf of City pursuant to its legal power and authority to do so. When executed and delivered by the City to Bank, all such agreements shall constitute a legal, valid, and binding obligation of City, enforceable in accordance with the terms of all such agreements.

B. WARRANTIES OF THE BANK. Bank represents and warrants to City that Bank is a Federal Savings Bank, duly organized and existing under the laws of the United States

of America, and that all proceedings of Bank 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.

Bank represents and warrants to City that this Agreement has been duly authorized, executed, and delivered by Bank, and will be enforceable against Bank 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.

Bank represents and warrants to 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 Bylaws or any other contract, agreement, court order or decree to which Bank may be a party or to which Bank may be subject, or any applicable federal or state law or municipal ordinance.

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

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

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

D. WARRANTIES OF SHAMSIE. Shamsie represents that he has the sole right and exclusive authority to execute this Agreement, and that he has not sold, assigned, transferred, conveyed or otherwise disposed of any claims or obligations referred to herein. In entering into this Agreement, Shamsie represents that he has relied solely upon his own information, knowledge and belief and that the terms of this Agreement have been completed and fully explained to him and those terms are fully understood and validly accepted by him.

V. DEFAULT PROVISIONS.

A. Events of Default. The following shall be considered an event of default under this Agreement and subject to the notice requirements and remedies set forth in Paragraph B below:

(i) A material breach of this Agreement by the City, Developer, Bank or Shamsie; or

(ii) The Bank ceases to be permitted to do business in good standing as a Federal Savings Bank for a period of ninety (90) days or more.

B. Notices of Default and Remedies Upon Default.

(i) If, in City's reasonable judgment, either Bank or Developer are in default of this Agreement, City shall provide Bank with a written statement indicating in adequate detail any failure on Bank's part or Developer's part to fulfill its respective obligations under this Agreement. Except and only as required to protect against further damages, City may not exercise any remedies against Bank in connection with such default until thirty (30) days after giving such written 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 Bank diligently proceeds with such cure. If such default is substantially cured within such extended period, the default shall not be deemed to constitute a breach of this Agreement. A default not substantially cured as provided above shall constitute a breach of this Agreement. Any failure or delay by City in asserting any of its rights or remedies as to any default or alleged default or breach shall not operate as a waiver of any such default or breach or of any rights or remedies it may have as a result of such default or breach. Bank may also elect to cure Developer's defaults hereunder.

(ii) If Bank materially fails to fulfill its obligations under this Agreement (including without limitation any incorporated agreements) after notice is given by City and any cure periods described in Paragraph V(A)(i) above have expired, 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 Bank, or any voluntary or involuntary proceeding in any court or tribunal shall be instituted to declare Bank insolvent or unable to pay Bank's debts, or Bank makes an assignment for the benefit of its creditors, or a trustee or receiver is appointed for Bank or for the major part of the Bank's property or Developer's property, City may elect, to the extent such election is permitted by law and is not unenforceable under applicable federal bankruptcy laws, but is not required, with or without notice of such election and with or without entry or other action by City, to forthwith terminate this Agreement. To effect City's termination of this Agreement based upon Bank's insolvency, 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 Paragraph V(A)(ii), in which event this Agreement by virtue of the recording of such certificate, shall become null and void and of no further force and effect.

(iii) If, in Bank's reasonable judgment, City is in material default of this Agreement, the Bank shall provide City with a written statement indicating in adequate detail any failure on City's part to fulfill its obligations under this Agreement. Except and only as required to protect against further damages, Bank may not exercise any remedies against City in

connection with such failure until thirty (30) days after giving such written notice. If such default cannot be cured within such thirty (30) day period, such thirty (30) day period shall be extended for such time as is reasonably necessary for the curing of the same, so long as City diligently proceeds with such cure. If such default is substantially cured within such extended period, the default shall not be deemed to constitute a breach of this Agreement. A default not substantially cured as provided above shall constitute a breach of this Agreement. Any failure or delay by Bank 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. Developer waives any claim against the City for default of this Agreement.

(iv) In addition to any other rights or remedies, Bank or City may institute legal action against any other party to cure, correct or remedy any default, or to obtain any other remedy or seek any type of damages, 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.

(v) 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.

(vi) Any and all remedies available to the City and Bank under this Agreement shall be available and enforceable at the election of City or Bank herein, and this Agreement shall not limit but only expand said remedies available to City and Bank under such agreements.

VI. MUTUAL RELEASE. Except for the executory provisions contained in this Agreement (i) the City, Developer and Shamsie shall release each other from any and all claims and/or causes of action, past, present and in the future, associated with the Development including any and all Promissory Notes maintained by Developer and/or Shamsie with the City, excepting the $10,136.87 owed the City previously in fines and outstanding charges and said $10,136.87 has been credited by the City to the account of the Developer, and (ii) the City and Bank shall release each other from any and all claims and/or causes of action, past, present and in the future, associated with the Development.

VII. NON-DISCRIMINATION. City, Developer and Bank agree that neither the Project Property nor any portion thereof, shall be sold to, leased, or used by Bank 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 demolition and operations on the Project Property shall be in compliance with all effective laws, ordinances, and regulations relating to discrimination on any of the foregoing grounds.

VIII. MISCELLANEOUS PROVISIONS.

A. Assignment of Benefits. The Bank may to the extent allowed under the Act, assign the payments and benefits under this Agreement to an investor or lender previously approved by the City; said approval not to be unreasonably withheld. Notwithstanding the foregoing, the Bank may transfer the payments under this Agreement, under the constraints of the Act to (i) any entity controlling, controlled by or under common control with the Bank or (ii) any entity in which the majority equity interest is owned by the parties that have a majority equity interest in the Bank, so long as such transfer or payment is not done to avoid Bank's responsibilities hereunder.

Neither Developer nor Shamsie may assign this Agreement without the consent of the City. Notwithstanding the foregoing, Developer and/or Shamsie may assign this Agreement to Bank.

B. 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.

C. Recitals. The RECITALS contained in the preamble to this Agreement are hereby incorporated herein by this reference hereto *in haec verba,* and are true and correct.

D. Entire Agreement. This document and exhibits hereto contain the entire agreement between Bank, Developer and 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 to the respective heirs, executors, successors, and assigns of each. A memorandum thereof shall be recorded as set forth below, and may be modified only by written amendment signed by Bank and City, which amendment shall become effective upon recording by either party in the Recorder's Office in Rock Island County, Illinois.

E. Survival of Warranties and Representations. Any warranty, representation, or agreement herein contained shall survive the execution of the Agreement.

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

If to Bank:

NORTHWEST BANK & TRUST COMPANY
Attn: Joe B. Slavens
100 E. Kimberly Road
Davenport, IA 52806

If to the City:

CITY OF MOLINE
619 16th Street
Moline, IL 61265
Attn: City Administrator and City Clerk

With a copy to:
Pastrnak Law Firm
Attn: Tom Pastrnak
313 W. 3rd Street
Davenport, IA 52801

With a copy to:
City of Moline
619 16th Street
Moline, IL 61265
Attn: Law Director

If to Developer:

Moline Place Development, L.L.C.
c/o Michael R. Shamsie
455 Avenue of the Cities
East Moline, IL 61244

If to Shamsie:

Michael R. Shamsie
455 Avenue of the Cities
East Moline, IL 61244

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

G. Counterparts; Facsimile Transmissions. This Agreement may be executed in one or more counterparts and on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures to this Agreement may be given by facsimile or other electronic transmission, and such signatures shall have the same binding effect as an original signature on an original document.

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

X. 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.

XI. SEVERABILITY; RULE AGAINST PERPETUITY. 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. Further, if any provision of this Agreement or the application thereof would otherwise be unlawful, void, or voidable by reason of any applicable rule against perpetuities, then such provision or application shall continue only until twenty one (21) years after the death of the last survivor of the now living descendants of Barack Obama.

XII. 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.

XIII. 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.

XIV. 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 such third 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.

XV. TERMINATION. Unless otherwise earlier terminated pursuant to the terms hereof, this Agreement and the terms and provisions hereof shall terminate on the expiration of the extended or newly created TIF.

(Signature Page Follows)

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: 11/17/10

Donald Welvaert, Mayor

Attest:

Tracy A. Koranda, City Clerk

Approved as to form:

Jeffrey D. Lester, Law Director

NORTHWEST BANK & TRUST COMPANY,
a Federal Savings Bank,

DATED: 11/2/10

By:
Joe B. Slavens, President

MOLINE PLACE DEVELOPMENT, L.L.C., an
Illinois Limited Liability Company,

By:
Michael R. Shamsie, Operating Manager

Michael R. Shamsie, individually

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

On this 17th day of November, 2010, before me, the undersigned, a Notary Public in and for the State of Illinois, personally appeared DONALD WELVAERT and TRACY A. 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) "OFFICIAL SEAL"
Vickie L Felger
Notary Public, State of Illinois
My Commission Expires 1/4/2011

Vickie L. Felger
NOTARY PUBLIC

STATE OF IOWA)
) SS:
COUNTY OF SCOTT)

On this 2nd day of November, 2010, before me, a Notary Public in and for said County and State aforesaid, personally appeared JOE B. SLAVENS, to me personally known, who being by me duly sworn (or affirmed) did say that he is the President of NORTHWEST BANK & TRUST COMPANY, a Federal Savings Bank, and that said instrument was signed on behalf of the Corporation by authority of its Board of Directors and the said JOE B. SLAVENS acknowledged the execution of said instrument to be the voluntary act and deed of said Corporation, by it and by him voluntarily executed.

Beverly Ricketts
Notary Public in and for said County and State

NOTARIAL SEAL IOWA
BEVERLY RICKETTS
Commission Number 761651
My Commission Expires
2-13-11

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

On this 2nd day of November, 2010, before me, a Notary Public in and for said County and State aforesaid, personally appeared MICHAEL R. SHAMSIE, to me personally known, who being by me duly sworn (or affirmed) did say that he is the Operating Manager of MOLINE PLACE DEVELOPMENT, L.L.C., an Illinois Limited Liability Company, and that said instrument was signed on behalf of the Limited Liability Company by authority of Members, and the said MICHAEL R. SHAMSIE acknowledged the execution of said instrument to be the voluntary act and deed of said Limited Liability Company, by it and by him voluntarily executed.

OFFICIAL SEAL
KIM N. THOMSEN
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES 5-19-2011

Kim N. Thomsen
Notary Public in and for said County and State

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

On this 2nd day of November, 2010, before me, a Notary Public in and for said County and State aforesaid, personally appeared MICHAEL R. SHAMSIE, to me personally known to be the same person named in and who executed the foregoing instrument, and acknowledged that he executed the same as his voluntary act and deed.

OFFICIAL SEAL
KIM N. THOMSEN
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES 5-19-2011

Kim N. Thomsen
Notary Public in and for said County and State

EXHIBIT "A"
LEGAL DESCRIPTION
PROJECT PROPERTY

ATTACHED

EXHIBIT "B"
LEGAL DESCRIPTION
TIF PROPERTY

ATTACHED

EXHIBIT B

PART OF THE SOUTHEAST QUARTER OF SECTION 31, TOWNSHIP 18 NORTH, RANGE 1 WEST OF THE 4th PRINCIPAL MERIDIAN, CITY OF MOLINE, ROCK ISLAND COUNTY, ILLINOIS, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 31; THENCE NORTH 00° 08' 59" WEST (ASSUMED BEARING) ALONG THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 31, A DISTANCE OF 455.09 FEET TO A POINT ON THE NORTH LINE OF 11TH AVENUE; THENCE NORTH 89° 55' 42" WEST A DISTANCE OF 256.13 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 89° 39' 31" WEST A DISTANCE OF 388.92 FEET; THENCE NORTH 00° 39' 00" WEST A DISTANCE OF 131.78 FEET; THENCE SOUTH 89° 39' 37" WEST A DISTANCE OF 200.00 FEET TO A POINT ON THE EAST RIGHT OF WAY LINE OF 4TH STREET AS NOW ESTABLISHED; THENCE NORTH 00° 33' 13" WEST, A DISTANCE OF 314.73 FEET; THENCE SOUTH 87° 57' 24" WEST A DISTANCE OF 72.67 FEET TO SAID EAST RIGHT OF WAY LINE; THENCE NORTH 13° 42' 12" WEST ALONG SAID RIGHT OF WAY LINE, A DISTANCE OF 344.41 FEET; THENCE NORTH 12° 42' 46" WEST ALONG SAID RIGHT OF WAY LINE, A DISTANCE OF 320.13 FEET TO A POINT ON THE SOUTH RIGHT OF WAY LINE OF 5TH AVENUE; THENCE NORTH 89° 40' 15" EAST ALONG SAID RIGHT OF WAY LINE, A DISTANCE OF 77.35 FEET; THENCE NORTH 85° 41' 37" EAST ALONG SAID RIGHT OF WAY LINE, A DISTANCE OF 3.25 FEET; THENCE NORTH 86° 52' 15" EAST ALONG SAID RIGHT OF WAY LINE, A DISTANCE OF 177.02 FEET; THENCE SOUTH 82° 05' 26" EAST ALONG SAID RIGHT OF WAY LINE A DISTANCE OF 142.74 FEET; THENCE NORTH 89° 18' 13" EAST ALONG SAID RIGHT OF WAY LINE, A DISTANCE OF 351.79 FEET; THENCE SOUTH 45° 43' 11" EAST ALONG SAID RIGHT OF WAY LINE, A DISTANCE OF 21.21 FEET TO A POINT ON THE WEST RIGHT OF WAY LINE OF 6TH STREET; THENCE SOUTH 00° 04' 29" EAST ALONG SAID RIGHT OF WAY LINE, A DISTANCE OF 146.02 FEET TO THE NORTHEAST CORNER OF LOT 6, BLOCK 7 IN "WEST MOLINE ADDITION"; THENCE SOUTH 00° 32' 02" EAST ALONG SAID WEST RIGHT OF WAY LINE, A DISTANCE OF 613.01 FEET; THENCE SOUTH 89° 57' 56" WEST A DISTANCE OF 2.00 FEET; THENCE SOUTH 00° 12' 35" EAST ALONG SAID WEST RIGHT OF WAY LINE, A DISTANCE OF 194.70 FEET; THENCE SOUTHEASTERLY ALONG THE ARC OF A NON-TANGENT CURVE CONCAVE TO THE NORTHEAST, HAVING A 230.00 FEET RADIUS, A CENTRAL ANGLE OF 31° 07' 09", AND A 123.39 FEET LONG CHORD THAT BEARS SOUTH 22° 48' 02" EAST ALONG SAID WEST RIGHT OF WAY LINE, AN ARC DISTANCE OF 124.92 FEET TO THE POINT OF BEGINNING, CONTAINS 15.21 ACRES, MORE OR LESS, AND IS SUBJECT TO EASEMENTS AND RESTRICTIONS OF RECORD.

EXHIBIT A

AND
Outlot A in One Moline Place Phase I Subdivision, City of Moline, County of Rock Island, Illinois;

EXCEPTING THEREFROM: Part of Outlot A, One Moline Place Phase I, City of Moline, Rock Island County, Illinois, more particularly described as follows:

Beginning at the Southeast corner of Lot 4 in said One Moline Place Phase I; thence North 13°10'03" East along the East line of said Lot 4, a distance of 71.89 feet to the Northeast Corner of said Lot 4; thence South 90°00'00" East a distance of 20.65 feet to a point of the North line of said Lot 4 extended to the Easterly; thence South 00°00'00" East a distance of 70.25 feet to a point on the South line of said Outlot A; Thence North 89°36'39" West a distance of 37.03 feet to the point of beginning.

ALSO EXCEPTING THEREFROM: Part of Outlot A, One Moline Place Phase I, City of Moline, Rock Island County, Illinois, more particularly described as follows:

Beginning at the Southeast corner of Lot 5 in said One Moline Place Phase I; thence North 13°10'03" East along the East line of said Lot 5, a distance of 90.55 feet to the Northeast corner of said Lot 5; thence South 00°00'00" East a distance of 88.28 feet to a point of the South line of said Lot 5 extended to the Easterly; thence North 90°00'00" West along said South line of Lot 5 extended, a distance of 20.65 feet to the point of beginning.

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 & Pullen, LLP
Certified Public Accountants

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 2
INTERGOVERNMENTAL AGREEMENTS

The City of Moline entered into an intergovernmental agreement (Resolution 1221-2010) with Moline School District #40 in order to extend the termination date of One Moline Place TIF by 12 years. The terms of the agreement stated the City:
Would increase its share of the cost of the police liaison program from 44% - 55%;
Would not decrease the number of crossing guards;
Shall sell 100 tons of salt to the school district at half the City's purchase price;
Would reimburse the school district any rate increase over 2010 levels for water, sewer, and storm water fees; and
Will provide free construction inspection fees for John Deere and Wilson middle schools.

The City sold the school district 100 tons of salt for $3,737.50 discounting $3,737.50 from the City's purchase price.
The City conducted seven mechanical, 10 plumbing, eight electrical and 12 building inspections at Wilson middle school at no charge.
The City conducted 10 mechanical, 14 plumbing, 34 electrical, and 33 building inspections at John Deere middle school at no charge.