

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

Name of Redevelopment Project Area:	KONE Centre
Primary Use of Redevelopment Project Area*:	Other Commercial
If "Combination/Mixed" List Component Types:	Office
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):	
Tax Increment Allocation Redevelopment Act <input checked="" type="checkbox"/>	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
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Fund Balance at Beginning of Reporting Period

\$ -

Revenue/Cash Receipts Deposited in Fund During Reporting FY:

			% of Total
Property Tax Increment			0%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest			0%
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

\$ -

Cumulative Total Revenues/Cash Receipts

\$ - 0%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)

\$ 1,405.00

Distribution of Surplus

Total Expenditures/Disbursements

\$ 1,405

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS

\$ (1,405)

FUND BALANCE, END OF REPORTING PERIOD

\$ (1,405)

- 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)		
Study	1,405	
		\$ 1,405
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		
		\$ -

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		\$ 1,405

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		

Total Amount Designated for Obligations \$ -

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.

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)	\$ -	\$ -	\$ -
Public Investment Undertaken		\$ -	\$ -
Ratio of Private/Public Investment	0		0
Project 1:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0
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

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:			
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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:

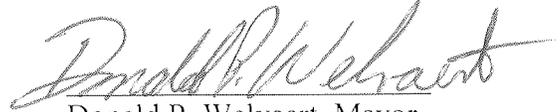
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

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, Mayor

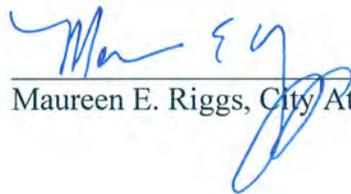
ATTACHMENT "C"

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

TIF 5
ACTIVITIES STATEMENT

The developer reduced the project from a 20 story to an eight story mixed-use office building. KONE, Inc. remained the main tenant.

The conveyance of the land from the City to Financial District Properties, KP was recorded December 13.

In an effort to secure additional financing, the first amendment to the development agreement dated December 17, among other elements, extended the project timeline and directed the TIF rebate to the developer in the event of a project default.

The collateral and security agreement dated December 16 required the developer to provide the city additional guarantees to address the condition in the first amendment to the development agreement and to protect the city's interest with regard to the loan made to the developer in 2007.

The City created a line of credit with First Midwest Bank in order to facilitate a three year extension to the loan made to the developer in 2007.

TIF 5
2010 AGREEMENTS

The following agreements were executed during this reporting fiscal year.

Council Bill/Resolution No. 1246-2010

Sponsor: _____

A RESOLUTION

AUTHORIZING the Mayor and City Clerk to execute an agreement with Financial District Properties KP, L.L.C., to outline and accept additional security related to the KONE Development and property purchase.

WHEREAS, in 2007, the City did approve a loan to Financial District Properties KP, L.L.C. (Developer) and first position mortgage in the amount of \$7.5MM from Developer to allow Developer to purchase the old KONE property; and

WHEREAS, upon execution of a certain Development Agreement covering the construction of the new KONE Tower, Developer agreed that the City could protect its interests in said loan and mortgage by diverting TIF rebates from the Developer for TIF eligible expenses to the City to repay any outstanding indebtedness remaining on said loan and mortgage in the event of a default by Developer related solely to said loan and mortgage; and

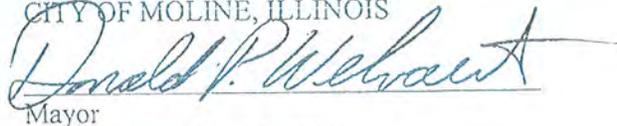
WHEREAS, in securing financing to construct said KONE Tower, Lenders have required that the Development Agreement be amended to terminate the City's right to divert said TIF rebates; and

WHEREAS, in an effort to protect the interests of the taxpayers of the City of Moline and to provide for sufficient enhanced security to the taxpayers, Developer has agreed to provide additional security to the City as an inducement to amending the Development Agreement.

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

That the Mayor and City Clerk are hereby authorized to execute an agreement with Financial District Properties KP, L.L.C., to outline and accept additional security related to the KONE Development and property purchase; provided, however, that said agreement is in substantially similar form as that attached hereto and incorporated herein by this reference thereto as Exhibit "A" and has been approved as to form by the Law Director.

CITY OF MOLINE, ILLINOIS



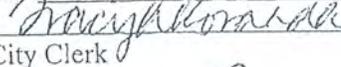
Mayor

September 14, 2010

Date

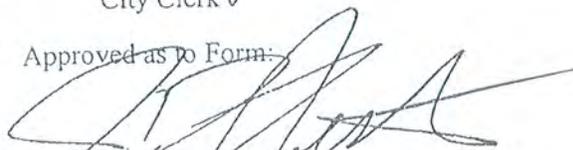
Passed: September 14, 2010

Approved: September 21, 2010

Attest: 

City Clerk

Approved as to Form:



Law Director

COLLATERAL AND SECURITY AGREEMENT

THIS Collateral and Security Agreement ("Agreement") made and entered into on this 16th day of December, 2010, by and between the City of Moline, an Illinois Municipal Corporation ("City"), Financial District Properties HQO, L.L.C., an Illinois limited liability company ("HQO"), FDP, Inc., an Iowa corporation ("FDP"), Hilltop Properties, L.L.C., an Iowa limited liability company ("Hilltop"), Jodi Blackwell, individually ("Jodi") and Rodney Blackwell, individually ("Rodney").

RECITALS:

WHEREAS, in December of 2007, HQO executed certain loan documents to purchase certain property and granted the City a first mortgage position on property previously owned by KONE, Inc. in Moline, Illinois for the purpose of inducing the City to loan Seven Million Five Hundred Thousand Dollars (\$7,500,000.00) to HQO (as amended, extended, modified and refinanced, the "Loan"); and

WHEREAS, the City required certain security from HQO in exchange for making such Loan to HQO; and

WHEREAS, Financial District Properties KP, L.L.C. ("Developer") intends to build a new building in which KONE, Inc. will be the anchor tenant which will require financing; and

WHEREAS, fiscal times are extremely difficult currently and much more so than 2007, and this includes securing long term financing; and

WHEREAS, Developer's lenders for the new KONE project are requiring for their security a portion of the security previously pledged to the City for the Loan—i.e., said lenders are demanding the entering into of the Amended Development Agreement (as defined below); and

WHEREAS, the City is desirous of keeping KONE, Inc. and its attendant jobs within the City of Moline and of growing and maintaining its tax base; and

WHEREAS, in order to sufficiently protect the City's taxpayers while at the same time ensuring KONE's continued presence and success in the City of Moline, the City, Rodney, Jodi, Hilltop, FDP and HQO have agreed to a number of security instruments and provisions in addition to the security which remains in place to protect the Loan, such additional security to be provided in lieu of certain security taken for the Loan that the Developer's lenders insist on instead being pledged to Developer's lenders for their loans to Developer.

NOW, THEREFORE, THE PARTIES AND EACH OF THEM, for and in exchange for good and valuable consideration, and as new and substituted security for the Loan previously provided, hereby enter into the following Agreement:

- I. To protect the taxpayers of the City in the event of a default by HQO, City shall receive or retain the following security and security interests, and HQO, Blackwell and FDP agree, from time to time, to execute whatever additional documents City may reasonably require to effectuate and perfect said interests referenced below:
 - a. City shall retain its first position on any prior mortgage and security interests given and executed in December of 2007 in connection with the Loan and all personal and corporate guarantees previously granted.

- b. The City shall receive an additional corporate guaranty for the Loan from Hilltop which guaranty shall be in similar form and content to that attached hereto as Exhibit A.
 - c. The City shall receive the personal guarantees of Rodney and Jodi for the Loan, which guarantees shall be in similar form and content to that attached hereto as Exhibit A.
 - d. Developer was required to increase Developer's collateral in the project by Developer's lenders through a Leveraged Loan (as defined below) made by FDP to Kone Centre Investment Fund, LLC but FDP retains a right to the annual interest payments on said Leveraged Loan. Therefore, FDP shall assign FDP's annual interest on the Leveraged Loan (which will be approximately \$72,000 in interest annually) to the City by executing a collateral assignment to the City of such interest, which collateral assignment shall be in similar form and content to that attached hereto as Exhibit B.
 - e. The City shall also receive a collateral assignment of Rodney's transferable interest in FDP KP Holdings, L.L.C. which is estimated to generate between approximately \$300,000 to \$400,000 annually which collateral assignment shall be in similar form and content to that attached hereto as Exhibit B.
 - f. The two preceding assignments in Paragraphs I. d and e are secured with the collateral assignment document and the proceeds of such assignment are available to the City only in the event of a material default on the Loan and in accordance with the specific terms of the assignments given on Exhibit B attached hereto.
 - g. At the conclusion of 7 years from December 21, 2010 or the expiration of the tax credits referenced in the First Amendment to Development Agreement between Developer and City dated November 22, 2010 ("Amended Development Agreement")—whichever earlier occurs—if and only if HQO has not paid off the Loan in full, the City shall receive as much as necessary of the Three Million Eighty Six Thousand Six Hundred Fifteen Dollar (\$3,086,615.00) leveraged loan payable to FDP by Kone Centre Investment Fund, LLC (the "Leveraged Loan") to apply to any remaining Loan balance, beginning first with unpaid costs allowed in the Loan, then unpaid interest on the Loan, then unpaid principal on the Loan. Notwithstanding anything stated to the contrary herein, the City shall not have access to the principal of the Leveraged Loan until it matures and the principal under same becomes due and payable to FDP. This paragraph shall serve as conclusive evidence of said collateral assignment of the Leveraged Loan pursuant to the express terms of this paragraph.
- II. Developer and HQO have indicated that they are unable to finance the new KONE project and pay off the Loan as currently scheduled by December 31, 2010. The City therefore hereby agrees and contracts with HQO to refinance the remaining principal balance owed on the Loan for a period of three (3) years, at an interest rate of 3.25% per annum, monthly interest only payments to be made by HQO (except for the payments to be made by HQO pursuant to Section V herein).
- III. Any and all costs and expenses of refinancing the Loan charged by the City's lender shall be paid by HQO. In addition, HQO shall pay to the City a one-time fee of \$50,000.00 at the time of said refinance of the Loan to reimburse the City for its time and expense relating to

said refinance. The City hereby agrees that HQO may finance this \$50,000.00 expense as part of the refinance referenced in paragraph II above.

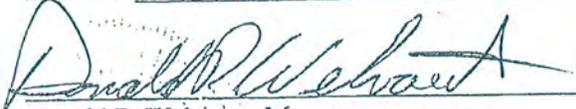
- IV. Commencing December 31, 2010, whether HQO is in default or not, HQO shall pay to the City two thousand dollars (\$2,000.00) per month for twenty-four (24) months, to be used for general fund purposes. Prior to the conclusion of the twenty four months referenced herein, HQO shall place thirty-six thousand dollars (\$36,000.00) in an escrow account acceptable to the City to guarantee an additional 12 months of \$3,000 monthly payments. These payments shall cease and no longer be required by HQO hereunder at such time as the Loan is paid off in full.
- V. Commencing December 31, 2010, and continuing on the last day of each month thereafter through November 30, 2012, HQO shall make an additional payment of sixteen thousand dollars (\$16,000.00) per month, and commencing December 31, 2012, and continuing on the last day of each month thereafter through the end of the term of the Loan, HQO shall make an additional payment of fifteen thousand dollars (\$15,000.00) per month, all to be applied to any outstanding indebtedness of the Loan, beginning first with unpaid costs of the City allowed by the Loan, then unpaid delinquent interest owed on the Loan, then unpaid principal on the Loan.
- VI. Per the Development Agreement entered into by and between the Developer and City dated as of June 17, 2009, the new KONE Tower is to be constructed on property owned by the City and sold to the Developer for Five Hundred Thousand Dollars (\$500,000.00). Two-hundred fifty thousand dollars (\$250,000.00) from that property purchase and sale shall be applied by the City to reduce the principal balance owed on the Loan as of the date of closing on the purchase and sale of said property.
- VII. Should any party hereto default under this Agreement, the non-defaulting party shall have all rights at law and equity against the defaulting party.
- VIII. This document and exhibits hereto contain the entire agreement between parties as to this Agreement and its burdens and benefits shall inure to the benefit of, and shall be binding upon the parties hereto or a memorandum thereof and their respective heirs, executors, successors, and assigns. This Agreement or a memorandum thereof may be recorded against the property secured by the Loan only (but may not be recorded against the property constituting the new KONE tower project), and may be modified only by written amendment signed by all parties hereto.
- IX. HQO, Hilltop, Jodi, Rodney, and FDP hereunder may assign the rights, duties, and obligations of same only with the prior written consent of City (which consent shall not unreasonably be withheld).
- X. Any warranty, representation, or agreement herein contained shall survive the execution of the Agreement.
- XI. 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 with the Circuit Court located in Rock Island County, Illinois.

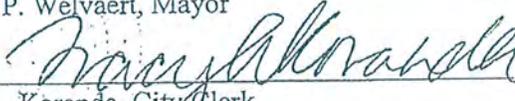
- XII. Neither anything in this Agreement nor any acts of the parties to this Agreement shall be construed by the parties or any third person to create the relationship of a partnership, agency, or joint venture between or among such parties.
- XIII. From time to time hereafter and without further consideration, 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. Notwithstanding anything stated in this paragraph or this Agreement, this Agreement and any other documents referenced herein may not be recorded against the property constituting the new KONE tower project.
- XIV. 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. 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.

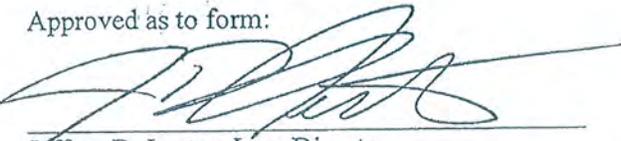
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates set forth above their respective signatures.

THE CITY OF MOLINE, ILLINOIS

DATED: 12/16/10

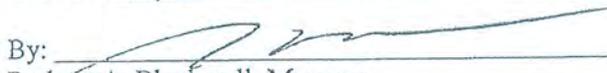

Donald P. Welvaert, Mayor

Attest: 
Tracy A. Koranda, City Clerk

Approved as to form:

Jeffrey D. Lester, Law Director

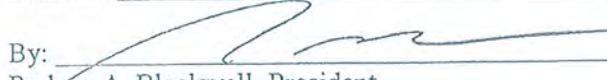
FINANCIAL DISTRICT PROPERTIES HQO, L.L.C.

DATED: 12-16-10

By: 
Rodney A. Blackwell, Manager

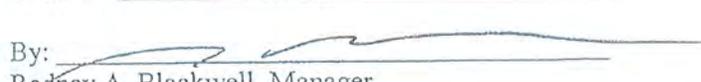
FDP, INC.

DATED: 12-16-10

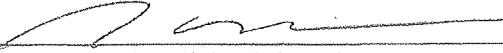
By: 
Rodney A. Blackwell, President

HILLTOP PROPERTIES, L.L.C.

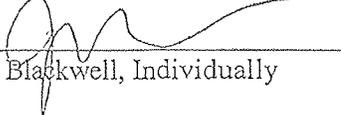
DATED: 12-16-10

By: 
Rodney A. Blackwell, Manager

DATED: 12-16-10

By: 
Rodney A. Blackwell, Individually

DATED: 12-16-10

By: 
Jodi Blackwell, Individually

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

On this 16 day of DECEMBER, 2010, before me, the undersigned, a Notary Public in and for the State of Illinois, personally appeared DONALD P. 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.



Vickie L. Felger
NOTARY PUBLIC

STATE OF Iowa)
) SS:
COUNTY OF Scott)

On this 15th day of Dec, 2010, before me, a Notary Public in and for said County and State aforesaid, personally appeared RODNEY A. BLACKWELL, to me personally known, who being by me duly sworn (or affirmed) did say that he is the Manager of Financial District Properties HQO, L.L.C., an Illinois limited liability company, and that said instrument was signed on behalf of the company by said Rodney A. Blackwell as Manager of said company. Rodney A. Blackwell 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.



[Signature]
NOTARY PUBLIC

STATE OF Iowa)
) SS:
COUNTY OF Scott)

On this 15th day of Dec, 2010, before me, a Notary Public in and for said County and State aforesaid, personally appeared RODNEY A. BLACKWELL, to me personally known, who being by me duly sworn (or affirmed) did say that he is the Manager of Hilltop Properties, L.L.C., an Iowa limited liability company, and that said instrument was signed on behalf of the company by said Rodney A. Blackwell as Manager of said company. Rodney A. Blackwell acknowledged the execution of said instrument to be the voluntary act and deed of said limited liability company, by it and by him voluntarily executed.

(seal)



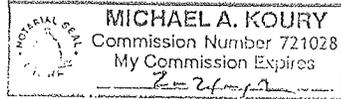
[Signature]
NOTARY PUBLIC

STATE OF Iowa
COUNTY OF Scott)

)
) SS:

On this 15 day of Dec., 2010, before me, a Notary Public in and for said County and State aforesaid, personally appeared **RODNEY A. BLACKWELL**, to me personally known, who being by me duly sworn (or affirmed) did say that he is the **President of FDP, Inc.**, an Iowa corporation, and that said instrument was signed on behalf of the company by said Rodney A. Blackwell as President of said corporation. Rodney A. Blackwell acknowledged the execution of said instrument to be the voluntary act and deed of said limited liability company, by it and by him voluntarily executed.

(seal)



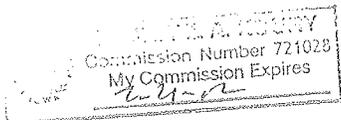
[Signature]
NOTARY PUBLIC

STATE OF Iowa
COUNTY OF Scott)

)
) SS:

On this 15th day of Dec., 2010, before me, a Notary Public in and for said County and State aforesaid, personally appeared **RODNEY A. BLACKWELL** and **JODI BLACKWELL**, to me personally known, who being by me duly sworn (or affirmed) and said instrument was signed by said Rodney A. Blackwell and Jodi Blackwell. Rodney A. Blackwell and Jodi Blackwell acknowledged the execution of said instrument to be their voluntary act and deed, by them voluntarily executed.

(seal)



[Signature]
NOTARY PUBLIC

EXHIBIT "A"
GUARANTY

December 16, 2010

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce the City of Moline, an Illinois municipal corporation (hereinafter referred to as the "City"), at its option, to sign an Amended Development Agreement of even date, and to refinance the Note (as defined below) in favor of Financial District Properties, HQO, L.L.C., the undersigned

Hilltop Properties, L.L.C., an Iowa limited liability company, Rodney A. Blackwell, individually and Jodi Blackwell, individually—jointly and severally

(hereinafter referred to as "Guarantors") each hereby absolutely and unconditionally guarantee(s) to the City the full and prompt payment when due, whether at maturity or earlier by reason of acceleration or otherwise, of the debts, liabilities and obligations described and evidenced by that certain Promissory Note and Loan Agreement dated December, 2007 in the principal amount of \$7,500,000.00 (as amended, modified, extended or refinanced, the "Note") and hereafter referred to as the "obligations and liabilities" or the "Indebtedness"; provided however that the Indebtedness guaranteed under this Guaranty shall not exceed the sum of Seven Million Five Hundred Thousand and 00/100 Dollars (\$7,500,000.00) plus interest under the Note and all other costs identified in paragraphs 4 and 6 hereof or the outstanding amount owed on the Note, whichever is the lesser.

The undersigned further acknowledge(s) and agree(s) with City that:

1. No act or thing need occur to establish the liability of the undersigned hereunder, and no act or thing, except full payment and discharge of all Indebtedness and discharge of all obligations and liabilities in the aforementioned agreements and Note, shall in any way exonerate the undersigned or modify, reduce, limit or release the liability of the undersigned hereunder.
2. This is an absolute, unconditional and continuing guaranty of payment of the Indebtedness and discharge of all obligations and liabilities and shall continue to be in force and be binding upon the undersigned until the Indebtedness is paid in full. Parties understand and agree this guarantee shall be joint and several guarantees and that each of the undersigned are fully liable hereunder for the full amount of the guarantee and for full and complete discharge of all obligations and liabilities.
3. If the undersigned shall be dissolved, shall die, or shall be or become insolvent (however defined) then the City shall have the right to declare immediately due and payable, and the undersigned will forthwith pay to the City, the full amount of all Indebtedness, obligations and liabilities. If the undersigned voluntarily commences or there is commenced involuntarily against the undersigned a case under the United States Bankruptcy Code, the full amount of all Indebtedness, obligations and liabilities shall be immediately due and payable without demand or notice thereof.
4. The liability of the undersigned hereunder shall be for all Indebtedness, obligations and liabilities plus accrued interest thereon and all attorneys' fees, collection costs and enforcement expenses referable thereto.
5. The undersigned will not exercise or enforce any right of contribution, reimbursement, recourse or subrogation available to the undersigned against any person liable to payment of the Indebtedness, or discharge of the obligations and liabilities or as to any collateral security therefor, unless and until all of the Indebtedness, obligations and liabilities shall have been fully paid and discharged.

6. The undersigned will pay or reimburse the City for all costs and expenses (including reasonable attorneys' fees and legal expenses) incurred by the City in connection with the protection, defense or enforcement of this guaranty in any litigation or bankruptcy or insolvency proceedings.

7. Whether or not any existing relationship between the Financial District Properties HQO, L.L.C. and Guarantors have been changed or ended and whether or not this guaranty has been revoked, the City may, but shall not be obligated to, enter into transactions resulting in the creation or continuance of Indebtedness, obligations and liabilities without any consent or approval by the undersigned and without any notice to the undersigned. The liability of the undersigned shall not be affected or impaired by any of the following acts or things (which the City is expressly authorized to do, omit or suffer from time to time, both before and after revocation of this guaranty, without notice to or approval by the undersigned): (i) any acceptance of collateral security, guarantors, accommodation parties or sureties for any or all Indebtedness, obligations and liabilities; (ii) any one or more extensions or renewals of Indebtedness, obligations and liabilities (whether or not for longer than the original period) or any modification of the interest rates, maturities or other contractual terms applicable to any Indebtedness; (iii) any waiver or indulgence granted to Guarantor, any delay or lack of diligence in the enforcement of Indebtedness, obligations and liabilities or any failure to institute proceedings, file a claim, give any required notices or otherwise protect any Indebtedness, obligations and liabilities; (iv) any full or partial release of settlement with or agreement not to sue Guarantor or any other guarantor or other person liable in respect of the Indebtedness, obligations and liabilities; (v) any discharge of any evidence of Indebtedness, obligations and liabilities or the acceptance of any instrument in renewal thereof of substitution therefor; (vi) any failure to obtain collateral security (including rights of setoff) for Indebtedness, obligations and liabilities or to see to the proper or sufficient creation and perfection thereof, or to establish the priority thereof, or to protect, insure, or enforce any collateral security; or any modification, substitution, discharge, impairment or loss of any collateral security; (vii) any foreclosure or enforcement of any collateral security; (viii) any transfer of the Indebtedness or any evidence thereof; (ix) any order of application of any payments or credits upon Indebtedness.

8. The undersigned waive(s) any and all defenses, claims and discharges of Guarantors, or any other obligor, pertaining to Indebtedness, obligations and liabilities except the defense of discharge by payment or discharge in full, as the case may be. Without limiting the generality of the foregoing, the undersigned will not assert, plead or enforce against the City any defense of waiver, release, discharge in bankruptcy, statute of limitations, res judicata, statute of frauds, anti-deficiency statute, fraud, incapacity, minority, usury, illegality or unenforceability which may be available to Guarantor or any other person liable in respect of any Indebtedness, obligations and liabilities or any setoff available against the City to Guarantor or any such other person, whether or not on account of a related transaction. The undersigned expressly agree(s) that the undersigned shall be and remain liable for any deficiency remaining after foreclosure of any mortgage or enforcement of any security interest securing Indebtedness, obligations and liabilities whether or not the liability of Guarantor or any other obligor for such deficiency is discharged pursuant to statute or judicial decision. The undersigned further acknowledges that the obligations herein arise immediately upon execution of this guaranty, irrespective of whether the completion of City responsibilities identified herein actually occurs or not, whether through no fault of the undersigned or not, and the undersigned waives any and all defenses related to such responsibilities, except those identified in the other agreements referenced herein.

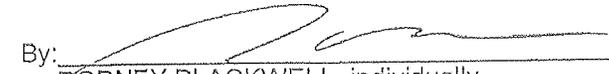
9. The undersigned waive(s) presentment, demand for payment, notice of dishonor or nonpayment, and protest of any instrument evidencing Indebtedness. The City shall not be required first to resort for payment of the Indebtedness to Guarantor or other persons or their properties, or first to enforce, realize upon or exhaust any collateral security for Indebtedness, before enforcing this guaranty.

10. If any payment applied by the City to Indebtedness is thereafter set aside, recovered, rescinded or required to be returned for any reason (including, without limitation, the bankruptcy, insolvency or reorganization of Guarantor or any other obligor), the Indebtedness to which such payment was applied shall for the purposes of this guaranty be deemed to have continued in existence, notwithstanding such application, and this guaranty shall be enforceable as to such Indebtedness as fully as if such application had never been made.

11. The liability of the undersigned under this Guaranty is in addition to and shall be cumulative with all other liabilities and obligations of the undersigned to the City as guarantor or otherwise, if any, without any limitation as to amount, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

12. This guaranty shall be enforceable against each person signing this guaranty, even if only one person signs and regardless of any failure of other persons to sign this guaranty. If there be more than one signer, all agreements and promises herein shall be construed to be, and are hereby declared to be, joint and several in each of every particular and shall be fully binding upon and enforceable against either, any or all the undersigned. This guaranty shall be effective upon signature by the guarantor or his designated power of attorney, without further act, condition or acceptance by the City, shall be binding upon the undersigned and the heirs, representatives, successors and assigns of the undersigned and shall inure to the benefit of the City and its participants, successors and assigns. Any invalidity or unenforceability of any provision or application of this guaranty shall not affect other lawful provisions and application hereof, and to this end the provisions of this guaranty are declared to be severable. This guaranty may not be waived, modified, amended, terminated, released or otherwise changed except by a writing signed by the undersigned and the City. This guaranty shall be governed by the laws of the State of Illinois. The undersigned waive(s) notice of the City's acceptance hereof.

IN WITNESS WHEREOF, this guaranty has been duly executed by the undersigned the day and year first above written.

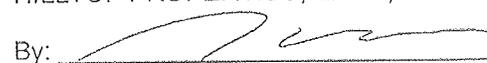
By: 

RODNEY BLACKWELL, individually
GUARANTOR

By: 

JODI BLACKWELL, individually
GUARANTOR

HILLTOP PROPERTIES, L.L.C., as GUARANTOR

By: 

Its: Manager and Sole Member

EXHIBIT "B"

**COLLATERAL ASSIGNMENT OF CERTAIN FINANCIAL INTERESTS
BETWEEN THE CITY OF MOLINE, ILLINOIS ("City"), FDP, INC., an Iowa corporation
("FDP") and RODNEY BLACKWELL, individually ("Blackwell") (collectively, FDP and
Blackwell are referred to herein as the "Assignors")**

ASSIGNMENT TO: THE CITY OF MOLINE, ILLINOIS

This Assignment ("Assignment") is made, effective as of the 16th day of December, 2010, between the City and Assignors.

**SECTION ONE
ASSIGNMENT OF DEVELOPMENT AGREEMENT**

A. As of the date hereof, the Assignors and the City (along with other parties) entered into that certain Collateral and Security Agreement (the "Collateral and Security Agreement") wherein the Assignors agreed to assign to the City certain financial interests to and for the benefit of the City as follows (collectively, the "Payment Rights"):

1. FDP's retained rights to the annual interest on the Leveraged Loan as described in the Collateral and Security Agreement (which will be approximately \$72,000 in interest annually); and
2. Blackwell's transferable interest in FDP KP Holdings, L.L.C. an Iowa limited liability company (which is estimated to generate between approximately \$300,000 to \$400,000 annually).

B. For value received and the consideration set forth below in this Assignment, Assignors assign to City all of Assignors' interest in and to such Payment Rights pursuant to the terms of this Assignment.

**SECTION TWO
DEBT SECURED**

This Assignment secures the following:

A. The payment of a Promissory Note dated December 17, 2007 by and between Financial District Properties HQO, L.L.C. as borrower and City as lender, and any amendments, extensions, or renewals thereof in the original principal sum of Seven Million Five Hundred Thousand Dollars (\$7,500,000.00) ("Note"), and secured by *inter alia* this Assignment and other loan documents executed in connection with the Note, including a first mortgage on certain real estate which secures the Note ("Loan Documents").

B. Payment of all other sums, with interest, that may become due and payable to City under this Assignment or under the Note and all Loan Documents.

C. Assignors' performance and discharge of every obligation and agreement of Assignors under this Assignment and performance and discharge of every obligation and agreement of Financial District Properties HQO, L.L.C. under the Note and all Loan Documents.

SECTION THREE WARRANTIES

Assignors warrant/the City and Assignors agree:

A. Assignors have the sole rights to the Payment Rights assigned by this instrument, with full right and authority to convey the same to the City.

B. The Payment Rights are free from liens, encumbrances, claims and setoffs of every kind.

C. In the event there is a default under the Note or Loan Documents, any payment of the Payment Rights made to Assignors will be promptly transmitted to the City. Notwithstanding the foregoing and anything else stated in this Assignment, upon a default under the Loan Documents the City shall provide to Assignors fifteen (15) days prior written notice prior to exercising any rights under this Assignment in order to allow Assignors or any third-party to cure any default by Financial District Properties HQO, L.L.C. under the Loan Documents or Note. If said default is cured during such cure period, City agrees it will not exercise its rights to the Payment Rights and under this Assignment for said specific default (however, this Assignment shall remain in full force and effect despite said cure for any future material defaults under the Note or Loan Documents).

D. In the event any payment of the Payment Rights is made to Assignors and if and only if said Payment Rights are due to the City per the express terms and provisions of this Agreement, Assignors will promptly transmit such payment to the City.

E. Assignors warrant that Assignors have no right of offset or pledge and/or claim against the Payment Rights.

SECTION FOUR COVENANTS

Assignors and City agree:

A. Assignors agree not to execute any other assignment of Assignors' interest in and to the Payment Rights.

B. Assignors agree not to alter, extend or modify the terms of any agreement that affects the City's rights to enforce its rights against the Payment Rights or the right to receive the Payment Rights without the prior, express and written consent of City.

C. Assignors agree not to terminate, cancel or accept any other modification to the Payment Rights so as to cause a termination or change of the rights and obligations of Assignors under

any agreement materially affecting the Payment Rights without the express, written consent of the City.

D. In the event City so requests and consent for any given modification is given by the City per paragraph C above, Assignors agree to assign to City any written modification to Assignors' agreements affecting the Payment Rights and made subsequent to the effective date of this Assignment, and to execute and deliver to City such further assurances and assignments as City shall require.

E. Assignors agree that City may proceed against Assignors directly and independently, and the cessation of City's liability for any reason other than full payment shall not in any way affect the liability of Assignors under this Assignment, the Note and the Loan Documents, nor shall any extension, forbearance of acceptance, release or substitution of security, or any impairment or suspension of City's remedies or rights in any way affect the liability of Assignors under this Assignment, the Note or the Loan Documents. Notwithstanding anything set forth in this Assignment, the City shall not pursue any of its rights under this Assignment or in and to the Payment Rights until such time as Financial District Properties HQO, L.L.C. is in material default under the Loan Documents or Note and Assignors or any third-party has not cured said default within the cure period set forth in Section Three above.

SECTION FIVE COLLECTION OF PAYMENTS

Assignors agree to make all payments due to the City under this Assignment—if and only if any shall become due—and mail any and all such payments to City at the address set forth below, unless further notice is given by City to Assignors:

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

SECTION SIX NO WAIVER

The exercise and non-exercise by City of the options granted herein shall not be considered a waiver of any default by Assignors under the Note, Loan Documents or under this Assignment.

SECTION SEVEN INDEMNIFICATION OF CITY

A. City shall not be obligated to perform or discharge any obligation or duty under any of Assignors lenders' Agreements. Assignors agree to indemnify City from all liability, loss or damage caused by Assignors which may be incurred by reason of this Assignment, including the payment of City's reasonable attorney fees and costs.

B. In the event City incurs any such liability referred to above or in defense of any such claim or demand, the amount of such liability, including costs and reasonable attorney fees, shall be secured by this Assignment and Assignors shall reimburse City immediately for any such liability upon the demand of City.

**SECTION EIGHT
EVIDENCE OF UNPAID INDEBTEDNESS AND TERMINATION OF THIS
ASSIGNMENT**

Upon payment in full of the principal, interest and any other amounts due and owing under the Note and Loan Documents, this Assignment shall cease and be void and terminated, but the affidavit or statement of City or any agent, officer or attorney of City showing any part of the principal, interest or any other amounts due and owing under the Note and Loan Documents remaining unpaid shall constitute conclusive evidence of the effectiveness of this Assignment, and any person is authorized to rely on such affidavit or statement. Assignors will be notified by City of the termination of this Assignment, the release thereof, and the release of all claims and interests in the Payment Rights by City upon payment in full of the Note and Loan Documents.

**SECTION NINE
RELEASE BY CITY**

City may take or release other security for payment of the secured principal, interest, or other indebtedness, and may further release any party primarily or secondarily liable, and may apply any other security held by City to the satisfaction of the secured principal, interest, or other indebtedness without prejudice to any rights under this Assignment.

**SECTION TEN
REMEDIES OF CITY NOT EXCLUSIVE**

Nothing contained in this Assignment, nor any act done or omitted by City pursuant to the terms of this Assignment, shall be deemed a waiver by City of any of the rights or remedies under the Note and Loan Documents. This Assignment is executed without prejudice to any rights or remedies possessed by City under the terms of any other instrument between Assignors and City. The right of City to collect the secured principal, interest and other indebtedness, and to enforce any other security may be exercised by City prior or subsequent to any action taken under this Assignment.

**SECTION ELEVEN
WAIVER OF ASSIGNORS**

Assignors waive the right to require City to proceed or to pursue any other remedy.

**SECTION TWELVE
CITY CONSENT AND EFFECT OF ASSIGNMENT**

The City signs this Assignment solely and exclusively to acknowledge the rights of City to receive the Payment Rights. This Assignment, together with the agreements, covenants and warranties contained in this Assignment, shall inure to the benefit of City and any subsequent holder of the Note and Loan Documents, and shall be binding upon Assignors, Assignors' successors and assigns.

**SECTION THIRTEEN
GOVERNING LAW**

It is agreed that this Assignment shall be governed by, construed and enforced in accordance with the laws of the State of Illinois.

**SECTION FOURTEEN
EFFECT OF PARTIAL INVALIDITY**

The invalidity of any portion of this Assignment shall not be deemed to affect the validity of any other provision. In the event that any provision of this Assignment is held to be invalid, the parties agree that the remaining provisions shall be deemed to be in full force and effect as if they had been executed by both parties subsequent to the expungement of the invalid provision.

**SECTION FIFTEEN
MODIFICATION OF ASSIGNMENT**

Any modification of this Assignment or additional obligation assumed by any party in connection with this Assignment shall be binding only if placed in writing and signed by each party or an authorized representative of each party.

**SECTION SIXTEEN
ASSIGNMENT OF RIGHTS**

Except as provided herein, the rights of each party under this Assignment are personal to that party and may not be assigned or transferred to any other person, firm, corporation or other entity without the prior, express and written consent of the other parties.

**SECTION SEVENTEEN
PARAGRAPH HEADINGS**

The titles to the paragraphs of this Assignment are solely for the convenience of the parties and shall not be used to explain, modify, imply or aid in the interpretation of the provisions of this Assignment.

**SECTION EIGHTEEN
COUNTERPARTS**

This Assignment 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 Assignment 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.

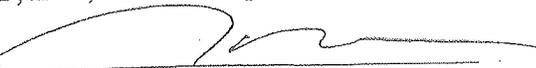
**SECTION NINETEEN
COMPANY/MUNICIPAL AUTHORITY**

The execution and delivery of this Assignment is within the power of all of the undersigned, has been duly authorized by all necessary action, and has, or by the time of execution and delivery shall have, received all necessary company/municipal approval and shall be legally enforceable in accordance with its terms.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment the day and year first set forth above.

Assignors:

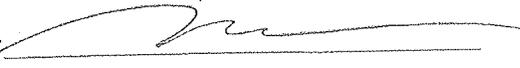
FDP, INC., an Iowa Corporation,

By: 

Name: Rodney A. Blackwell

Title: President

RODNEY BLACKWELL, individually

By: 

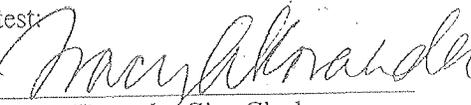
City:

THE CITY OF MOLINE, ILLINOIS, an
Illinois Municipality,

By: 

Donald Welvaert, Mayor

Attest:


Tracy A. Koranda, City Clerk

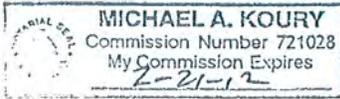
Approved as to form:

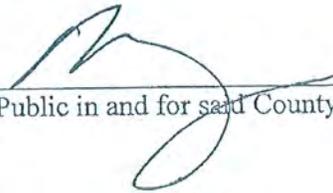

Jeffrey D. Lester, Law Director

ACKNOWLEDGEMENT PAGE FOLLOWS

STATE OF Iowa)
) SS:
COUNTY OF Scott)

On this 15th day of ~~November~~ ^{December}, 2010, before me, a Notary Public in and for said County and State aforesaid, personally appeared Rodney A. Blackwell, to me personally known, who being by me duly sworn (or affirmed) did say that he/she is the President of FDP, Inc., an Iowa corporation, and that said instrument was signed on behalf of the Corporation by authority of its Board of Directors, and the said Rodney A. Blackwell acknowledged the execution of said instrument to be the voluntary act and deed of said Corporation, by it and by him/her voluntarily executed.



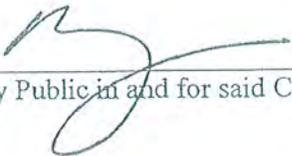


Notary Public in and for said County and State

STATE OF Iowa)
) SS:
COUNTY OF Scott)

On this 15th day of ~~November~~ ^{December}, 2010, before me, a Notary Public in and for said County and State aforesaid, personally appeared **RODNEY BLACKWELL**, to me personally known, who being by me duly sworn (or affirmed) did say that he/she is Rodney Blackwell and that said instrument was signed on behalf of himself, and the said Rodney Blackwell acknowledged the execution of said instrument to be his voluntary act and deed by him/her voluntarily executed.





Notary Public in and for said County and State

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

On this 16 day of DECEMBER, 2010, before me, a Notary Public in and for said County and State aforesaid, personally appeared **DONALD WELVAERT** and **TRACY A. KORANDA**, to me personally known, and, who, being by me duly sworn, did say that they are the Mayor and City Clerk respectively, of the City of Moline, Rock Island County, Illinois; that the seal affixed to the foregoing instrument is the corporate seal of the municipal corporation, and that the instrument was signed and sealed on behalf of the municipal corporation by authority of its City Council as contained in City Council Bill Number passed and adopted

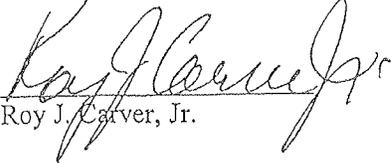
by the City Council on the ~~13~~ 14 day of SEPTEMBER, 2010, and that DONALD WELVAERT and TRACY A. KORANDA acknowledged the execution of the instrument to be their voluntary act and deed and the voluntary act and deed of the said municipality, by it and them voluntarily executed.



Vickie L. Felger
Notary Public in and for said County and State

CONSENT:

Roy J. Carver, Jr., as a member of FDP KP, Holdings, L.L.C., hereby consents to Blackwell's collateral assignment to the City of his transferable interest in said company as set forth herein, and waives any and all notice requirements with regard to same.


Roy J. Carver, Jr.

Council Bill/Special Ordinance No. 4050-2010

Sponsor: _____

A SPECIAL ORDINANCE

AUTHORIZING the Mayor and City Clerk to execute a First Amendment to Development Agreement between the City of Moline and Financial District Properties KP, L.L.C., for the KONE Centre Project.

WHEREAS, pursuant to Council Bill/Special Ordinance No. 4006-2009, on June 17, 2009, the City entered into a development agreement with Financial District Properties KP, L.L.C. (hereinafter "Developer"), for the KONE Centre Project; and

WHEREAS, following delays in obtaining financing for the Project due to the extreme economic conditions, Developer has successfully obtained financing through additional Developer equity and market tax credit transactions, which will enable the Project to advance; and

WHEREAS, the proposed amendment revises the Development Agreement per the requirements of the Developer's lenders and results in the nearly irrevocable assignment of TIF rebates previously directed to the City in the event of Developer default on either the Development Agreement or Financial District Properties' 2007 agreement to purchase the KONE property; and

WHEREAS, to keep the Project moving forward and to maintain KONE's headquarters for U.S. Operations in Moline, City staff has negotiated a series of additional securities to replace the irrevocably assigned TIF rebates and agrees to enter into the First Amendment to Development Agreement, pursuant to the terms and conditions set forth therein.

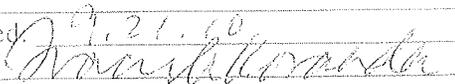
NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MOLINE, ILLINOIS, as follows:

Section 1 – That the Mayor and City Clerk are hereby authorized to execute a First Amendment to Development Agreement between the City of Moline and Financial District Properties KP, L.L.C., for the KONE Centre Project; provided that said First Amendment to Development Agreement is in substantially similar form as 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, approval, and if required by law, publication in the manner provided for by law.

CITY OF MOLINE, ILLINOIS


Mayor
Date 9/14/10

Passed: 9.14.10
Approved: _____
Attest: 

City Clerk

Approved as to Form: _____


Law Director

FIRST AMENDMENT TO DEVELOPMENT AGREEMENT

This First Amendment to Development Agreement (the "Amendment"), is made and entered into on this 17th day of December, 2010, by and between the City of Moline, an Illinois Municipal Corporation (the "City"), and Financial District Properties KP, L.L.C., an Illinois limited liability company (the "Developer").

RECITALS

- A. WHEREAS, the Developer and the City entered into that certain Development Agreement dated as of June 17, 2009 in connection with the to-be-built KONE Centre project (the "Development Agreement"); and
- B. WHEREAS, certain of Developer's lenders that are financing the Project (as defined in the Development Agreement) have required that the Development Agreement be amended as set forth herein prior to financing the Project; and
- C. WHEREAS, the City and the Developer have therefore agreed to the terms of this Amendment.

TERMS OF AGREEMENT

NOW THEREFORE, in consideration of the recitals and mutual covenants contained herein, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged by all parties, the City and the Developer contract and agree as follows:

1. The following paragraphs shall be added to definition section of the Recitals in the Development Agreement:

"CDE Lenders: CapFund CDE Three LLC, a Delaware limited liability company ("CapFund CDE") and Waveland Sub CDE XI, LLC, a Colorado limited liability company ("WCD CDE" and together with CapFund CDE, the "CDEs"), each of which will make a "qualified low income community investment" in Developer as part of the New Markets Tax Credit Transaction, and any lender that makes a bridge loan to the Developer, which loan will be repaid from the proceeds of the CDE Lenders' qualified low income community investment loans."

"CDE Lenders Loan Agreements: Those certain Loan Agreements by and between or among, the CDE Lenders or a CDE Lender and the Developer, pursuant to which the CDE Lenders will make loans to the Developer to finance the Project Property."

"New Markets Tax Credit Transaction: The making of one or more loans or equity investments by the CDE Lenders that constitute "qualified low-income community investments" (as defined in Section 45D of the Internal Revenue Code and the Treasury Regulations and Guidance) for purposes of the New Markets Tax Credit program to the Developer."

2. Section I.A.1. of the Development Agreement is hereby deleted in its entirety and replaced with the following: "Notwithstanding anything set forth in that certain Loan and Property Development Agreement dated December 5, 2007, by and between the City and Financial District Properties HQO, L.L.C, a copy of which is attached hereto as Exhibit L or any other agreement related thereto (collectively, the "Financial District Properties Agreement"), a default under the Financial District Properties Agreement shall not be an event of default hereunder and shall not prevent Developer from receiving any rebates set forth herein."

3. The phrase "or the Financial District Properties Agreement" is hereby deleted from Section I.E of the Development Agreement.

4. Section I.K. of the Development Agreement is hereby deleted in its entirety and replaced with the following: "In the event that there is an event of default pursuant to the CDE Lenders Loan Agreements with respect to Developer's failure to (a) commence construction of the Project on or before February 28, 2011, and/or (b) substantially complete the Project as set forth hereinabove, evidenced by the City issuing a Certificate of Completion for the Project by October 31, 2012, beyond the applicable cure periods, or (c) abandons the Project after commencement of construction and the CDE Lenders exercise their rights under the CDE Lenders Loan Agreement or any Mortgage or other Loan Documents (each as defined in the CDE Lenders Loan Agreement) to sell the Project Property, then the City shall have the option to purchase the Project Property by delivering written notice of such intent, together with an earnest money deposit of Twenty Thousand and 00/100 Dollars (\$20,000) to U.S. Bank National Association, as Escrow Agent, within thirty (30) days after providing such written notice and if so exercised, must close within sixty (60) days thereafter. In the event Developer materially commences construction prior to such reverter closing date and continuously constructs the Project without abandonment, the option shall be deemed void and of no force or effect. If such option is exercised, the City shall pay the CDE Lenders an amount equal to the excess of (i) the sum of (A) all amounts advanced by the CDE Lenders to the Developer plus (B) any reasonable costs incurred by CDE Lenders to enforce their rights under any Loan Document (as defined in the CDE Lenders Loan Agreement); less (ii) the sum of (X) all principal payments received by the CDE Lenders from the Developer under the terms of the CDE Lenders Loan Agreements plus (Y) all amounts received by CDE Lenders, in connection with such event of default, pursuant to the terms of the Loan Disbursement Account Pledge Agreement, the Reserve Account Pledge Agreement, the Reserve Account Control Agreement (each as defined in the CDE Lenders Loan Agreements). In connection with such option, title to the Project Property shall be conveyed

by the Developer to the City by special warranty deed, subject to all real estate taxes, installments of special assessments, easements, restrictions, covenants and conditions of record, except delinquent real property taxes or installments of special assessments. Any mortgage or liens, including potential mechanics liens or other liens outstanding on the Project Property, shall be discharged by the Developer at the closing hereunder. Current real property taxes and installments of special assessments shall be prorated as of the date of closing. The costs of closing and title shall be paid by Developer. As set forth above, "material construction of the Project" shall be deemed satisfied by the commencement of the pouring of the foundation for the Building."

5. Section I.L. of the Development Agreement is hereby deleted in its entirety and replaced with the following: "Assignment of Benefits. The Developer 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; provided, however, that the City hereby approves the collateral assignment of this Agreement by Developer to the CDE Lenders; provided, however, that all parties understand and agree that TIF payments are due, if any are due, only as set forth in this Agreement. It is anticipated by the parties that Developer will assign its rights to payments and benefits hereunder to the lender financing the development of the Project. Notwithstanding the foregoing, the Developer 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 Developer or (ii) any entity in which the majority equity interest is owned by the parties that have a majority equity interest in the Developer, so long as such transfer or payment is not done to avoid Developer's responsibilities hereunder."

6. Section II.B.iv. of the Development Agreement is hereby deleted in its entirety and replaced with the following: "Developer warrants that it will be able to substantially meet a project timeline with commencement of construction during February of 2011 and to substantially complete construction defined by the City issuing a Certificate of Completion for the Project by October 31, 2012."

7. The dates "2010" and "2011" set forth in the eighth (8th) "RECITAL" paragraph vii.k. and Section II.D. of the Development Agreement are hereby deleted and replaced with "2012" and "2013" respectively.

8. Exhibit J in the Development Agreement is hereby deleted and replaced with the Exhibit J attached to this Amendment.

9. The following are hereby added as Sections II.J., K., and L. to the Development Agreement:

"J. Notwithstanding any of the provisions of this Agreement, any mortgage holder, including but not limited to CDE Lenders, shall not be obligated by this Agreement to construct or complete the Project or to guaranty such construction or completion, and no covenants or provisions of this Agreement shall be construed so to obligate such holder.

- K. Whenever the City delivers a notice or demand to Developer with respect to any breach or default under this Agreement, City shall at the same time forward a copy of such notice or demand to each holder of any mortgage, including without limitation to the CDE Lenders, at the last address of such holder as shown in the records of the City.
- L. After any breach or default referred to in subsection K, above, each such holder shall have the right at its option:
1. to cure or remedy such breach or default; and
 2. to add the cost of doing so to the mortgage debt and the lien of its mortgage.

Such holder shall not undertake or continue the construction beyond the extent necessary to conserve or protect those improvements or construction already made without first having expressly assumed the obligation to complete the construction on the Project Property. This assumption shall be made by written agreement pursuant to terms and conditions reasonably satisfactory to the City. Any mortgage holder or transferee in foreclosure or deed in lieu thereof who properly completes the Project shall be entitled to request a Certificate of Completion and succeed to the rights and obligations of Developer hereunder, including, but not limited to, the right to receive all tax rebates which may become due as provided herein and all references to the Developer in this Agreement shall thereafter be a reference to the mortgage holder or transferee in foreclosure or deed in lieu thereof."

10. The reference to "sixty (60) days" set forth in Section III.A. of the Development Agreement is hereby deleted and replaced with "twenty-four (24) months".

11. Section III.B. of the Development Agreement is hereby deleted in its entirety and replaced with the following: "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 for the primary purpose of retaining KONE Inc. employees in the Moline community. Therefore, notwithstanding anything else herein to the contrary, except in the case of insolvency of KONE Inc. as a business entity, the City will have the authority to suspend or terminate TIF reimbursement payments to the Developer which may have otherwise been provided for herein should KONE Inc. cease to occupy at least 50,000 rentable square feet within the Building during the first fourteen (14) years beginning with the operation of business by Kone from the Premises as a result of an event of default by the Developer under that certain lease agreement (the "KONE Lease Agreement") dated as of July 17, 2008, by and between KONE, Inc. and the Developer. Notwithstanding the foregoing, should KONE be acquired, change its name or be subject to a similar transfer or conveyance and provided that such successor in interest to KONE does not reduce its occupancy to less than 50,000 rentable square feet as a result of an event of default by the Developer under the KONE Lease Agreement, then City may not suspend or terminate the TIF reimbursement payments to the

Developer hereunder."

12. Section III.C. of the Development Agreement is hereby deleted in its entirety and replaced with the following: "Developer covenants and agrees to continuously operate the Project (the "Operating Covenant") for a minimum of twenty (20) years from the date that KONE Inc. shall open its business operations at the Project (the "Operating Covenant Period"), unless temporarily closed for repair, restoration or remodeling (not more than thirty (30) days unless necessitated by casualty restorations) or unless closed due to Developer's or Kone's compliance with applicable laws, regulations, orders, ordinances or codes not of Developer's or Kone Inc.'s own making or creation.

City shall be entitled to injunctive relief to enforce this Operating Covenant and compel performance of the terms hereof, and to restrain and enjoin any breach or threatened breach thereof. If Developer fails to continuously operate the Project in accordance with the Operating Covenant, the City may, by written notice, declare the Developer in default. If Developer shall fail to cure such default within thirty (30) days of receipt of written notice by the City, Developer shall pay to the City, as liquidated damages and not as a penalty, the sum of One Hundred and 00/100 Dollars (\$100.00) per day for each calendar day that such failure to continuously operate continues; provided, however, that Developer have no liability for liquidated damages hereunder so long as it is making diligent efforts to re-let the Project to a tenant or tenants on terms which are commercially reasonable. The parties hereby agree that the nature of a default in which Developer fails to continuously operate the Project are impossible to ascertain and the parties have therefore agreed upon the specified liquidated damage amount as a reasonable amount. Developer hereby understands and agrees that the liquidated damages set forth above are not a penalty for Developer's failure to continuously operate as herein specified. "Continuous operation" or "continuously operate" in this paragraph means the Building being leased and occupied in an amount no less than sixty five thousand (65,000) rentable square feet during the Operating Covenant Period."

13. Section XII.C. of the Development Agreement is hereby deleted in its entirety.

14. Section XIII.A. of the Development Agreement is hereby deleted in its entirety and replaced with the following: "If, in City's reasonable judgment, Developer is in material Default of this Agreement, City shall provide Developer and CDE Lenders with a written statement indicating in adequate detail any failure on Developer's part to fulfill its obligations under this Agreement. Except and only as required to protect against further damages, City may not exercise any remedies against Developer 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 Developer 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."

15. Section XIII.B. of the Development Agreement is hereby deleted in its entirety and replaced with the following: "If Developer materially fails to fulfill its obligations under this Agreement (including without limitation any incorporated agreements) after notice is given by City to Developer and CDE Lenders and any cure periods described in Paragraph A 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 Developer, or any voluntary or involuntary proceeding in any court or tribunal shall be instituted to declare Developer insolvent or unable to pay Developer's debts, or Developer makes an assignment for the benefit of its creditors, or a trustee or receiver is appointed for Developer or for the major part of the Developer's property, City may elect, to the extent such election is permitted by law and is not unenforceable under applicable federal bankruptcy laws, but is not required, with or without notice of such election and with or without entry or other action by City, to forthwith terminate this Agreement. To effect City's termination of this Agreement under this Section XIII B, City's sole obligation shall be to record, in the office of the Rock Island County Recorder, a Certificate of Default executed by the Mayor of the City or such other person as shall be designated by the City, stating that this Agreement is terminated pursuant to the provisions of this Section XIII B, in which event this Agreement by virtue of the recording of such certificate, shall become null and void and of no further force and effect. Notwithstanding the foregoing, as long as the Project Property is subject to any mortgage in favor of CDE Lenders, neither the bankruptcy nor the insolvency of Developer shall operate or permit the City to terminate this Agreement. In the event of a filing of a petition in bankruptcy by the Developer, and the Developer rejects this Agreement under Section 365 of the Bankruptcy Code (or any replacement thereof), the City shall, upon the request of CDE Lenders, affirm this Agreement, and the City will enter into a new agreement on the same terms and conditions with the CDE Lenders immediately upon Developer's rejection of this Agreement. In the event of a filing of a petition in bankruptcy by the City, and the City rejects this Agreement and the Developer does not affirm it, the CDE Lenders will have the authority to affirm this Agreement on behalf of the Developer and to keep the Agreement in full force and effect."

16. Section XIII.F. of the Development Agreement is hereby deleted in its entirety and replaced with the following: "Any and all remedies available to the City and Developer under the purchase agreement for the purchase and sale of the Project Property, shall be available and enforceable at the election of City or Developer herein, and this Agreement shall not limit but only expand said remedies available to City and Developer under such agreement."

17. The following is added to Section XV. of the Development Agreement:

"If to CDE Lenders:

Waveland Sub CDE XI, LLC
c/o Waveland Community Development, LLC

515 Congress Avenue
Suite 1700
Austin, TX 78701

and

CapFund CDE Three LLC
c/o Great Lakes Capital Fund
1000 S. Washington
Lansing, MI 48910

With a copy to:

Law Office of Mark D. Foster
4385 LBJ Freeway, Suite 424
Dallas, Texas 75244
Attn: Mark D. Foster

With a copy to:

Nixon Peabody LLP
Gas Company Tower
555 West Fifth St., 46th Floor
Los Angeles, CA 90013
Attn: Aleks S. Frimershtein, Esq.

With a copy to:

U.S. Bancorp Community Development Corporation
1307 Washington Avenue, Suite 300
St. Louis, Missouri 63103
Attention: Director of Asset Management – NMTC
Project #: 20232

With a copy to:

Husch Blackwell Sanders LLP
190 Carondelet Plaza, Suite 600
St. Louis, Missouri 63105
Attention: Edward J. Lieberman

18. The reference to “ten (10) days” in the eighth (8th) “RECITAL” paragraph ii. of the Development Agreement is hereby deleted and replaced with “sixteen (16) months”.

19. The eighth (8th) “RECITAL” paragraph iv. and Exhibit D of the Development Agreement

are hereby deleted in their entirety, and the eighth (8th) "RECITAL" paragraph iv. of the Development Agreement is replaced with the following: "Upon closing, the City will credit the principal amount due and owing on the Financial District Properties Agreement and the promissory note contained therein by \$250,000.00".

20. The eighth (8th) "RECITAL" paragraph vii. i. is hereby deleted in its entirety and the eighth (8th) "RECITAL" paragraph vii. i. of the Development Agreement is replaced with the following: "The Project site was assembled utilizing a Section 108 Loan. It is acknowledged and understood that the Purchase Price is pledged elsewhere and cannot be used for any site improvements or Developer incentives."

21. Except as specifically amended by this Amendment, all other terms, provisions and conditions contained in the Development Agreement are and remain in full force and effect in accordance with their terms.

[Signature Page Follows]

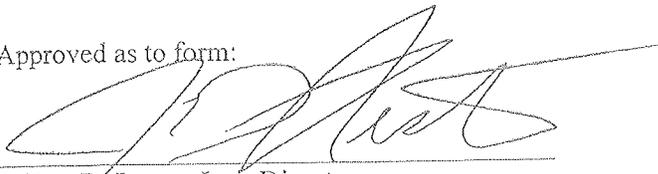
IN WITNESS WHEREOF, the parties hereto have executed this Amendment on the dates set forth above their respective signatures.

THE CITY OF MOLINE, ILLINOIS

DATED: 11/22/10


Donald Welvaert, Mayor

Attest: 
Tracy A. Koranda, City Clerk

Approved as to form:

Jeffrey D. Lester, Law Director

FINANCIAL DISTRICT PROPERTIES KP, L.L.C.

DATED: 12/17/10

By: 
Rodney A. Blackwell, Manager

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

On this 22nd 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)

Vickie L. Felger
VICKIE L. FELGER
NOTARY PUBLIC

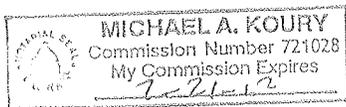


STATE OF Iowa)
)
COUNTY OF Scott) SS:

On this 17th day of December, 2010, before me, a Notary Public in and for said County and State aforesaid, personally appeared RODNEY A. BLACKWELL, to me personally known, who being by me duly sworn (or affirmed) did say that he is the Manager of Financial District Properties KP, L.L.C., an Illinois limited liability company, and that said instrument was signed on behalf of the company by said Rodney A. Blackwell as Manager of said company. Rodney A. Blackwell acknowledged the execution of said instrument to be the voluntary act and deed of said limited liability company, by it and by him voluntarily executed.

(seal)

[Signature]
NOTARY PUBLIC



ATTACHMENT "F"

TIF 5
2010 ADDITIONAL INFORMATION

Council Bill No. 1293-2010
Sponsor _____

A RESOLUTION

AUTHORIZING the Finance Director to establish a Closed End Line of Credit between the City of Moline and the First Midwest Bank in the amount not to exceed \$7,550,000.00 to use toward funding the existing Financial District Properties developer loan previously funded by the 2007 General Obligation Bond Issue.

WHEREAS, that the purpose of this Resolution is to establish a closed end line of credit between the City of Moline and First Midwest Bank in an amount of \$7,550,000; and

WHEREAS, the City of Moline, Illinois is establishing this closed end line of credit to finance an extension of the 2007 developer loan to Financial District Properties that comes due on December 30, 2010; and

WHEREAS, that the terms of the closed end line of credit is as follows:

Borrower:	City of Moline, Illinois
Amount:	\$7,550,000
Type:	Closed End Line of Credit
Payment Requirements:	Monthly Interest payments and balloon payment at end of term
Term:	12-30-2011 with two (2) one year renewable options
Interest Rate:	3.25% (floating prime)

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

That the Finance Director is hereby authorized to establish the closed end line of credit described herein and that this resolution shall be operative and effective upon its passage.

CITY OF MOLINE, ILLINOIS

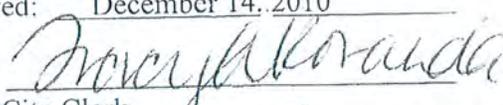

Mayor

December 7, 2010

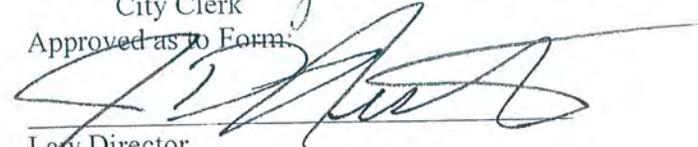
Date

Passed: December 7, 2010

Approved: December 14, 2010

Attest: 
City Clerk

Approved as to Form:


Law Director

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