FY 2011
ANNUAL TAX INCREMENT FINANCE REPORT

STATE OF ILLINOIS
COMPTROLLER
JUDY BAAR TOPINKA

Name of Municipality:	Moline	Reporting Fiscal Year:	**2011**
County:	Rock Island	Fiscal Year End:	12/31/**2011**
Unit Code:	081-050-30		

TIF Administrator Contact Information

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

I attest to the best of my knowledge, this report of the redevelopment project areas in: City/Village of Moline

is complete and accurate at the end of this reporting Fiscal year under the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] Or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

Written signature of TIF Administrator Date

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

FILL OUT ONE FOR EACH TIF DISTICT

Name of Redevelopment Project Area	Date Designated	Date Terminated
TIF #1 Downtown	12/16/1986	
TIF #2 One Moline Place	10/27/1998	
TIF #3 Old Moline High School	4/13/2004	
TIF #4 Autumn Trails	9/27/2005	
TIF #5 KONE Centre	2/10/2009	
TIF #6 Moline Place Phase II & III	2/9/2010	
TIF #7 Moline Business Park	6/21/2011	

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

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

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

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

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

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

	Reporting Year	Cumulative	
Fund Balance at Beginning of Reporting Period			

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	$ 4,328	$ 4,328	0%
Land/Building Sale Proceeds			0%
Bond Proceeds	$ 6,671,413	$ 6,671,413	100%
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	$ 6,675,741		
Cumulative Total Revenues/Cash Receipts		$ 6,675,741	100%
Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)	$ 889,551		
Distribution of Surplus			
Total Expenditures/Disbursements	$ 889,551		
NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS	$ 5,786,190		
FUND BALANCE, END OF REPORTING PERIOD	$ 5,786,190		

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

TIF NAME_____

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)		
	25,866	
		$ 25,866
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)		
	700,829	
		$ 700,829
4. Costs of rehabilitation, reconstruction, repair or remodeling and replacement of existing public buildings. Subsection (q)(3) and (o)(4)		
		$ -
5. Costs of construction of public works and improvements. Subsection (q)(4) and (o)(5)		
		$ -
6. Costs of removing contaminants required by environmental laws or rules (o)(6) - Industrial Jobs Recovery TIFs ONLY		
		$ -

TIF NAME _____

7. Cost of job training and retraining, including "welfare to work" programs Subsection (q)(5), (o)(7) and (o)(12)		
		$ -
8. Financing costs. Subsection (q) (6) and (o)(8)		
	162,856	
		$ 162,856
9. Approved capital costs. Subsection (q)(7) and (o)(9)		
		$ -
10. Cost of Reimbursing school districts for their increased costs caused by TIF assisted housing projects. Subsection (q)(7.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		$ -
11. Relocation costs. Subsection (q)(8) and (o)(10)		
		$ -
12. Payments in lieu of taxes. Subsection (q)(9) and (o)(11)		
		$ -
13. Costs of job training, retraining advanced vocational or career education provided by other taxing bodies. Subsection (q)(10) and (o)(12)		
		$ -
14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)		

		$ -
15. Costs of construction of new housing units for low income and very low-income households. Subsection (q)(11)(F) - Tax Increment Allocation Redevelopment TIFs ONLY		
		$ -
16. Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		$ -
TOTAL ITEMIZED EXPENDITURES		$ 889,551

TIF NAME _____

Section 3.2 B

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

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

Name	Service	Amount
Speer Financial	Financial Advisor	$ 20,663.13
SB Friedman & Company	TIF Consultant	$ 25,865.50
RDC Case Creek Trails	Marketing and Project Management	$ 38,857.50
Select Capital Management, An Assignee of RDC Ca	Marketing and Project Management	$ 25,000.00
Gere Dismer Architects	Architectural	$ 100,999.93
Steve Harr, Receiver for Select Capital Managemen	Marketing and Project Management	$ 251,000.00
Katten Muchin Roseman	Bond Attorney	$ 15,600.00
Missman Inc	Environmental/Engineering Services	$ 235,390.00

TIF NAME _____

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

FUND BALANCE, END OF REPORTING PERIOD	$ 5,786,190

	Amount of Original Issuance	Amount Designated
1. Description of Debt Obligations		
General Obligation Bonds 2011A	$ 7,605,000	$ 12,519,858
Total Amount Designated for Obligations	$ 7,605,000	$ 12,519,858
2. Description of Project Costs to be Paid		
Total Amount Designated for Project Costs		$ -
TOTAL AMOUNT DESIGNATED		$ 12,519,858
SURPLUS*/(DEFICIT)		$ (6,733,668)

* NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing districts (See instructions and statutes)

TIF NAME _____

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

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

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

Property Acquired by the Municipality Within the Redevelopment Project Area

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

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

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

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

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

__X__ **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

TIF NAME _____

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

SECTION 6

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

Year redevelopment project area was designated	Base EAV	Reporting Fiscal Year EAV
2011	173,858	13910

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

__X___ The overlapping taxing districts did not receive a surplus.

Overlapping Taxing District	Surplus Distributed from redevelopment project area to overlapping districts
Rock Island County	$ -
Blackhawk Township	$ -
City of Moline	$ -
Moline School District #40	$ -
Rock Island /Milan School District #41	$ -
Metropolitan Airport Authority	$ -
Blackhawk College #503	$ -
Metropolitan Mass Transit	$ -
	$ -
	$ -
	$ -
	$ -
	$ -
	$ -
	$ -

SECTION 7

Provide information about job creation and retention

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

SECTION 8

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

Optional Documents	Enclosed	
Legal description of redevelopment project area	Yes	
Map of District	Yes	

TIF NAME _____

ATTACHMENT B

TIF 1 - 7
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 2011 (January 1st - December 31st).

7/9/12
Date

Donald P. Welvaert
Donald P. Welvaert, Mayor

ATTACHMENT C

TIF 1 - 7
OPINION OF LEGAL COUNSEL

I, Maureen 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 ILCD 5/11-74.4-1, et seq) set forth there under to the best of my knowledge and belief for fiscal year 2011 (January 1st - December 31st).

7.6.12
Date

Maureen Riggs, City Attorney

ATTACHMENT D

TIF 7
ACTIVITIES STATEMENT

At the request of the landowner, the Metropolitan Airport Authority of Rock Island County, approximately 65 acres was annexed into the city on April 5, 2011.
The City advanced the developer, RDC Case Creek Trails, LLC, $50,000 as a short-term loan for reimbursement of eligible expenses on May 24, 2011.
The Moline Business Park Redevelopment Project Area TIF was approved June 21, 2011.
The City issued a general obligation bond in the amount of $7,605,000 on July 12, 2011.
No on-site construction activity occurred during 2011.

ATTACHMENT E

TIF 7
AGREEMENTS

The following agreements were executed creating TIF 7 and executing its redevelopment goals.

Council Bill/Resolution No. 1126-2009
Sponsor: _____

A RESOLUTION

PROVIDING for a feasibility study on the designation of a portion of the City of Moline as a redevelopment project area and to induce development interest within such area; and

AUTHORIZING expenditures in the course of planning and redevelopment, prior to a redevelopment project area being established, that may be reimbursable from TIF proceeds.

WHEREAS, the City of Moline (the "City") is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, *65 ILCS 11-74.4-1, et seq.* ("the Act"), to finance redevelopment project costs in connection with redevelopment project areas established in accordance with the conditions and requirements set forth in the Act; and

WHEREAS, pursuant to the Act, to implement tax increment financing (TIF), it is necessary for the City to adopt a redevelopment plan and redevelopment project, designate a redevelopment project area on the basis of finding that the area qualifies pursuant to statutory requirements, and make a finding that the redevelopment project area on the whole has not been subjected to growth and development through private enterprise and would not reasonably be anticipated to be developed without the adoption of a redevelopment plan, which plan contains a commitment to use public funds; and

WHEREAS, the City desires to undertake a feasibility study to determine whether findings may be made with respect to an area of the City, generally described herein, which may be designated as a redevelopment project area, to qualify the area as a blighted area or a conservation area or a combination thereof as defined in the Act, and other research necessary to document the lack of growth and development through private enterprise; and

WHEREAS, the exact extent and boundaries of the redevelopment project area are not precisely defined at this time but the area being considered includes the area east of the Milan Beltway, north of 78th Avenue, west of 50th Street and South of Airport road, as delineated on Exhibit "A" attached hereto; and

WHEREAS, the City will be expending certain funds to determine eligibility of the proposed redevelopment project area and to prepare the required redevelopment plan if the City decides to implement tax increment financing for all or a portion of the proposed TIF area; and

WHEREAS, the City may expend other funds in furtherance of the objectives of the anticipated redevelopment plan; and

WHEREAS, it is the intent of the City to recover these expenditures from the first proceeds of the TIF program, if established; and

WHEREAS, the City wishes to encourage Raufeisen Development (the Developer), the Quad City International Airport, the City of Moline and Rock Island County to pursue plans for the redevelopment of the area and make such expenditures as are reasonably necessary in that regard with confidence that said expenditures may be allowable redevelopment project costs under the plan once adopted and subject to a redevelopment agreement between the City and the Developer; and

WHEREAS, the purpose of the proposed redevelopment plan and project is to generate private investment in the targeted area, thereby eliminating or reducing blighted conditions or conditions that may lead to blight and provides for the long-term sound growth of the community; and

WHEREAS, tax increment allocation financing utilizes the increase in real estate taxes ("tax increment") resulting from the increase in value of properties located in a redevelopment project area to pay for certain redevelopment projects costs as provided for in the Act; and

WHEREAS, of the purposes of the proposed redevelopment plan or proposed redevelopment project area, none are reasonably expected to result in the displacement of residents from ten (10) or more inhabited residential units within the area; therefore, the feasibility study is not required to include the preparation of any housing impact study as described in Section 11-74.4-4.1 (b) of the Act.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Moline, Illinois, as follows:

That the City Council has examined the proposed area and circumstances and at this time finds that it is reasonable to believe that a tax increment financing plan can be adopted for said area and expenditures of development costs in furtherance of the plan, and potential development should be allowable project costs under the plan, provided that this resolution is not a guarantee that any such plan will be adopted, but rather an expression of the sense of the City at this time.

BE IT FURTHER RESOLVED that the person to contact for additional information about the proposed redevelopment project area and who should receive all comments and suggestions regarding the redevelopment of the area shall be:

Ray Forsythe
Economic Development Director
City of Moline
619 16th St.
Moline, IL 61265
Telephone (309) 797-0708

CITY OF MOLINE, ILLINOIS

Mayor

July 21, 2009

Date

Passed: July 21, 2009

Approved: July 28, 2009

Attest:

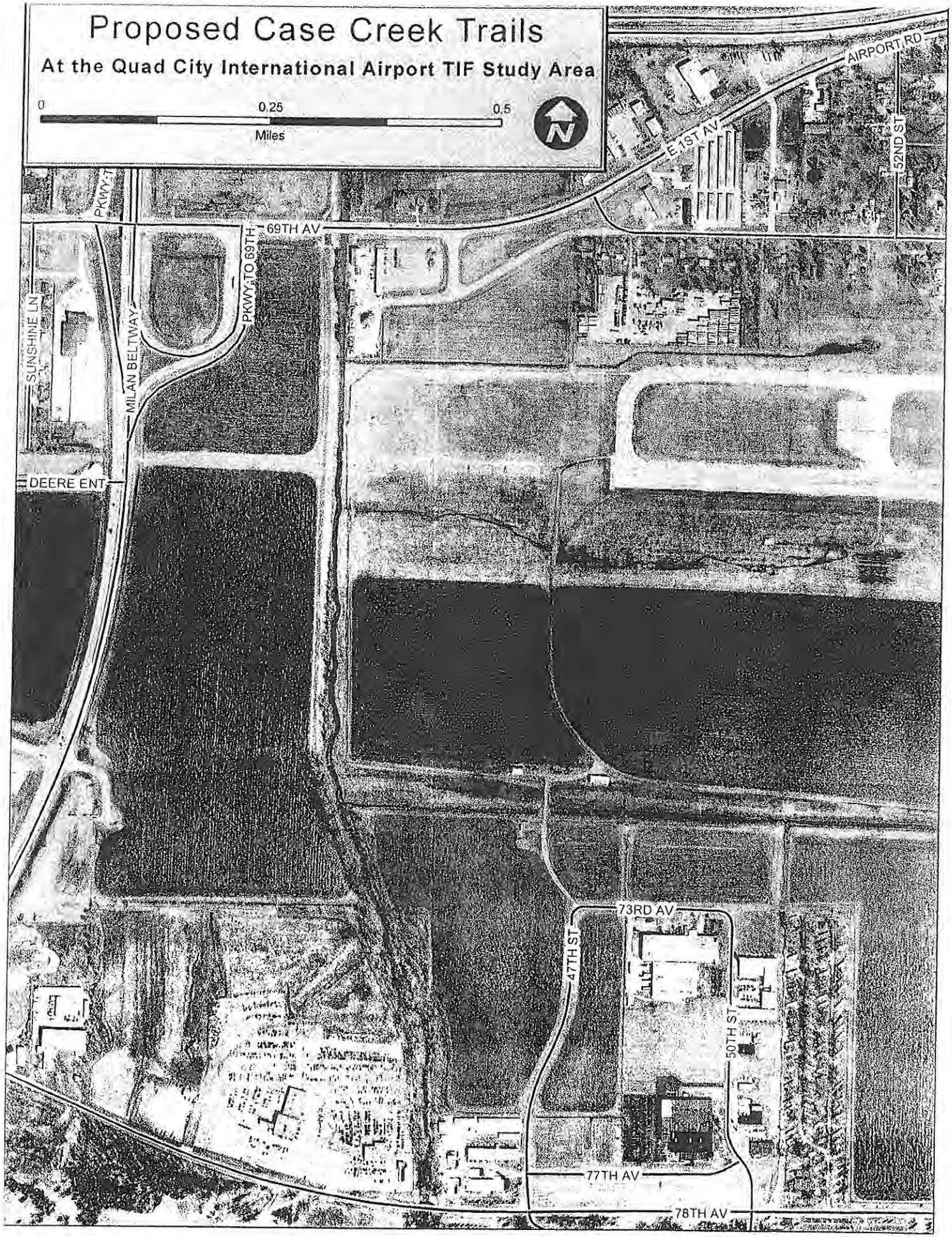
City Clerk

Approved as to form:

Law Director

Proposed Case Creek Trails

At the Quad City International Airport TIF Study Area



Council Bill No./Resolution No. 1127-2009
Sponsor: _____

A RESOLUTION

AUTHORIZING the Mayor and City Clerk to enter into a Technical Services Agreement with S. B. Friedman & Company for consulting services in an amount not to exceed $39,500.00 to explore the feasibility of establishing a tax increment finance redevelopment project area and for the proposed Case Creek Trails – at the Quad City International Airport project.

WHEREAS, the City is interested in development and improvement of areas within the City utilizing the Tax Increment Allocation Redevelopment Act, 65 ILCS, 5/11-74.4-1 et. seq., as amended (the TIF Act) to facilitate redevelopment in the area; and

WHEREAS, the City desires to explore the feasibility of establishing a tax increment finance redevelopment project area in an area identified herein as the Case Creek Trails – at the Quad City International Airport, and to prepare a redevelopment plan for this area; and

WHEREAS, the consultant is duly experienced in providing technical services in preparing Tax Increment Redevelopment Plans.

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 enter into a Technical Services Agreement with S. B. Friedman & Company, for consulting services in an amount not to exceed $39,500.00 to explore the feasibility of establishing a tax increment finance redevelopment project area for the proposed Case Creek Trails – at the Quad City International Airport project; provided said Agreement is substantially similar in form and content to that attached hereto and incorporated herein as Exhibit "A," and has been approved as to form by the Law Director.

CITY OF MOLINE, ILLINOIS

Donald P. Welvaert

Mayor

July 21, 2009

Date

Passed: July 21, 2009

Approved: July 28, 2009

Attest: _____
City Clerk

Approved as to form:

_____
Law Director

S. B. Friedman & Company
Real Estate Advisors and Development Consultants

221 N. LaSalle St., Suite 820 • Chicago, Illinois 60601-1302 • 312/424-4250 • Fax: 312/424-4262 • www.FriedmanCo.com

April 22, 2009

Mr. Ray Forsythe
Economic Development Director
City of Moline
619 16th Street
Moline, Illinois 61265

Re: TIF Eligibility Study – Proposed Business Park TIF

Dear Mr. Forsythe:

S. B. Friedman & Company is pleased to present this proposal to prepare an Eligibility Study and Redevelopment Plan for a new TIF district in support of a proposed new business park in an area planned for annexation to the City of Moline. The study area is roughly bounded by airport runways to the north and east, the Milan Beltway to the west and 78th Avenue to the south. This letter outlines our proposed scope of services, timeframe, and fees.

Project Understanding

It is our understanding that the City has been in conversations with a potential developer regarding the property in question. The developer has preliminarily proposed developing office and retail buildings on the site under a ground lease arrangement with the Metropolitan Airport Authority. The City is interested in exploring potential ways to help fund infrastructure improvements to the site, which would make the land developable. As such, it is considering designating a TIF district for the site.

The land under analysis is currently vacant and not annexed into the City of Moline. The land would need to be annexed and potentially subdivided prior to TIF designation. It is also our understanding that the land has been commercially farmed in recent years. This creates a minor complication in the designation process that can be managed if we determine the study area meets eligibility.

Scope of Services

TASK 1: CONDUCT ELIGIBILITY STUDY

We propose to begin this phase by conducting a conference call with appropriate City staff and confirming the study area boundary and timeframe, as well as obtaining both information regarding the proposed project and data necessary to complete the eligibility analysis.

We will then review key data to determine whether the area qualifies for TIF designation based on the criteria outlined in the Illinois Tax Allocation Redevelopment Act (the "Act"). In order to complete our eligibility reconnaissance study, we will:

- Obtain current GIS parcel shape files from the City or County, and prepare base maps
- Obtain and review available engineering documents related to wetland or flooding conditions on the property
- Review FEMA flood maps of the Rock River downstream of the site
- Review environmental studies (Phase I or others)
- Prepare PIN list and order and enter taxpayer and six-year history of Equalized Assessed Values (EAV) for the study area
- Analyze growth in EAV compared to balance of the City
- Assess the presence of other qualifying factors as applicable
- Enter, proof, and map eligibility criteria as required

We will visit the site and conduct research on field-observable eligibility factors if we are unable to determine that the study area meets eligibility based on available studies.

The data will be analyzed to assess the presence and distribution of factors to establish eligibility, and to meet the "But For" requirement as outlined in the Act. If for any reason the project area does not qualify as a TIF, we will make you aware of that fact and we will conduct a meeting to discuss strategy at this point.

TASK 2: PREPARE REDEVELOPMENT PLAN & REPORT

A Redevelopment Project Area Plan and Project will be prepared for the proposed TIF district. As required by the Act, the redevelopment plan document will include the following:

- Redevelopment Project Area Description
- Formal Legal Description of the Boundary of the Redevelopment Project Area
- Summary of Eligibility Findings
- Redevelopment Plan Goals and Project Objectives
- Redevelopment Strategies and Activities
- Existing and Proposed Land Use
- Estimated Redevelopment Project Costs (TIF Budget)
- Most Recent EAV and Estimated Future EAV
- Assessment of Impacts on Other Taxing Districts
- Affirmative Action Plan

A series of maps of the proposed TIF district also will be prepared and included in the report. These maps will include: Community context, proposed boundary, eligibility factors by parcel, existing land use, and future land use.

The Act requires that a Housing Impact Study be completed if the plan would result in the displacement of 10 or more occupied residential units or if the area contains 75 or more occupied residential units and the City does not certify that no residential displacement will occur. Based on our understanding of the project area, we have assumed for the purpose of this proposal that a housing impact study will not be required and the costs of completing the study is not included in our scope and budget.

The amendment document and the Eligibility Study and Redevelopment Plan document for the new area will be reviewed with you and the Village attorney, and any recommended changes will be incorporated. The documents will be finalized and filed with the City Clerk.

TASK 3: PREPARE REQUIRED NOTICES AND MAILING LISTS

Our scope includes the compilation of mailing/address lists as required for mailing notices, including taxing agencies, taxpayers and residents within the proposed TIF area, the taxpayers of properties within the proposed TIF area for the past three years where taxes were not paid in the prior year, and residential addresses within 750 feet of the TIF boundary. We understand that the City will draft the necessary ordinances, resolutions, and notices required for the TIF.

We have not included an allowance to have a title company conduct a search for property tax delinquencies in the new TIF as we are anticipating a relatively small number of PINs in the TIF, many of which are currently vacant. However, should the boundaries of the TIF be revised to include other parcels, tax delinquency research may be required.

TASK 4: COMPLETE PUBLIC APPROVAL PROCESS

We will attend the Joint Review Board meeting, and the Public Hearing. We have provided an allowance for one additional meeting in the budget. If requested, we can attend other meetings.

Timeframe and Fees for Designation

On the basis of the scope of the work outlined herein and our experience with similar projects, we estimate that it will take approximately 90 to 120 days from notice to proceed until we file the plan with the City Clerk, and approximately 90 days for the noticing and approval process. We will work with you to meet specific deadlines where possible.

Professional fees for this service will be based on time required at the billing rates of the *S. B. Friedman & Company* personnel assigned to the project. The scope of the engagement and our experience with similar services indicate that our professional fees and expenses, including a 10% contingency, are estimated as follows and detailed in the budget chart attached to this letter:

Eligibility Reconnaissance Analysis	$10,900
Eligibility Study & Redevelopment Plan Document	$10,100
Preparing Notices & Mailings	$3,600

Public Approval Process		$5,000
Total Professional Fees	**7 to 9 Months**	**$29,600**
General Expenses (Incl. assessor's data & general expenses, etc.) @ 3%		$900
Contingency (10%)		$3,000
Total *S. B. Friedman & Co.* Fees & Expenses		**$33,500**
Other TIF Designation Expenses		
Boundary Legal (New TIF)		$1,500 to $2,000
Engineering Subconsultant – Allowance		$2,000 to $4,000
Total Other TIF Designation Expenses		**$3,500 to $6,000**
TOTAL ESTIMATED COSTS		**$37,000 to $39,500**

This fee estimate is based upon the detailed work steps and time budget shown on the following page. Actual billings will be based on time expended at the special project rates that are currently as follows:

- President - $250
- Practice Leader - $210
- Senior Project Manager - $180
- Project Managers - $165
- Associates - $110
- Research Associates - $95

Travel, publications, maps, outside data, report reproduction of the final plan, legal description costs, mailing costs, and other out-of-pocket expenses will be billed as incurred without mark up. We will facilitate the public notification process by preparing the required mailing lists including taxpayers, taxpayers of prior years for delinquent properties, area residents, residential addresses within 750 feet, taxing bodies, and others as required. We assume that the City will prepare and mail the required notices to individual taxpayers and residents. We anticipate that the City will publish notices in the local paper and have not included an allowance for these costs.

This fee estimate is subject to revision if the engagement entails more time than estimated due to problems that are encountered that could not reasonably have been foreseen at the commencement of the engagement, or if the scope is changed. In this event, we will discuss the matter with you so that a mutually acceptable revision may be made. If the time spent on this engagement is substantially less than we have estimated, we will bill you a lesser amount. This estimate contemplates the following meetings:

- Joint Review Board
- Public Hearing
- Allowance for one additional meeting

Additional meeting time and additional services, beyond what has been included in the budget will be billed at the project rates outlined above.

Invoices will be rendered monthly as our work progresses for services and costs incurred. These invoices are payable within 30 days.

If at any point the decision is made to discontinue our services, our fee will be based upon the actual time expended and out-of-pocket costs incurred to that date.

The attached "Limitations of Engagement" apply to this assignment.

Acceptance Procedures

Thank you for the opportunity to submit this proposal. We look forward to working on this project. Please contact David at (312) 424-4258 or Geoff at (312) 384-2404 if you have any questions regarding our proposal.

To authorize us to begin this assignment, please sign below and return a copy to us as our authorization to proceed.

Sincerely,

David J. Stamm, AICP
Practice Leader

Geoff Dickinson, AICP
Project Manager

Accepted: 7/27/09
Signature Date

Donald P. Welvaert Mayor
Printed Name Title

Attest: 7.27.09
Tracy A. Koranda City Clerk

Moline TIF Eligibility Study - Business Park TIF

		S. B. Friedman & Company			
	Total Cost	Practice Leader $ 210	Project Manager $ 165	Associate $ 110	Total
1. Research and Eligibility Analysis					
Prelim Teleconferencing			4	4	8
Obtain/Create Composite Base Maps, PIN List, and Files				4	4
Obtain Historic Assessment Information				4	4
Fieldwork - Inspection of Physical Conditions of Property & Surrounding Props.; Enter Data			8	16	24
Obtain/Examine Existing Reports/Data (Environmental, wetland, etc.)			2	4	6
Data Input and Analysis, Proofing				2	2
Analyze and Summarize the Presence of Key Factors			2	4	6
Draft TIF Eligibility Reconnaissance Memo		2	8	16	26
Call with City to Discuss Memo			2	2	4
Subtotal Hours: Eligibility Research and Analysis	**84**	**2**	**26**	**56**	**84**
Subtotal Fees: Eligibility Research and Analysis	**$ 10,870**	**$ 420**	**$ 4,290**	**$ 6,160**	**$10,870**
2. Prepare Plan and Report					
Write First Draft of Plan & Project		2	16	20	38
Prepare Maps and Graphics		1	8	16	25
Make Revisions/Finalize Report		2	4	4	10
Subtotal Hours: Prepare Plan and Report	**73**	**5**	**28**	**40**	**73**
Subtotal Fees: Prepare Plan and Report	**$ 10,070**	**$ 1,050**	**$ 4,620**	**$ 4,400**	**$10,070**
3. Notification of Residents Within 750 Feet of Boundary					
Create 750 Ft Boundary on GIS				4	4
Fieldwork Prep, Travel Time, and Collection of Res. Addresses		Collected with eligibility field work			0
Enter Addresses and Mailing Info. into Database				4	4
Proof Data Entry; Prepare and Proof Mailing List				4	4
Manage Noticing Process			2	4	6
Manage Mailing Process			4	8	12
Subtotal Hours: List for Notification of Surrounding Area Residents	**30**	**-**	**6**	**24**	**30**
Subtotal Fees: List for Notification of Surrounding Area Residents	**$ 3,630**	**$ -**	**$ 990**	**$ 2,640**	**$ 3,630**
4. Public Approval Process					
Village Board Meeting - Introduction of Ordinances		Assume we need not attend			0
Joint Review Board			6	6	12
Public Hearing			6	6	12
Allowance for one additional meeting			6	6	12
Sub-Total Hours: Public Approval Process	**36**	**-**	**18**	**18**	**36**
Sub-Total Fees: Public Approval Process	**$ 4,950**	**$ -**	**$ 2,970**	**$ 1,980**	**$ 4,950**
Subtotal Hours		**7**	**78**	**138**	**223**
Subtotal Fees	**$ 29,520**	**$ 1,470**	**$ 12,870**	**$15,180**	**$29,520**
Total Professional Fees	**$ 29,520**				
Contingency 10%	$ 2,952				
Total Professional Fees with Contingency	$ 32,472				
General Expenses (estimate) 3%	$ 886	to	$ 974		
Engineering Report (allowance)	$ 2,000	to	$ 4,000		
Boundary Legal (allowance)	$ 1,500	to	$ 2,000		
Mailing Costs (allowance)		None Assumed			
Title Company - Tax Delinquency Research		None Assumed			
Total Estimated Project Budget	**$ 36,858**	to	**$ 39,446**		

LIMITATIONS OF ENGAGEMENT

Our report will be based on estimates, assumptions, and other information developed from research of the market, knowledge of the industry, and meetings during which we will obtain certain information. The sources of information and bases of the estimates and assumptions will be stated in the report. Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur. Therefore, actual results achieved during the period covered by our analysis will necessarily vary from those described in our report, and the variations may be material.

The terms of this engagement are such that we have no obligation to revise the report to reflect events or conditions which occur subsequent to the date of the report. These events or conditions include, without limitation, economic growth trends, governmental actions, additional competitive developments, interest rates, and other market factors. However, we will be available to discuss the necessity for revision in view of changes in the economic or market factors affecting the proposed project.

Our study will not ascertain the legal and regulatory requirements applicable to this project, including zoning, other state and local government regulations, permits, and licenses. No effort will be made to determine the possible effect on this project of present or future federal, state, or local legislation, including any environmental or ecological matters.

Furthermore, we will neither evaluate management's effectiveness, nor will we be responsible for future marketing efforts and other management actions upon which actual results will depend.

Our report will be intended solely for your information, and should not be relied upon by any other person, firm, corporation, or for any other purposes. Neither the report nor its contents, nor any reference to our Firm, may be included or quoted in any offering circular or registration statement, appraisal, sales brochure, prospectus, loan, or other agreement, or in any document intended for use in obtaining funds from individual investors.

Preliminary TIF projections are anticipated to be prepared under this engagement for the purpose of estimating the approximate level of increment that could be generated by proposed projects and other properties within the proposed TIF district boundary, and from inflationary increases in value. These projections are intended to provide an estimate of the final Equalized Assessed Value (EAV) of the TIF district for inclusion in the final report, and to provide a level of assurance that the increment to be generated would be sufficient to cover estimated project costs.

As such, our report and the preliminary projections prepared under this engagement are intended solely for your information, for purposes of establishing a Tax Increment Financing district and may be reviewed by private institutional lenders in support of potential debt obligations. These projections should not be relied upon by any other person, firm, or corporation, or for any other purposes. Neither the report nor its contents, nor any reference to our Firm, may be included or quoted in any offering circular or registration statement, appraisal, sales brochure, prospectus, loan, or other agreement or document intended for use in obtaining funds from individual investors, without prior approval.

S. B. Friedman & Company
Real Estate Advisors and Development Consultants

221 N. LaSalle St., Suite 820 • Chicago, Illinois 60601-1302 • 312/424-4250 • Fax: 312/424-4262 • www.FriedmanCo.com

July 22, 2009

Tracy A. Koranda
City Clerk
City of Moline
619 16th Street – 2nd Floor
Moline, Illinois 61265

Dear Ms. Koranda:

Enclosed are two (2) original copies of our engagement letter for the Business Park TIF study. Please execute both copies in the space indicated and return one copy to us for our files.

We look forward to working with the City of Moline.

Sincerely,

David J. Stamm, AICP
Practice Leader

City Clerk
Tracy A. Koranda

619 – 16th Street
Moline, Illinois 61265

Phone: (309) 797-0434
Fax: (309) 797-0479

E-Mail:
tkoranda@moline.il.us

August 10, 2009

David J. Stamm, AICP
Practice Leader
S.B. Friedman & Company
221- N. LaSalle St. Suite 820
Chicago, IL 60601-1302

Re: Engagement Letter for Business Park

Dear Mr. Stamm,

I have enclosed a copy of the fully executed council bill from the City of Moline as well as an original Technical Services Agreement for your files.

Thank you for your cooperation and please contact me at 309-797-0434 or tkoranda@moline.il.us if you have any further questions.

Thanks so much!

Tracy A. Koranda
City Clerk

Council Bill/Special Ordinance No. 4054-2010
Sponsor_____

A SPECIAL ORDINANCE

AUTHORIZING the Mayor and City Clerk to execute a First Amendment to the Development Agreement between the City of Moline, the Quad City International Airport and RDC Case Creek Trails, LLC, Todd Raufeisen, Manager, to facilitate a development project at the proposed Quad City International Airport Corporate Office Park; and further authorizing all appropriate City officers and staff to do all things necessary to complete each of the City's responsibilities pursuant to said agreement.

WHEREAS, the City seeks to support development within the South Rock District through the granting of certain lawful incentives, including but not limited to, those available through TIF to the Developer in connection with the Quad City International Airport Corporate Office Park; and

WHEREAS, this will provide new property and sales tax to the newly created Tax Increment Financing District and will allow funds to repay a proposed bond issuance which will assist in the funding of the public improvements at the site; and

WHEREAS, this Development will also facilitate the increase in revenue sources with development of Airport land which contains "outside-the-fence" projects which are compatible to Airport-related land uses.

WHEREAS, that this First Amendment is made effective the _____ day of _____ _____, 2010, between the City of Moline, the Quad City International Airport and RDC Case Creek Trails, LLC, Todd Raufeisen, Manager.

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 the Development Agreement with the Quad City International Airport and RDC Case Creel Trails, LLC, Todd Raufeisen, Manager; and further authorizing all appropriate City officers and staff to do all things necessary to complete each of the City's responsibilities pursuant to said Agreement; provided said Agreement is substantially similar in form and content to that attached hereto and incorporated herein by reference thereto as Exhibit "A," and has been approved to as to form by the Law Director.

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

CITY OF MOLINE, ILLINOIS

Mayor

9/28/10
Date

Passed: 9.28.10
Approved: 10.5.10
Attest: _____
City Clerk
Approved as to Form:

_____
Law Director

DEVELOPMENT AGREEMENT

AGREEMENT MADE AND ENTERED INTO AS OF THE

19TH DAY OF OCTOBER, 2010, BY AND AMONG:

THE CITY OF MOLINE, ILLINOIS

AND

THE METROPOLITAN AIRPORT AUTHORITY OF ROCK ISLAND COUNTY, ILLINOIS

AND

RDC CASE CREEK TRAILS, L.L.C.

DEVELOPMENT AGREEMENT
Between the
CITY OF MOLINE
and
THE QUAD CITY INTERATIONAL AIRPORT
And
RDC CASE CREEK TRAILS, L.L.C.

THIS INDENTURE ("Agreement") made and entered into on this 19th day of October, 2010, by and between the City of Moline, an Illinois Municipal Corporation ("City"), the Metropolitan Airport Authority of Rock Island County, Illinois d/b/a the Quad City International Airport, an Illinois Special Governmental District created pursuant to the Illinois Airport Authorities Act ("Airport") and RDC Case Creek Trails, L.L.C., Todd Raufeisen, Manager ("Developer").

WITNESSETH:

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

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

WHEREAS, City seeks to support redevelopment within the South Rock District through the granting of certain lawful incentives, including but not limited to, those available through TIF to Developer in connection with a Mixed Use Development Plan (hereinafter "the Project" as further defined and depicted within Exhibits A through G herein), all being located within the Quad City International Airport Corporate Office Park; and

WHEREAS, "Developer" is RDC Case Creek Trails, L.L.C., an Illinois limited liability company. Todd Raufeisen is the sole member and manager of Developer; and

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

WHEREAS, for City to grant said incentives, the Project must meet certain conditions, including but not limited to, all property within the Project remaining property tax eligible through the year 2032, as set forth in this Development Agreement, along with other conditions; and

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

i. Creation by City of a Tax Increment Financing (TIF) District pursuant to the Act to fund the installation of water, sewer, drainage and roadway improvements to facilitate new private investments; to acquire non-Airport-owned property; to fund marketing and to pay for other TIF eligible expenses.

ii. Developer has submitted a Mixed Use Development Plan (Exhibit "A" hereto). Subparts of the Mixed Use Development Plan shall consist of the following: Runway Protection Zone (RPZ), legally described on Exhibit "B" hereto and depicted on Exhibit "C" hereto; the development property legally described on Exhibit "D" hereto and depicted on Exhibit "E" hereto; and the utility corridor depicted on Exhibit "E" (more specifically described and depicted on Exhibits "M" and "N", respectively); with the total of the subparts consisting of approximately 105 acres and being hereinafter referred to as "the Project". The land area, land uses, and building locations, and building design and quality standards shall conform to the Mixed Use Development Plan and criteria stated within this Development Agreement, all subject to prior approval of Airport; provided, however, changes to the legal description correlating to the land area and building locations and building design are subject to modification in accordance with the requirements of Airport and Federal Aviation Administration (FAA). Developer shall lease the Project area from Airport and the terms and conditions of Airport's land lease with Developer, as well as the identity and lease terms and conditions for each subsequent tenant, shall be subject to the prior approval of Airport and FAA. The permitted uses of the buildings shall generally consist of commercial, retail, hotel, first-class office and technological use, and aviation-related uses, as illustrated in the Mixed Use Development Plan (Exhibit "A") and as may be further described or required by Airport .

Subject to the prior written approval of Airport and the approval of FAA, the Project may functionally become a part of a larger area of mixed uses, which may be subject to leases between Airport and third parties, all consistent with the layout contained in the Master Concept Plan (Exhibit "F" hereto) and changes thereto shall be subject to the prior approval of Airport and the FAA (the larger area depicted on the Master Concept Plan being hereinafter referred to as "Quad City International Airport Corporate Office Park" or "QCIA Corporate Office Park". Developer shall, at its expense, undertake the development review and regulatory approval process outlined in Section II.B. herein; and Developer shall coordinate the development review process with Airport and comply with Airport's requests relating thereto. Developer shall be required to lease the entire Project site (Exhibits D & E) in accordance with the direction of Airport and FAA; provided, however, Developer shall not be required to construct the entire Project immediately, but will complete construction in Phases, as described herein. The phases of the Project shall be as provided in the spreadsheet attached hereto as Exhibit "Z" [to be provided to Airport for approval]. Said QCIA Corporate Office Park shall be LEED (Leadership in Environmental & Energy Design) designed using the LEED Rating System for New Construction both in

early development of the site and in later development of individual lots. Said LEED components shall include, at a minimum:

a. Reduction of pollution from construction activities, automobile use and stormwater runoff;
b. Avoiding development of inappropriate sites;
c. Conservation of existing natural areas and restoration of previously damaged areas;
d. Reduction of impervious cover, increased on-site infiltration;
e. Management of stormwater runoff.

iii. Developer will sequentially construct landscaping and streetscape improvements interior to the project site in accordance with the Phased Development described herein, as well as constructing improvements in the right-of-way consistent with other improvements in a first-class corporate office park, all as shown on plans to be submitted to the parties hereto. In addition to the other requirements herein, Developer shall conform to a first-class standard in terms of design, construction, and materials, which standard shall in no event be measured to be less than the standard in Paragraph II. B. 3 hereof. The location and design of the improvements and any utility easements are subject to modification in accordance with requirements of Airport and FAA.

iv. Issuance of General Obligation tax-exempt bonds (or other forms of financing) to fund all public infrastructure within the TIF District and such other expenses as set forth on Exhibit "Z", attached hereto and by this reference made a part hereof. Provided, however, that it is anticipated that said bonds shall be retired with tax increment revenues, which each of the parties hereto understand and agree that all tax increment created pursuant to the TIF District shall be used first to satisfy debt service on any such bonds issued or other financing arrangements prior to being utilized for any other purpose.

v. Developer shall have exclusive authority to choose the real estate brokerage firm(s) of its choosing and intends, at the commencement of this Agreement, to engage the services of Optimum Commercial Real Estate, L.L.C., in which Developer has a financial interest for leases within the Project area.

vi. Reimbursement of the Airport for the following: cost of project formulation (engineering and legal), property acquisition, inspections during construction, cost of retaining marketing, development and tenant recruitment services concerning the Property for construction and building development on the Property, and other TIF eligible expenses. As part of the foregoing, City agrees to provide reimbursement to airport as follows: (1) One-hundred twenty-five percent (125%) of the appraised value of any property acquired by the Airport at the request of the City and located within the TIF district containing the Project (including but not limited to the property commonly known as the Auto Auction property for which Developer and its affiliated brokerage companies waive any brokerage commission); (2) If, upon full payment of all City indebtedness, costs

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and expenses arising out of or related to the Project and the implementation of the Master Concept Plan for the QCIA Corporate Office Park, there are years remaining on the TIF eligible expenses Airport has incurred at the rate of 10% of the increment per year until the eligible expenses are reimbursed or the TIF has expired whichever first occurs. (It is understood that the reimbursement herein shall not be a general obligation of the City and that the City will pay no interest on any eligible expenses whatsoever and that payment will be made only if sufficient increment is generated and remains available to the parties at the time that City's indebtedness, costs and expenses have been fully and forever discharged.)

vii. Agreement in principal by City and Airport, that tax increment revenues generated by any new private investments within the TIF District, may—after all debt service has been accounted for in any particular year—be used to provide economic incentives for TIF eligible expenses to either the Developer, tenants or Airport to encourage and facilitate such new private investments; provided, however, that such incentives shall be reviewed by City on a case by case basis and shall be awarded in the City's sole discretion, consistent with City policy.

viii. A Quad City International Airport Corporate Office Park Design/Build Management Team (hereinafter "CCTAC"-commonly known as Case Creek Trails Architectural Committee) will be promptly organized within a reasonable time from the execution of this Agreement, with such organization to occur no later than thirty (30) days following the execution of this Agreement. The purpose of CCTAC will be to bring together interests to facilitate and reasonably oversee the development of the Project and Public Improvements. Unless otherwise provided herein, CCTAC and each entity thereof will use best efforts to achieve timeliness in the review and approval process related to the recommendations of the Developer. CCTAC shall consist of the following entities: City of Moline, Airport, Developer, and others as deemed necessary by either the City or the Airport; and it is stipulated that, at Airport's option, the FAA and any other regulatory body or agency will be considered a member entity of CCTAC, possessing all of the rights and privileges of any other member of CCTAC. Representatives may be employees or contractors of each entity. Each entity may replace its representative at any time, although all entities will use their best efforts to maintain consistency of representation of CCTAC throughout the duration of this Agreement. The rights of CCTAC accrue to each member entity individually and may be exercised individually, as well as on behalf of CCTAC as a whole. Notwithstanding anything herein to the contrary, the FAA, the United States Environmental Protection Agency, (USEPA), and any other regulatory body or agency which Airport adds as a CCTAC member entity, shall each have controlling authority over matters within the scope of location, design, building materials, and other matters which would customarily be addressed by an entity such as CCTAC. It is agreed that the Airport and FAA shall have authority to at any time reject any and all development proposals that would conflict with the unimpeded use of the Airport or any federal, state or local laws or obligations;

and the Airport may require of all persons or entities having an interest in any portion of the Project or the QCIA Corporate Office Park to execute an avigation easement or other covenant, all in form and substance acceptable to Airport. In the event the decisions of more than one regulatory body or agency are in conflict, or under other circumstances, the decision of Airport shall be regarded as dispositive, controlling and final. Any notices to CCTAC shall be issued to each representative of the respective CCTAC members. Files of CCTAC shall be at the Airport or at some other location agreed to in writing among all CCTAC members. Notwithstanding anything herein to the contrary, Airport may, in its sole discretion, modify or waive any time limitations or restrictions within this Agreement where Airport deems the decision of FAA, USEPA or other regulatory body or agency to be pertinent to any aspect of the Project or Public Improvements or other aspects of the QCIA Corporate Office Park.

ix. DESIGN DEVELOPMENT DOCUMENTS: Preliminary Schematic Design Documents represent the agreed upon development and shall serve as the preliminary baseline for the Design Development Documents, which will establish architectural covenants. Developer shall prepare and distribute to City, Airport and CCTAC proposed architectural covenants (which will be incorporated into the Design Development Documents), with all of such architectural covenants subject to the review and approval of City, Airport and CCTAC. The architectural covenants shall recognize proximity to the Airport and related impacts and shall include such terms and conditions acceptable to the City and the Airport. Upon the execution of this Agreement, and until the approval or comment by CCTAC of the Design Development Documents, Developer will promptly and diligently keep CCTAC advised of proposed changes from the Schematic Design Documents. CCTAC may also propose changes to the Schematic Design Documents consistent with the architectural covenants. None of the parties may invoke a change from the Schematic Design Documents over the reasonable objection of another party; provided, however, notwithstanding the contrary, the FAA, the United States Environmental Protection Agency, (USEPA), and any other regulatory body or agency which Airport adds as a CCTAC member entity, shall each have controlling authority over matters within the scope of location, design, building materials, and other matters which would customarily be addressed by an entity such as CCTAC. In the event the decisions of more than one regulatory body or agency are in conflict, or under other circumstances, the decision of Airport shall be regarded as dispositive, controlling and final. Each party will use its best efforts to review and comment on the proposals of the Developer and recognize that time is of the essence. The consent of each party of CCTAC shall not be unreasonably withheld, conditioned or delayed. At a minimum, every fourteen (14) days, until CCTAC gives its final comments or approval with respect to the final Design Development Documents, Developer shall report to CCTAC any proposed changes from the Schematic Design Documents developed by it and, if either the City or the Airport so requests in writing to the Developer, Developer shall supply to CCTAC the design documents in process that relate to the proposed changes from the

Schematic Design Documents. CCTAC may at any time review design documents in process at Developer's place of business, and Developer will cooperate in any such reviews. CCTAC agrees to advise the Developer, in writing, within the time limits herein provided, of any formal objections to the design documents in process, so as to facilitate a more efficient and effective completion of the Design Development Documents.

a. Developer, as the designing party, will provide to CCTAC the proposed final Design Development Documents for each Phase of the Project, as defined by Airport, and the final Design Development Documents for each such Phase for review and comment on such Design Development Documents by CCTAC, as consistent with the Schematic Design Documents and any mutually approved changes thereto. In order to provide sufficient time to coordinate meeting schedules with all CCTAC members and other interested parties, Developer shall provide a fourteen (14) work day advance notice to CCTAC of its intent to submit such Design Development Documents to CCTAC.

b. CCTAC shall review the proposed final Design Development Documents so submitted for conformance to the Schematic Design Documents within sixty (60) work days of the date on which such materials are submitted by Developer. If CCTAC finds the proposed Design Development Documents submitted are in conformance with the approved Schematic Design Documents and that all changes from the Schematic Design Documents have been completed, CCTAC shall cause one copy of them to be executed by its appropriate official so indicating and to be returned to Developer within such period. A second set shall be maintained on file with CCTAC.

c. If CCTAC finds that the materials submitted as to each stage of the Project are not in conformance with the Schematic Design Documents and thus declines to approve them, it shall provide to Developer a signed letter indicating with reasonable specificity the areas in which the CCTAC believes there is nonconformance and shall also indicate such reasonable adjustments CCTAC believes are necessary to make them conform to the Schematic Design Documents. Developer may then submit such revisions to the proposed Design Development Documents as it deems necessary to address the objections of CCTAC (in which case CCTAC must respond no later than thirty (30) work days after receipt of such revisions in the manner indicated above). This process and requirements of timing shall continue until the Design Development Documents conform to the Schematic Design Documents and any mutually approved amendments thereto. Failure to prepare and submit Design Development Documents that conform to the Schematic Design Documents and any mutually approved amendments thereto shall be a default of this Agreement. CCTAC shall not unreasonably withhold, condition or delay its approval of Design Development Documents that substantially conform to the Schematic Design Documents. Prior to

action by CCTAC on the Design Development Documents or changes to the Schematic Design Documents, CCTAC may review the plans and documents submitted by Developer with other area property owners and other interested parties and seek their comments, concerns and suggestions, but such review may not extend beyond thirty (30) days from the date the CCTAC submits the respective documents for review.

d. CONSTRUCTION DOCUMENTS: The Design Development Documents shall serve as the baseline for the Construction Documents. From the completion of the Design Development Documents until the completion of the final Construction Documents, Developer will keep CCTAC advised of all material changes from the Design Development Documents. CCTAC may also propose changes from the Design Development Documents. CCTAC may, at any time and at its own expense, review and copy the Construction Documents in process at the designing party's place of business and designing party will cooperate in any such reviews. Prior to making application for a building permit or undertaking any construction of the Project, Developer will provide to CCTAC the proposed final Construction Documents. CCTAC shall review the proposed final Construction Documents so submitted for conformance to the Design Development Documents following the same procedures and time frames prescribed above for the review and approval of the Design Development Documents. As to the design review and approval process hereinabove described in this Section ix. (and the subparagraphs thereunder) and in general, the Developer recognizes that the public sector CCTAC entities shall have the discretion to from time-to-time conduct design-related reviews and discussions in such a time, place and manner, as each such public sector CCTAC entity deems necessary and conforming with the Illinois Open Meetings Act and regular meeting schedules; and the Developer agrees to adjust all review and approval deadlines and timetables as may be reasonably requested by any CCTAC entity.

e. CONSTRUCTION PROCEDURES: CCTAC shall have the ongoing right, at Airport and City expense, to inspect the Project during construction for compliance with the Construction Documents, and all parties shall cooperate with such inspection. Nothing herein shall be construed as indicating that inspections may have the effect of waiving compliance with any code, ordinance, regulation, or grant assurance relating to any CCTAC entity.

f. Developer will comply with applicable rules, regulations and laws of FAA and USEPA and of each CCTAC entity and uniformly implement such with regard to the Project. This shall include the preparation and submission to the FAA of applicable construction activity-airspace compliance documentation. In addition the Airport may require of all persons or entities having an interest in any portion of the Project or the QCIA Corporate Office Park to execute an avigation easement or other covenant, all in form and

substance acceptable to Airport and FAA.

g. During the course of construction, Developer will grant to CCTAC and any public utility company, the right to enter the Project site at all reasonable times for the purpose of installing, reconstructing, maintaining, repairing, or servicing the public utilities located or to be located within and upon the Project site or any other purpose. The utilities, in coming upon the Project site, will not unreasonably interfere with the progress of construction as a result of such inspection.

h. Developer acknowledges that the City cannot construct the public works or public improvements or provide TIF incentives unless certain conditions are met, including but not limited to, tenants of Project properties being ad valorem real estate tax generating and taxpaying entities. It is understood and agreed by Developer that tenants of the Property and Developer will not seek property tax exemption status during the duration of any new TIF created for this Project, with the exception of one (1) City-approved governmental tenant. Further, Developer agrees that during the life of the TIF, as it relates to Project Property or other property within the QCIA Corporate Office Park, as defined within this Agreement, or later to be included in the Project, Developer: a) shall exercise due diligence in determining if any person or entity attempting to lease or purchase is claiming tax exempt status; b) shall incorporate into any and all leases or sales agreements for or related to the Project Property (with the exception of the one City-approved governmental tenant referenced above) the following clauses: for a lease, "Tenant agrees that during the term of this lease it shall not seek tax exempt status;" for a sales agreement, "Buyer agrees that at no time during the life of the TIF related to this property will it seek tax exempt status;" c) Developer shall not claim tax exempt status for itself; and Airport shall not claim tax exempt status for itself, so long as Airport maintains ownership of Property in the Project; and d) Payment of property taxes shall be the responsibility of Developer; provided that Developer may agree to a different arrangement with the Airport, so long as Developer does not attempt to avoid its responsibility hereunder for the guaranteed minimum property tax payment of seven hundred thirty nine thousand two hundred eighty seven dollars $739,287). In lieu of agreeing not to challenge or contest the equalized assessed valuation of the Project Property, Developer has agreed to pay a minimum amount of property taxes each year during the term of this Agreement. Developer and the City have estimated the annual property tax increment from the Project to be at least seven hundred thirty nine thousand two hundred eighty seven dollars $739,287. In order to assure funding for responsibilities and covenants herein contained, Developer hereby covenants and agrees that it shall pay the City any deficiency in the annual property tax increment in the event the annual property tax increment from the Project is less than $739,287 ("guaranteed minimum property tax payment"). The obligation of Developer under this Section shall commence with the tax year

(2012) on which taxes are paid during (2013), and continue through the term of any obligation of the City for payments hereunder. For purposes of this Paragraph 3.6, "property tax increment" shall mean the difference between the property tax due upon the assessed valuation of the property after completion of the project herein described (including without limitation each year thereafter) and the property tax currently due on said property. Further, Todd Raufeisen, personally and on behalf of his heirs, legatees, assigns, agents or employees, hereby guarantees payment of such $739,287 annually, and evidences such personal guarantee by executing a document contained in Exhibit "G", which is attached hereto and by this reference hereto incorporated herein. Notwithstanding anything herein to the contrary, Developer's personal guaranty (Exhibit "G") shall remain in full force and effect in the event a portion or all of the Project property (Exhibits "D" & "E") is de-annexed from City.

i. Due to extraordinary costs associated with developing the Project Property, the City acknowledges that the Developer and Airport cannot proceed with the Project absent financial assistance as may be provided for under the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et. seq., (the TIF Act). Developer and Airport have requested the City to create a new TIF District to accommodate the incentives needed to facilitate the Project. Developer acknowledges and has therefore agreed to enter into a Pre-Funding Agreement with the City's Tax Increment Financing Consultant in order to facilitate the process necessary to accomplish said request; provided, however, that such facilitation shall not guarantee a particular result and the new TIF shall be created only as warranted pursuant to the Act. Developer further agrees to reimburse the City (and the Airport, where applicable) for any expenses, including professional fees, legal fees, and related costs in pursuing the establishment of a redevelopment project area pursuant to the requirements of the TIF Act and Developer agrees to advance funds to the City to offset such City incurred expenses. The City Council has previously approved a Pre-Funding Agreement with Developer and City agrees to reimburse Developer with excess increment over the guaranteed annual minimum property tax payment, if any excess increment is generated.

WHEREAS, City believes the Project to be located as set forth in Exhibits "D" & "E" and the fulfillment generally of the terms of this Agreement are in the vital and best interests of City and its residents, and are in accord with its duty, authority, and the public purposes and conditions arising under the Act and all applicable state and local laws and requirements; and

WHEREAS, the parties believe that certain definitions will help in determining the meaning and carrying out the terms and understandings of this Agreement, and therefore agree to the following definitions which shall have the meanings ascribed to them as set forth below:

Construction Documents: Those documents in which the Design Development Documents are refined to include all detailed final working drawings and specifications.

Design Development Documents: A set of architectural drawings consistent with the approved Schematic Design Documents.

Developer: RDC Case Creek Trails, L.L.C. is the developer for the entire Project.

Development Timetable (also sometimes hereinafter referred to as "Phasing Plan"): The comprehensive detailed construction schedule attached as Exhibit "H" to which the parties shall use their best efforts to adhere, subject to Unavoidable Delays.

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

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

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

Project Documents: The Schematic Design Documents, Design Development Documents and the Construction Documents, including any amendments and modifications thereto.

Project Property: That property which is the subject of this Agreement and which is legally described in Exhibits "D" & "E" attached hereto and by this reference incorporated herein as if set out at this point.

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

Schematic Design Documents: Two drawings and written descriptions which establish the design concepts for the Project as set forth in Exhibit "I" [to be provided to Airport for approval].

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

NOW, THEREFORE, in consideration of the foregoing recitals, which are (meant to be)substantive and binding and not superfluous, the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby

acknowledged, the parties do hereby stipulate, covenant, contract and agree that the foregoing recitals are incorporated hereunder by reference as the agreement between the parties and the parties further agree as follows, to-wit:

I. CITY'S AGREEMENT TO PROVIDE ASSISTANCE.

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

1. City will issue bonds to fund construction of certain public works and public improvements described more fully hereinbelow. Prior to executing the Development Agreement, Developer shall provide City and Airport with evidence of its equity financing and construction debt financing commitment to complete the first phase of the project. The Developer shall also provide the City and Airport with all legal documents verifying the existence of RDC Case Creek Trails, L.L.C., a legal opinion from Developer's Counsel addressing the Developer's authority to execute and enter into the Development Agreement, and a certificate of insurance as well as any other appropriate closing documents required by the City or Developer's lender.

A. Maximum TIF Payment. City's total project commitment from the net incremental real estate tax generated by the Project under this Section I shall not exceed Thirteen Million Seven Hundred Ninety Nine Thousand Fife Hundred Sixty Two ($13,799,562.00) and/or shall not extend beyond December 31, 2035 which is the expected expiration of the proposed property tax TIF District.

B. The estimated total phased cost for the Project including lease cost, site acquisition, design, engineering and other professional fees and construction is Ninety Million Five Hundred Seventy Thousand and 00/100 Dollars ($90,570,000.00). It is further estimated that the projected property tax collected over the 23 year period of the newly created TIF will be Forty Three Million Eight Hundred Ninety Seven Thousand One Hundred Eighty Nine and 00/100 ($43,897,189.00). It is estimated that total incremental property tax collected will be Forty Three Million Eight Hundred Ninety Seven Thousand One Hundred Eighty Nine and 00/100 ($43,897,189.00). In the event that the total cost is less than the amount shown above and/or the total projected property tax collected is less than that estimated, the maximum TIF Payment shall never exceed the taxes collected.

C. Phase I Project Costs are expected to align as follows:

Construction:	$29,385,900.00	
Property Lease (79.71 acres)	$1,280,712.00	*
Site Improvements (Bonded)	$ 6,500,000.00	
Total Project Costs	$36,667,112.00	

*[To be revised and calculated at $.41/sq. ft. or other FAA-approved rate.]

D. Property Tax Rebate. The City shall pay through its TIF Fund the net incremental annual real estate taxes for debt reduction for the bonds issued pursuant to this Agreement. Upon retiring said bonds, the City may pay a portion of project costs for individual projects, in accordance with City policies concerning such reimbursements, only for TIF eligible costs as defined by the Act, up to a maximum amount of Eleven Million Three Thousand Nine Hundred Seventeen and 50/100 ($11,003,917.50) to retire debt issued to fund public works and public improvements and to support and promote the Project as allowed by law. The public works and public improvements costs identified in Exhibit "J" shall be paid by the City; Developer shall advance or obtain all other funds necessary to complete the project as it is phased in pursuant to the Phasing Schedule set forth herein. As a material inducement to obtain City cooperation in funding and installing such public improvements and public works, any party requesting payment of TIF eligible expenses shall provide proof of that party incurring TIF eligible expenses. Therefore, any party requesting payment of TIF eligible expenses shall submit to the person designated by the City to receive such information and to the Developer such documentation as may be reasonably requested by the City (including but not limited to lien waivers, cancelled checks, paid invoices and evidence of wires) verifying: (a) that such requesting party has incurred TIF Eligible costs in connection with its redevelopment of the Property, including construction of the Project improvements so as to permit the determination of the total Redevelopment Project Costs and total TIF Eligible Redevelopment Project Cost related to the Project; and (b) the total Redevelopment Project Costs.

The net incremental annual real estate taxes received by the City shall be used by the City to pay for eligible redevelopment costs allowed under the Act (65 ILCS 5/11-74.4-3) as illustrated in Exhibit "K" attached hereto and incorporated herein by reference ("Redevelopment Project Costs"), and Airport and Developer confirm and represent that each understands the City will use said net incremental annual real estate taxes only for such purposes, including debt service and property acquisition and each waives any claim to said net incremental annual real estate taxes inconsistent with the City's use. The base year for computation purposes of the net annual increment is agreed to be the annual real estate taxes for the project property for 2010; the base Equalized Assessed Valuation (EAV) for the base year 2010 is _____ and __/100 Dollars ($_____)[to be provided to Airport and city for approval]. The property tax rebate period will start with assessment year 2010 and payment year 2011.

Maximum Amount of Property Tax Reimbursement. Pursuant to 65 ILCS 5/11-74.4-3(q), the maximum amount of reimbursement shall not exceed the sum of all reasonable or necessary eligible costs (see Exhibit "K") incurred or incidental to the redevelopment plan and Project. After all debt service has been paid, City

agrees to consider rebates to individual projects on a case by case basis, consistent with City guidelines as determined in City's sole and exclusive discretion in separate agreements. Said rebates shall only commence upon satisfactory completion by Developer of the particular Phased portion of the Project and all conditions contained herein, prior to reimbursement by the City to Airport for any agreed upon TIF eligible costs and nothing in this Agreement shall be considered a general obligation of the City.

E. Hotel/Motel Tax. The parties agree to endeavor to consider the development and construction of a hotel upon the Project Property. Said hotel shall be, at a minimum, a full-service lodging facility; affiliated with a major national hotel brand (for example, a brand at a quality level which equals or exceeds that of a Hilton), featuring at least 100 rooms, and include or connect to a facility that has a restaurant and lounge, 12,000 square feet of meeting space, an indoor pool and whirlpool, exercise room, business center, gift shop, vending area, and a guest laundry room. Should a hotel be built upon the Project Property during the term of this Agreement, City agrees to share equally any hotel/motel tax generated within the proposed TIF District with Rock Island County throughout the life of the TIF District.

F. City Marketing. The City, will exercise its best efforts to assist the exclusive Developer in the marketing of the property (in a degree and manner no less than the efforts currently underway with the Airport), provided City and Airport reach a mutually agreeable financial arrangement as to how to fund such best efforts, including without limitation signage on site, in the Airport, external marketing, website marketing, participation in tradeshows and marketing efforts with the Quad City Development Group and other economic development agencies, local, regional and national. In addition, after all debt service has been paid, should sufficient increment exist, City will reimburse Airport for the reasonable cost of retaining the services of a business manager and/or developer for the purpose of tenant recruitment and marketing of the Quad City International Corporate Office Park; subject to a maximum amount of $50,000.00 or the expiration of the TIF, whichever comes first. Payments under this paragraph, if any ever become due, shall be as set forth and shall be subject to the additional limitations in Paragraphs I.A and I.D, herein.

1. Final Payment. Upon final payment of the amount specified in paragraph 1.C., above, or upon making the final payment as specified in 1.E. above, the City's obligations under this Agreement shall be fully paid and satisfied regardless of the total amount of payments actually received by or credited to Airport or Developer.

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

H. Enterprise Zone Benefits. City shall endeavor to extend the Enterprise Zone in cooperation with Rock Island County for the benefit and duration of the Redevelopment Project by which means materials can be purchased for the construction of the Redevelopment Project without the imposition of sales tax and other economic benefits may be obtained under the Enterprise Zone guidelines as are available under the law. City will cooperate and assist Developer in its application for all Enterprise Zone benefits, if any, but City does not warrant or assure or guarantee that any such benefits will be available to Developer.

I. Grants and Loan Applications. City agrees to use its best efforts to support the Developer in applying to state and federal grant or loan programs that will enhance the Redevelopment Project and City will specifically work with Bi-State Regional Commission to seek grant funds to assist with infrastructure improvements such as Economic Development Administration Funds (EDA) through the Department of Commerce.

J. In the event that Developer fails to (a) commence construction of Phase I of the Project before twenty four (24) months after the execution of this Development Agreement, and/or (b) fails to substantially complete the remaining phases of the Project on or before December 31, 2020 (the anticipated Construction Completion Date) (a "Fundamental Breach") or (c) abandons the property after commencement of construction, then the City may terminate this Agreement pursuant to terms and conditions acceptable to the Airport, which acceptance shall be indicated in advance and in writing separate from this Agreement; provided, however, that any personal guarantees shall survive the termination of this Agreement; and, provided further, however, that the Annexation Agreement of which this Development Agreement is an exhibit, shall survive any such termination with respect to annexation of the property. As set forth above, "abandoned" or "abandonment" shall mean that developer has vacated and relinquished possession of the Site at any time after the commencement of construction of the initial infrastructure of the project for a period of one hundred eighty (180) days or more.

L. TIF Amendments. The parties expressly understand and agree that all payments provided for in the paragraphs set forth above shall be at all times subject to the requirements and restrictions of the Act.

M. Project Phasing. The parties hereto understand that the Project Elements described herein cannot be constructed at one time, and therefore have agreed to the following Project Phasing:

a. Phase I of the development Project will include site preparation, public improvements and construction of a Quality of Life Center consisting of 75,000 s.f. of covered, first class building space consistent with the Final Design Documents, 16,906 s.f. of retail space @ The Shoppes of Case Creek, and 104,000 s.f. Hotel (affiliated with a major national

hotel brand such as a Hilton, featuring at least 100 rooms, and include or connect to a facility that has a restaurant and lounge, at least 12,000 square feet of meeting space, an indoor pool and whirlpool, exercise room, business center, gift shop, vending area, and a guest laundry room), plus concomitant landscaping and private improvements, all to be constructed by December 31, 2012. The foregoing shall be consistent with the architectural covenants (as approved by City and Airport) and Airport avigation easements plus concomitant landscaping and private improvements.

b. Phase II of the development Project will include site preparation and construction of an additional 20,255 s.f. of covered, first class retail space and 52,000 s.f. of covered, first class office space consistent with the architectural covenants (as approved by City and Airport) and Airport avigation easements plus concomitant landscaping and private improvements, all to be constructed by December 31, 2013.

c. Phase III of the development Project will include site preparation and construction of an additional 8,100 s.f. of covered, first class office space consistent with the architectural covenants (as approved by City and Airport) and avigation easements plus concomitant landscaping and private improvements, all to be constructed by December 31, 2014.

d. Phase IV of the development Project will include site preparation and construction of an additional 6,750 s.f. of covered, first class retail space and 23,500 s.f. of covered, first class building space consistent with the architectural covenants (as approved by City and Airport) and avigation easements plus concomitant landscaping and private improvements, all to be constructed by December 31, 2015.

e. Phase V of the development Project will include site preparation and construction of an additional 12,719 s.f. of covered, first class building space consistent with the architectural covenants (as approved by City and Airport) and avigation easements plus concomitant landscaping and private improvements, all to be constructed by December 31, 2016.

f. Phase VI of the development Project will include site preparation and construction of an additional 43,125 s.f. of covered, first class building space consistent with the architectural covenants (as approved by City and Airport) and avigation easements plus concomitant landscaping and private improvements, all to be constructed by December 31, 2017.

g. Phase VII of the development Project will include site preparation and construction of an additional 29,679 s.f. of covered, first class building space consistent with the architectural covenants (as approved by City and Airport) and avigation easements plus concomitant landscaping and private improvements, all to be constructed by December 31, 2018.

h. Phase VIII of the development Project will include site preparation and construction of an additional 67,350 s.f. of covered, first class building space consistent with the architectural covenants (as approved by City and Airport) and avigation easements plus concomitant landscaping and private improvements, all to be constructed by December 31, 2019.

i. Phase IX of the development Project will include site preparation and construction of an additional 29,679 s.f. of covered, first class building space consistent with the architectural covenants (as approved by City and Airport) and avigation easements plus concomitant landscaping and private improvements, all to be constructed by December 31, 2020.

j. The development Project shall be developed consistently with the project elements described in the recitals preceding this Agreement, which recitals are hereby incorporated herein by this reference hereto as if fully set out at this point. The parties agree that the specific location and design of each building and associated improvements corresponding to the foregoing phases shall be subject to the prior written approval of Airport and the FAA. Developer warrants that the deadlines within the Phasing Schedule set out in this paragraph I.1.M. shall also create the obligation on the part of the Developer to secure tenants acceptable to Airport, with such tenants becoming obligated under leases containing terms and conditions acceptable to Airport and FAA. Developer warrants that the project elements constitute a minimum level of performance and failure to create and accomplish said elements consistent with this Phasing Schedule set out in this paragraph I.1.M. without the express written permission of the City and the Airport shall constitute a material breach hereof.

II. DEVELOPER AGREEMENT TO DEVELOP PROPERTY.

A. Upon the execution of this Agreement, the Developer shall initiate the Project substantially in accordance with the plans and specifications for the Project, which plans and specifications must be approved by CCTAC prior to commencement of the Project, in accordance with all applicable City and Airport rules, codes, regulations, ordinances and laws, including without limitation, the development review process outlined herein. Further, Developer confirms that Development, use of and construction on the Property, shall at all times comply with and be in accordance with this Agreement and the Annexation Agreement of even date herewith to which this Development Agreement is an exhibit, any Plat of Subdivision, the Moline Zoning Code, the Moline Subdivision Code and any special use granted in connection therewith, the Final Development Plan, the Landscape Plan, Elevations Plan, Airport plans, rules, grant assurances, regulatory requirements and compliance advisories, timely provided to Developer by Airport and all other requirements of law, it being understood that in the event of a conflict between or among any of the above plans or documents, the plan or

document that provides the greatest control and protection for the City and Airport, (most restrictive toward development) shall control. All of the above plans and documents shall be interpreted so that the duties and requirements imposed by any one of them are cumulative among all of them, unless otherwise provided in this Agreement.

B. Developer agrees to complete the following Project elements:

i. All Project Elements as set forth in this Agreement, but as phased in according to I.1.M of this Agreement;

ii. Development Review and Regulatory Review Process. Completion of the development review and approval process outlined herein with CCTAC and the development review and regulatory approval process with City and Airport as outlined within the Recitals section of this Agreement and this paragraph.

FAA Coordination, Reviews and Approvals. As the Project will involve property that is federally obligated, the Developer will insure that all actions on the Property are conducted in accordance with federal, state, and local laws, will be in conformance with all applicable guidance and obtained prior approval by the Federal Aviation Administration (FAA) and Illinois Department of Transportation-Division of Aeronautics (IDA), and will not violate the sponsor Assurances provided in Exhibit "L". The FAA will define all development approvals that are required to ensure compliance with Sponsor Assurances. At a minimum, the Developer will prepare and submit the following items to the Airport for approval coordination with the FAA. Other review documents may be necessary as specified by the FAA: (1) Airport Layout Plan airspace package that meets requirements of FAA Advisory Circular 150/5070-6B, Appendix F and FAA Form 7460-1; (2) Environmental Action document in accordance FAA Order 5050.4B and Order 1050.1E. Document shall include all pertinent federal, state and local resource agency coordination and approvals. Permits are not needed for this document; (3) Concurrent Land Use/Release package in accordance with FAA Order 5190.6B; (4) All Development, Annexation and Lease Agreements that affect the development, use or governance of the proposed Case Creek Development Plan. The Developer agrees that no construction activities will occur on the project site without completion of all planning approvals including the aforementioned items in this paragraph.

iii. Developer shall undertake marketing and tenant recruitment activities which are pre-approved in writing and acceptable to Airport and procure tenant and lease provisions which conform to this Agreement and are otherwise acceptable to Airport. Notwithstanding anything herein to the

contrary, Developer shall have no authority to represent Airport in negotiations with prospective tenants unless specific prior written approval is granted by Airport and its legal counsel. It is agreed that Airport may, in its sole discretion, establish the terms and conditions of agreements with prospective tenants. City and Airport recognize that Developer will sequentially secure construction of Tenant improvements in accordance with the phased in schedule contained in I.1.M of this Agreement. Airport's requirements which shall be deemed reasonable relate to and/or include and are not limited to the following: first-class office and technological and commercial and retail mixed use, minimum acreage, minimum square footage, lease term and rental rate, design and amenity items, lease guarantees, performance and completion bonding, lease covenants relating to restrictions on collateral and subordination and governmental compliance (including conformance with Airport's grant assurances, federal, state and local Airport rules and regulations, and other requirements of Airport).

Any use of Airport property eventually leased herein shall be in the manner and condition of a first class office park, to be constructed, operated, and maintained thereon by Developer for the benefit of Developer's Tenants and Airport from this point forward, subject to the following covenants which shall continue to run with the land, be binding upon, and inure to the benefit of Developer and Airport, their respective successors, assigns, and representatives:

a. Any buildings or structures shall be constructed of high-end building materials, highest quality construction and workmanship, state of the art technology for engineering and mechanicals, voice and data, on-site support services/maintenance, first rate maintenance and management and shall include full service ancillary uses and amenities;
b. Interior and exterior portions of any buildings shall also possess significant architectural features, highest quality/expensive finish and trim; provided, however, that the exterior walls of the buildings shall in all cases be constructed of high quality brick material unless otherwise approved by airport in writing;
c. Additional building materials, methods or techniques that are necessary to account for the proximity of the buildings to an operating Airport.
d. The final exterior building and landscaping design of any building or structure constructed upon any leased property shall be subject to the advance written approval of Airport.

iv. Developer shall prepare and submit, for review and approval by the City Administrator and Airport, a Construction and Traffic Management and

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Regulatory Compliance Plan ("CTMARC Plan") for the development of the Property, which CTMARC Plan shall govern the location, storage and traffic routes for construction equipment and construction vehicles and the location of alternative off-street parking during the construction. There shall be no obligation to issue a building permit for any improvement and no construction shall be commenced with respect to such improvement, unless and until the City and Airport have received, in writing, the CTMARC Plan. City agrees to cause the CTMARC Plan to be promptly and expeditiously reviewed by the City Administrator and Airport agrees to cause the CTMARC Plan to be promptly and expeditiously reviewed by the Director of Aviation; provided, however, that nothing herein shall be deemed or interpreted as requiring approval of the CTMARC Plan. At a minimum, the CTMARC Plan shall include, without limitation, the following:

A. The schedule and traffic routes for construction traffic accessing the Property;
B. The designation of machinery and construction material storage areas on the Property;
C. Provisions for the screening of construction areas within the Property;
D. Hours of operation and schedule for construction on the Property, including a critical path analysis framework and result;
E. Location of areas on the Property for the parking of construction vehicles and vehicles operated by construction employees;
F. Location of alternative off-street parking to replace any parking temporarily lost due to construction;
G. The location of temporary and durable off-street parking on the Property for construction employees; and
H. Compliance with Airport rules, regulations, conditions, and grant assurances provided to Developer by Airport as soon as possible after this Agreement is executed.

At all times during construction of the Project, Developer shall keep all routes used for construction traffic to be free and clear of mud, dirt, debris, obstructions and hazards consistent with law and regulation and shall repair any damage caused by such construction traffic.

v. During construction of the Project, Developer shall install temporary durable surface off-street parking on the Property for the parking of construction employee vehicles, as necessary, temporarily divert or control any heavy accumulation of storm water away from or through the Property in a manner approved in advance by the Airport and City Engineer and at all times comply with the Moline Stormwater Code and Airport requirements.

vi. Developer warrants that it will be able to meet a Project timeline in accordance with the phased in schedule contained in I.1.M of this Agreement.

vii. The parties understand and agree that the public improvements as defined herein shall be public works, subject to the Prevailing Wage Act, found generally at 820 ILCS 130/0.01 et seq. For all other items built or constructed in the Project, the application of the Prevailing Wage Act, and the determination as to whether said Prevailing Wage Act applies or does not shall be the sole and exclusive obligation of the Developer, as shall payments for any costs, expenses, wages or penalties arising out of or related to the project and development. In addition to all other indemnification responsibilities herein contained on the part of Developer and not in lieu thereof, Developer shall indemnify City and Airport and the agents, officers and employees of each and shall hold City and Airport and the agents, officers and employees of each harmless from any and all wages, costs, damages, penalties or other demands for payment however styled or identified, as well as claims, suits, liabilities, judgments, costs and expenses (including any liabilities, judgments, costs and expenses and reasonable attorney's fees) arising out of or related to the Prevailing Wage Act or other payment obligation imposed by law.

C. Code Compliance and Environmental Certification. Developer certifies that the Development Project, as designed, is and shall be in full compliance with all applicable federal, state and local laws and ordinances and that the Project fully satisfies and complies with the development review and regulatory approval process hereinabove described. Further, Developer warrants that the City Building Official and City Fire Department and Airport (and related applicable regulating agencies) shall have approved all building plans submitted and agrees to follow all requirements of the Airport, City Code and the City Building Official and Fire Chief or other designee of the City Administrator. Developer also certifies that no utilities located on or in the Redevelopment Project shall be connected to the water, stormwater and sewer utilities belonging to the City except in accordance with the applicable provisions of the City Code and upon payment of any connection fees required in the City Code. Finally, Developer certifies that each building will be constructed to a standard of basic LEED certification as outlined elsewhere in this Agreement.

D. Assessed Valuation and Payment of Property Taxes. Payment of property taxes shall be the responsibility of Developer. Developer and the City have estimated the annual property tax increment from the completed proposed Project to be at least Seven Hundred Thirty Nine Thousand Two Hundred Eighty Seven and 00/100 Dollars ($739,287.00). In order to assure full funding for the construction by the City of its responsibilities herein, Developer hereby covenants and agrees that it shall pay the City any deficiency in the annual property tax increment in the event the annual property tax increment from the Project is less than $739,287.00.

The obligation of Developer under this Section shall commence with the tax year 2012 on which taxes are paid during 2013 and continue through the term of any obligation of the City for payment of funds bored for the construction of any part of the public Works or Public Improvements or reimbursement of Airport for TIF eligible expenses. The obligation of Developer shall be personally guaranteed by Todd Raufeisen and spouse by executing Exhibit "G", concurrent with the execution of this Agreement. The foregoing notwithstanding, Airport shall continue to make its regular payment of property taxes until leased as herein provided, with Developer paying the balance of the guaranteed annual minimum tax payment; provided, however, the Developer shall be obligated to reimburse the Airport for property taxes related to property which is not redeveloped as herein provided. Developer's obligation of reimbursement to Airport shall be to the extent that the Airport incurs an annual increase in its in its real estate tax obligation for the Project Area in excess of One Thousand ($1,000.00) Dollars as measured by real estate taxes paid by Airport prior to the execution of this Agreement. The obligation of the parties, as herein provided, shall continue through the term of any obligation of the City for repayment of funds borrowed for the construction of any part of the Public Works or Public Improvements. Developer agrees not to appeal the annual assessed valuation of the Property as determined by the Township Assessor during the term of this Agreement, provided that any such assessment is consistent with that of comparable properties within the City's Tax Increment Financing District known as "Airport TIF".

E. Developer understands and agrees that the meeting of deadlines as set forth in Section I.1.M. herein and Exhibit "H" is necessary, in order to meet the terms of this Agreement and make City incentives possible. Developer understands failure to meet deadlines is a material breach of this Agreement, unless an extension has been agreed to in writing by City and Airport.

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

G. Developer and City acknowledge that the purpose of affording public assistance to the Project is to accomplish the stated public purposes and not to subsidize an otherwise economically viable development project. Developer has represented and averred that it cannot complete the project but for expenditure of TIF Payments in the form of Public Works or Public Improvements paid for by the Bond Issue referenced herein and a potential Property Tax Reimbursement to

future tenants. While it has been determined by the City Council that the Project would not be undertaken but for the public assistance being provided, the parties recognize that the ongoing profitability of the Project to Developer is based upon projections that may or may not be fulfilled. Therefore, in order to ensure that the public assistance being provided does not subsidize an unreasonable level of earnings for Developer, the parties agree that a reasonable level of earnings for the combined Project is an annual cash on costs rate of return ("unleveraged Internal Rate of Return (IRR)") upon the Private Funds invested in the Project from time to time by Developer of fifteen percent (15%); unless unique circumstances with specific Tenants require a change in the division of Developer's reasonable level of earnings as reasonably agreed by City and Airport. Therefore, should Developer's cumulative annual IRR yield an IRR on total project costs in excess of fifteen percent (15%), the City shall have the right to receive payment from the Developer equal to twenty-five percent (25%) of the amount by which the cumulative annual IRR for the Project exceeds fifteen percent (15%). Any amount of IRR to Developer which is less than or equal to fifteen percent (15%) unleveraged IRR shall be Developer's sole property and referred to herein as the "Developer Return." By way of example, if the annual Developer IRR yields an amount equal to a twenty percent (20%) unleveraged IRR, the City shall be entitled to twenty-five percent (25%) of the Developer IRR in excess of the Developer Return (or in other words, twenty percent (20%) of the extra five percent (5%) of (unleveraged) IRR [20%-15%=5%]. The payment to the City of such amounts shall be no more frequent than every five years, and such payment to the City shall in no such event exceed the total amount of the TIF eligible costs paid to date. To effectuate this provision, Developer agrees to permit the City to audit its books, records and accountings concerning this contemplated transaction, but no more than once every five (5) years. The right to audit shall expire one (1) year after Developer closes its books for the fifth year in each five (5) year period.

III. AIRPORT AGREEMENT TO ANNEX TO CITY, PERMIT DEVELOPMENT PROPERTY.

A. Airport shall annex the property identified in Exhibits "B", C","D", "E" (more specifically described and depicted on Exhibits "M" & "N") into the City of Moline pursuant to a certain Annexation Agreement of even date herewith to which this Development Agreement is an exhibit and Airport agrees not to contest or otherwise object to such annexation, even upon Default of the Developer herein; provided, however, that Airport may object to annexation for an unremedied Default of City that results in the termination of this Agreement pursuant to the Default provisions herein below. Should either the Federal Aviation Administration or federal Environmental Protection Agency subsequently determine that a portion of the project cannot be constructed as envisioned in Developer's plans, attached hereto as Exhibits "D" & "E", then Airport shall have the right, but not the obligation, to de-annex said portion from the project at City's expense and City and Developer agree not to contest such de-annexation. Alternatively, airport may permit Developer to resubmit new plans

for review by the appropriate federal agency. In any event, Developer's personal guaranty shall remain in full force and effect, whether a portion or all of the property is subsequently de-annexed from the City. As a further alternative to de-annexation, the City hereby agrees to indemnify and hold harmless Airport from any increase in property taxes attributable to annexation into the City or subsequent development of the Property in exchange for Airport not de-annexing said property, should either the Federal Aviation Administration or federal Environmental Protection Agency subsequently determine that a portion of the project cannot be constructed as envisioned in Developer's plans.

B. Airport understands, represents and affirms that it desires City to create a TIF District concerning all property in Exhibits "D" & "E" to fund the installation of water, sewer, drainage and roadway improvements to facilitate new private investments; to acquire property; to fund marketing and to pay for other TIF eligible expenses and therefore Airport shall not object to location of the Project within a Tax Increment Financing Redevelopment Project Area as defined pursuant to the TIF Act and shall agree not to object to taxable valuations or to claim tax-exempt status related to paying property taxes as specified herein. Airport agrees to lease to Developer the property needed for the watermain extension or, at Airport's discretion, convey to City an easement for such extension; such extension more specifically relating to property legally described on Exhibit "M" and depicted on Exhibit "N". Public right-of-way shall be dedicated by the Airport to the City of Moline for use as streets and utility rights-of-way as shown on the Plat attached as Exhibit "E". The City will endeavor to plow said streets at the earliest possible time, but the parties acknowledge that the City plows arterials first under its snow-plowing policy. Therefore, nothing herein shall prevent Developer or Airport from plowing said streets earlier to provide a heightened level of service to the development.

C. Airport shall negotiate in good faith—but with no guarantee of a particular outcome—to sequentially lease property consistent with the phase-in schedule referenced herein (I.1.M) to develop the QCIA Corporate Office Park as identified in the plans and specifications approved in the development review process herein set forth with the express purpose and intent that such property leases shall generate sufficient TIF incremental tax revenues to allow the City to repay any bonds issued pursuant to this Development Agreement. Notwithstanding anything herein to the contrary, Developer shall pay Airport rent for the land described within Exhibits "D" & "E", and such other land as Airport designates at a commercially reasonable and FAA-approved rate commencing when Developer has undertaken a continuous program of construction or modification such as major clearing or excavation or placement, assembly, or installation of any facilities or placement or location of equipment on the property or when Developer has entered into a contractual obligation to undertake and complete, within a reasonable time, a continuous program of construction or modification, but in no event later than January 1, 2011. Notwithstanding anything herein to the contrary no construction activity (including roads and utilities) shall occur until such time that the Project Area is subject to property

leases which apply to the land area within the Project Area to the extent acceptable to the Airport and FAA. At the request of the Developer or January 1, 2011, whichever date is earlier, Airport shall have an obligation to lease property to Developer at a commercially reasonable and FAA-approved rate to any tenant acceptable to Airport; provided, however, the terms and conditions of such lease or leases shall be in conformance with Airport's grant assurances, federal, state and local Airport rules and regulations, and other requirements of Airport; and Developer has performed its obligation relating to the Project Elements, development review process, submittals, tenant recruitment and marketing, and procurement of financing and lease provisions which conform to this Agreement and are otherwise reasonably acceptable to Airport. Notwithstanding anything herein to the contrary, Developer shall have no authority to represent Airport in negotiations with prospective tenants unless specific prior written approval is granted by Airport and its legal counsel. It is agreed that Airport may, in its sole discretion, establish the terms and conditions of agreements with prospective tenants. The development review process which Developer shall undertake, at Developer's expense, is described in Section II.B. herein. Developer shall coordinate the development review process with Airport and comply with Airport's requests relating thereto.

D. In addition to the events of default and remedies related thereto as hereinafter provided in this Agreement, Airport may deem an event of default to be Developer's failure to comply with any reasonable request of Airport or Developer's failure to comply with any provision of this Agreement, all according to the discretion of Airport. Airport may give notice of such default to the parties and Developer shall have a thirty (30) day cure period. Such notice shall be delivered to both Developer and City and such notice shall specify a termination date for the Development Agreement. Upon the occurrence of the termination date specified in the notice, Airport may, in any event, elect to terminate the Development Agreement and may re-enter and repossess the property within the Project; provided, however, such an election will not be effective until Airport consults with City and further provided that Developer's liability for its failure to comply with all provisions of the Development Agreement shall continue and the Annexation Agreement shall survive such termination. Upon Airport's election to exercise its rights within this Section III. D., City agrees to perform such duties and undertake such obligations of Developer as may reasonably be necessary to continuously operate the project; provided, however, that Airport will not unreasonably withhold its consent to the assignment of the Development Agreement to a qualified successor-Developer as may be tendered by City. City shall exercise forbearance as to tax liability, if any, accruing to Airport as provided in III. A. hereof until such time that a qualified successor-developer enters into an agreement with Airport and City, including provisions acceptable to Airport in form and substance relating to the obligations of the successor-Developer on the subject of real estate taxes.

E. Airport is informed that the FAA and USEPA desire to review and approve this Development Agreement and Annexation Agreement prior to the parties' entering

into a binding transaction. Accordingly and notwithstanding anything herein to the contrary, the parties stipulate that this Agreement is subject to such agency review and approval; and that, to the extent that any such agency communicates its disapproval of any provision herein or any provision within the Annexation Agreement, such provision shall be deemed null and void (unless such provision is modified to the satisfaction of all parties and the reviewing agencies), even to the extent that such nullification defeats the entirety of the transaction between the parties, all without liability to either City or Airport. This Section III.E. shall be effective from the date that this Agreement is executed by all parties through January 31, 2011, and thereafter this paragraph shall not operate to in any way diminish the respective rights of review and approval which either the FAA or USEPA possess in accordance with statute, rule or regulation or other provisions within this Agreement.

IV. CONDITIONS PRECEDENT TO CITY'S AGREEMENT TO BOND AND TO INCUR COSTS HEREUNDER.

A. Developer's Obligation (to obtain Debt and Equity Financing. The Parties agree that the performance of their respective obligations set forth herein is specifically contingent upon the satisfaction and performance of the Developer having obtained debt and equity financing, or commitments for the same for the Phase I of the Project within ninety (90) days of the execution of this Agreement. Therefore, Developer agrees to provide sufficient equity and construction financing necessary to complete Phase I of the Project as described herein and the City and Airport will have no obligation to perform any action otherwise required herein until Developer provides the City and Airport with evidence of its equity financing and construction debt financing commitment to complete the entire project in accordance with terms acceptable to City and Airport. Developer shall also provide the City and Airport with all legal and financial documents verifying the existence of Raufeisen Airport Properties, L.L.C., and the Developer's ability to otherwise complete and discharge its obligations under this Development Agreement.). Developer agrees to supervise the infrastructure construction upon funding by City. Developer shall secure and/or participate with third parties to invest, construct and lease improvements of the Project sequentially and phased as provided herein to meet the bond obligations of the City and to enable Developer to meet his guaranteed minimum annual tax payment.

B. Developer covenants and agrees to continuously operate the Project for a period which ends with the earlier of a minimum of twenty (20) years from the date of the execution of this Agreement or until all debt service on the Bonds contemplated herein have been retired. City and Airport shall each be entitled to specific performance and liquidated damages as set forth herein. For the entire period referenced herein, City, Developer, and Airport shall each be entitled to injunctive relief to enforce this continuous operation covenant (to compel performance of the terms hereof, and to restrain and enjoin any breach or threatened breach thereof by Developer. If Developer fails to continuously operate as set forth in this Paragraph of this Development Agreement, Developer

shall pay to the City, as liquidated damages, and not as a penalty, the sum of two hundred dollars ($200.00) per day for each calendar day that such failure to continuously operate continues. 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 leased and occupied square footage or no less than ninety seven thousand (97,000) square feet) and performance of all obligations by each party to compel performance of the terms of this Agreement, and to restrain and enjoin any breach or threatened breach thereof by any party to this Agreement

V. WARRANTIES OF THE CITY.

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

VI. WARRANTIES OF THE AIRPORT.

The Airport represents and warrants to the City and Developer that it is empowered and authorized to execute and deliver this Agreement and to lease and acquire the real property contemplated to be leased and acquired as described herein, and to make and keep the promises, covenants and commitments made herein and to execute and deliver all other agreements and documents, if any, required hereunder to be executed and delivered. This Agreement has been, and each such document at the time it is executed and delivered will be, duly executed and delivered on behalf of Airport pursuant to its legal power and authority to do so. When executed and delivered to City and Developer, all such agreements shall constitute a legal, valid, and binding obligation of Airport, enforceable in accordance with the terms of all such agreements.

VII. WARRANTIES OF THE DEVELOPER.

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

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

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

VIII. INDEMNIFICATION.

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

IX. ANNEXATION AGREEMENT; ENTIRE AGREEMENT.

The City and Airport and Developer shall execute an Annexation Agreement of even date herewith to annex said Project Property consistent with the preceding terms and conditions for the property contained within the project area as further described on the attached map exhibits

"B", "C" "D", & "E" (more specifically described and depicted on Exhibits "M" & "N") and this Development Agreement shall be an exhibit thereto. Said Annexation Agreement and this Development Agreement and exhibits to each contain the entire agreement between Developer and City as to this Agreement and its burdens and benefits shall inure to the benefit of, and shall be binding upon the parties hereto or a memorandum thereof and their respective heirs, executors, successors, and assigns. (Said "Entire Agreement" or a memorandum of this Agreement approved by all parties hereto may be recorded as set forth below, and may be modified only by written amendment signed by Developer and City, which amendment shall become effective upon recording by either party in the Recorder's Office in Rock Island County, Illinois.

X. ASSIGNMENT.

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

XI. SURVIVAL OF WARRANTIES AND REPRESENTATIONS.

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

XII. NOTICE OF DEFAULT.

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

B. UncuredDefault of any term or condition of an Annexation Agreement to which this Development Agreement is an exhibit constitutes default of this Agreement.

C. UncuredDefault in the Continuation of Developer as permitted to do business in good standing in Illinois by the Illinois Secretary of State or other regulatory agency of the Illinois government;

D. UncuredDefault in failing to continuously operate the construction, or marketing activities (hereinabove defined in this Agreement) within the QCIA Corporate Office Park for the earlier of twenty (20) years or until the City has retired its debt or bond issue related to the Project.

E. This Section XII. shall not apply to the extent that the language thereunder has the effect of limiting any rights and remedies which either Airport or City possess in accordance with Section III. D. and Section IV. B. of this Agreement.

XIII. REMEDIES UPON DEFAULT.

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

B. If Developer or Airport materially fail to fulfill its obligations under this Agreement (including without limitation any incorporated agreements or agreements to which this Development Agreement is incorporated) after notice is given by City and any cure periods described in Paragraph A above have expired or if all or a portion of any such agreement is terminated, City may elect to exercise any right or remedy it may have at law or in equity, including the right to specifically enforce the terms and conditions of this Agreement.

C. If any voluntary or involuntary petition or similar pleading under any section or sections of any bankruptcy or insolvency act shall be filed by or against Developer, or any voluntary or involuntary proceeding in any court or tribunal shall be instituted to declare Developer insolvent or unable to pay Developer's debts, or Developer makes an assignment for the benefit of its creditors, or a trustee or receiver is appointed for Developer or for the major part of the Developer's property, City may elect, to the extent such election is permitted by law and is not unenforceable under applicable federal bankruptcy laws, but is not required, with or without notice of such election and with or without entry or

other action by City, to forthwith terminate this Agreement. To effect City's termination of this Agreement under this Section XIII. C., City's sole obligation, after notice of such election and ten (10) business days thereafter, shall be to record, in the office of the Rock Island County Recorder, a Certificate of Default executed by the Mayor of the City or such other person as shall be designated by the City, stating that this Agreement is terminated pursuant to the provisions of this Section XIII. C., in which event this Agreement by virtue of the recording of such certificate, shall *ipso facto* automatically become null and void and of no further force and effect; provided, however, that any annexation previously completed shall not become null and void, but shall remain in full force and effect.

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

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

F. In addition to any other rights or remedies, a party may institute legal action against any other party to cure, correct or remedy any default, or to obtain any

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

G. The rights and remedies of the parties are cumulative and the exercise by a party of one or more of such rights or remedies shall not preclude the exercise by it, at the same time or different times, of any other rights or remedies for the same default or for any other default by any other party. The remedies hereinabove described in this Section XIII. shall not have the effect of limiting any rights and remedies which either Airport or City possess in accordance with Section III. D. and Section IV. B.

H. Any and all remedies available under an Annexation Agreement to which this Development Agreement is incorporated shall be available and enforceable at the election of City and this Agreement shall not limit but only expand remedies available to City under such Agreements.

XIV. NON-DISCRIMINATION.

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

XV. NOTICES.

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

If to Developer:

Raufeisen Development Airport Properties, L.L.C.
Attention: Todd Raufeisen, Manager
100-19th Street, Suite 101
Rock Island, IL 61201

Attn: Todd Raufeisen

If to the City:

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

With a copy to:
Bozeman, Neighbour, Patton & Noe, LLP
1630 Fifth Avenue, P.O. Box 659
Moline, IL 61201
Attn: Gary L. Sissel

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

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

If to Airport:

Mr. Bruce E. Carter, A.A.E.
Director of Aviation
Metropolitan Airport Authority
Of Rock Island County, Illinois
Quad City International Airport
P.O. Box 9009
Moline, Illinois 61266-9009

With a copy to:
Roger L. Strandlund
Califf & Harper, P.C.
506 15th Street, Suite 600
Moline, Illinois 61265

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

XVI. COUNTERPARTS.

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

XVII. HEADINGS.

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

XVIII. APPLICABLE LAW.

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

XIX. SEVERABILITY; RULE AGAINST PERPETUITY.

Should any part of this Agreement be determined to be illegal, invalid, or otherwise unenforceable, then all such remaining parts not so affected by such illegality, invalidity, or unenforceability shall continue in full force and effect, fully binding both parties, their respective heirs and assigns, as to such remaining terms. Further, if any provision of this Agreement or the application thereof would otherwise be unlawful, void, or voidable by reason of any applicable rule against perpetuities, then such provision or application shall continue only until twenty one (21) years after the death of the last survivor of the now living descendants of Barak Obama.

XX. NO JOINT VENTURE, AGENCY OR PARTNERSHIP CREATED.

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

XXI. ASSURANCE OF FURTHER ACTION.

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

XXII. DISCLAIMER OF THIRD PARTY BENEFITS.

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

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

THE CITY OF MOLINE, ILLINOIS

DATED: 10.19.10

Donald Welvaert, Mayor

Attest: Tracy A. Koranda

Tracy A. Koranda, City Clerk

Approved as to form:

Jeffrey D. Lester, Law Director

RAUFEISEN DEVELOPMENT AIRPORT PROPERTIES, LLC

DATED: 10/19/10

By:
Todd Raufeisen, Manager
Raufeisen Development Airport Properties, LLC

METROPOLITAN AIRPORT AUTHORITY OF ROCK ISLAND COUNTY, ILLINOIS

DATED: 10 October 2010

By: Carl A Robinson
Carl Robinson, Chairman

Approved as to form:

Roger L. Strandlund

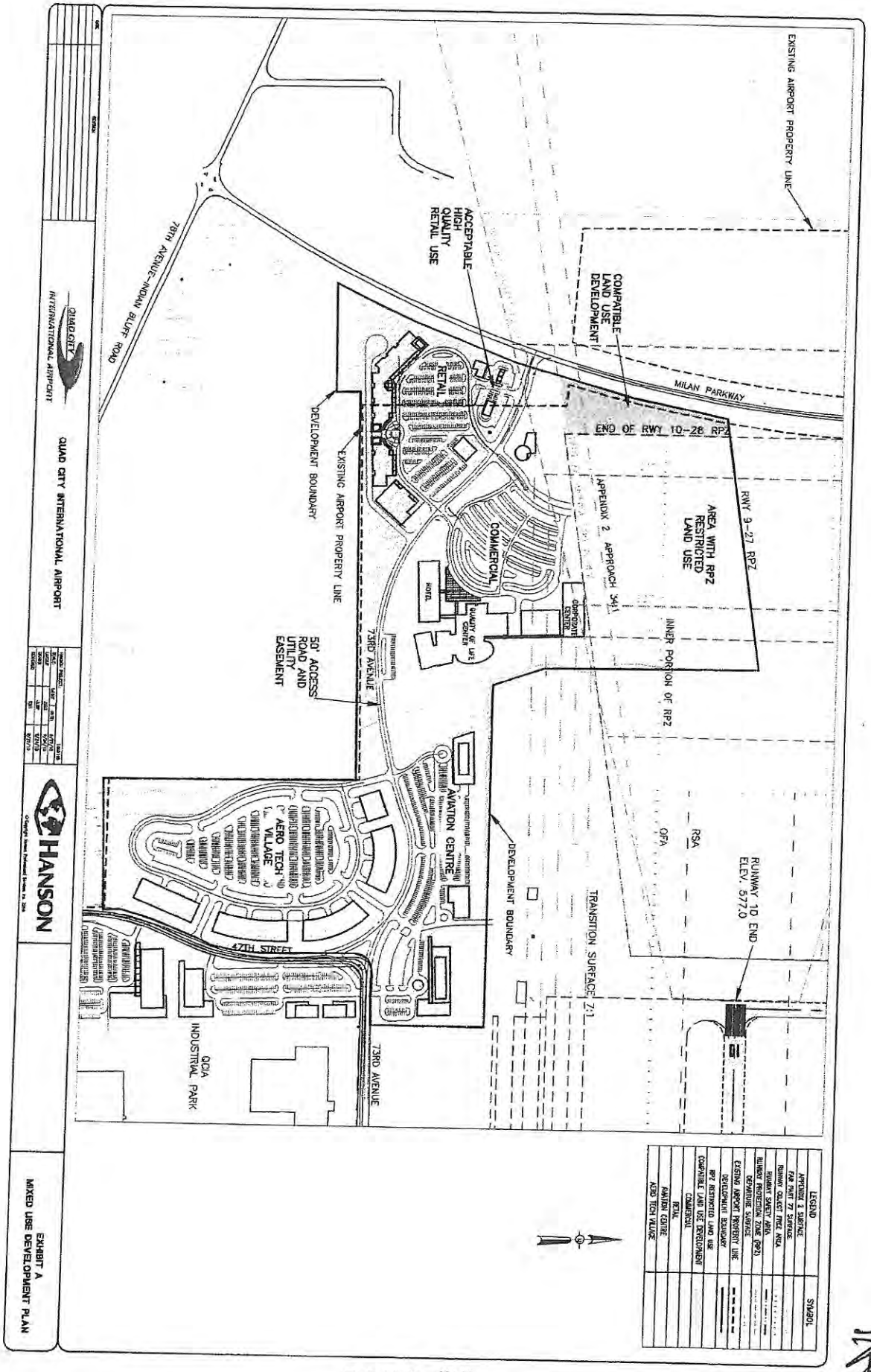


EXHIBIT A
MIXED USE DEVELOPMENT PLAN

Exhibit "A"

RPZ LEASE AREA – LEGAL DESCRIPTION

Part of the West Half of the Southeast Quarter; and part of the East Half of the Southwest Quarter; all in Section 19, Township 17 North, Range 1 West of the 4th Principal Meridian, County of Rock Island, State of Illinois, more particularly described as follows:

Commencing at the Southwest Corner of the Southeast Quarter of said Section 19;

Thence North 00 degrees 54 minutes 54 seconds East along the west line of the Southeast Quarter of said Section 19, a distance of 936.90 feet to the westerly extension of the south line of the proposed Metropolitan Airport Authority Runway 10-28 Runway Protection Zone and the Point of Beginning;

Thence continuing North 00 degrees 54 minutes 54 seconds East along said west line, a distance of 118.84 feet to a point of intersection with the easterly right of way line of the Milan Beltway, also known as County Highway 78;

Thence North 85 degrees 15 minutes 00 seconds West along said easterly right of way line, a distance of 31.22 feet;

Thence northerly 682.47 feet along said easterly right of way line and the arc of a curve to the left, not tangent to the last described course, having a radius of 5,829.15 feet, a chord bearing of North 13 degrees 44 minutes 31 seconds East, and a chord distance of 682.08 feet to the westerly extension of the south line of the existing Metropolitan Airport Authority Runway 9-27 Protection Zone;

Thence North 82 degrees 53 minutes 07 seconds East along said south line and it's westerly extension, a distance of 1,212.81 feet to the east line of the west half of the southeast quarter of said Section 19;

Thence South 00 degrees 48 minutes 52 seconds West along said east line, a distance of 768.83 feet to the south line of the proposed Metropolitan Airport Authority Runway 10-28 Protection Zone;

Thence South 82 degrees 53 minutes 07 seconds West along said south line, a distance of 1,335.65 feet to the Point of Beginning.

The above described parcel contains 983,423 square feet or 22.576 acres, more or less as shown by the attached Plat of Survey

For the purpose of this description bearings are based on the Illinois State Plane Coordinate System, West Zone, NAD 83 (1997 adjustment).

Exhibit "B"

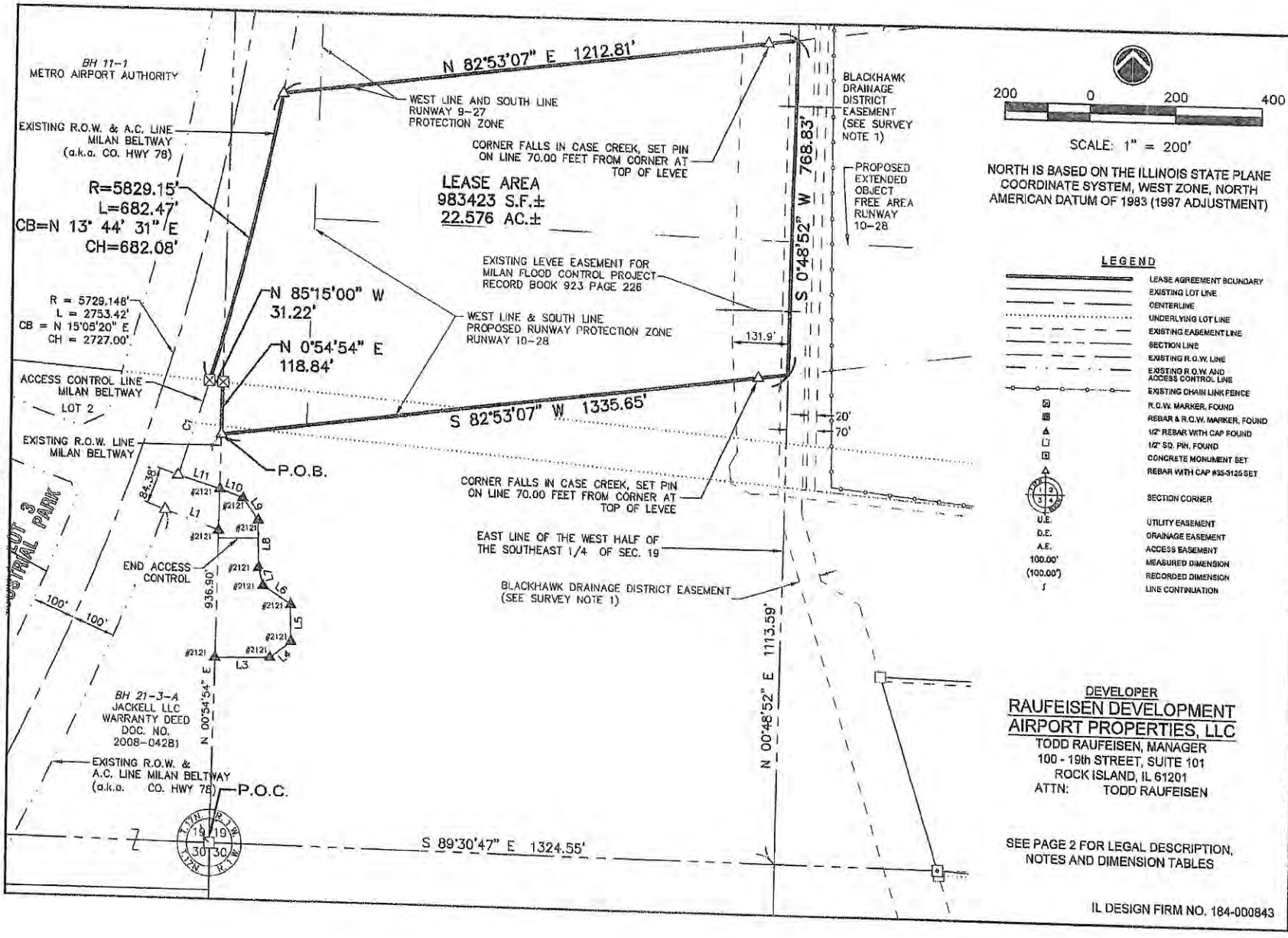

BH 11-1
METRO AIRPORT AUTHORITY
N 82°53'07" E 1212.81'
WEST LINE AND SOUTH LINE
RUNWAY 9-27
PROTECTION ZONE
EXISTING R.O.W. & A.C. LINE
MILAN BELTWAY
(a.k.a. CO. HWY 78)
CORNER FALLS IN CASE CREEK, SET PIN
ON LINE 70.00 FEET FROM CORNER AT
TOP OF LEVEE
BLACKHAWK
DRAINAGE
DISTRICT
EASEMENT
(SEE SURVEY
NOTE 1)
PROPOSED
EXTENDED
OBJECT
FREE AREA
RUNWAY
10-28
R=5829.15'
L=682.47'
CB=N 13° 44' 31" E
CH=682.08'
LEASE AREA
983423 S.F.±
22.576 AC.±
S 0°48'52" W 768.83'
EXISTING LEVEE EASEMENT FOR
MILAN FLOOD CONTROL PROJECT
RECORD BOOK 923 PAGE 226
R = 5729.148'
L = 2753.42'
CB = N 15°05'20" E
CH = 2727.00'
N 85°15'00" W
31.22'
N 0°54'54" E
118.84'
WEST LINE & SOUTH LINE
PROPOSED RUNWAY PROTECTION ZONE
RUNWAY 10-28
131.9'
ACCESS CONTROL LINE
MILAN BELTWAY
LOT 2
S 82°53'07" W 1335.65'
20'
70'
EXISTING R.O.W. LINE
MILAN BELTWAY
P.O.B.
84.38'
L11
L10
L9
L1
L8
L7
L6
L5
L4
L3
#2121
CORNER FALLS IN CASE CREEK, SET PIN
ON LINE 70.00 FEET FROM CORNER AT
TOP OF LEVEE
EAST LINE OF THE WEST HALF OF
THE SOUTHEAST 1/4 OF SEC. 19
END ACCESS
CONTROL
936.90'
100'
100'
BLACKHAWK DRAINAGE DISTRICT EASEMENT
(SEE SURVEY NOTE 1)
N 00°48'52" E 1113.59'
BH 21-3-A
JACKELL LLC
WARRANTY DEED
DOC. NO.
2008-04281
N 00°54'54" E
EXISTING R.O.W. &
A.C. LINE MILAN BELTWAY
(a.k.a. CO. HWY 78)
P.O.C.
S 89°30'47" E 1324.55'
200 0 200 400
SCALE: 1" = 200'
NORTH IS BASED ON THE ILLINOIS STATE PLANE
COORDINATE SYSTEM, WEST ZONE, NORTH
AMERICAN DATUM OF 1983 (1997 ADJUSTMENT)
LEGEND
LEASE AGREEMENT BOUNDARY
EXISTING LOT LINE
CENTERLINE
UNDERLYING LOT LINE
EXISTING EASEMENT LINE
SECTION LINE
EXISTING R.O.W. LINE
EXISTING R.O.W. AND
ACCESS CONTROL LINE
EXISTING CHAIN LINK FENCE
R.O.W. MARKER, FOUND
REBAR & R.O.W. MARKER, FOUND
1/2" REBAR WITH CAP FOUND
1/2" SQ. PIN, FOUND
CONCRETE MONUMENT SET
REBAR WITH CAP #35-3125 SET
SECTION CORNER
U.E. UTILITY EASEMENT
D.E. DRAINAGE EASEMENT
A.E. ACCESS EASEMENT
100.00' MEASURED DIMENSION
(100.00') RECORDED DIMENSION
LINE CONTINUATION
DEVELOPER
RAUFEISEN DEVELOPMENT
AIRPORT PROPERTIES, LLC
TODD RAUFEISEN, MANAGER
100 - 19th STREET, SUITE 101
ROCK ISLAND, IL 61201
ATTN: TODD RAUFEISEN
SEE PAGE 2 FOR LEGAL DESCRIPTION,
NOTES AND DIMENSION TABLES
IL DESIGN FIRM NO. 184-000843
REVISIONS
No.
DESCRIPTION
DATE
Missman
STANLEY & ASSOCIATES, P.C.
Civil Engineering-Environmental Services-Structural Engineering-Surveying
1011 27th Avenue Rock Island, Illinois 61201-6040
Phone (309) 793-7844 Fax (309) 793-7891
CASE CREEK TRAILS SUBDIVISION
ROCK ISLAND COUNTY, ILLINOIS
LEASE AGREEMENT EXHIBIT
Missman Project No: A09L016
File Name: A09L016 LEASE AGREEMENT EXHIBIT
© COPYRIGHT 2010 ALL RIGHTS RESERVED
Drawn By: JDL
Checked By: DAB
Date: 10/11/10
1
Sheet 1 of 2

Exhibit "C"

DEVELOPMENT BOUNDARY LEGAL DESCRIPTPION

Lots 21, 22, 23 & 24 in Quad City Industrial Airpark, part of the Northwest Quarter of Section 30, part of the Southwest Quarter and part of the Southeast Quarter of Section 19, all located in Township 17 North, Range 1 West of the 4th Principal Meridian in the County of Rock Island, State of Illinois, more particularly described as follows;

Beginning at the at the Southwest Corner of the Southeast Quarter of said Section 19;

Thence South 00 degrees 28 minutes 39 seconds East, along the east line of the Northwest Quarter of said Section 30, a distance of 106.77 feet to the south line of a parcel conveyed to Jackell LLC by Warranty Deed recorded as Document No. 2008-04281 in the Rock Island County Recorder of Deeds Office;

Thence North 89 degrees 58 minutes 06 seconds West along said south line, a distance of 517.75 feet to the easterly right of way line of the Milan Beltway;

Thence northerly 1,953.48 feet along said easterly right of way line and the arc of a curve to the left, not tangent to the last described course, having a radius of 5,829.15 feet, a chord bearing of North 19 degrees 59 minutes 18 seconds East, and a chord distance of 1,944.36 feet to the westerly extension of the south line of the existing Metropolitan Airport Authority Runway 9-27 Protection Zone;

Thence North 82 degrees 53 minutes 07 seconds East along said south line and its westerly extension, a distance of 1,212.81 feet to the east line of the west half of the southeast quarter of said Section 19;

Thence South 00 degrees 48 minutes 52 seconds West along said east line, a distance of 1,007.45 feet;

Thence South 17 degrees 41 minutes 41 seconds East, a distance of 258.37 feet;

Thence South 88 degrees 36 minutes 30 seconds East, a distance of 1,642.13 feet to the northerly extension of the east line of Lot 24 in said Quad City Industrial Airpark;

Thence South 01 degrees 24 minutes 34 seconds West along said east line and its northerly extension, a distance of 537.50 feet to the northerly right of way line of 73rd Avenue;

Thence North 88 degrees 36 minutes 30 seconds West along said northerly right of way line, a distance of 229.02 feet;

Thence southwesterly 158.38 feet along said northerly right of way line and the arc of a curve to the left, having a radius of 100.00 feet, a chord bearing of South 46 degrees 02 minutes 13 seconds West, and a chord distance of 142.34 feet to the westerly right of way line of 47th Street;

Thence South 00 degrees 38 minutes 21 seconds West along said westerly right of way line, a distance of 353.97 feet;

Thence southerly 383.32 feet along said westerly right of way line and the arc of a curve to the right, having a radius of 899.13 feet, a chord bearing of South 12 degrees 50 minutes 24 seconds West, and a chord distance of 380.43 feet;

Thence South 25 degrees 02 minutes 30 seconds West along said westerly right of way line, a distance of 141.13 feet;

Thence southerly 304.06 feet along said westerly right of way line and the arc of a curve to the left, having a radius of 964.28 feet, a chord bearing of South 16 degrees 01 minutes 46 seconds West, and a chord distance of 302.80 feet to the south line of Lot 21 in said Quad City Industrial Airpark;

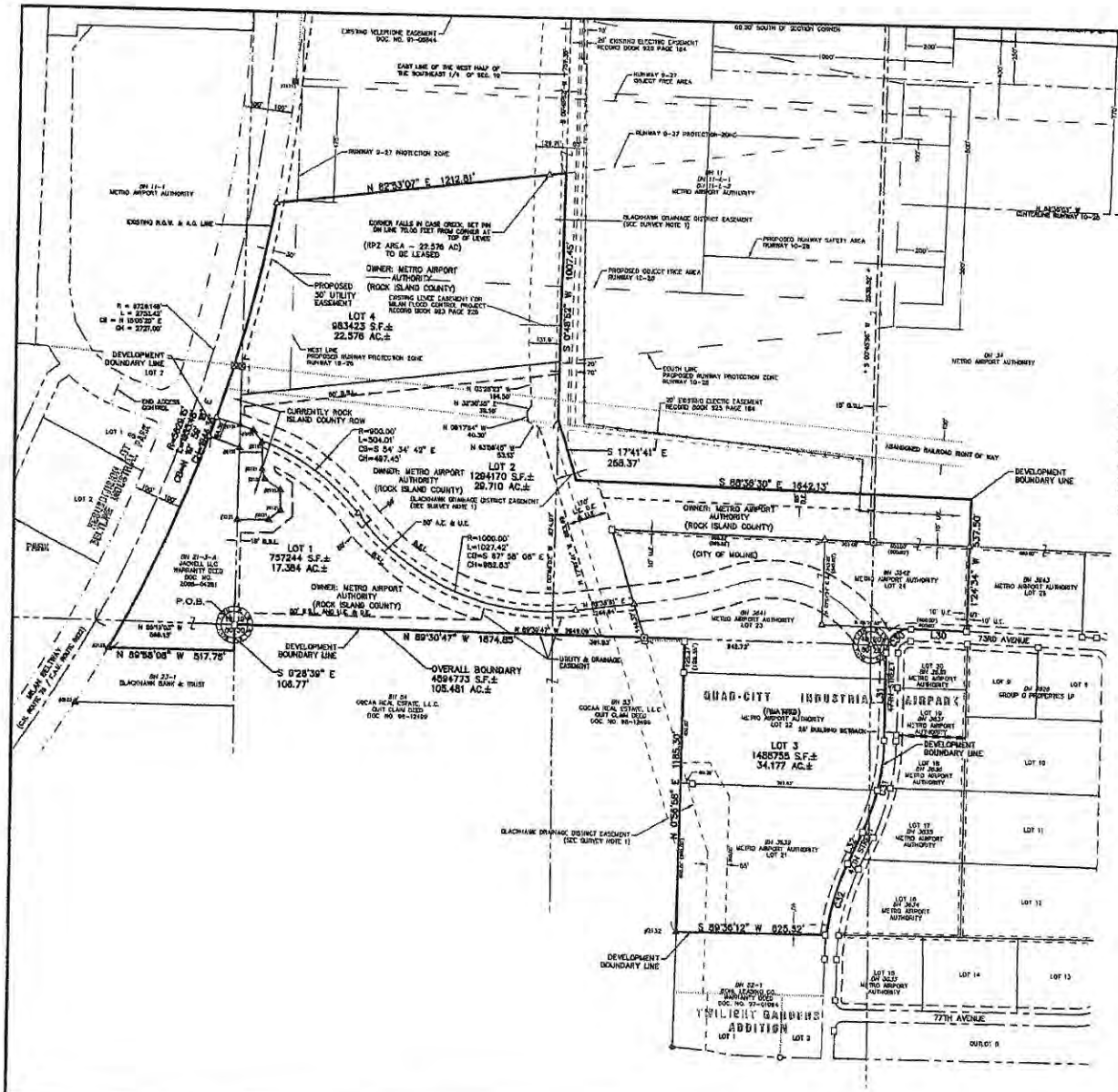
Thence South 89 degrees 36 minutes 12 seconds West along said south line, a distance of 625.52 feet to the west line of said Quad City Industrial Airpark;

Thence North 00 degrees 56 minutes 58 seconds East along said west line, a distance of 1,185.30 feet to the south line of the Southeast Quarter of said Section 19;

Thence North 89 degrees 30 minutes 47 seconds West along said south line, a distance of 1,874.85 feet to the Point of Beginning.

The above described parcel contains 105.481 acres, more or less as shown by the attached Development Boundary Exhibit.

For the purpose of this description North is based on the Illinois State Plane Coordinate System, West Zone, North American Datum of 1983 (1997 Adjustment).



DEVELOPER
RAUFEISEN DEVELOPMENT AIRPORT PROPERTIES, LLC
TODD RAUFEISEN, MANAGER
100 - 19th STREET, SUITE 101
ROCK ISLAND, IL 61201
ATTN: TODD RAUFEISEN

DEVELOPMENT BOUNDARY = 79.717 AC.±

NORTH IS BASED ON THE ILLINOIS STATE PLANE COORDINATE SYSTEM, WEST ZONE, NORTH AMERICAN DATUM OF 1983 (1997 ADJUSTMENT)

SCALE: 1" = 200'

LEGEND

- DEVELOPMENT BOUNDARY
- PROPOSED LOT LINE
- EXISTING LOT LINE
- CENTERLINE
- UNDERLYING LOT LINE
- EXISTING EASEMENT LINE
- PROPOSED EASEMENT LINE
- SECTION LINE
- PROPOSED SETBACK LINE
- EXISTING R.O.W. LINE
- EXISTING R.O.W. AND ACCESS CONTROL LINE
- EXISTING CHAIN LINK FENCE
- R.O.W. MARKER, FOUND
- REBAR & R.O.W. MARKER, FOUND
- 1/2" REBAR WITH CAP FOUND
- 1/2" SQ. PIN, FOUND
- CONCRETE MONUMENT SET
- REBAR WITH CAP #35-3122 SET
- SECTION CORNER
- U.E. UTILITY EASEMENT
- D.E. DRAINAGE EASEMENT
- A.E. ACCESS EASEMENT
- 100.00' MEASURED DIMENSION
- (100.00') RECORDED DIMENSION
- LINE CONTINUATION

LINE TABLE		
LINE	BEARING	DISTANCE
L30	N 89°38'30" W	229.02'
L31	S 00°36'21" W	353.07'
L32	S 25°02'30" W	141.15'

CURVE TABLE				
CURVE	RADIUS	LENGTH	CHORD BEARING	CHORD DISTANCE
C30	100.00'	156.36'	S 46°02'13" W	142.34'
C31	899.13'	383.32'	S 12°30'24" W	380.43'
C32	984.28'	304.06'	S 18°01'46" W	302.80'

REVISIONS		
No.	DESCRIPTION	DATE
1	REVISED LINE & CURVE TAGS AND LABELS	9/24/10
2	ADDED RPZ AREA TO BE LEASED	10/13/10

Missman STANLEY & ASSOCIATES, P.C.
Civil Engineering • Environmental Services • Surveying • Surveying
1011 27th Avenue Rock Island, Illinois 61201-6040
Phone (309) 788-7944 Fax (309) 788-7931

CASE CREEK TRAILS SUBDIVISION
ROCK ISLAND COUNTY, ILLINOIS

DEVELOPMENT BOUNDARY EXHIBIT

Missman Project No: A09L016
File Name: A09L016 DEVELOPMENT
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Drawn By: DAB
Checked By: DAB
Date: 07/20/2010

Sheet 1 of 1

IL DESIGN FIRM NO. 184-000048

Exhibit "E"

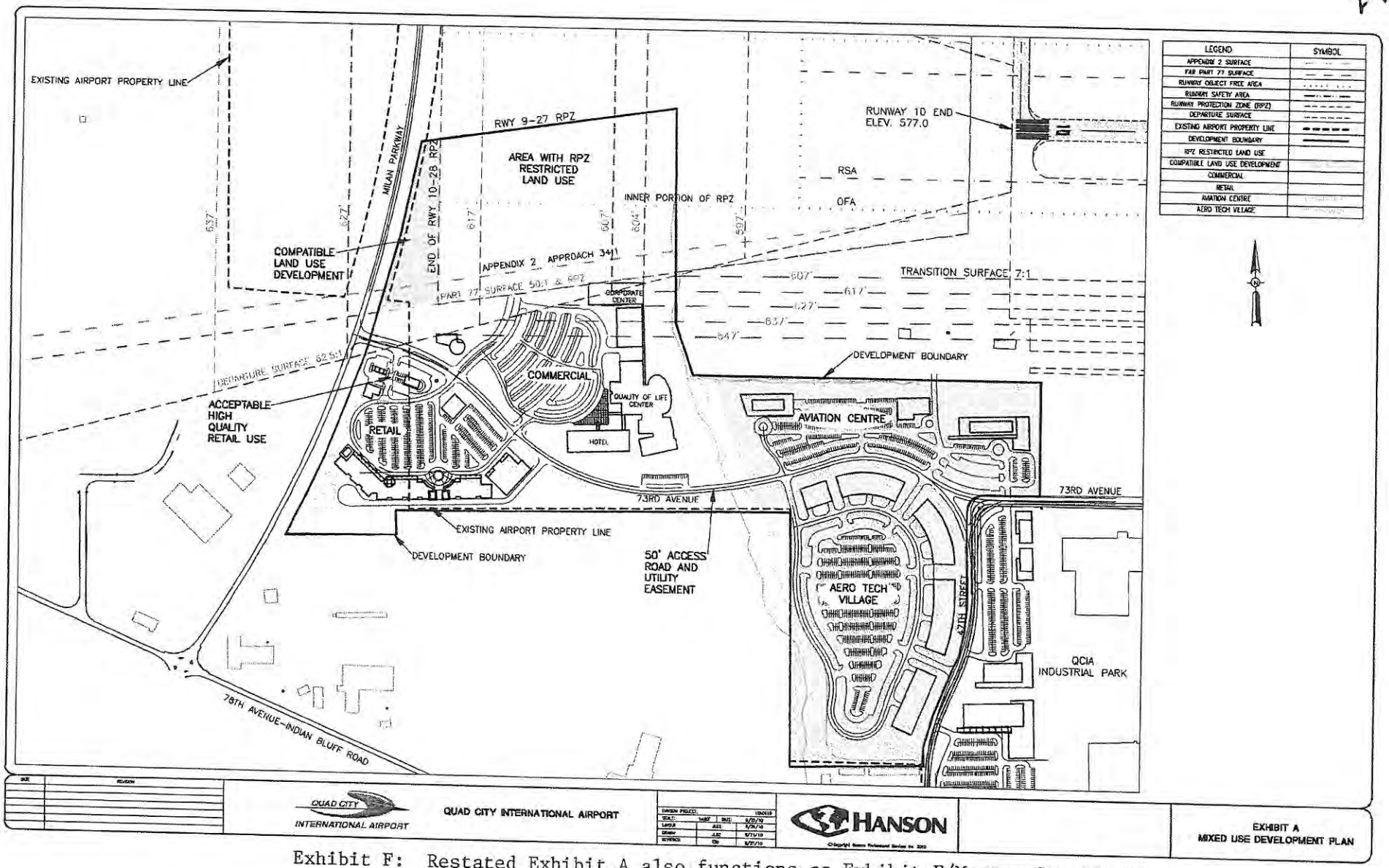

Exhibit F: Restated Exhibit A also functions as Exhibit F/Master Concept Plan with updates to periodically follow, all subject to pre-approval by Airport and City

PERSONAL GUARANTY

10/19, 2010

City of Moline

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, at any time or from time to time to borrow money or issue debt or extend other accommodations to or for the account of

RDC CASE CREEK TRAILS, LLC. or TODD and KIMBERLY RAUFEISEN, PERSONALLY AND INDIVIDUALLY,

(hereinafter referred to as "RAUFEISEN") or to engage in any other transactions with RAUFEISEN, the undersigned 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 a Development Agreement dated the same date as this guaranty (hereinafter "Development Agreement", and hereafter referred to as the Obligation or Obligations; provided, however, that this guarantee shall not exceed the sum of Eleven Million Nine Hundred Thousand Dollars ($11,900,000.00) or the outstanding Obligation 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 Obligation, 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 Obligations and shall continue to be in force and be binding upon the undersigned, whether or not all Obligations are paid in full, until this guaranty is revoked prospectively as to future transactions, by written notice actually received by the City, and such revocation shall not be effective as to Obligation existing or committed for at the time of actual receipt of such notice by the City, or as to any renewals, extensions and refinancings thereof, and specifically shall not be effective for revocation of any obligation for payment of the annual guaranteed property tax payments and each of them throughout the life of the TIF contemplated in the Development Agreement. If there be more than one undersigned, such revocation shall be effective only as to the one so revoking. The death or incompetence of the undersigned shall not revoke this guaranty, except upon actual receipt of written notice thereof by the City and then only as to the decedent or the incompetent and only prospectively, as to future transactions, as herein set forth. Parties understand and agree this guarantee shall be a joint and several guarantees and that both and each of the undersigned are fully liable hereunder for the full amount of the guarantee.

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 Obligations, whether due and payable or unmatured. 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 Obligations, whether due and payable or unmatured, shall be immediately due and payable without demand or notice thereof.

4. The liability of the undersigned hereunder shall be for all Obligations, without any limitation as to amount, plus accrued interest thereon and all attorneys' fees, collection costs and enforcement expenses referable thereto. Obligations may be created and continued in any amount, whether or not in excess of such initial bonded amount, without affecting or impairing the liability of the undersigned hereunder. The City may apply any sums received by or available to the City on account of the Obligations from RAUFEISEN or any other person (except the undersigned), from their properties, out of any collateral security or from any other source to payment of the excess. Such application of receipts shall not reduce, affect or impair the liability of the undersigned hereunder. If the liability of the undersigned is limited to a stated amount pursuant to this paragraph 4, any payment made by the undersigned under this guaranty shall be effective to reduce or discharge such liability only if accompanied by a written transmittal document, received by the City, advising the City that such payment is made under this guaranty for such purpose.

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 Obligation, or as to any collateral security therefor, unless and until all of the Obligation 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 collection, litigation or bankruptcy or insolvency proceedings.

7. Whether or not any existing relationship between the undersigned and RAUFEISEN has 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 Obligations, 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 Obligations; (ii) any one or more extensions or renewals of Obligations (whether or not for longer than the original period) or any modification of the interest rates, maturities or other contractual terms applicable to any Obligation; (iii) any waiver or indulgence granted to RAUFEISEN, any delay or lack of diligence in the enforcement of Obligations, or any failure to institute proceedings, file a claim, give any required notices or otherwise protect any Obligation; (iv) any full or partial release of settlement with or agreement not to sue RAUFEISEN or any other guarantor or other person liable in respect of any Obligation; (v) any discharge of any evidence of Obligation or the acceptance of any instrument in renewal thereof of substitution therefor; (vi) any failure to obtain collateral security (including rights of setoff) for Obligation, 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 any Obligation or any evidence thereof; (ix) any order of application of any payments or credits upon Obligation;

8. The undersigned waive(s) any and all defenses, claims and discharges which would otherwise be available to RAUFEISEN, or any other obligor, pertaining to Obligation, except the defense of discharge by payment in full. 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 RAUFEISEN or any other person liable in respect of any Obligation, or any setoff available against the City to RAUFEISEN 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 security interest securing Obligation, whether or not the liability of RAUFEISEN or any other obligor for such deficiency is discharged pursuant to statute or judicial decision.

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

10. If any payment applied by the City to Obligations is thereafter set aside, recovered, rescinded or required to be returned for any reason (including, without limitation, the bankruptcy, insolvency or reorganization of RAUFEISEN or any other obligor), the Obligation 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 Obligation 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 of the undersigned to the City as guarantor or otherwise, 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 delivery to the City, 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:
Todd Raufeisen, Guarantor

By: _____, Guarantor

By: Kimberly Raufeisen, Guarantor

Kimberly Raufeisen Guarantor

Exhibit "G"

Phasing plan *

1	2012	Strip Center @ Shoppes; Wellness Center @ Offices; Hotel @ Offices
2	2013	Outlot A @ Shoppes; Building B @ Offices
3	2014	Building C @ Offices
4	2015	Outlot B @ Shoppes; Building 1 @ Technology Center;
5	2016	Building A @ Aviation Tech Village
6	2017	Building 2 @ Technology Center; Building E @ Aviation Tech Village
7	2018	Building B @ Aviation Tech Village
8	2019	Building 3 @ Technology Center; Building D @ Aviation Tech Village
9	2020	Building C @ Aviation Tech Village

*Sometimes referred to as "Development Timetable". Language under Section I.1.M. incorporated herein by reference.

Exhibit "H"

Exhibit "I"

Schematic Drawings

[To be provided to Airport and City for approval]

Bond Fund Uses

TIF Consultant/TIF Establishment	$40,000.00
Survey	$50,000.00
Environmental Services	$9,800.00
FAA Approvals	$200,000.00
Civil Engineering Services	$150,000.00
Structural Design Services	$35,000.00
Roadway and Storm Sewer Construction	$1,250,000.00
Watermain Extension and Loop	$816,000.00
Sanitary Sewer Extension	$2,000,000.00
Architectural Fees	$175,000.00
Development Fee/Construction Inspection/Marketing	$564,200.00
Land Purchase/Lease	$550,000.00
Bridge over Case Creek	$360,000.00
Contingency	$300,000.00
	$6,500,000.00

Bond ($6,500,000.00 with 3 years capitalization. Par amount $7,885,000)

Exhibit "J"

Eligible Costs

The Act outlines several categories of expenditures that can be funded using tax increment revenues. These expenditures, referred to as eligible redevelopment project costs, include all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to this Plan pursuant to the Act. The City proposes to realize its goals and objectives of redevelopment through public finance techniques, including, but not limited to, tax increment financing, and by undertaking certain activities and incurring certain costs. Such costs may include, without limitation, the following:

1. Costs of studies, surveys, development of plans and specifications, implementation, and administration of the Redevelopment Plan and Project including but not limited to, staff and professional service costs for architectural, engineering, legal, financial, planning, or other services (excluding lobbying expenses), provided that no charges for professional services are based on a percentage of the tax increment collected;
2. The costs of marketing sites within the RPA to prospective businesses, developers, and investors;
3. Property assembly costs, including but not limited to, acquisition of land and other property, real or personal, or rights or interests therein; demolition of buildings; site preparation; site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers; and the clearing and grading of land;
4. Costs of rehabilitation, reconstruction, repair or remodeling of public or private buildings, fixtures, and leasehold improvements, and the costs of replacing a public building if pursuant to the implementation of a redevelopment project the public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;
5. Costs of the construction of public works or improvements subject to the limitations in Section 11-74.4-3(q)(4) of the Act;
6. Costs of job training and retraining projects including the costs of "welfare to work" programs implemented by businesses located within the RPA and such proposals that feature a community-based training program which ensures maximum reasonable opportunities for residents of the City of Moline with particular attention to the needs of those residents who have previously experienced inadequate employment opportunities and development of job-related skills including residents of public and other subsidized housing and people with disabilities;
7. Financing costs, including but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued thereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for a period not exceeding 36 months following completion and including reasonable reserves related thereto;
8. To the extent the City accepts by written agreement and approves all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Redevelopment Plan and Project;

9. Relocation costs to the extent that the City determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law, or by Section 74.4-3(n)(7) of the Act;

10. Payment in lieu of taxes as defined in the Act;

11. Costs of job training, retraining, advanced vocational education or career education, including but not limited to, courses in occupational, semi-technical, or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in the RPA; and (ii) when incurred by a taxing district or taxing districts other than the City, are set forth in a written agreement by or among the City and the taxing district or taxing districts, which agreement describes the program to be undertaken including, but not limited to, the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40, and 3-40.1 of the Public Community College Act, 110 ILCS 805/3-37, 805/3-38, 805/3-40 and 805/3-40.1, and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code, 105 ILCS 5/10-22.20a and 5/10-23.3a;

12. Interest costs incurred by a redeveloper related to the construction, renovation, or rehabilitation of a redevelopment project provided that:

a. Such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;

b. Such payments in any one year may not exceed thirty percent (30%) of the annual interest costs incurred by the redeveloper with regard to the development project during that year;

c. If there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this provision, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;

d. The total of such interest payments paid pursuant to the Act may not exceed thirty percent (30%) of the total of (i) cost paid or incurred by the redeveloper for the redevelopment project or (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the City pursuant to the Act;

e. For the financing of rehabilitated or new housing for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, the percentage of seventy-five percent (75%) shall be substituted for thirty percent (30%) in subparagraphs 12b and 12d above;

13. Unless explicitly provided in the Act, the cost of construction of new, privately owned buildings shall not be an eligible redevelopment project cost;

14. An elementary, secondary, or unit school district's increased per pupil tuition costs attributable to net new pupils added to the district living in assisted housing units will be reimbursed as further defined in the Act;

15. Instead of the eligible costs provided for in 12b, 12d, and 12e above, the City may pay up to 50 percent of the cost of construction, renovation and/or rehabilitation of all low- and very low-income housing units (for ownership or rental) as defined in Section 3 of the

Illinois Affordable Housing Act. If the units are part of a residential redevelopment project that includes units not affordable to low- and very low-income households, only the low- and very low-income units shall be eligible for benefits under the Act; and

16. A library district's increased per patron costs attributable to net new persons eligible to obtain a library card living in assisted housing units as further defined in the Act.

If a special service area is established pursuant to the Special Service Area Tax Act, 35 ILCS 235/0.01 et seq., then any tax increment revenues derived from the tax imposed pursuant to the Special Service Area Tax Act may be used within the redevelopment project area for the purposes permitted by the Special Service Area Tax Act, as well as the purposes permitted by the Act.

Unless explicitly stated in the Act and as provided for in relation to low- and very low-income housing units, the cost of construction of new, privately owned buildings shall not be an eligible redevelopment project
cost.

ASSURANCES
Airport Sponsors

A. **General.**

1. These assurances shall be complied with in the performance of grant agreements for airport development, airport planning, and noise compatibility program grants for airport sponsors.
2. These assurances are required to be submitted as part of the project application by sponsors requesting funds under the provisions of Title 49, U.S.C., subtitle VII, as amended. As used herein, the term "public agency sponsor" means a public agency with control of a public-use airport; the term "private sponsor" means a private owner of a public-use airport; and the term "sponsor" includes both public agency sponsors and private sponsors.
3. Upon acceptance of the grant offer by the sponsor, these assurances are incorporated in and become part of the grant agreement.

B. **Duration and Applicability.**

1. **Airport development or Noise Compatibility Program Projects Undertaken by a Public Agency Sponsor.** The terms, conditions and assurances of the grant agreement shall remain in full force and effect throughout the useful life of the facilities developed or equipment acquired for an airport development or noise compatibility program project, or throughout the useful life of the project items installed within a facility under a noise compatibility program project, but in any event not to exceed twenty (20) years from the date of acceptance of a grant offer of Federal funds for the project. However, there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport. There shall be no limit on the duration of the terms, conditions, and assurances with respect to real property acquired with federal funds. Furthermore, the duration of the Civil Rights assurance shall be specified in the assurances.

2. **Airport Development or Noise Compatibility Projects Undertaken by a Private Sponsor.** The preceding paragraph 1 also applies to a private sponsor except that the useful life of project items installed within a facility or the useful life of the facilities developed or equipment acquired under an airport development or noise compatibility program project shall be no less than ten (10) years from the date of acceptance of Federal aid for the project.

3. **Airport Planning Undertaken by a Sponsor.** Unless otherwise specified in the grant agreement, only Assurances 1, 2, 3, 5, 6, 13, 18, 30, 32, 33, and 34 in section C apply to planning projects. The terms, conditions, and assurances of the grant agreement shall remain in full force and effect during the life of the project.

C. **Sponsor Certification.** The sponsor hereby assures and certifies, with respect to this grant that:

1. **General Federal Requirements.** It will comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application, acceptance and use of Federal funds for this project including but not limited to the following:

Federal Legislation

a. Title 49, U.S.C., subtitle VII, as amended.
b. Davis-Bacon Act - 40 U.S.C. 276(a), et seq.[1]
c. Federal Fair Labor Standards Act - 29 U.S.C. 201, et seq.
d. Hatch Act - 5 U.S.C. 1501, et seq.[2]

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e. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 Title 42 U.S.C. 4601, et seq.[1 2]
f. National Historic Preservation Act of 1966 - Section 106 - 16 U.S.C. 470(f).[1]
g. Archeological and Historic Preservation Act of 1974 - 16 U.S.C. 469 through 469c.[1]
h. Native Americans Grave Repatriation Act - 25 U.S.C. Section 3001, et seq.
i. Clean Air Act, P.L. 90-148, as amended.
j. Coastal Zone Management Act, P.L. 93-205, as amended.
k. Flood Disaster Protection Act of 1973 - Section 102(a) - 42 U.S.C. 4012a.[1]
l. Title 49 ,U.S.C., Section 303, (formerly known as Section 4(f))
m. Rehabilitation Act of 1973 - 29 U.S.C. 794.
n. Civil Rights Act of 1964 - Title VI - 42 U.S.C. 2000d through d-4.
o. Age Discrimination Act of 1975 - 42 U.S.C. 6101, et seq.
p. American Indian Religious Freedom Act, P.L. 95-341, as amended.
q Architectural Barriers Act of 1968 -42 U.S.C. 4151, et seq.[1]
r. Power plant and Industrial Fuel Use Act of 1978 - Section 403- 2 U.S.C. 8373.[1]
s. Contract Work Hours and Safety Standards Act - 40 U.S.C. 327, et seq.[1]
t. Copeland Anti kickback Act - 18 U.S.C. 874.[1]
u. National Environmental Policy Act of 1969 - 42 U.S.C. 4321, et seq.[1]
v. Wild and Scenic Rivers Act, P.L. 90-542, as amended.
w. Single Audit Act of 1984 - 31 U.S.C. 7501, et seq.[2]
x. Drug-Free Workplace Act of 1988 - 41 U.S.C. 702 through 706.

Executive Orders

Executive Order 11246 - Equal Employment Opportunity[1]
Executive Order 11990 - Protection of Wetlands
Executive Order 11988 – Flood Plnin Management
Executive Order 12372 - Intergovernmental Review of Federal Programs.
Executive Order 12699 - Seismic Safety of Federal and Federally Assisted New Building Construction[1]
Executive Order 12898 - Environmental Justice

Federal Regulations

a. 14 CFR Part 13 - Investigative and Enforcement Procedures.
b. 14 CFR Part 16 - Rules of Practice For Federally Assisted Airport Enforcement Proceedings.
c. 14 CFR Part 150 - Airport noise compatibility planning.
d. 29 CFR Part 1 - Procedures for predetermination of wage rates.[1]
e. 29 CFR Part 3 - Contractors and subcontractors on public building or public work financed in whole or part by loans or grants from the United States.[1]
f. 29 CFR Part 5 - Labor standards provisions applicable to contracts covering federally financed and assisted construction (also labor standards provisions applicable to non-construction contracts subject to the Contract Work Hours and Safety Standards Act).[1]
g. 41 CFR Part 60 - Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor (Federal and federally assisted contracting requirements).[1]

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h. 49 CFR Part 18 - Uniform administrative requirements for grants and cooperative agreements to state and local governments.[3]
i. 49 CFR Part 20 - New restrictions on lobbying.
j. 49 CFR Part 21 - Nondiscrimination in federally-assisted programs of the Department of Transportation - effectuation of Title VI of the Civil Rights Act of 1964.
k. 49 CFR Part 23 - Participation by Disadvantage Business Enterprise in Airport Concessions.
l. 49 CFR Part 24 - Uniform relocation assistance and real property acquisition for Federal and federally assisted programs.[1 2]
m. 49 CFR Part 26 – Participation By Disadvantaged Business Enterprises in Department of Transportation Programs.
n. 49 CFR Part 27 - Nondiscrimination on the basis of handicap in programs and activities receiving or benefiting from Federal financial assistance.[1]
o. 49 CFR Part 29 – Government wide debarment and suspension (non-procurement) and government wide requirements for drug-free workplace (grants).
p. 49 CFR Part 30 - Denial of public works contracts to suppliers of goods and services of countries that deny procurement market access to U.S. contractors.
q. 49 CFR Part 41 - Seismic safety of Federal and federally assisted or regulated new building construction.[1]

Office of Management and Budget Circulars

a. A-87 - Cost Principles Applicable to Grants and Contracts with State and Local Governments.
b A-133 - Audits of States, Local Governments, and Non-Profit Organizations

[1] These laws do not apply to airport planning sponsors.
[2] These laws do not apply to private sponsors.
[3] 49 CFR Part 18 and OMB Circular A-87 contain requirements for State and Local Governments receiving Federal assistance. Any requirement levied upon State and Local Governments by this regulation and circular shall also be applicable to private sponsors receiving Federal assistance under Title 49, United States Code.

Specific assurances required to be included in grant agreements by any of the above laws, regulations or circulars are incorporated by reference in the grant agreement.

2. **Responsibility and Authority of the Sponsor.**

a. **Public Agency Sponsor:** It has legal authority to apply for the grant, and to finance and carry out the proposed project; that a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.

b. **Private Sponsor:** It has legal authority to apply for the grant and to finance and carry out the proposed project and comply with all terms, conditions, and assurances of this grant agreement. It shall designate an official representative and shall in writing direct and authorize that person

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to file this application, including all understandings and assurances contained therein; to act in connection with this application; and to provide such additional information as may be required.

3. **Sponsor Fund Availability.** It has sufficient funds available for that portion of the project costs which are not to be paid by the United States. It has sufficient funds available to assure operation and maintenance of items funded under the grant agreement which it will own or control.

4. **Good Title.**

   a. It, a public agency or the Federal government, holds good title, satisfactory to the Secretary, to the landing area of the airport or site thereof, or will give assurance satisfactory to the Secretary that good title will be acquired.

   b. For noise compatibility program projects to be carried out on the property of the sponsor, it holds good title satisfactory to the Secretary to that portion of the property upon which Federal funds will be expended or will give assurance to the Secretary that good title will be obtained.

5. **Preserving Rights and Powers.**

   a. It will not take or permit any action which would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms, conditions, and assurances in the grant agreement without the written approval of the Secretary, and will act promptly to acquire, extinguish or modify any outstanding rights or claims of right of others which would interfere with such performance by the sponsor. This shall be done in a manner acceptable to the Secretary.

   b. It will not sell, lease, encumber, or otherwise transfer or dispose of any part of its title or other interests in the property shown on Exhibit A to this application or, for a noise compatibility program project, that portion of the property upon which Federal funds have been expended, for the duration of the terms, conditions, and assurances in the grant agreement without approval by the Secretary. If the transferee is found by the Secretary to be eligible under Title 49, United States Code, to assume the obligations of the grant agreement and to have the power, authority, and financial resources to carry out all such obligations, the sponsor shall insert in the contract or document transferring or disposing of the sponsor's interest, and make binding upon the transferee all of the terms, conditions, and assurances contained in this grant agreement.

   c. For all noise compatibility program projects which are to be carried out by another unit of local government or are on property owned by a unit of local government other than the sponsor, it will enter into an agreement with that government. Except as otherwise specified by the Secretary, that agreement shall obligate that government to the same terms, conditions, and assurances that would be applicable to it if it applied directly to the FAA for a grant to undertake the noise compatibility program project. That agreement and changes thereto must be satisfactory to the Secretary. It will take steps to enforce this agreement against the local government if there is substantial non-compliance with the terms of the agreement.

   d. For noise compatibility program projects to be carried out on privately owned property, it will enter into an agreement with the owner of that

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property which includes provisions specified by the Secretary. It will take steps to enforce this agreement against the property owner whenever there is substantial non-compliance with the terms of the agreement.

e. If the sponsor is a private sponsor, it will take steps satisfactory to the Secretary to ensure that the airport will continue to function as a public-use airport in accordance with these assurances for the duration of these assurances.

f. If an arrangement is made for management and operation of the airport by any agency or person other than the sponsor or an employee of the sponsor, the sponsor will reserve sufficient rights and authority to insure that the airport will be operated and maintained in accordance Title 49, United States Code, the regulations and the terms, conditions and assurances in the grant agreement and shall insure that such arrangement also requires compliance therewith.

6. **Consistency with Local Plans.** The project is reasonably consistent with plans (existing at the time of submission of this application) of public agencies that are authorized by the State in which the project is located to plan for the development of the area surrounding the airport.

7. **Consideration of Local Interest.** It has given fair consideration to the interest of communities in or near where the project may be located.

8. **Consultation with Users.** In making a decision to undertake any airport development project under Title 49, United States Code, it has undertaken reasonable consultations with affected parties using the airport at which project is proposed.

9. **Public Hearings.** In projects involving the location of an airport, an airport runway, or a major runway extension, it has afforded the opportunity for public hearings for the purpose of considering the economic, social, and environmental effects of the airport or runway location and its consistency with goals and objectives of such planning as has been carried out by the community and it shall, when requested by the Secretary, submit a copy of the transcript of such hearings to the Secretary. Further, for such projects, it has on its management board either voting representation from the communities where the project is located or has advised the communities that they have the right to petition the Secretary concerning a proposed project.

10. **Air and Water Quality Standards.** In projects involving airport location, a major runway extension, or runway location it will provide for the Governor of the state in which the project is located to certify in writing to the Secretary that the project will be located, designed, constructed, and operated so as to comply with applicable air and water quality standards. In any case where such standards have not been approved and where applicable air and water quality standards have been promulgated by the Administrator of the Environmental Protection Agency, certification shall be obtained from such Administrator. Notice of certification or refusal to certify shall be provided within sixty days after the project application has been received by the Secretary.

11. **Pavement Preventive Maintenance.** With respect to a project approved after January 1, 1995, for the replacement or reconstruction of pavement at the airport, it assures or certifies that it has implemented an effective airport pavement maintenance-management program and it assures that it will use such program for the useful life of any pavement constructed, reconstructed or repaired with Federal financial assistance at the airport. It will provide such

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reports on pavement condition and pavement management programs as the Secretary determines may be useful.

12. **Terminal Development Prerequisites.** For projects which include terminal development at a public use airport, as defined in Title 49, it has, on the date of submittal of the project grant application, all the safety equipment required for certification of such airport under section 44706 of Title 49, United States Code, and all the security equipment required by rule or regulation, and has provided for access to the passenger enplaning and deplaning area of such airport to passengers enplaning and deplaning from aircraft other than air carrier aircraft.

13. **Accounting System, Audit, and Record Keeping Requirements.**

    a. It shall keep all project accounts and records which fully disclose the amount and disposition by the recipient of the proceeds of the grant, the total cost of the project in connection with which the grant is given or used, and the amount or nature of that portion of the cost of the project supplied by other sources, and such other financial records pertinent to the project. The accounts and records shall be kept in accordance with an accounting system that will facilitate an effective audit in accordance with the Single Audit Act of 1984.

    b. It shall make available to the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, for the purpose of audit and examination, any books, documents, papers, and records of the recipient that are pertinent to the grant. The Secretary may require that an appropriate audit be conducted by a recipient. In any case in which an independent audit is made of the accounts of a sponsor relating to the disposition of the proceeds of a grant or relating to the project in connection with which the grant was given or used, it shall file a certified copy of such audit with the Comptroller General of the United States not later than six (6) months following the close of the fiscal year for which the audit was made.

14. **Minimum Wage Rates.** It shall include, in all contracts in excess of $2,000 for work on any projects funded under the grant agreement which involve labor, provisions establishing minimum rates of wages, to be predetermined by the Secretary of Labor, in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5), which contractors shall pay to skilled and unskilled labor, and such minimum rates shall be stated in the invitation for bids and shall be included in proposals or bids for the work.

15. **Veteran's Preference.** It shall include in all contracts for work on any project funded under the grant agreement which involve labor, such provisions as are necessary to insure that, in the employment of labor (except in executive, administrative, and supervisory positions), preference shall be given to Veterans of the Vietnam era and disabled veterans as defined in Section 47112 of Title 49, United States Code. However, this preference shall apply only where the individuals are available and qualified to perform the work to which the employment relates.

16. **Conformity to Plans and Specifications.** It will execute the project subject to plans, specifications, and schedules approved by the Secretary. Such plans, specifications, and schedules shall be submitted to the Secretary prior to commencement of site preparation, construction, or other performance under this grant agreement, and, upon approval of the Secretary, shall be incorporated into this grant agreement. Any modification to the approved

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plans, specifications, and schedules shall also be subject to approval of the Secretary, and incorporated into the grant agreement.

17. **Construction Inspection and Approval.** It will provide and maintain competent technical supervision at the construction site throughout the project to assure that the work conforms to the plans, specifications, and schedules approved by the Secretary for the project. It shall subject the construction work on any project contained in an approved project application to inspection and approval by the Secretary and such work shall be in accordance with regulations and procedures prescribed by the Secretary. Such regulations and procedures shall require such cost and progress reporting by the sponsor or sponsors of such project as the Secretary shall deem necessary.

18. **Planning Projects.** In carrying out planning projects:

    a. It will execute the project in accordance with the approved program narrative contained in the project application or with the modifications similarly approved.

    b. It will furnish the Secretary with such periodic reports as required pertaining to the planning project and planning work activities.

    c. It will include in all published material prepared in connection with the planning project a notice that the material was prepared under a grant provided by the United States.

    d. It will make such material available for examination by the public, and agrees that no material prepared with funds under this project shall be subject to copyright in the United States or any other country.

    e. It will give the Secretary unrestricted authority to publish, disclose, distribute, and otherwise use any of the material prepared in connection with this grant.

    f. It will grant the Secretary the right to disapprove the sponsor's employment of specific consultants and their subcontractors to do all or any part of this project as well as the right to disapprove the proposed scope and cost of professional services.

    g. It will grant the Secretary the right to disapprove the use of the sponsor's employees to do all or any part of the project.

    h. It understands and agrees that the Secretary's approval of this project grant or the Secretary's approval of any planning material developed as part of this grant does not constitute or imply any assurance or commitment on the part of the Secretary to approve any pending or future application for a Federal airport grant.

19. **Operation and Maintenance.**

    a. The airport and all facilities which are necessary to serve the aeronautical users of the airport, other than facilities owned or controlled by the United States, shall be operated at all times in a safe and serviceable condition and in accordance with the minimum standards as may be required or prescribed by applicable Federal, state and local agencies for maintenance and operation. It will not cause or permit any activity or action thereon which would interfere with its use for airport purposes. It will suitably

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operate and maintain the airport and all facilities thereon or connected therewith, with due regard to climatic and flood conditions. Any proposal to temporarily close the airport for non-aeronautical purposes must first be approved by the Secretary.

In furtherance of this assurance, the sponsor will have in effect arrangements for-

(1) Operating the airport's aeronautical facilities whenever required;

(2) Promptly marking and lighting hazards resulting from airport conditions, including temporary conditions; and

(3) Promptly notifying airmen of any condition affecting aeronautical use of the airport.

Nothing contained herein shall be construed to require that the airport be operated for aeronautical use during temporary periods when snow, flood or other climatic conditions interfere with such operation and maintenance. Further, nothing herein shall be construed as requiring the maintenance, repair, restoration, or replacement of any structure or facility which is substantially damaged or destroyed due to an act of God or other condition or circumstance beyond the control of the sponsor.

b. It will suitably operate and maintain noise compatibility program items that it owns or controls upon which Federal funds have been expended.

20. **Hazard Removal and Mitigation.** It will take appropriate action to assure that such terminal airspace as is required to protect instrument and visual operations to the airport (including established minimum flight altitudes) will be adequately cleared and protected by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards.

21. **Compatible Land Use.** It will take appropriate action, to the extent reasonable, including the adoption of zoning laws, to restrict the use of land adjacent to or in the immediate vicinity of the airport to activities and purposes compatible with normal airport operations, including landing and takeoff of aircraft. In addition, if the project is for noise compatibility program implementation, it will not cause or permit any change in land use, within its jurisdiction, that will reduce its compatibility, with respect to the airport, of the noise compatibility program measures upon which Federal funds have been expended.

22. **Economic Nondiscrimination.**

a. It will make the airport available as an airport for public use on reasonable terms and without unjust discrimination to all types, kinds and classes of aeronautical activities, including commercial aeronautical activities offering services to the public at the airport.

b. In any agreement, contract, lease, or other arrangement under which a right or privilege at the airport is granted to any person, firm, or corporation to conduct or to engage in any aeronautical activity for furnishing services to the public at the airport, the sponsor will insert and enforce provisions requiring the contractor to-

(1) furnish said services on a reasonable, and not unjustly discriminatory, basis to all users thereof, and

(2) charge reasonable, and not unjustly discriminatory, prices for each unit or service, provided that the contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

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c. Each fixed-based operator at the airport shall be subject to the same rates, fees, rentals, and other charges as are uniformly applicable to all other fixed-based operators making the same or similar uses of such airport and utilizing the same or similar facilities.

d. Each air carrier using such airport shall have the right to service itself or to use any fixed-based operator that is authorized or permitted by the airport to serve any air carrier at such airport.

e. Each air carrier using such airport (whether as a tenant, non tenant, or subtenant of another air carrier tenant) shall be subject to such nondiscriminatory and substantially comparable rules, regulations, conditions, rates, fees, rentals, and other charges with respect to facilities directly and substantially related to providing air transportation as are applicable to all such air carriers which make similar use of such airport and utilize similar facilities, subject to reasonable classifications such as tenants or non tenants and signatory carriers and non signatory carriers. Classification or status as tenant or signatory shall not be unreasonably withheld by any airport provided an air carrier assumes obligations substantially similar to those already imposed on air carriers in such classification or status.

f. It will not exercise or grant any right or privilege which operates to prevent any person, firm, or corporation operating aircraft on the airport from performing any services on its own aircraft with its own employees [including, but not limited to maintenance, repair, and fueling] that it may choose to perform.

g. In the event the sponsor itself exercises any of the rights and privileges referred to in this assurance, the services involved will be provided on the same conditions as would apply to the furnishing of such services by commercial aeronautical service providers authorized by the sponsor under these provisions.

h. The sponsor may establish such reasonable, and not unjustly discriminatory, conditions to be met by all users of the airport as may be necessary for the safe and efficient operation of the airport.

i. The sponsor may prohibit or limit any given type, kind or class of aeronautical use of the airport if such action is necessary for the safe operation of the airport or necessary to serve the civil aviation needs of the public.

23. **Exclusive Rights.** It will permit no exclusive right for the use of the airport by any person providing, or intending to provide, aeronautical services to the public. For purposes of this paragraph, the providing of the services at an airport by a single fixed-based operator shall not be construed as an exclusive right if both of the following apply:

a. It would be unreasonably costly, burdensome, or impractical for more than one fixed-based operator to provide such services, and

b. If allowing more than one fixed-based operator to provide such services would require the reduction of space leased pursuant to an existing agreement between such single fixed-based operator and such airport.

It further agrees that it will not, either directly or indirectly, grant or permit any person, firm, or corporation, the exclusive right at the airport to conduct any aeronautical activities, including, but not limited to charter flights, pilot training, aircraft rental and sightseeing, aerial photography, crop dusting, aerial advertising and surveying, air carrier operations,

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aircraft sales and services, sale of aviation petroleum products whether or not conducted in conjunction with other aeronautical activity, repair and maintenance of aircraft, sale of aircraft parts, and any other activities which because of their direct relationship to the operation of aircraft can be regarded as an aeronautical activity, and that it will terminate any exclusive right to conduct an aeronautical activity now existing at such an airport before the grant of any assistance under Title 49, United States Code.

24. **Fee and Rental Structure.** It will maintain a fee and rental structure for the facilities and services at the airport which will make the airport as self-sustaining as possible under the circumstances existing at the particular airport, taking into account such factors as the volume of traffic and economy of collection. No part of the Federal share of an airport development, airport planning or noise compatibility project for which a grant is made under Title 49, United States Code, the Airport and Airway Improvement Act of 1982, the Federal Airport Act or the Airport and Airway Development Act of 1970 shall be included in the rate basis in establishing fees, rates, and charges for users of that airport.

25. **Airport Revenues.**

    a. All revenues generated by the airport and any local taxes on aviation fuel established after December 30, 1987, will be expended by it for the capital or operating costs of the airport; the local airport system; or other local facilities which are owned or operated by the owner or operator of the airport and which are directly and substantially related to the actual air transportation of passengers or property; or for noise mitigation purposes on or off the airport. Provided, however, that if covenants or assurances in debt obligations issued before September 3, 1982, by the owner or operator of the airport, or provisions enacted before September 3, 1982, in governing statutes controlling the owner or operator's financing, provide for the use of the revenues from any of the airport owner or operator's facilities, including the airport, to support not only the airport but also the airport owner or operator's general debt obligations or other facilities, then this limitation on the use of all revenues generated by the airport (and, in the case of a public airport, local taxes on aviation fuel) shall not apply.

    b. As part of the annual audit required under the Single Audit Act of 1984, the sponsor will direct that the audit will review, and the resulting audit report will provide an opinion concerning, the use of airport revenue and taxes in paragraph (a), and indicating whether funds paid or transferred to the owner or operator are paid or transferred in a manner consistent with Title 49, United States Code and any other applicable provision of law, including any regulation promulgated by the Secretary or Administrator.

    c. Any civil penalties or other sanctions will be imposed for violation of this assurance in accordance with the provisions of Section 47107 of Title 49, United States Code.

26. **Reports and Inspections.** It will:

    a. submit to the Secretary such annual or special financial and operations reports as the Secretary may reasonably request and make such reports available to the public; make available to the public at reasonable times and places a report of the airport budget in a format prescribed by the Secretary;

    b. for airport development projects, make the airport and all airport records and documents affecting the airport, including deeds, leases, operation and use

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agreements, regulations and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request;

c. for noise compatibility program projects, make records and documents relating to the project and continued compliance with the terms, conditions, and assurances of the grant agreement including deeds, leases, agreements, regulations, and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request; and

d. in a format and time prescribed by the Secretary, provide to the Secretary and make available to the public following each of its fiscal years, an annual report listing in detail:
   (i) all amounts paid by the airport to any other unit of government and the purposes for which each such payment was made; and
   (ii) all services and property provided by the airport to other units of government and the amount of compensation received for provision of each such service and property.

27. **Use by Government Aircraft.** It will make available all of the facilities of the airport developed with Federal financial assistance and all those usable for landing and takeoff of aircraft to the United States for use by Government aircraft in common with other aircraft at all times without charge, except, if the use by Government aircraft is substantial, charge may be made for a reasonable share, proportional to such use, for the cost of operating and maintaining the facilities used. Unless otherwise determined by the Secretary, or otherwise agreed to by the sponsor and the using agency, substantial use of an airport by Government aircraft will be considered to exist when operations of such aircraft are in excess of those which, in the opinion of the Secretary, would unduly interfere with use of the landing areas by other authorized aircraft, or during any calendar month that-

   a. Five (5) or more Government aircraft are regularly based at the airport or on land adjacent thereto; or
   b. The total number of movements (counting each landing as a movement) of Government aircraft is 300 or more, or the gross accumulative weight of Government aircraft using the airport (the total movement of Government aircraft multiplied by gross weights of such aircraft) is in excess of five million pounds.

28. **Land for Federal Facilities.** It will furnish without cost to the Federal Government for use in connection with any air traffic control or air navigation activities, or weather-reporting and communication activities related to air traffic control, any areas of land or water, or estate therein, or rights in buildings of the sponsor as the Secretary considers necessary or desirable for construction, operation, and maintenance at Federal expense of space or facilities for such purposes. Such areas or any portion thereof will be made available as provided herein within four months after receipt of a written request from the Secretary.

29. **Airport Layout Plan.**

   a. It will keep up to date at all times an airport layout plan of the airport showing (1) boundaries of the airport and all proposed additions thereto, together with the boundaries of all offsite areas owned or controlled by the sponsor for airport purposes and proposed additions thereto; (2) the location and nature of all existing and proposed airport facilities and structures (such as runways, taxiways, aprons, terminal buildings, hangars and roads), including all proposed extensions and reductions of existing airport facilities; and (3) the location of all existing and proposed nonaviation areas and of all existing improvements thereon. Such airport layout plans and each amendment, revision, or modification thereof, shall

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be subject to the approval of the Secretary which approval shall be evidenced by the signature of a duly authorized representative of the Secretary on the face of the airport layout plan. The sponsor will not make or permit any changes or alterations in the airport or any of its facilities which are not in conformity with the airport layout plan as approved by the Secretary and which might, in the opinion of the Secretary, adversely affect the safety, utility or efficiency of the airport.

b. If a change or alteration in the airport or the facilities is made which the Secretary determines adversely affects the safety, utility, or efficiency of any federally owned, leased, or funded property on or off the airport and which is not in conformity with the airport layout plan as approved by the Secretary, the owner or operator will, if requested, by the Secretary (1) eliminate such adverse effect in a manner approved by the Secretary; or (2) bear all costs of relocating such property (or replacement thereof) to a site acceptable to the Secretary and all costs of restoring such property (or replacement thereof) to the level of safety, utility, efficiency, and cost of operation existing before the unapproved change in the airport or its facilities.

30. **Civil Rights.** It will comply with such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefiting from funds received from this grant. This assurance obligates the sponsor for the period during which Federal financial assistance is extended to the program, except where Federal financial assistance is to provide, or is in the form of personal property or real property or interest therein or structures or improvements thereon in which case the assurance obligates the sponsor or any transferee for the longer of the following periods: (a) the period during which the property is used for a purpose for which Federal financial assistance is extended, or for another purpose involving the provision of similar services or benefits, or (b) the period during which the sponsor retains ownership or possession of the property.

31. **Disposal of Land.**

a. For land purchased under a grant for airport noise compatibility purposes, it will dispose of the land, when the land is no longer needed for such purposes, at fair market value, at the earliest practicable time. That portion of the proceeds of such disposition which is proportionate to the United States' share of acquisition of such land will, at the discretion of the Secretary, (1) be paid to the Secretary for deposit in the Trust Fund, or (2) be reinvested in an approved noise compatibility project as prescribed by the Secretary, including the purchase of nonresidential buildings or property in the vicinity of residential buildings or property previously purchased by the airport as part of a noise compatibility program.

b. For land purchased under a grant for airport development purposes (other than noise compatibility), it will, when the land is no longer needed for airport purposes, dispose of such land at fair market value or make available to the Secretary an amount equal to the United States' proportionate share of the fair market value of the land. That portion of the proceeds of such disposition which is proportionate to the United States' share of the cost of acquisition of such land will, (1) upon application to the Secretary, be reinvested in another eligible airport improvement project or projects approved by the Secretary at that airport or within the national airport system, or (2) be paid to the Secretary for deposit in the Trust Fund if no eligible project exists.

Exhibit "L"

c. Land shall be considered to be needed for airport purposes under this assurance if (1) it may be needed for aeronautical purposes (including runway protection zones) or serve as noise buffer land, and (2) the revenue from interim uses of such land contributes to the financial self-sufficiency of the airport. Further, land purchased with a grant received by an airport operator or owner before December 31, 1987, will be considered to be needed for airport purposes if the Secretary or Federal agency making such grant before December 31, 1987, was notified by the operator or owner of the uses of such land, did not object to such use, and the land continues to be used for that purpose, such use having commenced no later than December 15, 1989.

d. Disposition of such land under (a) (b) or (c) will be subject to the retention or reservation of any interest or right therein necessary to ensure that such land will only be used for purposes which are compatible with noise levels associated with operation of the airport.

32. **Engineering and Design Services.** It will award each contract, or sub-contract for program management, construction management, planning studies, feasibility studies, architectural services, preliminary engineering, design, engineering, surveying, mapping or related services with respect to the project in the same manner as a contract for architectural and engineering services is negotiated under Title IX of the Federal Property and Administrative Services Act of 1949 or an equivalent qualifications-based requirement prescribed for or by the sponsor of the airport.

33. **Foreign Market Restrictions.** It will not allow funds provided under this grant to be used to fund any project which uses any product or service of a foreign country during the period in which such foreign country is listed by the United States Trade Representative as denying fair and equitable market opportunities for products and suppliers of the United States in procurement and construction.

34. **Policies, Standards, and Specifications.** It will carry out the project in accordance with policies, standards, and specifications approved by the Secretary including but not limited to the advisory circulars listed in the Current FAA Advisory Circulars for AIP projects, dated _____ and included in this grant, and in accordance with applicable state policies, standards, and specifications approved by the Secretary.

35. **Relocation and Real Property Acquisition.** (1) It will be guided in acquiring real property, to the greatest extent practicable under State law, by the land acquisition policies in Subpart B of 49 CFR Part 24 and will pay or reimburse property owners for necessary expenses as specified in Subpart B. (2) It will provide a relocation assistance program offering the services described in Subpart C and fair and reasonable relocation payments and assistance to displaced persons as required in Subpart D and E of 49 CFR Part 24. (3) It will make available within a reasonable period of time prior to displacement, comparable replacement dwellings to displaced persons in accordance with Subpart E of 49 CFR Part 24.

36. **Access By Intercity Buses.** The airport owner or operator will permit, to the maximum extent practicable, intercity buses or other modes of transportation to have access to the airport, however, it has no obligation to fund special facilities for intercity buses or for other modes of transportation.

37. **Disadvantaged Business Enterprises.** The recipient shall not discriminate on the basis of race, color, national origin or sex in the award and performance of any DOT-assisted contract or in the administration of its DBE program or the requirements of 49 CFR Part 26. The Recipient shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure

Exhibit "L"

non discrimination in the award and administration of DOT-assisted contracts. The recipient's DBE program, as required by 49 CFR Part 26, and as approved by DOT, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the recipient of its failure to carry out its approved program, the Department may impose sanctions as provided for under Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801).

38. **Hangar Construction.** If the airport owner or operator and a person who owns an aircraft agree that a hangar is to be constructed at the airport for the aircraft at the aircraft owner's expense, the airport owner or operator will grant to the aircraft owner for the hangar a long term lease that is subject to such terms and conditions on the hangar as the airport owner or operator may impose.

39. **Competitive Access.**

a. If the airport owner or operator of a medium or large hub airport (as defined in section 47102 of title 49, U.S.C.) has been unable to accommodate one or more requests by an air carrier for access to gates or other facilities at that airport in order to allow the air carrier to provide service to the airport or to expand service at the airport, the airport owner or operator shall transmit a report to the Secretary that-

1. Describes the requests;
2. Provides an explanation as to why the requests could not be accommodated; and
3. Provides a time frame within which, if any, the airport will be able to accommodate the requests.

b. Such report shall be due on either February 1 or August 1 of each year if the airport has been unable to accommodate the request(s) in the six month period prior to the applicable due date

Exhibit "L"

WATERMAIN EASEMENT LEGAL DESCRIPTPION

Part of the Southwest Quarter and part of the Southeast Quarter of Section 19, all located in Township 17 North, Range 1 West of the 4th Principal Meridian in the County of Rock Island, State of Illinois, more particularly described as follows;

Commencing at the Southwest Corner of the Southeast Quarter of said Section 19;

Thence North 00 degrees 54 minutes 54 seconds East along the west line of the Southeast Quarter of said Section 19, a distance of 425.70 feet to the southerly right of way line of an un-named Access Road;

Thence North 88 degrees 39 minutes 39 seconds East along said southerly right of way line, a distance of 129.28 feet to the easterly right of way line of said un-named Access Road;

Thence North 52 degrees 11 minutes 19 seconds East along said easterly right of way line, a distance of 62.23 feet;

Thence North 01 degrees 21 minutes 38 seconds West along said easterly right of way line, a distance of 84.95 feet;

Thence North 57 degrees 14 minutes 39 seconds West along said easterly right of way line, a distance of 77.77 feet;

Thence North 15 degrees 36 minutes 47 seconds West along said easterly right of way line, a distance of 42.57 feet;

Thence North 01 degrees 13 minutes 47 seconds West along said easterly right of way line, a distance of 107.82 feet;

Thence North 36 degrees 03 minutes 22 seconds West along said easterly right of way line, a distance of 62.28 feet;

Thence North 70 degrees 25 minutes 15 seconds West along said easterly right of way line, a distance of 26.06 feet to the Point of Beginning;

Thence continuing North 70 degrees 25 minutes 15 seconds West along said easterly right of way line, a distance of 31.67 feet to the west line of the Southeast Quarter of said Section 19;

Thence North 00 degrees 54 minutes 54 seconds East along said west line and the easterly right of way line of Milan Beltway, a distance of 243.32 feet;

Thence North 85 degrees 15 minutes 00 seconds West along said easterly right of way line, a distance of 31.22 feet;

Thence northerly 1,192.07 feet along said easterly right of way line and the arc of a curve to the left, not tangent to the last described course, having a radius of 5,829.15 feet, a chord bearing of North 11 degrees 14 minutes 15 seconds East, and a chord distance of 1,189.99 feet;

Thence North 07 degrees 10 minutes 19 seconds East along said easterly right of way line, a distance of 299.23 feet;

Thence North 01 degrees 36 minutes 23 seconds East along said easterly right of way line, a distance of 169.63 feet;

Thence North 00 degrees 45 minutes 36 seconds East along said easterly right of way line, a distance of 150.40 feet;

Thence North 17 degrees 40 minutes 36 seconds East along said easterly right of way line, a distance of 129.94 feet;

Thence North 56 degrees 42 minutes 11 seconds East along said easterly right of way line, a distance of 126.65 feet;

Thence North 66 degrees 40 minutes 56 seconds East along said easterly right of way line, a distance of 353.98 feet;

Thence North 33 degrees 16 minutes 03 seconds East along said easterly right of way line, a distance of 235.76 feet;

Thence North 00 degrees 30 minutes 58 seconds East along said easterly right of way line, a distance of 469.66 feet to the southerly right of way line of Airport Road;

Thence South 89 degrees 28 minutes 07 seconds East along said southerly right of way line, a distance of 132.18 feet;

Thence South 87 degrees 28 minutes 34 seconds East along said southerly right of way line, a distance of 200.27 feet;

Thence South 89 degrees 28 minutes 01 seconds East along said southerly right of way line, a distance of 180.47 feet to the east line of the West Half of the Southeast Quarter of said Section 19;

Thence South 00 degrees 46 minutes 53 seconds West along said east line, a distance of 30.00 feet;

Thence North 89 degrees 28 minutes 01 seconds West, a distance of 180.86 feet;

Thence North 87 degrees 28 minutes 34 seconds West, a distance of 200.27 feet;

Thence North 89 degrees 28 minutes 07 seconds West, a distance of 101.66 feet;

Thence South 00 degrees 30 minutes 58 seconds West, a distance of 448.47 feet;

Thence South 33 degrees 16 minutes 03 seconds West, a distance of 253.58 feet;

Thence South 66 degrees 40 minutes 56 seconds West, a distance of 360.36 feet;

Thence South 56 degrees 42 minutes 11 seconds West, a distance of 113.40 feet;

Thence South 17 degrees 40 minutes 36 seconds West, a distance of 114.85 feet;

Thence South 00 degrees 45 minutes 36 seconds West, a distance of 146.16 feet;

Thence South 01 degrees 36 minutes 23 seconds West, a distance of 171.31 feet;

Thence South 07 degrees 10 minutes 19 seconds West, a distance of 300.22 feet;

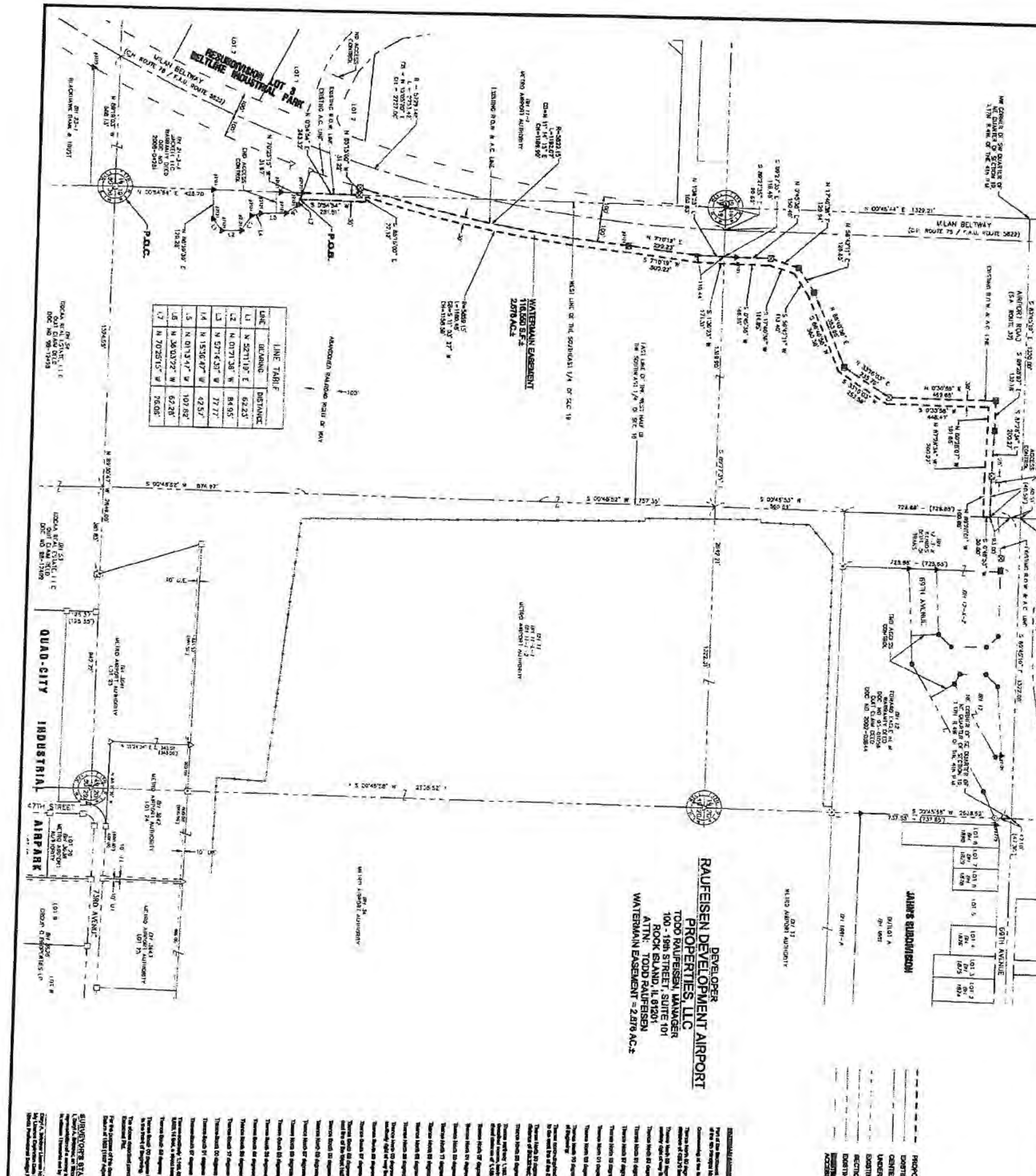
Thence southerly 1,160.48 feet along the arc of a curve to the right, not tangent to the last described course, having a radius of 5,859.15 feet, a chord bearing of South 11 degrees 03 minutes 27 seconds West, and a chord distance of 1,158.59 feet;

Thence South 85 degrees 15 minutes 00 seconds East, a distance of 22.12 feet;

Thence South 00 degrees 54 minutes 54 seconds West, a distance of 281.51 feet; to the Point of Beginning.

The above described parcel contains 116,550 square feet or 2.676 acres, more or less as shown by the attached Watermain Easement Plat.

For the purpose of this description North is based on the Illinois State Plane Coordinate System, West Zone, North American Datum of 1983 (1997 Adjustment).



CASE CREEK TRAILS SUBDIVISION
ROCK ISLAND COUNTY, ILLINOIS

WATERMAIN EASEMENT PLAT

Missman Project No: A08L015
File Name:
Drawn By: DAB
Checked By: DAB
Date: 10/13/2010
Sheet 1 of 1

Missman Stanley & Associates, P.C.
Civil Engineering · Environmental Services · Structural Engineering · Surveying
1011 27th Avenue Rock Island, Illinois 61201-6040
Phone (309) 788-7644 Fax (309) 788-7891

REVISIONS		
No.	DESCRIPTION	DATE

Exhibit "N"

		SHOPPES @ CASE CREEK			OFFICES @ CASE CREEK				TECHNOLOGY CENTER @ CASE CREEK			AVIATION TECH VILLAGE @ CASE CREEK					Total sf	Construction $	EAV $
Square Foot By Type		43,011			239,100				70,095			135,957					489,063		
Description		STRIP CENTER	OUTLOT A	OUTLOT B	WELLNESS CENTER	HOTEL/BUILDING A	BUILDING B	BUILDING C	BUILDING 1	BUILDING 2	BUILDING 3	BUILDING A	BUILDING B	BUILDING C	BUILDING D	BUILDING E			
Building Square Foot		18,906	20,235	6,750	75,000	104,000	52,000	6,100	23,500	18,125	33,470	12,719	20,879	29,679	53,085	30,000	489,063		
Construction Price/Squae Foot	$150/sf	$ 2,835,900.00	$ 3,036,250.00	$ 1,012,500.00	$ 11,250,000.00	$ 15,600,000.00	$ 7,800,000.00	$ 1,215,000.00	$ 3,525,000.00	$ 1,968,750.00	$ 5,020,500.00	$ 1,907,850.00	$ 4,451,850.00	$ 4,453,850.00	$ 5,882,000.00	$ 4,500,000.00		$ 73,356,450.00	
Construction Year/EAV	2012	$ 945,300.00			$ 2,750,000.00	$ 5,200,000.00													$ 9,795,300.00
	2013		$ 1,012,750.00				$ 2,600,000.00												$ 3,612,750.00
	2014							$ 405,000.00											$ 405,000.00
	2015			$ 337,500.00					$ 1,175,000.00										$ 1,512,500.00
	2016											$ 635,950.00							$ 635,950.00
	2017									$ 656,250.00									$ 2,156,250.00
	2018												$ 1,483,950.00						$ 1,483,950.00
	2019										$ 1,673,500.00					$ 1,500,000.00			$ 3,367,500.00
	2020														$ 1,694,000.00				$ 1,483,950.00
	2021													$ 1,483,950.00					$ -

TIF Year		Cumulative EAV	New Construction
1	2012	$ 9,795,300.00	Strip Center @ Shoppes; Wellness Center @ Offices; Hotel @ Offices
2	2013	$ 13,408,050.00	Outlot A @ Shoppes; Building B @ Offices
3	2014	$ 13,813,050.00	Building C @ Offices
4	2015	$ 15,325,550.00	Outlot B @ Shoppes; Building 1 @ Technology Center;
5	2016	$ 15,961,500.00	Building A @ Aviation Tech Village
6	2017	$ 18,117,750.00	Building 2 @ Technology Center; Building E @ Aviation Tech Village
7	2018	$ 19,601,700.00	Building B @ Aviation Tech Village
8	2019	$ 22,969,200.00	Building 3 @ Technology Center; Building D @ Aviation Tech Village
9	2020	$ 24,453,150.00	Building C @ Aviation Tech Village
10	2021	$ 24,453,150.00	
11	2022	$ 24,453,150.00	
12	2023	$ 24,453,150.00	
13	2024	$ 24,453,150.00	
14	2025	$ 24,453,150.00	
15	2026	$ 24,453,150.00	
16	2027	$ 24,453,150.00	
17	2028	$ 24,453,150.00	
18	2029	$ 24,453,150.00	
19	2030	$ 24,453,150.00	
20	2031	$ 24,453,150.00	
21	2032	$ 24,453,150.00	
22	2033	$ 24,453,150.00	
23	2034	$ 24,453,150.00	

*Does not account for any increase in property value and is estimated based on construction values

Exhibit "Z"

Califf & Harper P.C.
Attorneys at Law

Robert P. Boeye
Dennis R. Fox
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Jeffrey B. Moorhouse
Roger L. Strandlund
Arthur W. Eggers
Harvey A. Lovin
James S. Zmuda
Jonathon C. Fox
Franklin S. Mitvalsky
Karla C. Steele
Sigrid U. Zachringer

Junius P. Califf
(1910-1999)

James A. Harper
(1917-2008)

Reply to
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506 – 15th Street
P.O. Box 719
Moline, Illinois
61266-0719

Telephone:
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Facsimile:
309.764.8394

Naperville Office:

1250 East Diehl Road
Suite 108
Naperville, Illinois
60563

Telephone:
800.764.4999

All attorneys licensed in
Illinois and Iowa

www.califf.com

Founded
in 1870

Roger L. Strandlund
Extension: 233

October 29, 2010

VIA REGULAR MAIL and EMAIL

The Honorable Don Welvaert
Mayor of the City of Moline
619 16th Street
Moline, Illinois 61265

City Council
City of Moline
619 16th Street
Moline, Illinois 61265

Mayor Welvaert and City Council Members:

This law firm represents the Metropolitan Airport Authority of Rock Island County, Illinois (Airport). As you know, the Airport is the owner of certain real estate described within a Development Agreement entered into between the Airport, the City, and RDC Case Creek Trails, LLC. (signed by all parties on October 19, 2010). With regard to the annexation/implementation item within the Development Agreement, this law firm, on behalf of the Airport, hereby notifies the Honorable Mayor Welvaert and City Council of the City of Moline, Illinois, of the Airport's intention to annex the land described on Exhibit D and depicted on Exhibit E, all within the Development Agreement (a copy of Exhibit D and Exhibit E are enclosed herewith).

It is the Airport's understanding that the parties are in the process of formulating an Annexation Agreement in conformity with 65 ILCS 5/11-15.1-1 et seq, Illinois Compiled Statutes. Of course it is also understood that all terms and conditions contained within the Development Agreement will be incorporated in the Annexation Agreement.

The Airport also hereby requests that, upon the parties' mutual approval of the Annexation Agreement, the City move forward with the scheduling of public hearings in accordance with the above-referenced Statute.

We are enclosing a check for $100.00 in order to satisfy the payment requirement corresponding to this request. Thank you for your attention to this matter.

Yours very truly,

Roger L. Strandlund

Enclosures
Cc: Bruce Carter, Director of Aviation
Lew Steinbrecher
Brad Hamilton
Todd Raufeisen
Pauline Malchodi
Jeff Lester

RECEIVED
NOV 01 2010
CITY CLERK'S OFFICE

DEVELOPMENT BOUNDARY LEGAL DESCRIPTPION

Lots 21, 22, 23 & 24 in Quad City Industrial Airpark, part of the Northwest Quarter of Section 30, part of the Southwest Quarter and part of the Southeast Quarter of Section 19, all located in Township 17 North, Range 1 West of the 4th Principal Meridian in the County of Rock Island, State of Illinois, more particularly described as follows;

Beginning at the at the Southwest Corner of the Southeast Quarter of said Section 19;

Thence South 00 degrees 28 minutes 39 seconds East, along the east line of the Northwest Quarter of said Section 30, a distance of 106.77 feet to the south line of a parcel conveyed to Jackell LLC by Warranty Deed recorded as Document No. 2008-04281 in the Rock Island County Recorder of Deeds Office;

Thence North 89 degrees 58 minutes 06 seconds West along said south line, a distance of 517.75 feet to the easterly right of way line of the Milan Beltway;

Thence northerly 1,953.48 feet along said easterly right of way line and the arc of a curve to the left, not tangent to the last described course, having a radius of 5,829.15 feet, a chord bearing of North 19 degrees 59 minutes 18 seconds East, and a chord distance of 1,944.36 feet to the westerly extension of the south line of the existing Metropolitan Airport Authority Runway 9-27 Protection Zone;

Thence North 82 degrees 53 minutes 07 seconds East along said south line and its westerly extension, a distance of 1,212.81 feet to the east line of the west half of the southeast quarter of said Section 19;

Thence South 00 degrees 48 minutes 52 seconds West along said east line, a distance of 1,007.45 feet;

Thence South 17 degrees 41 minutes 41 seconds East, a distance of 258.37 feet;

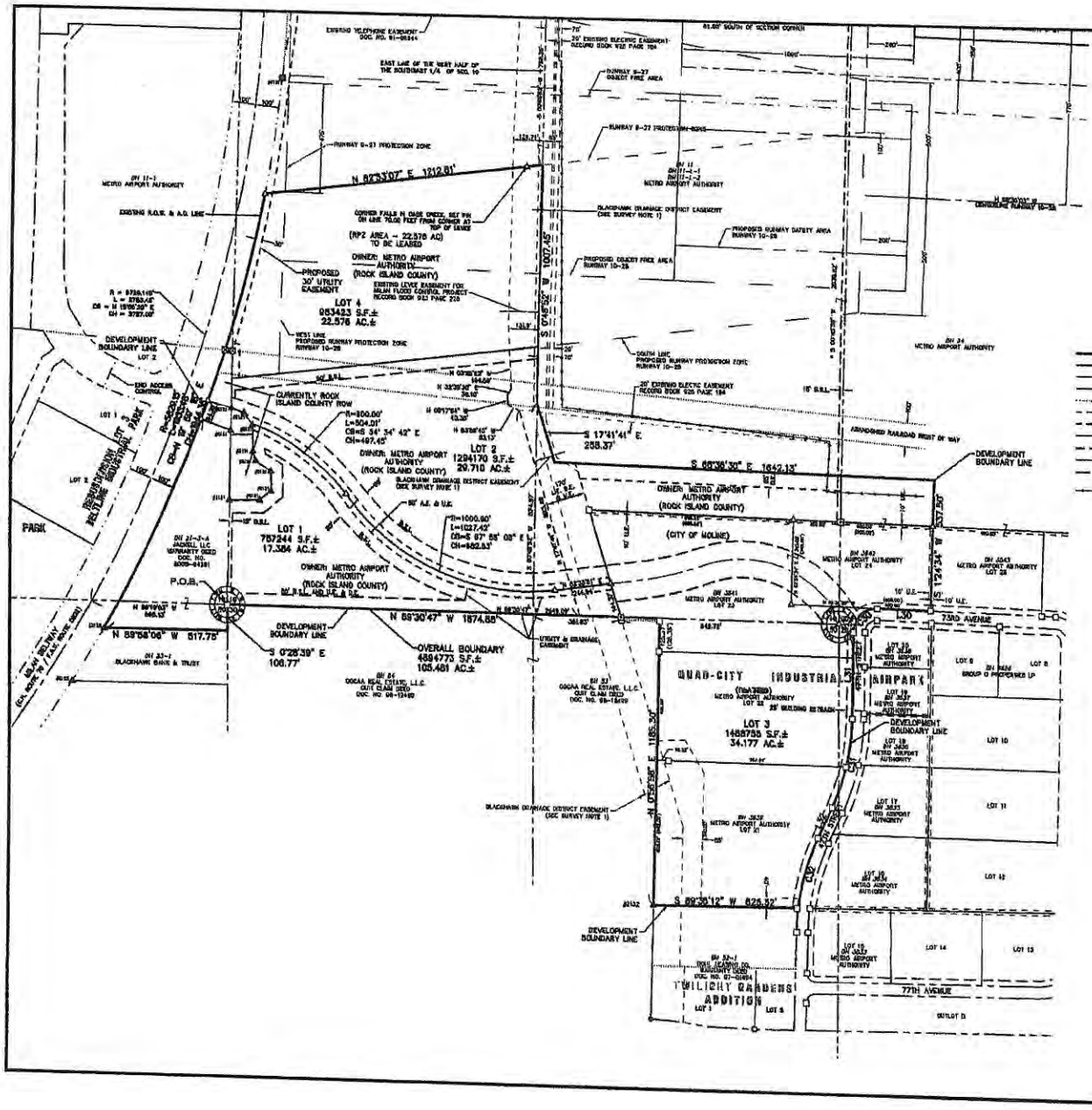
Thence South 88 degrees 36 minutes 30 seconds East, a distance of 1,642.13 feet to the northerly extension of the east line of Lot 24 in said Quad City Industrial Airpark;

Thence South 01 degrees 24 minutes 34 seconds West along said east line and its northerly extension, a distance of 537.50 feet to the northerly right of way line of 73rd Avenue;

Thence North 88 degrees 36 minutes 30 seconds West along said northerly right of way line, a distance of 229.02 feet;

Thence southwesterly 158.38 feet along said northerly right of way line and the arc of a curve to the left, having a radius of 100.00 feet, a chord bearing of South 46 degrees 02 minutes 13 seconds West, and a chord distance of 142.34 feet to the westerly right of way line of 47th Street;

Thence South 00 degrees 38 minutes 21 seconds West along said westerly right of way line, a distance of 353.97 feet;



DEVELOPER
RAUFEISEN DEVELOPMENT AIRPORT PROPERTIES, LLC
TODD RAUFEISEN, MANAGER
100 - 19th STREET, SUITE 101
ROCK ISLAND, IL 61201
ATTN: TODD RAUFEISEN

DEVELOPMENT BOUNDARY = 79.717 AC.±

NORTH IS BASED ON THE ILLINOIS STATE PLANE COORDINATE SYSTEM, WEST ZONE, NORTH AMERICAN DATUM OF 1988 (1997 ADJUSTMENT)

SCALE: 1" = 200'

LEGEND

- DEVELOPMENT BOUNDARY
- PROPOSED LOT LINE
- EXISTING LOT LINE
- CENTERLINE
- UNDERLYING LOT LINE
- EXISTING EASEMENT LINE
- PROPOSED EASEMENT LINE
- SECTION LINE
- PROPOSED SETBACK LINE
- EXISTING R.O.W. LINE
- EXISTING R.O.W. AND ACCESS CONTROL LINE
- EXISTING CHAIN LINK FENCE
- R.O.W. MARKER, FOUND
- REBAR & R.O.W. MARKER, FOUND
- 1/2" REBAR WITH CAP FOUND
- 1/2" SC. PIN, FOUND
- CONCRETE MONUMENT SET
- REBAR WITH CAP #35-3125 SET
- SECTION CORNER
- U.E. UTILITY EASEMENT
- D.E. DRAINAGE EASEMENT
- A.E. ACCESS EASEMENT
- 100.00' MEASURED DIMENSION
- (100.00') RECORDED DIMENSION
- LINE CONTINUATION

LINE TABLE		
LINE	BEARING	DISTANCE
L30	N 68°38'30" W	229.02'
L31	S 60°30'21" W	383.87'
L32	S 25°02'30" W	141.13'

CURVE TABLE				
CURVE	RADIUS	LENGTH	CHORD BEARING	CHORD DISTANCE
C30	100.00'	158.38'	S 46°02'13" W	142.34'
C31	899.13'	383.32'	S 12°50'24" W	380.43'
C32	984.28'	304.05'	S 18°01'48" W	302.80'

IL DESIGN FIRM NO. 104-000843

REVISIONS		
No.	DESCRIPTION	DATE
1	REVISED LINE & CURVE TAGS AND LABELS	8/24/10
2	ADDED RPZ AREA TO BE LEASED	10/15/10

Missman
STANLEY & ASSOCIATES, P.C.
Civil Engineering • Environmental Services • Structural Engineering • Surveying
1011 27th Avenue Rock Island, Illinois 61201-6040
Phone (309) 788-7044 Fax (309) 788-7601

CASE CREEK TRAILS SUBDIVISION
ROCK ISLAND COUNTY, ILLINOIS

DEVELOPMENT BOUNDARY EXHIBIT

Missman Project No: A09L015
File Name: A09L015 DEVELOPMENT
© COPYRIGHT 2010 ALL RIGHTS RESERVED
Drawn By: DAB
Checked By: DAB
Date: 07/20/2010

Sheet 1 of 1

Exhibit "E"

DOCUMENT IS PRINTED ON CHEMICALLY REACTIVE PAPER. THE PROCLAMATION DOCUMENT INSURES [illegible]

Califf & Harper P.C.

506 15TH STREET
MOLINE, IL 61265

FIRST MIDWEST BANK

70-160/719

96612

DATE 10/29/2010 AMOUNT $100.00

PAY TO THE ORDER OF: One Hundred and No/100 Dollars----------
City of Moline

CALIFF & HARPER, P.C.

AUTHORIZED SIGNATURE

⑈096612⑈ ⑆071901604⑆ 0000018465⑈

CALIFF & HARPER, P.C.

96612

10/29/2010	City of Moline	$100.00

Council Bill/General Ordinance No. 3017-2011
Sponsor: _____

AN ORDINANCE

AUTHORIZING the establishment of the Moline Business Park Redevelopment Project Area and Tax Increment Financing District "Interested Parties" Registries and adopting registration rules for such registries.

WHEREAS, the City of Moline (The "City") is a home rule municipality as described in Section 6(a), Article VII of the 1970 Constitution of the State of Illinois, and as such may exercise any power and function pertaining to its government and affairs; and

WHEREAS, pursuant to Section 11-74.4-4.2 of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11 – 74.4-1, et seq. (the "Act"), the City is required to establish certain "interested parties" registries and adopt registration rules for such registries; and

WHEREAS, the City desires to adopt this ordinance in order to comply with such requirements of the Act.

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

Section 1 - That the above recitals are incorporated herein and made a part hereof.

Section 2 - That the Mayor or his designee, is hereby authorized and directed to create an "interested parties" registry in accordance with Section 11-74.4-4.2 of the Act for each redevelopment project created under the Act, whether now existing or created after the date of the adoption of this ordinance.

Section 3 - That in accordance with Section 11-74.4-4.2 of the Act, the City hereby adopts the registration rules attached hereto as Exhibit A as registration rules for each such "interested parties" registry. The Mayor, with the consent of the City Attorney as to form and legality, shall have the authority to amend such registration from time to time as may be necessary or desirable to comply with and carry out the purpose intended by the Act.

Section 4 - That if any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the other provisions of this ordinance.

Section 5 - That all ordinances or resolutions, or parts of either, in conflict herewith are, to the extent of such conflict, hereby repealed.

Section 6 - That this ordinance shall be in full force and effect from and after its passage and approval; and, if required by law, publication in the manner provided for by law.

CITY OF MOLINE, ILLINOIS

Mayor

4/05/1

Date

Passed: 4.05.2011

Approved: 4.12.2011

Attest:
City Clerk

Approved as to Form:

Law Director

Council Bill/Resolution No. 1074-2011
Sponsor: _____

A RESOLUTION

AUTHORIZING the Mayor and City Clerk to establish a Public Hearing date for Tuesday, May 24, 2011, at 6:45 p.m. at Moline City Hall, 619 16th Street, Moline, Illinois, 2nd floor, for the Moline Business Park Redevelopment Project Area and Tax Increment Finance District within the City of Moline, Illinois.

WHEREAS, due to a coding error, the public hearing for the Moline Business Park Redevelopment Project Area scheduled for Tuesday, May 3, 2011, has been rescheduled for Tuesday, May 24, 2011 at 6:45 p.m.; and

WHEREAS, the City of Moline, Illinois desires to adopt tax increment financing ("TIF") pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et. Seq.*, as amended; and

WHEREAS, pursuant to State statute, prior to the creation of a TIF district, a public hearing must be held for the purposes of reviewing the TIF redevelopment plan.

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 establish a Public Hearing date of Tuesday, May 24, 2011, at 6:45 p.m. at Moline City Hall, 619 16th Street, Moline, Illinois, 2nd floor, for the Moline Business Park Redevelopment Project Area and Tax Increment Finance District within the City of Moline, Illinois.

CITY OF MOLINE, ILLINOIS

Donald P. Welvaert
Mayor

April 19, 2011
Date

Passed: April 19, 2011

Approved: April 26, 2011

Attest: Tracy Koranda
City Clerk

APPROVED AS TO FORM:

Maureen E. K
City Attorney

Council Bill/Resolution No. 1097-2011
Sponsor: _____

A RESOLUTION

AMENDING Council Bill/Resolution No. 1072-2011 for a loan amount not to exceed $50,000.00, instead of the previously approved amount of $253,507.71.

WHEREAS, due to the delay in annexation, TIF and bonding for the public infrastructure at Case Creek Trails, the City of Moline agreed to advance funds to the Developer, RDC Case Creek Trails L.L.C. ("RDC"), in an amount not to exceed $253,507.71 for reimbursement of expenses it incurred in vendor payments for preliminary design and work necessary to prepare the project; and

WHEREAS, RDC has reduced its request to an advance of $50,000.00 to cover some initial capital investments only; and

WHEREAS, the remaining terms of the previously approved loan agreement remain the same with security in the form of a separate promissory note, personal guaranty and mortgage on real estate and the loan to be repaid from bond proceeds that are anticipated to be received by July 1, 2011; the repayment shall equal the loan amount plus ten percent (10%) interest; and

WHEREAS, RDC further agrees that if the bond proceeds are not received by the City by September 1, 2011, it shall effect repayment from an alternate source and the repayment shall equal the loan amount plus ten percent (10%) per annum.

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

That the Mayor and City Clerk are hereby authorized to execute a Loan Agreement between the City of Moline and RDC Case Creek Trails, L.L.C. in a loan amount not to exceed $50,000.00; provided, however, that said Loan Agreement is in substantially similar form and content to that attached hereto and incorporated herein by this reference thereto as Exhibit "A" and has been approved as to form by the City Attorney.

CITY OF MOLINE, ILLINOIS

Mayor

May 17, 2011
Date

Passed: May 17, 2011
Approved: May 24, 2011

Attest: _____
City Clerk

Approved as to Form:

_____
City Attorney

LOAN AGREEMENT

CITY OF MOLINE

and

RDC CASE CREEK TRAILS, L.L.C.

Article 1.0 IDENTIFICATION OF PARTIES

This Agreement entered into as of this **25th** day of April, 2011 between the City of Moline (hereinafter referred to as the City) and *RDC CASE CREEK TRAILS, L.L.C.* (hereinafter referred to as the Borrower).

Article 2.0 STATEMENT OF PURPOSE

WITNESSETH THAT:

WHEREAS, the City and Borrower entered into a Development Agreement dated October 19, 2010, along with the Metropolitan Airport Authority of Rock Island County, Illinois, for a Tax Incremental Financing ("TIF") District project in Moline adjacent to the airport; and

WHEREAS, the Borrower has incurred certain expenses associated with the project and seeks an advance of funds to reimburse him for activities that are considered to be eligible expenses pursuant to the TIF Act in furtherance of the public improvements for the project.

NOW THEREFORE, the City and the Borrower hereby mutually agree as follows:

Article 3.0 TERMS OF THE LOAN

3.1 Maximum Amount of Loan. It is expressly understood and agreed that the maximum amount to be loaned to the Borrower by the City shall not exceed **Fifty Thousand and zero cents ($50,000.00).** Such loan will be evidenced by separate Promissory Note and Personal Guarantee executed between the Borrower and the City, which are hereby made part of this Agreement by reference.

3.2 Loan Rate. The loan shall be repaid by the Borrower from the bond proceeds that are anticipated to be received by August 1, 2011. The City shall pay itself directly from those proceeds if and when the bonds are issued and sold. The amount to be repaid from the bond proceeds will be the loan amount plus ten percent (10%) interest.

If, for any reason, the proceeds from bonds are not received by the City by August 1, 2011, the City and Borrower agree that all funds loaned to Borrower shall be repaid by Borrower from some other source at an interest rate of ten percent (10%) per annum.

3.3 Loan Term. The City and Borrower agree that the term of the loan shall be **three (3)** years.

3.4 Repayment of Loan. The Borrower will make monthly principal and interest payments for the term of the loan according to the amortization schedule incorporated in this Agreement by reference.

3.5 Prepayment of Loan. The outstanding principal of the loan may be prepaid by the Borrower at any time without penalty.

Article 4.0 STATEMENT OF WORK AND SERVICES

The Borrower shall perform in a satisfactory and proper manner, as determined by the City, the work activities and services as written and described in the approved loan application.

Articles 5.0 through 8.0

Intentionally Omitted

Article 9.0 COMPLIANCE WITH APPLICABLE LAWS

The Borrower assumes the responsibility to observe and comply with all federal, state and local laws, ordinances and regulations in any manner affecting the conduct of this Agreement.

Article 10.0 CONSTRUCTION SUPERVISION AND INSPECTION

If this loan is used for construction projects, the Borrower will provide and maintain competent and adequate architectural engineering supervision and inspection at the construction site to insure that the completed work conforms to the approved plans and specifications; that it will furnish progress reports and other such information as the City may require.

Article 11.0 AUDITING

The Borrower shall permit the authorized representative of the City to inspect and/or audit the records of the Borrower relating to its performance under the Agreement.

Article 12.0 TERMINATION

If the Borrower shall fail to fulfill its obligations under this Agreement, or if the Borrower shall violate any of the covenants, agreements or stipulations of this Agreement, the City shall have the right to terminate this Agreement by giving written notice to the Borrower of such termination and specifying the effective date thereof. Such notice shall be given at least ten (10) days before the effective date of such termination. Additionally, the City shall demand payment in full of the promissory note and personal guarantee incorporated in this Agreement by reference.

Article 13.0 DELINQUENCIES

13.1 All loan payments are due the first day of each month.

13.2 After a delinquency of thirty (30) days, the City of Moline Finance Department shall call the borrower to notify.

13.3 After sixty (60) days, the City of Moline Finance Department will notify the borrower in writing and will forward a copy to the Economic Development Manager.

13.4 Upon receipt of the copy of the written notice, the Economic Development Manager will contact the Borrower, determine the degree of the problem, take necessary steps for payment compliance. If no resolution is made, a Committee-of-the-Whole meeting shall be called with staff recommendation(s) for action.

Article 14.0 RESTRUCTURING

Intentionally omitted.

Article 15.0 DEFAULT

In the event the Borrower defaults under the terms of this Agreement, the City shall have the right to declare the loan to be due and payable immediately to the City. The City shall notify the Borrower in writing by certified mail of any breach in terms of Agreement. The City may give the Borrower ten (10) days or such other time as is reasonable in order to correct the default.

Article 16.0 ASSIGNMENT

The Borrower shall not assign any interest in this Agreement and shall not transfer any interest by assignment or novation without the prior written consent of the City.

Article 17.0 MODIFICATIONS

There shall be no modifications of this Agreement unless they are in writing, in valid legal form, and are signed by both parties.

Article 18.0 INDEMNIFICATION

The Borrower agrees to indemnify, keep and save harmless the City, and their agents, officials and employees against all suits, claims, damage, costs and losses, whether caused or contributed to by the negligence of the City, including attorney fees, that may be based on any injury or damage to persons or property that in any way arise out of this Agreement and pertain to the affirmative or negligent acts, errors or omissions of the Borrower.

Article 19.0 SEVERABILITY

If any section or part of this Agreement shall be adjudged invalid or unconstitutional, such adjudication shall not affect the validity of the agreement as a whole or any section, provisions, or part thereof not adjudged invalid or unconstitutional.

Article 20.0 NOTICE TO PARTIES

Notice to a party hereto shall be addressed to such party at such address set forth below or at such other address it shall from time to time designate by notice in writing:

20.1 **CITY OF MOLINE** referenced in this Agreement as the City:

City Attorney
City of Moline
619 - 16th Street
Moline, Illinois 61265

20.2 **RDC CASE CREEK TRAILS, L.L.C.** referenced in this Agreement as the Borrower or Borrower:

RDC Case Creek Trails, L.L.C.
c/o Raufeisen Development Co.
100 19th Street
Suite 101
Rock Island, Illinois 61201

Article 21.0 TERM OF AGREEMENT

The term of this Agreement shall be from September 1, 2011 to September 1, 2014 or until all principal and interest has been paid under terms of the Note. The loan proceeds may be disbursed upon execution of this Agreement even though the loan term for repayment does not commence until September 1, 2011.

This Agreement shall take effect immediately upon execution by all parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in duplicate on the ____ day of _ _____, **2011.**

RDC CASE CREEK TRAILS, L.L.C. **CITY OF MOLINE, ILLINOIS**

By: _____
Todd B. Raufeisen

By: _____
Donald P. Welvaert, Mayor

ATTEST:

By: _____
Tracy Koranda, City Clerk

APPROVED AS TO FORM:

_____
Maureen E. Riggs, City Attorney

Date: 5-10-11

Memorandum

To: **Tracy Koranda, City Clerk**

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

Date: **May 11, 2011**

Re: **RDC Case Creek Trails Documents – 05/17/11 Council Agenda**

Tracy, the following documents re: RDC Case Creek Trails are attached:

1. Loan Agreement between City and RDC – this agreement is the attachment to the resolution submitted to the 05/17/11 Council agenda. Please obtain the Mayor's signature and attest and return to me. A copy has been scanned into the s:/drive to accompany the CB.

2. Modification of Assignment Rights – this is not an attachment to the CB; it's a separate related document. Please obtain the Mayor's signature and attest and return to me. I'll notarize.

Please let me know if any questions.
Thank you.

:vlf (ext. 2010)
Attachments

Memorandum

To: **Tracy Koranda, City Clerk**

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

Date: **June 3, 2011**

Re: **Council Bill/Resolution 1097-2011: RDC Case Creek Trails, LLC**

Tracy, enclosed for scanning and filing with CB/Reso. 1097-2011 are the following documents:

- Loan Agreement;
- Promissory Note;
- Guaranty;
- Real Estate Mortgage – mortgagor Barstow Wetlands, LLC;
- A copy of CB/Reso. 1072-2011 (for reference to original CB/Reso.).

Thank you.

:vlf (ext. 2010)
Enclosure

RECEIVED
JUN. 06 2011
CITY CLERK'S OFFICE

LOAN AGREEMENT

CITY OF MOLINE

and

RDC CASE CREEK TRAILS, L.L.C.

Article 1.0 IDENTIFICATION OF PARTIES

This Agreement entered into as of this **25th** day of April, 2011 between the City of Moline (hereinafter referred to as the City) and *RDC CASE CREEK TRAILS, L.L.C.* (hereinafter referred to as the Borrower).

Article 2.0 STATEMENT OF PURPOSE

WITNESSETH THAT:

WHEREAS, the City and Borrower entered into a Development Agreement dated October 19, 2010, along with the Metropolitan Airport Authority of Rock Island County, Illinois, for a Tax Incremental Financing ("TIF") District project in Moline adjacent to the airport; and

WHEREAS, the Borrower has incurred certain expenses associated with the project and seeks an advance of funds to reimburse him for activities that are considered to be eligible expenses pursuant to the TIF Act in furtherance of the public improvements for the project.

NOW THEREFORE, the City and the Borrower hereby mutually agree as follows:

Article 3.0 TERMS OF THE LOAN

3.1 Maximum Amount of Loan. It is expressly understood and agreed that the maximum amount to be loaned to the Borrower by the City shall not exceed **Fifty Thousand and zero cents ($50,000.00).** Such loan will be evidenced by separate Promissory Note and Personal Guarantee executed between the Borrower and the City, which are hereby made part of this Agreement by reference.

3.2 Loan Rate. The loan shall be repaid by the Borrower from the bond proceeds that are anticipated to be received by August 1, 2011. The City shall pay itself directly from those proceeds if and when the bonds are issued and sold. The amount to be repaid from the bond proceeds will be the loan amount plus ten percent (10%) interest.

If, for any reason, the proceeds from bonds are not received by the City by August 1, 2011, the City and Borrower agree that all funds loaned to Borrower shall be repaid by Borrower from some other source at an interest rate of ten percent (10%) per annum.

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3.4 Repayment of Loan. The Borrower will make monthly principal and interest payments for the term of the loan according to the amortization schedule incorporated in this Agreement by reference.

3.5 Prepayment of Loan. The outstanding principal of the loan may be prepaid by the Borrower at any time without penalty.

Article 4.0 STATEMENT OF WORK AND SERVICES

The Borrower shall perform in a satisfactory and proper manner, as determined by the City, the work activities and services as written and described in the approved loan application.

Articles 5.0 through 8.0

Intentionally Omitted

Article 9.0 COMPLIANCE WITH APPLICABLE LAWS

The Borrower assumes the responsibility to observe and comply with all federal, state and local laws, ordinances and regulations in any manner affecting the conduct of this Agreement.

Article 10.0 CONSTRUCTION SUPERVISION AND INSPECTION

If this loan is used for construction projects, the Borrower will provide and maintain competent and adequate architectural engineering supervision and inspection at the construction site to insure that the completed work conforms to the approved plans and specifications; that it will furnish progress reports and other such information as the City may require.

Article 11.0 AUDITING

The Borrower shall permit the authorized representative of the City to inspect and/or audit the records of the Borrower relating to its performance under the Agreement.

Article 12.0 TERMINATION

If the Borrower shall fail to fulfill its obligations under this Agreement, or if the Borrower shall violate any of the covenants, agreements or stipulations of this Agreement, the City shall have the right to terminate this Agreement by giving written notice to the Borrower of such termination and specifying the effective date thereof. Such notice shall be given at least ten (10) days before the effective date of such termination. Additionally, the City shall demand payment in full of the promissory note and personal guarantee incorporated in this Agreement by reference.

Article 13.0 DELINQUENCIES

13.1 All loan payments are due the first day of each month.

13.2 After a delinquency of thirty (30) days, the City of Moline Finance Department shall call the borrower to notify.

13.3 After sixty (60) days, the City of Moline Finance Department will notify the borrower in writing and will forward a copy to the Economic Development Manager.

13.4 Upon receipt of the copy of the written notice, the Economic Development Manager will contact the Borrower, determine the degree of the problem, take necessary steps for payment compliance. If no resolution is made, a Committee-of-the-Whole meeting shall be called with staff recommendation(s) for action.

Article 14.0 RESTRUCTURING

Intentionally omitted.

Article 15.0 DEFAULT

In the event the Borrower defaults under the terms of this Agreement, the City shall have the right to declare the loan to be due and payable immediately to the City. The City shall notify the Borrower in writing by certified mail of any breach in terms of Agreement. The City may give the Borrower ten (10) days or such other time as is reasonable in order to correct the default.

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The Borrower shall not assign any interest in this Agreement and shall not transfer any interest by assignment or novation without the prior written consent of the City.

Article 17.0 MODIFICATIONS

There shall be no modifications of this Agreement unless they are in writing, in valid legal form, and are signed by both parties.

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The Borrower agrees to indemnify, keep and save harmless the City, and their agents, officials and employees against all suits, claims, damage, costs and losses, whether caused or contributed to by the negligence of the City, including attorney fees, that may be based on any injury or damage to persons or property that in any way arise out of this Agreement and pertain to the affirmative or negligent acts, errors or omissions of the Borrower.

Article 19.0 SEVERABILITY

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Article 20.0 NOTICE TO PARTIES

Notice to a party hereto shall be addressed to such party at such address set forth below or at such other address it shall from time to time designate by notice in writing:

20.1 **CITY OF MOLINE** referenced in this Agreement as the City:

City Attorney
City of Moline
619 - 16th Street
Moline, Illinois 61265

20.2 **RDC CASE CREEK TRAILS, L.L.C.** referenced in this Agreement as the Borrower or Borrower:

RDC Case Creek Trails, L.L.C.
c/o Raufeisen Development Co.
100 19th Street
Suite 101
Rock Island, Illinois 61201

Article 21.0 TERM OF AGREEMENT

The term of this Agreement shall be from September 1, 2011 to September 1, 2014 or until all principal and interest has been paid under terms of the Note. The loan proceeds may be disbursed upon execution of this Agreement even though the loan term for repayment does not commence until September 1, 2011.

This Agreement shall take effect immediately upon execution by all parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in duplicate on the 17th day of May, **2011.**

RDC CASE CREEK TRAILS, L.L.C. **CITY OF MOLINE, ILLINOIS**

By: _____
Todd B. Raufeisen

By: _____
Donald P. Welvaert, Mayor

ATTEST:

By: _____
Tracy Koranda, City Clerk

APPROVED AS TO FORM:

_____
Maureen E. Riggs, City Attorney

Date: 5-10-11

PROMISSORY NOTE

_____, 2011

Borrower's Name and Address:

RDC Case Creek Trails, L.L.C.
c/o **Raufeisen Development Co.**
100 19th Street
Suite 101
Rock Island, Illinois 61201

Lender's Name and Address:

City of Moline
619 16 Street
Moline IL 61265

The undersigned, Borrower, promises to pay to Lender, City of Moline, Illinois, an Illinois municipal corporation, at Lender's address listed above the **PRINCIPAL** sum of fifty thousand dollars **($50,000.00)** if the Borrower fails to satisfy the conditions of the loan as set forth in the Loan Agreement.

SINGLE ADVANCE: Borrower has received all of this principal sum. No additional advances are contemplated under this note.

INTEREST: If Borrower fails to satisfy the conditions of the Loan Agreement, Borrower agrees to pay interest (calculated on the basis of twelve 30-day months) on the principal balance owing from time to time as stated below. Interest shall begin to accrue on the date the loan agreement is signed.

FIXED RATE: Borrower agrees to pay interest at the fixed, simple rate of **10.0%** per annum.

ADDITIONAL CHARGES: In addition to interest, Borrower ____ has paid _X_ agrees to pay the following additional charges: **Filing Fees**

PAYMENTS: Borrower agrees to pay this note in equal monthly installments commencing August 1, 2011 and on the first day of every month thereafter for no longer than thirty-six months until the unpaid principal and interest is paid in full, unless funds are available from bond proceeds for the Tax Increment Financing district to be established for the Case Creek Trails project. If such bond proceeds have been issued and are available prior to August 1, 2011, the Lender shall reimburse itself for the loan amount from these bond proceeds plus 10% interest. Otherwise, Borrower shall pay all principal and interest within thirty-six months of the date of the first payment, but such repayment period may be shortened upon agreement of the parties.

PURPOSE: The purpose of this loan is:
To advance funds for the Case Creek Trails LLC public improvements in accordance with the Development Agreement of October 19, 2010.

SECURITY: This note is secured in part by:

- **Real Estate as listed in the Real Estate Mortgage**
- **Personal Guarantee by Borrower**

SIGNATURES: I AGREE TO THE TERMS OF THIS NOTE (INCLUDING THOSE DETAILED ON PAGES 2-3).
I have received a copy on today's date.

By: _____

Todd B. Raufeisen

ADDITIONAL TERMS

APPLICABLE LAW: The laws of the state of Illinois will govern this note. Any term of this note that is contrary to applicable law will not be effective, unless the law permits Lender and Borrower to agree to such a variation.

PAYMENTS: Each payment Borrower makes on this note will first reduce the amount Borrower owes Lender for charges which are neither interest nor principal. The remainder of each payment will then reduce unpaid earned interest, and then unpaid principal. If Lender and Borrower agree to a different application of payments, they will describe their agreement on this form.

INTEREST: The interest rate in effect on this note at any given time will apply to the entire principal advanced at that time.

SINGLE ADVANCE LOANS: This is a single advance loan, and Lender and Borrower expect that Lender will make only one advance of principal. However, Lender may add other amounts to the principal if Lender makes any payments described in the "PAYMENTS BY LENDER" paragraph below.

PAYMENTS BY LENDER: The Lender is authorized to pay, on Borrower's behalf, charges Borrower is obligated to pay (such as property insurance premiums and real estate taxes); and Lender may treat those payments as advances and add them to the unpaid principal under this note.

POST MATURITY RATE: For purposes of deciding when the "Post Maturity Rate" applies, the term "maturity" shall mean the date of the last scheduled payment of principal or the date Lender accelerates payment on the note, whichever is earlier.

DEFAULT: Borrower will be in default if any one or more of the following occur:

(1) Borrower fails to make a payment on time or in the amount due.
(2) Borrower fails to keep the Collateral insured, if required.
(3) Borrower fails to keep any other promise Borrower has made in connection with this loan.
(4) Borrower fails to pay, or keep any other promise, on any other loan or agreement Borrower has with Lender, including but not limited to the Loan Agreement dated the same day as this note.
(5) Any other creditor of Borrower attempts to collect the debt Borrower owes him through court proceedings.
(6) Guarantor dies and heirs and assigns or borrower fail(s) to fulfill terms of this agreement.
(7) Borrower goes into bankruptcy, whether voluntarily or involuntarily.
(8) Borrower does or fails to do something which causes Lender to believe that Lender will have difficulty collecting the amount Borrower owes Lender.
(9) Anything else happens which causes Lender to believe that Lender will have difficulty collecting the amount Borrower owes Lender.

REMEDIES: If Borrower is in default on this note, Lender has the following remedies:
(1) Lender may demand immediate payment of all Borrower owes Lender under this note.
(2) Lender may demand more security or that new parties be obligated to pay this note in return for not using some other remedy.
(3) Lender may make use of any remedy Lender has under state or federal law.
(4) Lender may make use of any remedy given to Lender in any agreement securing this note.

By selecting any one or more of these remedies Lender does not give up his right to later use any other remedy. By deciding not to use any remedy should Borrower default, Lender does not waive his right to later consider the event a default if it happens again.

CONFESSION OF JUDGMENT: In addition to Lender's remedies listed above, Borrower authorizes any attorney to appear in a court of record and confess judgment, without process, against Borrower, in favor of Lender, for any sum unpaid and due on this note, together with collection costs including reasonable attorney's fees.

WAIVER: Borrower gives up his rights to require Lender to do certain things. Borrower will not require Lender to:

(1) demand payment of amounts due (presentment)
(2) obtain official certification of nonpayment (protect);

(3) give notice that amounts due have not been paid (notice of dishonor).

ATTORNEYS' FEES: If Lender must hire an attorney to collect this note, Borrower must pay his or her fee, plus court costs (except where prohibited by law).

ADDITIONAL PARTIES AND SECURITY: Each understands that each individual Borrower must pay this note even if someone else has signed it. Lender may sue any individual Borrower or a combination of any Borrowers together, to collect this note. Lender does not have to tell Borrower this note has not been paid. Lender may release any individual guarantor and Borrower will still be obligated to pay the note. If Lender gives up any of his rights, it will not affect Borrower's duty to pay this note. Extending new credit or renewing this note will not affect Borrower's duty to pay this note.

FINANCING STATEMENTS: Borrower agrees to provide to Lender, at least annually and more frequent as requested, any financial statements or information Lender may deem necessary. Borrower warrants that all financial statements and information provided to Lender is or will be accurate, correct, and complete.

GUARANTY

April 19, 2011
City of Moline

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, at any time or from time to time to make loans or extend other accommodations to or for the account of

RDC Case Creek Trails, L.L.C.

(hereinafter referred to as "Borrrower") or to engage in any other transactions with Borrower, the undersigned 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 a Promissory Note dated the same date as this guaranty, and hereafter referred to as the Indebtedness provided however that this guarantee shall not exceed the sum of fifty thousand dollars *($50,000.00)* or the outstanding indebtedness 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, 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 shall continue to be in force and be binding upon the undersigned, whether or not all Indebtedness is paid in full, until this guaranty is revoked prospectively as to future transactions, by written notice actually received by the City, and such revocation shall not be effective as to Indebtedness existing or committed for at the time of actual receipt of such notice by the City, or as to any renewals, extensions and refinancings thereof. If there be more than one undersigned, such revocation shall be effective only as to the one so revoking. The death or incompetence of the undersigned shall not revoke this guaranty, except upon actual receipt of written notice thereof by the City and then only as to the decedent or the incompetent and only prospectively, as to future transactions, as herein set forth. Parties understand and agree this guarantee shall be a joint and several guarantees and that both and each of the undersigned are fully liable hereunder for the full amount of the guarantee.

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, whether due and payable or unmatured. 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, whether due and payable or unmatured, shall be immediately due and payable without demand or notice thereof.

4. The liability of the undersigned hereunder shall be for all Indebtedness, without any limitation as to amount, plus accrued interest thereon and all attorneys' fees, collection costs and enforcement expenses referable thereto. Indebtedness may be created and continued in any amount, whether or not in excess of such principal amount, without affecting or impairing the liability of the undersigned hereunder. The City may apply any sums received by or available to the City on account of the Indebtedness from Borrower or any other person (except the undersigned), from their properties, out of any collateral security or from any other source to payment of the excess. Such application of receipts shall not reduce, affect or impair the liability of the undersigned hereunder. If the liability of the undersigned is limited to a stated amount pursuant to this paragraph 4, any payment made by the undersigned under this guaranty shall be effective to reduce or discharge such liability only if accompanied by a written transmittal document, received by the City, advising the City that such payment is made under this guaranty for such purpose.

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 as to any collateral security therefor, unless and until all of the Indebtedness 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 undersigned and Borrower has 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, 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; (ii) any one or more extensions or renewals of Indebtedness (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 Borrower, any delay or lack of diligence in the enforcement of Indebtedness, or any failure to institute proceedings, file a claim, give any required notices or otherwise protect any Indebtedness; (iv) any full or partial release of settlement with or agreement not to sue Borrower or any other guarantor or other person liable in respect of any indebtedness; (v) any discharge of any evidence of Indebtedness 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, 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 any 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 Borrower, or any other obligor, pertaining to Indebtedness, except the defense of discharge by payment in full. 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 Borrower or any other person liable in respect of any Indebtedness, or any setoff available against the City to Borrower 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 security interest securing Indebtedness, whether or not the liability of Borrower or any other obligor for such deficiency is discharged pursuant to statute or judicial decision.

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 Borrower 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 Borrower 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 of the undersigned to the City as guarantor or otherwise, 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 delivery to the City, 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: _____
Todd B. Raufeisen, Guarantor

2011-09714

PATRICIA "PAT" VERONDA
ROCK ISLAND COUNTY RECORDER
ROCK ISLAND, IL

RECORDED ON:
05/12/2011 03:08M

REC FEE: $34.50

BOOK: 0
PAGE: 0

PAGES: 6

Return to:
City of Moline
Law Dept.
619 16th Street
Moline, IL 61265

REAL ESTATE MORTGAGE

MORTGAGOR

Barstow Wetlands, L.L.C.
1505 46th Avenue
Moline, IL 61265

MORTGAGEE

City of Moline
619 - 16 Street
Moline, Illinois 61265

REAL ESTATE MORTGAGE: For value received, the undersigned, Barstow Wetlands L.L.C. Todd Raufeisen's 50% share, in its own right, MORTGAGE and WARRANT to the City of Moline, an Illinois municipal corporation, to secure the payment of the secured debt described below, dated **April 19, 2011**, the real estate described below and all rights, easements, appurtenances, rents, leases and existing and future improvements and fixtures (all called the "property").

PROPERTY ADDRESS:
19124 1st Avenue North
East Moline, IL 61244

LEGAL DESCRIPTION:
See attached Exhibit "A"

TITLE: Mortgagor, also referred herein as Borrower, covenants and warrants title to the property, except for encumbrances of record, municipal and zoning ordinances, current taxes and assessments not yet due.

SECURED DEBT: This mortgage secures repayment of the secured debt and the performance of the covenants and agreements contained in this mortgage, the Loan Agreement with RDC Case Creek Trails, L.L.C. in the amount of fifty thousand dollars ($50,000.00), and in any other document incorporated herein. Secured debt, as used in this mortgage, includes any amounts Todd B. Raufeisen or RDC Case Creek Trails, L.L.C. owes Lender under this mortgage or under any instrument secured by this mortgage.

FUTURE ADVANCES: All amounts owed under the above agreement are secured even though not all amounts may yet be advanced, and will be secured and will have priority to the same extent as if made on the date this mortgage is executed.

The total unpaid balance secured by this mortgage at any one time shall not exceed a maximum principal amount

of fifty thousand dollars ($50,000.00), plus any disbursements made for the payment of taxes, special assessments, or insurance on the property, with interest on such disbursements.

TERMS AND COVENANTS: Mortgagor agrees to all the terms and covenants contained in this mortgage (specifically incorporating by this reference those on pages 3 and 4) and in any riders described below and signed by me.

SIGNATURE(S):

By: _____
Todd B. Raufeisen
50% Share of Barstow Wetlands, L.L.C.

COVENANTS

1. **CLAIMS AGAINST TITLE.** Borrower will pay all taxes, assessments, liens and encumbrances on the property when due and will defend title to the property against any claims which would impair the lien of this mortgage. Lender may require Borrower to assign any rights, claims or defenses which Borrower may have against parties who supply labor or materials to improve or maintain the property.

2. **INSURANCE.** Borrower will keep the property insured under terms acceptable to Lender at Borrower's expense and for Lender's benefit. Lender will be named as loss payee or as the insured on any such insurance policy. Any insurance proceeds may be applied, within Lender's discretion, to either the restoration or repair of the damaged property or to the secured debt.

3. **PROPERTY.** Borrower will keep the property in good condition and make all repairs reasonably necessary.

4. **EXPENSES.** Borrower agrees to pay all Lender's expenses, including reasonable attorneys' fees if Borrower breaks any covenants in this mortgage or in any obligation secured by this mortgage. Attorneys' fees include those awarded by an appellate court. Borrower will pay these amounts to Lender as provided in Covenant 7 of this mortgage.

5. **DEFAULT AND ACCELERATION.** If Borrower sells the property or breaks any covenants under this mortgage, any prior mortgage or any obligation secured by this mortgage, Lender may accelerate the maturity of the secured debt and demand immediate payment and exercise any other remedy available to Lender. Lender may foreclose this mortgage in the manner provided by law.

6. **WAIVER OF HOMESTEAD.** Borrower hereby waives all right of homestead exemption in the property.

7. **AUTHORITY OF MORTGAGEE TO PERFORM FOR MORTGAGOR.** If Borrower fails to perform any of his duties under this mortgage, Lender may perform the duties or cause them to be performed. Lender may sign Borrower's name or pay any amount if necessary for performance. If any construction on the property is discontinued or not carried on in a reasonable manner, Lender may do whatever is necessary to protect his security interest in the property. This may include completing the construction. Lender's failure to perform will not preclude Lender from exercising any of Lender's other rights under the law or this mortgage.

8. **INSPECTION.** Lender may enter the property to inspect if Lender gives Borrower notice beforehand. The notice must state the reasonable cause for Lender's inspection.

9. **CONDEMNATION.** Borrower assigns to Lender the proceeds of any award or claim for damages connected with a condemnation or other taking of all or any part of the property. Such proceeds will be applied as provided in Covenant 1. This assignment is subject to the terms of any prior security agreement.

10. **WAIVER.** By exercising any remedy available to Lender, Lender does not give up Lender's rights to later use any other remedy. By not exercising any remedy, if Borrower defaults, Lender does not waive his right to later consider the event a default if it happens again.

11. **JOINT AND SEVERAL LIABILITY; CO-SIGNERS; SUCCESSORS AND ASSIGNS BOUND.** All duties under this mortgage are joint and several. If Borrower co-signs this mortgage but does not co-sign the underlying debt Borrower does so only to mortgage his interest in the property under the terms of this mortgage. Borrower also agrees that Lender and any party to this mortgage may extend, modify or make any other changes in the terms of this mortgage or the secured debt without my consent. Such a change will not release Borrower from the terms of this mortgage.

    The duties and benefits of this mortgage shall bind and benefit the successors and assigns of either or both of us.

12. **NOTICE.** Unless otherwise required by law, any notice to Borrower shall be given by delivering it or by mailing it by certified mail addressed to Borrower at the Property Address or any other address that Borrower tells you. Borrower will give any notice to Lender by certified mail to Lender's address on the front side of this mortgage, or to any other address which Lender has designated.

    Any notice shall be deemed to have been given to either of us when given in the manner stated above.

13. **TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN THE MORTGAGOR.** If all or any part of the property or any interest in it is sold or transferred without Lender's prior written consent, Lender may demand immediate payment of the secured debt. Lender may also demand immediate payment if the mortgagor is not a natural person and a beneficial interest in the mortgagor is sold or transferred. However, Lender may not demand payment in the above situations if it is prohibited by federal law as of the date of this mortgage.

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

I, the undersigned, a Notary Public in and for the County and State aforesaid, do hereby certify that Todd B. Raufeisen of Barstow Wetlands, L.L.C., who is/are personally known to me to be the same person whose name is subscribed to the foregoing instrument as such, appeared before me this day in person and severally acknowledged that they signed, sealed and delivered said instrument as their free and voluntary act, and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 19th day of April, A.D., 2011.

TINA M. MENDEZ
OFFICIAL SEAL
Notary Public, State of Illinois
My Commission Expires
August 27, 2011

NOTARY PUBLIC

Exhibit "A"

Part of the Southwest Quarter of Section 2 6 and part of the Northwest Fractional Quarter of Section 35, Township 18 North, Range 1 East of the 4th Principal Meridian, Rock Island County, Illinois, more particularly described as follows:

Commencing at the South Quarter corner of said Section 26, also being the North Quarter corner of said Section 35, said point being the Point of Beginning; thence South 0 degrees 00 minutes 00 seconds East along the East line of said Northwest Quarter, a distance of 673.23 feet to the Northerly top of bank of the Rock River; thence following the meanders of said river along the Northerly top of bank, North 8 6 degrees 19 minutes 09 seconds West, a distance of 167.75 feet; thence North 67 degrees 07 minutes 23 seconds West, a distance of 119,96 feet; thence North 46 degrees 48 minutes 42 seconds West, a distance of 541.08 feet; thence North 60 degrees 30 minutes 12 seconds West, a distance of 151.06 feet; thence North 76 degrees 46 minutes 09 seconds West, a distance of 151.46 feet; thence North 76 degrees 12 minutes 16 seconds West, a distance of 332.91 feet; thence North 77 degrees 29 minutes 07 seconds west, a distance of 203.63 feet; thence South 76 degrees 50 minutes 35 seconds West, a distance of 174.33 feet to the intersection with the Easterly Right of Way Line of the C.B. & Q. Railroad; thence following said Right of Way Line, North 15 degrees 24 minutes 50 seconds West, a distance of 58.56 feet to the intersection with the North line of said Northwest Quarter of Section 35; thence continuing North along said line, a distance of 413.97 feet to the point of curvature of a non-tangent curve, concave to the East, having a radius of 30563.56 feet, a central angle of 0 degrees 28 minutes 07 seconds, and a chord of 24 9.94 feet bearing North 15 degrees 03 minutes 14 seconds West; thence North along said curve, a distance of 249.94 feet; thence North 14 degrees 45 minutes 54 seconds West, a distance of 939.67 feet to the Point of Curvature of a non-tangent curve, concave to the East, having a radius of 1511.97 feet, a central angle of 9 degrees 24 minutes 52 seconds, and a chord of 248.16 feet bearing North 10 degrees 34 minutes 46 seconds West; thence North along said curve, a distance of 248.44 feet; thence North 6 degrees 54 minutes 45 seconds West, a distance of 173.18 feet to the Point of Curvature of a non-tangent curve, concave to the East, having a radius of 720.25 feet, a central angle of 13 degrees 38 minutes 48 seconds, and a chord of 171.14 feet bearing North 0 degrees 48 minutes 15 seconds West; thence North along said curve, a distance of 171.55 feet to the intersection with the Southerly Right of Way Line of Barstow Road; thence following said Southerly Right of Way Line, North 38 degrees 36 minutes 45 seconds East, a distance of 143.02 feet to the Point of Curvature of a non-tangent curve, concave to the Southeast, having a radius of 907.63 feet, a central angle of 51 degrees 13 minutes 59 seconds, and a chord of 784.82 feet bearing North 64 degrees 13 minutes 3 9 seconds East, Thence Northeast along said curve, a distance of 811.59 feet; thence North 89 degrees 15 minutes 59 seconds East, a distance of 815.95 feet to the Point of Curvature of a non-tangent curve, concave to the South, having a radius of 1868.45 feet, a central angle of 16 degrees 27 minutes 38 seconds, and a chord of 534.94 feet bearing South 82 degrees 17 minutes 25 seconds East; thence East along said curve, a distance of 536.78 feet to the intersection with the East line of said Southwest Quarter of Section 26; thence South 0 degrees 00 minutes 00 seconds East, a distance of 2531.55 feet to the Point of Beginning; said described tract containing 125.13 acres, more or less; Situated in the County of Rock Island and the State of Illinois.

Council Bill/Resolution No. 1072-2011
Sponsor:_____

A RESOLUTION

AUTHORIZING the Mayor and City Clerk to execute a Loan Agreement between the City of Moline and RDC Case Creek Trails, L.L.C. in a loan amount not to exceed $253,507.71.

WHEREAS, the City of Moline, Quad City International Airport and RDC Case Creek Trails L.L.C. (hereinafter "RDC"), have entered into a Development Agreement and a First Amendment thereto for the Case Creek Trails development, a TIF District project at the proposed Quad City International Airport Corporate Office Park; and

WHEREAS, due to the delay in annexation, TIF and bonding for the public infrastructure at Case Creek Trails, RDC has requested an advance of funds not to exceed $253,507.71 for reimbursement of expenses it incurred in vendor payments for preliminary design and work necessary to prepare the project for development; and

WHEREAS, the expenses incurred by RDC for which it seeks the loan are eligible expenses pursuant to the TIF Act in furtherance of the public improvements to the project; and

WHEREAS, RDC agrees to secure the loan by a separate promissory note, personal guaranty and mortgage on real estate between the City and RDC and to repay the loan from bond proceeds that are anticipated to be received by July 1, 2011; the repayment shall equal the loan amount plus ten percent (10%) interest; and

WHEREAS, RDC further agrees that if the bond proceeds are not received by the City by September 1, 2011, it shall effect repayment from an alternate source and the repayment shall equal the loan amount plus ten percent (10%) per annum.

NOW, THEREFORE, BE IT RESOLVED 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 Loan Agreement between the City of Moline and RDC Case Creek Trails, L.L.C. in a loan amount not to exceed $253,507.71; provided, however, that that said Loan Agreement is in substantially similar form and content to that attached hereto and incorporated herein by this reference thereto as Exhibit "A" and has been approved as to form by the City Attorney

CITY OF MOLINE, ILLINOIS

Donald P. Wehrwein

Mayor

April 12, 2011

Date

Passed: April 12, 2011

Approved: April 19, 2011

Attest: Tracy Koranda

City Clerk

Approved as to Form:

Mary Ezzo

City Attorney

Council Bill/General Ordinance No. 3025-2011
Sponsor: _____

AN ORDINANCE

APPROVING the Tax Increment Redevelopment Plan and Project for the Moline Business Park Redevelopment Project Area.

WHEREAS, the City of Moline, Illinois desires to implement tax increment financing pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et. seq., as amended, hereinafter referred to as the "Act" for the proposed Redevelopment Plan and Redevelopment Project (Plan) within the municipal boundaries of the City of Moline and within the Moline Business Park Redevelopment Project Area (Area) as described in Exhibit A attached to this Ordinance, which constitutes in the aggregate more than 1-1/2 acres; and

WHEREAS, the Plan was made available for public inspection at the City Clerk's office on March 4, 2011; and

WHEREAS, the City Council did on April 19, 2011 pass Resolution 1074-2011 setting May 24, 2011 as the date for the public hearing on the Plan, with the time and place of such hearing identified in said Resolution; and

WHEREAS, due notice in respect to the availability of the Plan, which contains an eligibility report, was given by mail on April 7, 2011 pursuant to Section 11-74.4-5 of the Act, said notice being given to all interested parties that have registered with the City concerning the proposed Moline Business Park Redevelopment Project Area; and

WHEREAS, due notice in respect to the availability of the Plan, which contains an eligibility report, was given by mail on April 7, 2011 pursuant to Section 11-74.4-5 of the Act, said notice being given to all residential addresses that, after a good faith effort, the City determined are located within 750 feet of the boundaries of the Moline Business Park Redevelopment Project Area; and

WHEREAS, pursuant to Section 11-74.4-5 of the Act, the City Council caused a public hearing to be held relative to the Redevelopment Plan and Redevelopment Project and the proposed designation of the Moline Business Park Redevelopment Project Area on May 24, 2011 at the Moline City Hall; and

WHEREAS, due notice in respect to such hearing was given pursuant to Section 11-74.4-5 and 6 of the Act, said notice being given to taxing districts and to the State of Illinois by certified mail on May 12, 2011, by publication on April 26, 2011and May 3, 2011, and by certified mail to property owners within the Area on May 12, 2011; and

WHEREAS, the Redevelopment Plan and Project set forth the factors constituting the need for abatement of conditions in the proposed redevelopment project area that have led to blight, and

the City Council has reviewed testimony concerning such need presented at the public hearing and has reviewed the eligibility report and is generally informed of the conditions in the Moline Business Park Redevelopment Project Area as the term "blighted area" is defined in the Act; and

WHEREAS, the City Council has reviewed the conditions pertaining to lack of private investment in the Moline Business Park Redevelopment Project Area to determine whether private development would take place in the proposed Area as a whole without the adoption of the proposed Tax Increment Redevelopment Plan and Project for said Area; and

WHEREAS, the City Council has reviewed the conditions pertaining to real property in the Moline Business Park Redevelopment Project Area to determine whether contiguous parcels of real property in said Project Area would be substantially benefited by the proposed redevelopment project improvements; and

WHEREAS, the City Council has reviewed its proposed Tax Increment Redevelopment Plan and Project and Comprehensive Plan for the development of the municipality as a whole to determine whether the proposed Redevelopment Plan and Project conforms to the Comprehensive Plan of the City.

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

Section 1. That the City Council of the City of Moline hereby makes the following findings:

a) The area constituting the Moline Business Park Redevelopment Project Area in the City of Moline, Illinois is described in Exhibit A, attached hereto and made part of this Ordinance.

b) There exist conditions that cause the area to be designated as a Redevelopment Project Area to be classified as a "blighted area" for vacant parcels due to chronic flooding as defined in Section 11-74.4-3 (a) and (b) of the Act.

c) The Moline Business Park Redevelopment Project Area on the whole, has not been subject to growth and development through investment by private enterprise and would not be reasonably anticipated to be developed without the adoption of the Redevelopment Plan.

d) The Redevelopment Plan and Redevelopment Project for the Moline Business Park Redevelopment Project Area conforms to the Comprehensive Plan for the development of the municipality as a whole.

e) The parcels of real property in the proposed Redevelopment Project Area are contiguous and only those contiguous parcels of real property, which will be substantially benefited by the proposed redevelopment project, are included in the Moline Business Park Redevelopment Project Area.

f) The estimated date of the completion of the Redevelopment Project or retirement of obligations issued shall not be later than December 31 of the year in which the payment to the City Treasurer as provided in subsection (b) of Section 11-74.4-8 of the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year after the year in which the ordinance approving the redevelopment project area is adopted.

Section 2. That the Tax Increment Redevelopment Plan and Project for the Moline Business Park Redevelopment Project Area, which has the subject matter of the hearing held on May 24, 2011, is hereby adopted and approved. A copy of the aforementioned Redevelopment Plan and Project marked as Exhibit B is attached to and made a part of this Ordinance.

Section 3. That all ordinances and parts of ordinances in conflict with the provisions of this ordinance are repealed to the extent of such conflict.

Section 4. 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

6/14/11
Date

Passed: 6.14.2011

Approved: 6.21.2011

Attest: Mary C. Kowalda
City Clerk

Approved as to Form:

City Attorney

Exhibit A

Moline Business Park Redevelopment Project Area

Outlots "A" and "B", Lot 7, part of Lot 14 now known as Blackhawk Township Tax Parcel #3632, Lots 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25 and 26 in Quad City Industrial Airpark alongwith part of Section 19, 20, 29 and 30, in Township 17 North, Range 1 West of the 4th PrincipalMeridian, in the County of Rock Island, State of Illinois, more particularly described as follows:

Beginning at the Southwest Corner of the Southeast Quarter of said Section 19;

Thence North 00 degrees 54 minutes 54 seconds East along the west line of the southeast quarter of said Section 19, a distance of 1,055.74 feet to a point of intersection with the easterly right of way line of the Milan Beltway, also known as County Highway 78;

Thence North 85 degrees 15 minutes 00 seconds West along said easterly right of way line, a distance of 31.22 feet;

Thence northerly 682.47 feet along said easterly right of way line and the arc of a curve to the left, not tangent to the last described course, having a radius of 5,829.15 feet, a chord bearing of North 13 degrees 44 minutes 31 seconds East, and a chord distance of 682.08 feet to the westerly extension of the south line of the existing Metropolitan Airport Authority Runway 9-27 Protection Zone;

Thence North 82 degrees 53 minutes 07 seconds East along said south line, a distance of 1,212.81 feet to the east line of the west half of the southeast quarter of said Section 19;

Thence South 00 degrees 48 minutes 52 seconds West along said east line, a distance of 1,007.45 feet;

Thence South 17 degrees 41 minutes 41 seconds East, a distance of 258.37 feet;

Thence South 88 degrees 36 minutes 30 seconds East, a distance of 1,642.13 feet;

Thence South 01 degrees 24 minutes 34 seconds West, a distance of 192.50 feet to the north line of the Quad City Industrial Airpark;

Thence South 88 degrees 36 minutes 30 seconds East along said north line, a distance of 929.91 feet to the northeast corner of said Lot 26;

Thence South 00 degrees 37 minutes 54 seconds West along the east line of said Lots 26 and 7, a distance of 616.31 feet to the southeast corner of said Lot 7;

Thence North 89 degrees 22 minutes 06 seconds West along the south line of said Lot 7 and it's westerly projection, a distance of 344.91 feet to the westerly right of way line of 50th Street;

Thence North 00 degrees 37 minutes 54 seconds East along said westerly right of way line, a distance of 176.51 feet;

Thence northwesterly 77.88 feet along said westerly right of way line and the arc of a curve to the left having a radius of 50.00 feet, a chord bearing of North 43 degrees 59 minutes 18 seconds West, and a chord distance of 70.24 feet to the southerly right of way line of 73rd Avenue;

Thence North 88 degrees 36 minutes 22 seconds West along said southerly right of way line, a distance of 535.63 feet to the northeast corner of said Lot 20;

Thence South 00 degrees 37 minutes 50 seconds West along the east line of said Lots 20, 19, 18, 17, and 16, a distance of 1,183.57 feet to the north line of said Lot 14;

Thence South 00 degrees 21 minutes 20 seconds East along the east line of that part of Lot 14 now known as Blackhawk Township Tax Parcel # 3632, a distance 307.77 feet to the northerly right of way line of 77th Avenue;
Thence North 89 degrees 38 minutes 40 seconds East along said northerly right of way line, a distance of 480.51 feet;
Thence easterly 144.61 feet along said northerly right of way line and the arc of a curve to the left having a radius of 224.11 feet, a chord bearing of North 71 degrees 09 minutes 34 seconds East, and a chord distance of 142.11 feet to the westerly right of way line of 50th Street;
Thence North 02 degrees 28 minutes 18 seconds East along said westerly right of way line, a distance of 22.03 feet to the westerly projection of the north line of said Outlot "A";
Thence South 89 degrees 22 minutes 06 seconds East along said north line and it's westerly projection, a distance of 309.38 feet to the east line of said Outlot "A";
Thence South 00 degrees 37 minutes 54 seconds West along said east Line and it's southerly projection, a distance of 341.78 feet, more or less to the southerly right of way line of 78th Avenue;
Thence South 89 degrees 38 minutes 41 seconds West along said southerly right of way line, a distance of 1,493.30 feet to the southerly projection of the westerly right of way line of 47th Street;
Thence North 00 degrees 59 minutes 36 seconds East along said westerly right of way line and it's southerly projection, a distance of 587.96 feet to the south line of said Lot 21;
Thence South 89 degrees 36 minutes 12 seconds West along said south line, a distance of 620.23 feet to the Southwest Corner of said Lot 21;
Thence North 00 degrees 56 minutes 58 seconds East along the west line of said Lots 21, 22 and 23, a distance of 1,185.30 feet to the south line of the Southeast Quarter of said Section 19;
Thence North 89 degrees 30 minutes 47 seconds West along said south line, a distance of 1,874.85 feet to the Point of Beginning.
The above described parcel contains 134.426 acres, more or less.
For the purpose of this description North is based on the Illinois State Plane Coordinate System, West Zone, North American Datum of 1983 (1997 Adjustment).

Council Bill/General Ordinance No. 3026-2011
Sponsor: _____

AN ORDINANCE

DESIGNATING the Moline Business Park Redevelopment Project Area.

WHEREAS, the City Council has heretofore in Ordinance No. 3025-2011 adopted and approved the Tax Increment Redevelopment Plan and Project for the proposed Moline Business Park Redevelopment Project Area with respect to which a public hearing was held on May 24, 2011 and it is now necessary and desirable to designate the area referred to in said plan as the Moline Business Park Redevelopment Project Area.

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

Section 1. That the area described in the attached Exhibit A is hereby designated as the Moline Business Park Redevelopment Project Area pursuant to Section 11-74.4-4 of the Tax Increment Allocation Redevelopment Act, found generally at 65 ILCS 5/11-74.4-4.

Section 2. That all ordinances and parts of ordinances in conflict with the provisions of this ordinance are repealed to the extent of such conflict.

Section 3. That this ordinance shall be in full force and effect from and after passage, approval, and if required by law, publication in the manner provided for by law.

CITY OF MOLINE, ILLINOIS

Donald R Welvaert
Mayor

6/14/11
Date

Passed: 6.14.2011

Approved: 6.21.2011

Attest: Nancy Koranda
City Clerk

Approved as to Form:

City Attorney

Exhibit A

Moline Business Park Redevelopment Project Area

Outlots "A" and "B", Lot 7, part of Lot 14 now known as Blackhawk Township Tax Parcel #3632, Lots 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25 and 26 in Quad City Industrial Airpark alongwith part of Section 19, 20, 29 and 30, in Township 17 North, Range 1 West of the 4th PrincipalMeridian, in the County of Rock Island, State of Illinois, more particularly described as follows:

Beginning at the Southwest Corner of the Southeast Quarter of said Section 19;

Thence North 00 degrees 54 minutes 54 seconds East along the west line of the southeast quarter of said Section 19, a distance of 1,055.74 feet to a point of intersection with the easterly right of way line of the Milan Beltway, also known as County Highway 78;

Thence North 85 degrees 15 minutes 00 seconds West along said easterly right of way line, a distance of 31.22 feet;

Thence northerly 682.47 feet along said easterly right of way line and the arc of a curve to the left, not tangent to the last described course, having a radius of 5,829.15 feet, a chord bearing of North 13 degrees 44 minutes 31 seconds East, and a chord distance of 682.08 feet to the westerly extension of the south line of the existing Metropolitan Airport Authority Runway 9-27 Protection Zone;

Thence North 82 degrees 53 minutes 07 seconds East along said south line, a distance of 1,212.81 feet to the east line of the west half of the southeast quarter of said Section 19;

Thence South 00 degrees 48 minutes 52 seconds West along said east line, a distance of 1,007.45 feet;

Thence South 17 degrees 41 minutes 41 seconds East, a distance of 258.37 feet;

Thence South 88 degrees 36 minutes 30 seconds East, a distance of 1,642.13 feet;

Thence South 01 degrees 24 minutes 34 seconds West, a distance of 192.50 feet to the north line of the Quad City Industrial Airpark;

Thence South 88 degrees 36 minutes 30 seconds East along said north line, a distance of 929.91 feet to the northeast corner of said Lot 26;

Thence South 00 degrees 37 minutes 54 seconds West along the east line of said Lots 26 and 7, a distance of 616.31 feet to the southeast corner of said Lot 7;

Thence North 89 degrees 22 minutes 06 seconds West along the south line of said Lot 7 and it's westerly projection, a distance of 344.91 feet to the westerly right of way line of 50th Street;

Thence North 00 degrees 37 minutes 54 seconds East along said westerly right of way line, a distance of 176.51 feet;

Thence northwesterly 77.88 feet along said westerly right of way line and the arc of a curve to the left having a radius of 50.00 feet, a chord bearing of North 43 degrees 59 minutes 18 seconds West, and a chord distance of 70.24 feet to the southerly right of way line of 73rd Avenue;

Thence North 88 degrees 36 minutes 22 seconds West along said southerly right of way line, a distance of 535.63 feet to the northeast corner of said Lot 20;

Thence South 00 degrees 37 minutes 50 seconds West along the east line of said Lots 20, 19, 18, 17, and 16, a distance of 1,183.57 feet to the north line of said Lot 14;

Thence South 00 degrees 21 minutes 20 seconds East along the east line of that part of Lot 14 now known as Blackhawk Township Tax Parcel # 3632, a distance 307.77 feet to the northerly right of way line of 77th Avenue;
Thence North 89 degrees 38 minutes 40 seconds East along said northerly right of way line, a distance of 480.51 feet;
Thence easterly 144.61 feet along said northerly right of way line and the arc of a curve to the left having a radius of 224.11 feet, a chord bearing of North 71 degrees 09 minutes 34 seconds East, and a chord distance of 142.11 feet to the westerly right of way line of 50th Street;
Thence North 02 degrees 28 minutes 18 seconds East along said westerly right of way line, a distance of 22.03 feet to the westerly projection of the north line of said Outlot "A";
Thence South 89 degrees 22 minutes 06 seconds East along said north line and it's westerly projection, a distance of 309.38 feet to the east line of said Outlot "A";
Thence South 00 degrees 37 minutes 54 seconds West along said east Line and it's southerly projection, a distance of 341.78 feet, more or less to the southerly right of way line of 78th Avenue;
Thence South 89 degrees 38 minutes 41 seconds West along said southerly right of way line, a distance of 1,493.30 feet to the southerly projection of the westerly right of way line of 47th Street;
Thence North 00 degrees 59 minutes 36 seconds East along said westerly right of way line and it's southerly projection, a distance of 587.96 feet to the south line of said Lot 21;
Thence South 89 degrees 36 minutes 12 seconds West along said south line, a distance of 620.23 feet to the Southwest Corner of said Lot 21;
Thence North 00 degrees 56 minutes 58 seconds East along the west line of said Lots 21, 22 and 23, a distance of 1,185.30 feet to the south line of the Southeast Quarter of said Section 19;
Thence North 89 degrees 30 minutes 47 seconds West along said south line, a distance of 1,874.85 feet to the Point of Beginning.
The above described parcel contains 134.426 acres, more or less.
For the purpose of this description North is based on the Illinois State Plane Coordinate System, West Zone, North American Datum of 1983 (1997 Adjustment).

STATE OF ILLINOIS)
) SS
ROCK ISLAND COUNTY)

I, Tracy A. Koranda, City Clerk for the City of Moline, County of Rock Island, State of Illinois, do hereby certify that the foregoing Ordinance, General Ordinance 3026-2011 is a true and correct copy of the original Ordinance passed by the City Council of the City of Moline, Illinois, at a meeting duly convened and held on the 14th day of June, 2011.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the corporate seal of the City of Moline, Illinois, this 15th day of June, 2011.

Tracy A. Koranda
City Clerk

(Seal)

Council Bill/General Ordinance No. 3027-2011
Sponsor: _____

AN ORDINANCE

ADOPTING Tax Increment Financing for the Moline Business Park Redevelopment Project Area.

WHEREAS, the City of Moline, Illinois, desires to adopt tax increment financing pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et. seq., as amended, hereinafter referred to as the "Act"; and

WHEREAS, the City of Moline has adopted a Tax Increment Redevelopment Plan and Project, designated the Moline Business Park Redevelopment Project Area pursuant to the provisions of the Act, and has otherwise complied with all other conditions precedent required by the Act.

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

Section 1. That tax increment financing is hereby adopted in respect to the Tax Increment Redevelopment Plan and Project for the Moline Business Park Redevelopment Project Area (Area) approved and adopted pursuant to Ordinance No. 3025-2011 of the City of Moline, which said Area was designated pursuant to Ordinance No. 3026-2011 and the boundaries thereof being legally described therein.

Section 2. That after the total equalized assessed valuation of taxable real property in the Moline Business Park Redevelopment Project Area exceeds the total initial equalized assessed value of all taxable real property in the Moline Business Park Redevelopment Project Area, the ad valorem taxes, if any, arising from the levies upon taxable real property in the Moline Business Park Redevelopment Project Area by taxing districts and the rates determined in the manner provided in paragraph (c) of Section 11-74.4-9 of the Act each year after the effective date of this Ordinance until the redevelopment project costs and all municipal obligations issued in respect thereto have been paid shall be divided as follows:

a. That portion of taxes levied upon each taxable lot, block, tract or parcel of real property which is attributable to the lower of the current equalized assessed value or the initial equalized assessed value of each such taxable lot, block, tract or parcel of real property in the Moline Business Park Redevelopment Project Area shall be allocated to and when collected shall be paid by the County Collector to the respective affected taxing districts in the manner required by law in the absence of the adoption of tax increment allocation financing.

b. That portion, if any, of such taxes which is attributable to the increase in the current equalized assessed valuation of each lot, block, tract or parcel of real property in the Moline

Business Park Redevelopment Project Area over and above the initial equalized assessed value of each property in the Moline Business Park Redevelopment Project Area shall be allocated to and when collected shall be paid to the municipal treasurer who shall deposit said taxes into a special fund called "the Special Tax Allocation Fund for the Moline Business Park Redevelopment Project Area" of the City of Moline for the purpose of paying redevelopment project costs and obligations incurred in the payment thereof, pursuant to such appropriations which may be subsequently made.

Section 2. That all ordinances and parts of ordinances in conflict with the provisions of this ordinance are repealed to the extent of such conflict.

Section 3. 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

6/14/11
Date

Passed: 6.14.2011

Approved: 6.21.2011

Attest: _____
City Clerk

Approved as to Form:

_____
City Attorney

STATE OF ILLINOIS)
) SS
ROCK ISLAND COUNTY)

I, Tracy A. Koranda, City Clerk for the City of Moline, County of Rock Island, State of Illinois, do hereby certify that the foregoing Ordinance, General Ordinance 3027-2011 is a true and correct copy of the original Ordinance passed by the City Council of the City of Moline, Illinois, at a meeting duly convened and held on the 14th day of June, 2011.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the corporate seal of the City of Moline, Illinois, this 15th day of June, 2011.

Tracy A. Koranda
City Clerk

(Seal)

Council Bill/General Ordinance No.: 4027-2011
Sponsor: _____

A SPECIAL ORDINANCE

AUTHORIZING the issuance of Taxable General Obligation Corporate Purpose Bonds, Series 2011A, of the City of Moline, Illinois

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

Section 1. Authority, Purposes and Findings. This ordinance is adopted pursuant to Section 6 of Article VII of the Illinois Constitution of 1970 and Section 2-1110 of the Moline Code of Ordinances for the purpose of financing "Redevelopment Project Costs" as defined in the Tax Increment Allocation Redevelopment Act, 65 Illinois Compiled Statutes 5/11-74.4 (the "Redevelopment Act") with respect to redevelopment projects within the "Moline Business Park Redevelopment Project Area".

This ordinance authorizes the issuance of Taxable General Obligation Corporate Purpose Bonds, Series 2011A, of the City (the "Bonds") for the purpose of financing Redevelopment Project Costs, including costs of issuance of the Bonds and capitalized interest on the Bonds until June 1, 2014.

It is found and determined that borrowing money through the issuance of the Bonds herein authorized is necessary for the welfare of the government and affairs of the City, is for a proper public purpose and is in the public interest.

Section 2. Authorization and Terms of Bonds. The sum of $7,534,527.96 is appropriated to meet part of the estimated cost of the Redevelopment Project Costs described in Section 1 of this ordinance and relating to the Moline Business Park Redevelopment Project Area. Pursuant to the home rule powers of the City to incur debt payable from ad valorem property tax receipts and for the purpose of financing said appropriation, general obligation bonds of the City shall be issued and sold in an aggregate principal amount of $7,605,000 and shall be designated "Taxable General Obligation Corporate Purpose Bonds, Series 2011A".

The Bonds shall mature on December 1 in each year shown in the following table in the respective principal amount set forth opposite each such year and the Bonds maturing in each such year shall bear interest at the respective rate per annum set forth opposite such year:

Year	Principal Amount	Interest Rate
2014	$305,000	1.60%
2015	165,000	2.00
2016	200,000	2.45
2017	225,000	2.85
2018	250,000	3.10
2019	285,000	3.40
2020	330,000	3.85
2021	375,000	4.05
2022	415,000	4.25
2023	465,000	4.65
2024	510,000	4.80
2025	565,000	4.95
2026	625,000	5.05
2027	650,000	5.15
2028	700,000	5.20
2029	750,000	5.20
2030	790,000	5.30

The Bonds maturing on or after December 1, 2021 shall be subject to redemption prior to maturity at the option of the City and upon notice as provided in Section 4 of this ordinance, in such principal amounts and from such maturities as the City shall determine, and by lot within a single maturity, on June 1, 2021 and on any date thereafter, at a redemption price equal to the principal amount thereof to be redeemed.

Section 3. General Terms of Bonds. Bonds shall be issuable in the denominations of $5,000 or any integral multiple thereof. Bonds may bear such identifying numbers or letters as shall be useful to facilitate the registration, transfer and exchange of Bonds. Unless otherwise determined in the order to authenticate the Bonds, each Bond issued initially shall be dated as of July 5, 2011. Each Bond thereafter issued upon any transfer or exchange of Bonds shall be dated so that no gain or loss of interest shall result from such transfer or exchange.

Each Bond shall bear interest from its date, computed on the basis of a 360 day year consisting of twelve 30 day months and payable in lawful money of the United States of America on December 1, 2011 and semiannually thereafter on each June 1 and December 1 at the rates per annum herein determined. The principal of the Bonds shall be payable in lawful money of the United States of America upon presentation and surrender thereof at the principal corporate trust office of Amalgamated Bank of Chicago, in the City of Chicago, Illinois, which is hereby appointed as bond registrar and paying agent for the Bonds. Interest on the Bonds shall be payable on each interest payment date to the registered owners of record thereof appearing on the registration books maintained by the City for such purpose at the principal corporate trust office

of the bond registrar, as of the close of business on the 15th day of the calendar month next preceding the applicable interest payment date. Interest on the Bonds shall be paid by check or draft mailed to such registered owners at their addresses appearing on the registration books or by wire transfer pursuant to an agreement by and between the City and the registered owner.

Section 4. Redemption Provisions. In the event of the redemption of less than all the Bonds of like maturity, the aggregate principal amount thereof to be redeemed shall be $5,000 or an integral multiple thereof and the bond registrar shall assign to each Bond of such maturity a distinctive number for each $5,000 principal amount of such Bond and shall select by lot from the numbers so assigned as many numbers as, at $5,000 for each number, shall equal the principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided that only so much of the principal amount of each Bond shall be redeemed as shall equal $5,000 for each number assigned to it and so selected.

Notice of the redemption of Bonds shall be mailed not less than 30 days nor more than 60 days prior to the date fixed for such redemption to the registered owners of Bonds to be redeemed at their last addresses appearing on said registration books. The Bonds or portions thereof specified in said notice shall become due and payable at the applicable redemption price on the redemption date therein designated, and if, on the redemption date, moneys for payment of the redemption price of all the Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, and if notice of redemption shall have been mailed as aforesaid (and notwithstanding any defect therein or the lack of actual receipt thereof by any registered owner) then from and after the redemption date interest on such Bonds or portions thereof shall cease to accrue and become payable. If there shall be drawn for redemption less than all of a Bond, the City shall execute and the bond registrar shall authenticate and deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the Bond so surrendered, Bonds of like maturity and of the denomination of $5,000 or any integral multiple thereof.

The bond registrar shall not be required to transfer or exchange any Bond after notice of the redemption of all or a portion thereof has been mailed. The bond registrar shall not be required to transfer or exchange any Bond during a period of 15 days next preceding the mailing of a notice of redemption which could designate for redemption all or a portion of such Bond.

Section 5. Sale and Delivery. The Bonds are sold to Robert W. Baird & Co. Incorporated, as purchaser, at a price of $7,534,527.96 and accrued interest from their date to the date of delivery and payment therefor. The Official Statement prepared with respect to the Bonds is approved and "deemed final" as of its date for purposes of Securities and Exchange Commission Rule 15c2-12 promulgated under the Securities Exchange Act of 1934.

The Mayor, City Clerk and other officials of the City are authorized and directed to do and perform, or cause to be done or performed for or on behalf of the City each and every thing

necessary for the issuance of the Bonds, including the proper execution and delivery of the Bonds and the Official Statement.

Section 6. Execution and Authentication. Each Bond shall be executed in the name of the City by the manual or authorized facsimile signature of its Mayor and the corporate seal of the City, or a facsimile thereof, shall be thereunto affixed or otherwise reproduced thereon and attested by the manual or authorized facsimile signature of its City Clerk.

In case any officer whose signature, or a facsimile of whose signature, shall appear on any Bond shall cease to hold such office before the issuance of the Bond, such Bond shall nevertheless be valid and sufficient for all purposes, the same as if the person whose signature, or a facsimile thereof, appears on such Bond had not ceased to hold such office. Any Bond may be signed, sealed or attested on behalf of the City by any person who, on the date of such act, shall hold the proper office, notwithstanding that at the date of such Bond such person may not have held such office. No recourse shall be had for the payment of any Bonds against any officer who executes the Bonds.

Each Bond shall bear thereon a certificate of authentication executed manually by the bond registrar. No Bond shall be entitled to any right or benefit under this ordinance or shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the bond registrar.

Section 7. Transfer, Exchange and Registry. The Bonds shall be negotiable, subject to the provisions for registration of transfer contained herein. Each Bond shall be transferable only upon the registration books maintained by the City for that purpose at the principal corporate trust office of the bond registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the bond registrar and duly executed by the registered owner or his duly authorized attorney. Upon the surrender for transfer of any such Bond, the City shall execute and the bond registrar shall authenticate and deliver a new Bond or Bonds registered in the name of the transferee, of the same aggregate principal amount, maturity and interest rate as the surrendered Bond. Bonds, upon surrender thereof at the principal corporate trust office of the bond registrar, with a written instrument satisfactory to the bond registrar, duly executed by the registered owner or his attorney duly authorized in writing, may be exchanged for an equal aggregate principal amount of Bonds of the same maturity and interest rate and of the denominations of $5,000 or any integral multiple thereof.

For every such exchange or registration of transfer of Bonds, the City or the bond registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. No other charge shall be made for the privilege of making

such transfer or exchange. The provisions of the Illinois Bond Replacement Act shall govern the replacement of lost, destroyed or defaced Bonds.

The City and the bond registrar may deem and treat the person in whose name any Bond shall be registered upon the registration books as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of or interest thereon and for all other purposes whatsoever, and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the City nor the bond registrar shall be affected by any notice to the contrary.

Section 8. Bond Registrar. The City covenants that it shall at all times retain a bond registrar with respect to the Bonds, that it will maintain at the designated office of such bond registrar a place where Bonds may be presented for payment and registration of transfer or exchange and that it shall require that the bond registrar maintain proper registration books and perform the other duties and obligations imposed upon it by this ordinance in a manner consistent with the standards, customs and practices of the municipal securities business.

The bond registrar shall signify its acceptance of the duties and obligations imposed upon it by this ordinance by executing the certificate of authentication on any Bond, and by such execution the bond registrar shall be deemed to have certified to the City that it has all requisite power to accept, and has accepted such duties and obligations not only with respect to the Bond so authenticated but with respect to all the Bonds. The bond registrar is the agent of the City and shall not be liable in connection with the performance of its duties except for its own negligence or default. The bond registrar shall, however, be responsible for any representation in its certificate of authentication on the Bonds.

The City may remove the bond registrar at any time. In case at any time the bond registrar shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the bond registrar, or of its property, shall be appointed, or if any public officer shall take charge or control of the bond registrar or of its property or affairs, the City covenants and agrees that it will thereupon appoint a successor bond registrar. The City shall mail notice of any such appointment made by it to each registered owner of Bonds within twenty days after such appointment.

Section 9. General Obligations. The full faith and credit of the City are hereby irrevocably pledged to the punctual payment of the principal of and interest on the Bonds. The Bonds shall be direct and general obligations of the City, and the City shall be obligated to levy ad valorem taxes upon all the taxable property in the City for the payment of the Bonds and the interest thereon, without limitation as to rate or amount.

Section 10. Form of Bonds. The Bonds shall be issued as fully registered bonds and shall be in substantially the following form, the blanks to be appropriately completed when the Bonds are printed:

No. _____

State of Illinois
County of Rock Island
CITY OF MOLINE
TAXABLE GENERAL OBLIGATION CORPORATE PURPOSE BOND,
SERIES 2011A

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
%	December 1, ____	July 5, 2011	608557 ___

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT:

The CITY OF MOLINE, a municipal corporation and a home rule unit of the State of Illinois situate in the County of Rock Island, acknowledges itself indebted and for value received hereby promises to pay to the registered owner specified above, or registered assigns, the principal amount specified above, on the maturity date specified above, and to pay interest on such principal amount from the date hereof at the interest rate per annum specified above, computed on the basis of a 360 day year consisting of twelve 30 day months and payable in lawful money of the United States of America on December 1, 2011 and semiannually thereafter on the first days of June and December in each year until the principal amount shall have been paid, to the registered owner of record hereof as of the 15th day of the calendar month next preceding such interest payment date, by wire transfer pursuant to an agreement by and between the City and the registered owner, or otherwise by check or draft mailed to the registered owner, at the address of such owner appearing on the registration books maintained by the City for such purpose at the principal corporate trust office of Amalgamated Bank of Chicago, in the City of Chicago, Illinois, as bond registrar or its successor (the "Bond Registrar"). This bond, as to principal when due, will be payable in lawful money of the United States of America upon presentation and surrender of this bond at the principal corporate trust office of the Bond Registrar. The full faith and credit of the City are irrevocably pledged for the punctual payment of the principal of and interest on this bond according to its terms.

This bond is one of a series of bonds issued in the aggregate principal amount of $7,605,000 which are authorized and issued under and pursuant to Section 6 of Article VII of the Illinois Constitution of 1970 and Section 2-1110 of the Moline Code of Ordinances and under and in accordance with an ordinance adopted by the City Council of the City on June 21, 2011 and entitled: "An Ordinance Authorizing the Issuance of Taxable General Obligation Corporate Purpose Bonds, Series 2011A, of the City of Moline, Illinois." This bond is issued to finance redevelopment project costs pursuant to and in accordance with the Tax Increment Allocation Redevelopment Act, 65 Illinois Compiled Statutes 5/11-74.4.

The bonds of such series maturing on or after December 1, 2021 are subject to redemption prior to maturity at the option of the City and upon notice as herein provided, in such principal amounts and from such maturities as the City shall determine and by lot within a single maturity, on June 1, 2021 and on any date thereafter, at a redemption price equal to the principal amount thereof to be redeemed.

Notice of the redemption of bonds will be mailed not less than 30 days nor more than 60 days prior to the date fixed for such redemption to the registered owners of bonds to be redeemed at their last addresses appearing on such registration books. The bonds or portions thereof specified in said notice shall become due and payable at the applicable redemption price on the redemption date therein designated, and if, on the redemption date, moneys for payment of the redemption price of all the bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, and if notice of redemption shall have been mailed as aforesaid (and notwithstanding any defect therein or the lack of actual receipt thereof by any registered owner) then from and after the redemption date interest on such bonds or portions thereof shall cease to accrue and become payable.

This bond is transferable only upon such registration books by the registered owner hereof in person, or by his attorney duly authorized in writing, upon surrender hereof at the principal corporate trust office of the Bond Registrar together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or by his duly authorized attorney, and thereupon a new registered bond or bonds, in the authorized denominations of $5,000 or any integral multiple thereof and of the same aggregate principal amount, maturity and interest rate as this bond shall be issued to the transferee in exchange therefor. In like manner, this bond may be exchanged for an equal aggregate principal amount of bonds of the same maturity and interest rate and of any of such authorized denominations. The City or the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to the transfer or exchange of this bond. No other charge shall be made for the privilege of making such transfer or exchange. The City and the Bond Registrar may treat and consider the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal and interest due hereon and for all other purposes whatsoever.

This bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been duly executed by the Bond Registrar.

It is hereby certified, recited and declared that all acts, conditions and things required to be done, exist and be performed precedent to and in the issuance of this bond in order to make it a legal, valid and binding obligation of the City have been done, exist and have been performed in regular and due time, form and manner as required by law, and that the series of bonds of which this bond is one, together with all other indebtedness of the City is within every debt or other limit prescribed by law.

IN WITNESS WHEREOF, the City of Moline has caused this bond to be executed in its name and on its behalf by the manual or facsimile signature of its Mayor, and its corporate seal, or a facsimile thereof, to be hereunto affixed or otherwise reproduced hereon and attested by the manual or facsimile signature of its City Clerk.

Dated: July 5, 2011

CITY OF MOLINE

_____
Mayor

Attest:

_____
City Clerk

CERTIFICATE OF AUTHENTICATION

This bond is one of the Taxable General Obligation Corporate Purpose Bonds, Series 2011A, described in the within mentioned Ordinance.

AMALGAMATED BANK OF CHICAGO,
as Bond Registrar

By _____
Authorized Signer

ASSIGNMENT

For value received the undersigned sells, assigns and transfers unto _____ the within bond and hereby irrevocably constitutes and appoints _____ attorney to transfer the said bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

_____

Signature Guarantee:

_____

Section 11. Levy and Extension of Taxes. For the purpose of providing the money required to pay the interest on the Bonds, when and as the same falls due and to pay and discharge the principal thereof as the same shall mature, there is hereby levied upon all the taxable property in the City, in each year while any of the Bonds shall be outstanding, a direct annual tax sufficient for that purpose in addition to all other taxes, as follows:

Tax Levy Year	A Tax Sufficient to Produce
2013	$474,420.00
2014	498,960.00
2015	530,660.00
2016	550,760.00
2017	569,347.50
2018	596,597.50
2019	631,907.50
2020	664,202.50
2021	689,015.00
2022	721,377.50
2023	744,755.00
2024	775,275.00
2025	807,307.50
2026	800,745.00
2027	817,270.00
2028	830,870.00
2029	831,870.00

Interest or principal coming due at anytime when there shall be insufficient funds on hand to pay the same shall be paid promptly when due from current funds on hand in advance of the collection of the taxes herein levied; and when said taxes shall have been collected, reimbursement shall be made to the said funds in the amounts thus advanced.

As soon as this ordinance becomes effective, a copy thereof certified by the City Clerk, which certificate shall recite that this ordinance has been duly adopted, shall be filed with the County Clerk of Rock Island County, Illinois, who is hereby directed to ascertain the rate per cent required to produce the aggregate tax hereinbefore provided to be levied in the years 20__ to 20__ inclusive, and to extend the same for collection on the tax books in connection with other taxes levied in said years, in and by the City for general corporate purposes of the City, and in said years such annual tax shall be levied and collected in like manner as taxes for general corporate purposes for said years are levied and collected and, when collected, such taxes shall be used solely for the purpose of paying the principal of and interest on the Bonds as the same become due and payable.

Section 12. Debt Service Account. Moneys derived from taxes herein levied pursuant to Section 11 of this ordinance are appropriated and set aside for the sole purpose of paying principal of and interest on the Bonds when and as the same come due. All of such moneys shall be deposited in the "2011A Debt Service Account", which is hereby established as a special account of the City within the Special Tax Allocation Fund for the City's Moline Business Park Redevelopment Project Area (the "Moline Business Park TIF Fund") established pursuant to General Ordinance No. 3027-2011, adopted by the City Council on June 14, 2011.

Section 13. Capitalized Interest Account. The "2011A Capitalized Interest Account" is hereby established as a special account of the City within the Moline Business Park TIF Fund. A portion of the proceeds of sale of the Bonds sufficient to provide for the payment of the interest on the Bonds due on or prior to June 1, 2014, shall be deposited into the 2011A Capitalized Interest Account. The moneys held in the 2011A Capitalized Interest Account shall be used to pay the first interest due and payable on the Bonds until the amount held in said Account is fully expended.

Section 14. Pledges Securing Bonds. The moneys deposited or to be deposited into the 2011A Debt Service Account and the 2011A Capitalized Interest Account, including the tax receipts derived from the taxes levied pursuant to Section 11 of this ordinance, are pledged as security for the payment of the principal of and interest on the Bonds. These pledges are made pursuant to Section 13 of the Local Government Debt Reform Act and shall be valid and binding from the date of issuance of the Bonds. All such tax receipts and the moneys held in the foregoing Accounts shall immediately be subject to the lien of the applicable pledge without any physical delivery or further act and the lien of each such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the City irrespective of whether such parties have notice thereof.

Section 15. Construction Account. All of the proceeds of sale of the Bonds paid to the City, exclusive of the amount deposited into the 2011A Capitalized Interest Account, shall be deposited into the "Construction Account," which is hereby established as a special account of the City within the Moline Business Park TIF Fund. Moneys in the 2011A Construction Account shall be used for the payment of Redevelopment Project Costs described in Section 1 of this ordinance and relating to the Moline Business Park Redevelopment Area and for the payment of costs of issuance of the Bonds, but may hereafter be reappropriated and used for other purposes if such reappropriation is permitted under Illinois law.

Section 16. Investment Regulations. All income derived from investments in respect of moneys or securities in any Account shall be credited in each case to the Account in which such moneys or securities are held.

Section 17. Tax Status. The City intends that any interest on the Bonds will be includible in the gross income of the owners of the Bonds for federal income tax purposes.

Section 18. Tax Allocation Fund. Moneys held in the Moline Business Park Fund and the taxes and other moneys to be deposited therein pursuant to the Redevelopment Act are hereby pledged for the payment of Redevelopment Project Costs (as defined in the Redevelopment Act and included in the Moline Business Park Redevelopment Plan) and as security for the payment of the principal of and interest on the Bonds, but nothing herein contained shall restrict the power of the City to pledge such moneys or taxes for the benefit and security of additional bonds pursuant to the Redevelopment Act; to subordinate the pledge made by this ordinance or to alter the use and distribution of moneys in the Moline Business Park TIF Fund. Moneys held in the Moline Business Park TIF Fund, which are to be used for the payment of the principal of or interest on the Bonds, may be deposited in the 2011A Debt Service Account, and upon such deposit such moneys shall be used solely for the payment of such principal and interest.

The foregoing pledges of moneys in the Moline Business Park TIF Fund are subject to the limitation that moneys not required, pledged, earmarked or otherwise designated for the payment and securing of obligations and anticipated Redevelopment Project Costs shall be calculated annually and designated as "surplus" funds in accordance with Section 11-74.4-7 of the Redevelopment Act.

Section 19. Continuing Disclosure. For the benefit of the beneficial owners of the Bonds, the City covenants and agrees to provide to the Municipal Securities Rulemaking Board (the "MSRB") for disclosure on the Electronic Municipal Market Access ("EMMA") system, in an electronic format as prescribed by the MSRB, (i) an annual report containing certain financial information and operating data relating to the City and (ii) timely notices of the occurrence of certain enumerated events. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

The annual report shall be provided to the MSRB for disclosure on EMMA within 210 days after the close of the City's fiscal year. The information to be contained in the annual report shall consist of the annual audited financial statement of the City and such additional information as noted in the Official Statement under the caption "Continuing Disclosure." Each annual audited financial statement will conform to generally accepted accounting principles applicable to governmental units and will be prepared in accordance with standards of the Governmental Accounting Standards Board. If the audited financial statement is not available, then an unaudited financial statement shall be included in the annual report and the audited financial statement shall be provided promptly after it becomes available.

The City, in a timely manner not in excess of ten business days after the occurrence of the event, shall provide notice to the MSRB for disclosure on EMMA of any failure of the City to provide any such annual report within the 210 day period and of the occurrence of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting

financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other events affecting the tax-exempt status of the Bonds; (7) modifications to rights of bondholders, if material; (8) Bond calls, if material; (9) defeasances; (10) release, substitution or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) tender offers; (13) bankruptcy, insolvency, receivership or similar event of the City; (14) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (15) appointment of a successor or additional trustee or the change of name of a trustee, if material. For the purposes of the event identified in clause (13), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan or reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

It is found and determined that the City has agreed to the undertakings contained in this Section in order to assist participating underwriters of the Bonds and brokers, dealers and municipal securities dealers in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) promulgated under the Securities Exchange Act of 1934. The chief financial officer of the City is authorized and directed to do and perform, or cause to be done or performed, for or on behalf of the City, each and every thing necessary to accomplish the undertakings of the City contained in this Section for so long as Rule 15c2-12(b)(5) is applicable to the Bonds and the City remains an "obligated person" under the Rule with respect to the Bonds.

The undertakings contained in this Section may be amended by the City upon a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the obligated person, or type of business conducted, provided that (a) the undertaking, as amended, would have complied with the requirements of Rule 15c2-12(b)(5) at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances and (b) in the opinion of nationally recognized bond counsel selected by the City, the amendment does not materially impair the interests of the beneficial owners of the Bonds.

Section 20. Book-Entry System. In order to provide for the initial issuance of the Bonds in a form that provides for a system of book-entry only transfers, the ownership of one fully registered Bond for each maturity, in the aggregate principal amount of such maturity, shall be registered in the name of Cede & Co., as a nominee of The Depository Trust Company, as securities depository for the Bonds. City Treasurer is authorized to execute and deliver on behalf of the City such letters to, or agreements with, the securities depository as shall be necessary to effectuate such book-entry system.

In case at any time the securities depository shall resign or shall become incapable of acting, then the City shall appoint a successor securities depository to provide a system of book-entry only transfers for the Bonds, by written notice to the predecessor securities depository directing it to notify its participants (those persons for whom the securities depository holds securities) of the appointment of a successor securities depository.

If the system of book-entry only transfers for the Bonds is discontinued, then the City shall issue and the bond registrar shall authenticate, register and deliver to the beneficial owners of the Bonds, bond certificates in replacement of such beneficial owners' beneficial interests in the Bonds, all as shown in the records maintained by the securities depository.

Section 21. Defeasance and Payment of Bonds. (A) If the City shall pay or cause to be paid to the registered owners of the Bonds, the principal, premium, if any, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this ordinance, then the pledge of taxes, securities and funds hereby pledged and the covenants, agreements and other obligations of the City to the registered owners and the beneficial owners of the Bonds shall be discharged and satisfied.

(B) Any Bonds or interest installments appertaining thereto, whether at or prior to the maturity or the redemption date of such Bonds, shall be deemed to have been paid within the meaning of paragraph (A) of this Section if (1) in case any such Bonds are to be redeemed prior to the maturity thereof, there shall have been taken all action necessary to call such Bonds for redemption and notice of such redemption shall have been duly given or provision shall have been made for the giving of such notice, and (2) there shall have been deposited in trust with a bank, trust company or national banking association acting as fiduciary for such purpose either (i) moneys in an amount which shall be sufficient, or (ii) "Federal Obligations" as defined in paragraph (C) of this Section, the principal of and the interest on which when due will provide moneys which, together with any moneys on deposit with such fiduciary at the same time for such purpose, shall be sufficient, to pay when due the principal of, redemption premium, if any, and interest due and to become due on said Bonds on and prior to the applicable redemption date or maturity date thereof.

(C) As used in this Section, the term "Federal Obligations" means (i) non-callable, direct obligations of the United States of America, (ii) non-callable and non-prepayable, direct obligations of any agency of the United States of America, which are unconditionally

guaranteed by the United States of America as to full and timely payment of principal and interest, (iii) non-callable, non-prepayable coupons or interest installments from the securities described in clause (i) or clause (ii) of this paragraph, which are stripped pursuant to programs of the Department of the Treasury of the United States of America, or (iv) coupons or interest installments stripped from bonds of the Resolution Funding Corporation.

Section 22. Ordinance to Constitute a Contract. The provisions of this ordinance shall constitute a contract between the City and the registered owners of the Bonds. Except as otherwise provided in this ordinance and in the Redevelopment Act with respect to the pledge of money in a special tax allocation fund, any pledge made in this ordinance and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the City shall be for the equal benefit, protection and security of the owners of any and all of the Bonds of like series. All of the Bonds, regardless of the time or times of their issuance, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in or pursuant to this ordinance. This ordinance shall constitute full authority for the issuance of the Bonds and to the extent that the provisions of this ordinance conflict with the provisions of any other ordinance or resolution of the City, the provisions of this ordinance shall control. If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance.

Section 23. Publication. The City Clerk is hereby authorized and directed to publish this ordinance in pamphlet form and to file copies thereof for public inspection in her office.

Section 24. Effective Date. This ordinance shall become effective upon its passage and approval.

Passed and adopted this 21st day of June, 2011, by roll call vote as follows:

Ayes: Aldermen Knaack, Meredith, Raes, Ronk, Turner, Schoonmaker, Liddell and Acri

Nays: None

CITY OF MOLINE, ILLINOIS

6/21/11
Date

Mayor

Passed: 6.21.2011

Approved: 7.12.2011

Attest: _____
City Clerk

(SEAL)

Approved as to Form:

_____
City Attorney

Published in pamphlet form: June 22, 2011

CERTIFICATE

I, Tracy A. Koranda, City Clerk of the City of Moline, Illinois, hereby certify that the foregoing ordinance entitled: "An Ordinance Authorizing the Issuance of Taxable General Obligation Corporate Purpose Bonds, Series 2011A, of the City of Moline, Illinois," is a true copy of an original ordinance which was duly adopted by the recorded affirmative votes of not less than six members of the City Council of the City at a meeting thereof which was duly called and held at 6:30 p.m. on June 21, 2011, at City Hall, and at which a quorum was present and acting throughout, and that said copy has been compared by me with the original ordinance signed by the Mayor of the City on June 21, 2011, and thereafter published in pamphlet form on June 22, 2011, and recorded in the Ordinance Book of the City and that it is a correct transcript thereof and of the whole of said ordinance, and that said ordinance has not been altered, amended, repealed or revoked, but is in full force and effect.

I further certify that the agenda for said meeting included the ordinance as a matter to be considered at the meeting and that said agenda was posted at least 48 hours in advance of the holding of the meeting in the manner required by the Open Meetings Act, 5 Illinois Compiled Statutes 120.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City this 22nd day of June, 2011.

Tracy A. Koranda

City Clerk

(SEAL)

ATTACHMENT H

Joint Review Board
Moline Business Park
4/27/11

Present
Public Member - Mike Crotty
Moline School District #40 - Dave McDermott
Robert R. Jones Public Library - Jeff Stafford
City of Moline – Patrick Burke, Kathy Carr, Ray Forsythe, Lew Steinbrecher
SB Friedman – Geoff Dickinson

The meeting was called to order at 10:05 am.
The meeting began with introductions.
Kathy Carr nominated Mike Crotty to be the public member. Jeff Stafford seconded the motion. The motion passed unanimously.
Geoff Dickinson discussed the eligibility study and redevelopment plan. The proposed TIF area contains 18 parcels and approximately 134 acres. The study area constitutes a blighted area for vacant land since the area contributes to flooding to the watershed. In addition to the stormwater issues, approximately 45% of the area is not served by sanitary sewer and water. The area can be considered for TIF designation.
The objectives of the redevelopment plan are:

1. Foster the installation of public infrastructure;
2. Facilitate and encourage the construction of new commercial development;
3. Provide resources for streetscaping and landscaping;
4. Facilitate the assembly of available sites;
5. Support the goals and objectives of overlapping plans; and
6. Provide opportunities for locally owned, women-owned, and minority-owned businesses to share in the job and construction opportunities

The future land use for the study area is commercial, office, and industrial.
The public hearing is scheduled for May 24. The final City Council vote on the TIF ordinances would be June 14.
The main responsibility of the Joint Review Board (JRB) is to make an advisory recommendation to the Moline City Council. The JRB's recommendation will be forwarded to City Council for its consideration. If the JRB concurs with the above finding, City Council will need a simple majority to create the TIF district. If the JRB opposes the creation of the TIF district, City Council will need a super majority.

Motion made by Kathy Carr and seconded by Mike Crotty to forward the above report of the Joint Review Board to the City Council of the City of Moline, Illinois:

Taxing District:	Represented by:	Yea	Nay
Robert R. Jones Public Library	Jeff Stafford	X	
Public Member	Mike Crotty	X	
City of Moline	Kathy Carr	X	
Moline School District #40	Dave McDermott	X	
Rock Island County	Absent		
Blackhawk Township	Absent		
Blackhawk Township Road & Bridge	Absent		
Rock Island/Milan School District #41	Absent		
Metropolitan Airport Authority	Absent		
Blackhawk College #503	Absent		
Blackhawk Fire Protection District	Absent		
Metropolitan Mass Transit	Absent		
Vote of members present:		4	0

ATTACHMENT I

TIF 7
Official Statement of Bond Issue

NEW ISSUE

SIGNED COPY

Investment Rating:
Moody's Investors Service ... Aa2

ADDENDUM DATED JUNE 21, 2011
OFFICIAL STATEMENT DATED JUNE 8, 2011

$7,605,000
CITY OF MOLINE
Rock Island County, Illinois
Taxable General Obligation Corporate Purpose Bonds, Series 2011A

AMOUNTS, MATURITIES, INTEREST RATES, PRICES OR YIELDS AND CUSIP NUMBERS

Principal Amount	Due Dec. 1	Interest Rate	Yield or Price	CUSIP Number	Principal Amount	Due Dec. 1	Interest Rate	Yield or Price	CUSIP Number
$305,000	2014	1.600%	1.600%	608557 UV4	$465,000	2023*	4.650%	4.450%	608557 VE1
165,000	2015	2.000%	2.000%	608557 UW2	510,000	2024*	4.800%	4.600%	608557 VF8
200,000	2016	2.450%	2.450%	608557 UX0	565,000	2025*	4.950%	4.750%	608557 VG6
225,000	2017	2.850%	2.850%	608557 UY8	625,000	2026*	5.050%	4.850%	608557 VH4
250,000	2018	3.100%	3.100%	608557 UZ5	650,000	2027*	5.150%	5.000%	608557 VJ0
285,000	2019	3.400%	3.400%	608557 VA9	700,000	2028*	5.200%	5.100%	608557 VK7
330,000	2020	3.850%	3.850%	608557 VB7	750,000	2029	5.200%	5.200%	608557 VL5
375,000	2021	4.050%	4.050%	608557 VC5	790,000	2030	5.300%	5.300%	608557 VM3
415,000	2022	4.250%	4.250%	608557 VD3					

These maturities have been priced to call.

The Official Statement of the City dated June 8, 2011 (the "Official Statement") with respect to the Bonds is incorporated by reference herein and made a part hereof. The "Final Official Statement" of the City with respect to the Bonds as that term is defined in Rule 15c2-12 of the Securities and Exchange Commission shall be comprised of the following:

1. Official Statement dated June 8, 2011; and
2. This Addendum dated June 21, 2011.

No dealer, broker, salesman or other person has been authorized by the City to give any information or to make any representations with respect to the Bonds other than as contained in the Final Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. Certain information contained in the Final Official Statement may be obtained from sources other than records of the City and, while believed to be reliable, is not guaranteed as to completeness. NEITHER THE DELIVERY OF THE OFFICIAL STATEMENT OR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE THEREUNDER SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY SINCE THE DATE THEREOF.

The City has authorized preparation of the Final Official Statement containing pertinent information relative to the Bonds and the City. Copies of that Final Official Statement can be obtained from the Underwriter, as defined herein. Additional information may also be obtained from the City or from the independent public finance consultants to the City:

Established 1954
Speer Financial, Inc.
INDEPENDENT PUBLIC FINANCE CONSULTANTS
ONE NORTH LASALLE STREET/SUITE 4100 • CHICAGO, ILLINOIS 60602
312-346-3700

ADDITIONAL INFORMATION

References herein to laws, rules, regulations, ordinances, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Official Statement or the Final Official Statement, they will be furnished on request.

DEBT INFORMATION

After issuance of the Bonds, the City will have outstanding $77,975,000 principal amount of general obligation debt. The City also had outstanding $7,007,951 of a Line of Credit, $1,293,526 of installment notes, and $8,919,130 of an IEPA Loan at December 31, 2010. The Line of Credit as of June 7, 2011, has been reduced to $6,707,636.

City of Moline, Illinois
Outstanding General Obligation Bonds*(1)*
Principal Only
(Continued)

Calendar Year	Total Outstanding Bonds	The Bonds	Total	Cumulative Principal Retired Amount	Cumulative Principal Retired Percent
2011	$ 3,250,000	$ 0	$ 3,250,000	$ 3,250,000	4.17%
2012	4,370,000	0	4,370,000	7,620,000	9.77%
2013	5,080,000	0	5,080,000	12,700,000	16.29%
2014	4,620,000	305,000	4,925,000	17,625,000	22.60%
2015	4,890,000	165,000	5,055,000	22,680,000	29.09%
2016	5,180,000	200,000	5,380,000	28,060,000	35.99%
2017	5,500,000	225,000	5,725,000	33,785,000	43.33%
2018	5,845,000	250,000	6,095,000	39,880,000	51.14%
2019	6,205,000	285,000	6,490,000	46,370,000	59.47%
2020	6,600,000	330,000	6,930,000	53,300,000	68.36%
2021	3,850,000	375,000	4,225,000	57,525,000	73.77%
2022	3,655,000	415,000	4,070,000	61,595,000	78.99%
2023	1,705,000	465,000	2,170,000	63,765,000	81.78%
2024	1,785,000	510,000	2,295,000	66,060,000	84.72%
2025	1,175,000	565,000	1,740,000	67,800,000	86.95%
2026	1,225,000	625,000	1,850,000	69,650,000	89.32%
2027	1,275,000	650,000	1,925,000	71,575,000	91.79%
2028	1,330,000	700,000	2,030,000	73,605,000	94.40%
2029	1,385,000	750,000	2,135,000	75,740,000	97.13%
2030	1,445,000	790,000	2,235,000	77,975,000	100.00%
Total ..	$70,370,000	$7,605,000	$77,975,000		

Note: (1) Source: the City.

Statement of Bonded Indebtedness*(1)*

	Amount Applicable	EAV	Estimated Actual	Per Capita (2010 Census 43,483)
EAV of Taxable Property, 2010.....	$ 742,933,207	100.00%	33.33%	$17,085.60
Estimated Actual Value, 2010.....	2,228,799,621	300.00%	100.00%	51,256.80
Direct Bonded Debt	$ 77,975,000	10.50%	3.50%	$ 1,793.23
Overlapping Bonded Debt(2)				
Schools.....	$ 30,967,912	4.17%	1.39%	$ 712.18
All Others.....	22,914,056	3.08%	1.03%	526.97
Total Overlapping Bonded Debt.....	$ 53,881,968	7.25%	2.42%	$ 1,239.15
Total Net Direct & Overlapping Debt.....	$ 131,856,968	17.75%	5.92%	$ 3,032.38

Notes: (1) Source: The City. Includes the Bonds.
(2) As of November 30, 2010.

INVESTMENT RATING

The Bonds have been rated "Aa2" by Moody's Investors Service. The City has supplied certain information and material concerning the Bonds and the City to the rating service shown on the cover page as part of its application for an investment rating on the Bonds. Generally, such rating service bases its rating on such information and material, and also on such investigations, studies and assumptions that it may undertake independently. There is no assurance that such rating will continue for any given period of time or that it may not be lowered or withdrawn entirely by such rating service if, in its judgment, circumstances so warrant. Any such downward change in or withdrawal of such rating may have an adverse effect on the secondary market price of the Bonds. An explanation of the significance of investment ratings may be obtained from the rating agency: Moody's Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, telephone 212-553-1658.

UNDERWRITING

The Bonds were offered for sale by the City at a public, competitive sale on June 21, 2011. The best bid submitted at the sale was submitted by Robert W. Baird & Co., Inc., Milwaukee, Wisconsin (the "Underwriter"). The City awarded the contract for sale of the Bonds to the Underwriter at a price of $7,534,527.96. The Underwriter has represented to the City that the Bonds have been subsequently re-offered to the public initially at the yields set forth in this Addendum.

AUTHORIZATION

The Official Statement dated June 8, 2011, and this Addendum dated June 21, 2011, for the $7,605,000 Taxable General Obligation Corporate Purpose Bonds, Series 2011A, have been prepared under the authority of the City and have been authorized for distribution by the City.

/s/ **DONALD WELVAERT**
Mayor
CITY OF MOLINE
Rock Island County, Illinois

/s/ **KATHLEEN A. CARR**
Director of Finance
CITY OF MOLINE
Rock Island County, Illinois

APPENDIX A
BOND OPINION

July 5, 2011

The City Council of the
City of Moline, Illinois

Dear Members:

We have examined a record of proceedings relating to the issuance of $7,605,000 principal amount of Taxable General Obligation Corporate Purpose Bonds, Series 2011A (the "Bonds") of the City of Moline, a municipal corporation and a home rule unit of the State of Illinois. The Bonds are authorized and issued pursuant to the provisions of Section 6 of Article VII of the Illinois Constitution of 1970, and Section 2-1110 of the Moline Code of Ordinances and by virtue of an ordinance adopted by the City Council of the City on June 21, 2011 and entitled: "An Ordinance Authorizing the Issuance of Taxable General Obligation Corporate Purpose Bonds, Series 2011A, of the City of Moline, Illinois" (the "Bond Ordinance").

The Bonds are issuable in the form of fully registered bonds in the denominations of $5,000 or any integral multiple thereof. The Bonds delivered on original issuance are dated July 5, 2011. The Bonds mature on December 1 in each of the following years in the respective principal amount set opposite each such year in the following table, and the Bonds maturing in each such year bear interest from their date payable on December 1, 2011 and semiannually thereafter on June 1 and December 1, at the respective rate of interest per annum set forth opposite such year:

Year	Principal Amount	Interest Rate
2014	$305,000	1.60%
2015	165,000	2.00
2016	200,000	2.45
2017	225,000	2.85
2018	250,000	3.10
2019	285,000	3.40
2020	330,000	3.85
2021	375,000	4.05
2022	415,000	4.25
2023	465,000	4.65
2024	510,000	4.80
2025	565,000	4.95
2026	625,000	5.05
2027	650,000	5.15
2028	700,000	5.20
2029	750,000	5.20
2030	790,000	5.30

The Bonds maturing on or after December 1, 2021 are subject to redemption prior to maturity at the option of the City, in such principal amounts and from such maturities as the City shall determine, and by lot within a single maturity, on June 1, 2021 and on any date thereafter, at a redemption price equal to the principal amount thereof to be redeemed.

In our opinion, the Bonds are valid and legally binding general obligations of the City of Moline and the City is obligated to levy ad valorem taxes upon all the taxable property within the City for the payment of the Bonds and the interest thereon without limitation as to rate or amount. However, the enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights and remedies heretofore or hereafter enacted.

Interest on the Bonds is not exempt from Federal or Illinois income taxes.

Very truly yours,

LG:bae

New Issue
Date of Sale: June 21, 2011
Between 9:45 and 10:00 A.M., C.D.T. *(Open Speer Auction)*

Investment Rating:
Moody's Investors Service ...
(Review Requested)

Official Statement

Interest on the Bonds IS subject to federal taxation. See "CERTAIN FEDERAL INCOME TAX CONSIDERATIONS" herein for a more complete discussion. Interest on the Bonds is not exempt from Illinois income taxes.

CITY OF MOLINE
Rock Island County, Illinois
$7,965,000*
Taxable General Obligation Corporate Purpose Bonds, Series 2011A

Dated: July 5, 2011 **Book-Entry** **Due: December 1, 2014-2030**

The $7,965,000* Taxable General Obligation Corporate Purpose Bonds, Series 2011A (the "Bonds") are being issued by the City of Moline, Rock Island County, Illinois (the "City"). Interest is payable semiannually on June 1 and December 1 of each year, commencing December 1, 2011. The Bonds will be issued using a book-entry system. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity will be registered in the name of Cede & Co., as nominee for DTC and no physical delivery of Bonds will be made to purchasers. Interest is calculated based on a 360-day year of twelve 30-day months. The Bonds will mature on December 1 in the following years and amounts.

AMOUNTS*, MATURITIES, INTEREST RATES, PRICES OR YIELDS AND CUSIP NUMBERS

Principal Amount*	Due Dec. 1	Interest Rate	Yield or Price	CUSIP Number	Principal Amount*	Due Dec. 1	Interest Rate	Yield or Price	CUSIP Number
$305,000	2014	%	%		$465,000	2023	%	%	
165,000	2015	%	%		510,000	2024	%	%	
200,000	2016	%	%		565,000	2025	%	%	
225,000	2017	%	%		625,000	2026	%	%	
250,000	2018	%	%		700,000	2027	%	%	
285,000	2019	%	%		775,000	2028	%	%	
330,000	2020	%	%		850,000	2029	%	%	
375,000	2021	%	%		925,000	2030	%	%	
415,000	2022	%	%						

Any consecutive maturities may be aggregated into no more than five term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

OPTIONAL REDEMPTION

Bonds due December 1, 2014-2020, inclusive, are non-callable. Bonds due December 1, 2021-2030, inclusive, are callable in whole or in part on any date on or after June 1, 2021, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the City and within any maturity by lot. See **"OPTIONAL REDEMPTION"** herein.

PURPOSE, LEGALITY AND SECURITY

Bond proceeds will be used for infrastructure improvements and other redevelopment project costs in a tax increment finance district designated as the Moline Business Park Redevelopment Project Area (the "TIF") in the City, for capitalized interest through June 1, 2014, and to pay the cost of issuance. See **"THE PROJECT"** herein.

In the opinion of Katten Muchin Rosenman LLP, Chicago, Illinois, Bond Counsel, the Bonds are valid and legally binding general obligations of the City and the City is obligated to levy ad valorem taxes upon all the taxable property within the City for the payment of the Bonds and the interest thereon without limitation as to rate or amount. However, the enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights and remedies heretofore or hereafter enacted.

This Official Statement is dated June 8, 2011, and has been prepared under the authority of the City. An electronic copy of this Official Statement is available from the www.speerfinancial.com web site under "Debt Auction Center/Competitive Official Statement Sales Calendar". Additional copies may be obtained from Ms. Kathleen A. Carr, Finance Director, 1616 6th Avenue, Moline, Illinois 61265, or from the Independent Public Finance Consultants to the City:

Established 1954
Speer Financial, Inc.
INDEPENDENT PUBLIC FINANCE CONSULTANTS
ONE NORTH LASALLE STREET, SUITE 4100 • CHICAGO, ILLINOIS 60602
Telephone: (312) 346-3700; Facsimile: (312) 346-8833
www.speerfinancial.com

**Subject to change.*

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the City from time to time (collectively, the "Official Statement"), may be treated as an Official Statement with respect to the Bonds described herein that is deemed near final as of the date hereof (or the date of any such supplement or correction) by the City.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts and interest rates of the Bonds, together with any other information required by law or deemed appropriate by the City, shall constitute a "Final Official Statement" of the City with respect to the Bonds, as that term is defined in Rule 15c2-12. Any such addendum shall, on and after the date thereof, be fully incorporated herein and made a part hereof by reference.

No dealer, broker, salesman or other person has been authorized by the City to give any information or to make any representations with respect to the Bonds other than as contained in the Official Statement or the Final Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. Certain information contained in the Official Statement and the Final Official Statement may have been obtained from sources other than records of the City and, while believed to be reliable, is not guaranteed as to completeness. THE INFORMATION AND EXPRESSIONS OF OPINION IN THE OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THE OFFICIAL STATEMENT OR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE UNDER EITHER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY SINCE THE RESPECTIVE DATES THEREOF.

References herein to laws, rules, regulations, ordinances, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Official Statement or the Final Official Statement they will be furnished on request. This Official Statement does not constitute an offer to sell, or solicitation of an offer to buy, any securities to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful.

BOND ISSUE SUMMARY

This Bond Issue Summary is expressly qualified by the entire Official Statement, including the Official Notice of Sale and the Official Bid Form, which are provided for the convenience of potential investors and which should be reviewed in their entirety by potential investors.

Issuer:	City of Moline, Rock Island County, Illinois.
Issue:	$7,965,000* Taxable General Obligation Corporate Purpose Bonds, Series 2011A.
Dated Date:	July 5, 2011.
Interest Due:	Each June 1 and December 1, commencing December 1, 2011.
Principal Due:	Serially each December 1, commencing December 1, 2014 through 2030, as detailed on the front page of this Official Statement.
Optional Redemption:	Bonds maturing on or after December 1, 2021, are callable at the option of the City on any date on or after June 1, 2021, at a price of par plus accrued interest. See **"OPTIONAL REDEMPTION"** herein.
Authorization:	The Bonds are being issued pursuant to the City's home rule powers as provided by Article VII, Section 6 of the 1970 Illinois Constitution.
Security:	The Bonds are valid and legally binding general obligations of the City and the City is obligated to levy ad valorem taxes upon all the taxable property within the City for the payment of the Bonds and the interest thereon without limitation as to rate or amount. However, the enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights and remedies heretofore or hereafter enacted.
Credit Rating:	A rating for the Bonds has been requested from Moody's Investors Service.
Purpose:	Bond proceeds will be used for infrastructure improvements and other redevelopment project costs in a tax increment finance district designated as the Moline Business Park Redevelopment Project Area (the "TIF") in the City, for capitalized interest through June 1, 2014, and to pay the cost of issuance. See **"THE PROJECT"** herein.
Tax Exemption:	**None.** Interest on the Bonds is includible in gross income for federal income tax purposes. See **"CERTAIN FEDERAL INCOME TAX CONSIDERATIONS"** herein. Interest on the Bonds is not exempt from present State of Illinois income taxes.
Bond Registrar/Paying Agent:	Amalgamated Bank of Chicago, Chicago, Illinois.
Delivery:	The Bonds are expected to be delivered on or about July 5, 2011.
Book-Entry Form:	The Bonds will be registered in the name of Cede & Co. as nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository of the Bonds. See **APPENDIX B** herein.
Denomination:	$5,000 or integral multiples thereof.
Financial Advisor:	Speer Financial, Inc., Chicago, Illinois.

**Subject to change.*

CITY OF MOLINE
Rock Island County, Illinois

Donald Welvaert
Mayor

Council Members

Stephanie Acri
John S. Knaack
Sean Liddell

Richard L. Meredith
J. Scott Raes

Ted Ronk
Kevin Schoonmaker
Lori Turner

Officials

Tracy Koranda
City Clerk

Lew Steinbrecher
City Administrator

Kathleen A. Carr
Finance Director

Maureen Riggs
City Attorney

THE CITY

General Information

The City of Moline (the "City") is located in Rock Island County in western Illinois between the Mississippi and Rock Rivers approximately 165 miles west of Chicago. It covers an area of approximately 15 square miles and has a population of 43,483, as of the 2010 Census. The City is one of four cities making up the Quad Cities, a metropolitan area of nearly 400,000 people that also includes Rock Island in Illinois and Bettendorf and Davenport in Iowa. It was originally incorporated as a town in 1848 and then as a city in 1872.

The City maintains home-rule status under Illinois statutes and as such no property tax limitations are imposed on it by state law.

City Government and Services

The City is organized under the Council-City Administrator form of government with legislative authority vested in a City Council made up of a Mayor and eight aldermen. The Council is elected on a non-partisan basis. Seven council members are elected from wards and the remaining council member and mayor are elected at large. They serve four year staggered terms, with four council members elected every two years. The Council appoints the City Administrator, who in turn appoints the heads of the various departments and oversees the day-to-day operation of municipal services.

The City provides a full range of services including police and fire protection; emergency medical response and sanitation collection services; the construction and maintenance of highways, streets, alleys and other infrastructure; public water and wastewater utilities; and, recreational programs and library activities.

The City has 392 full-time employees and 32 part-time employees, which with the exception of supervisory, managerial, confidential and professional positions, are unionized. The Fraternal Order of Police (F.O.P.) has membership of 80 and its contract expires December 31, 2011; the International Association of Firefighters (I.A.F.F.) has a membership of 62 and its contract expires December 31, 2011; the United Auto Workers (professional and nonprofessional) (U.A.W.) has a membership of 22 and its contract expires December 31, 2011; and, the American Federation of State, County, and Municipal Employees (A.F.S.C.M.E.) has a membership of 152 and its contract expires December 31, 2011.

Education

The major school district serving the City is Moline School District Number 40 consisting of one early childhood center, 13 elementary schools, two middle schools, an education center, an alternative high school and one high school. In addition, Elementary School District Number 37 and High School District Number 30 serve small portions of the City.

Numerous opportunities for advanced education are offered by Black Hawk Community College District Number 503 including associate degrees in liberal arts and technical programs. Western Illinois University-Quad Cities is located within the boundaries of the City and the University of Iowa is approximately 50 miles to the west.

Community Life

The Moline Park and Recreation system consists of 810 acres of land at 22 separate locations including an Activity Center, one swimming pool and 11 miles of bicycle paths. The Library operates and maintains one facility with a book collection of approximately 200,600 items.

Transportation

The Quad Cities communities, located on the Mississippi River, have a broad network of highway, air, rail and mass transit systems. Interstate 80 (to Chicago and to Des Moines, Iowa, and points west) and Interstate 74 (to Indianapolis via Peoria and Champaign) intersect just east of the metropolitan area. Interstate 74 passes through the center of the City, coming from the Iowa side, and then again intersects Interstate 80. Interstate 88 (formerly Illinois Route 5) also connects the Quad Cities area with Chicago. Five interstate bridges (one of which is a toll bridge) connect the Illinois and Iowa portions of the Quad Cities. Both sides of the Mississippi River are served by tax-supported transit systems.

The 1,700 acre Quad City International Airport is the third largest airport in Illinois and has regularly scheduled jet service by five airlines. Adjacent to the airport is a U.S. Customs port of entry and designated foreign trade zone. Barge traffic along the Mississippi River provides access via the Illinois River to the St. Lawrence Seaway and to the Ohio and Missouri Rivers and the Gulf of Mexico. Railroad freight service is made available by the main line of the Burlington Northern Railroad. Amtrak rail offers service to downtown Chicago via Princeton, Illinois.

Commerce and Industry

The headquarters of Deere & Company is located in the City and is the largest farm manufacturing concern in the world. Deere & Company employs 6,300 people throughout the Quad Cities area of which 1,785 are employed in the City. Its various facilities include the John Deere Seedling Group plant located in the City, manufacturing plants in Davenport, Iowa and East Moline, Illinois and a parts depot in Milan, Illinois.

The City and surrounding area employ more than 30,000 people in manufacturing establishments making farm equipment, elevators, machine tools, heavy machinery, foundry equipment and metal products.

The Federal government is also a major employer in the Quad Cities area. The installation at Arsenal Island, an island in the Mississippi River, employs approximately 8,500 people, and is the largest federal military manufacturing complex in the country. It is also the site for the headquarters of the Industrial Operations Command, Rock Island District Corps of Engineers, U.S. Army Management and Engineering College, and the Installations and Service Agency of the Army Material Command. The manufacturing facilities account for approximately one-quarter of the employment on Arsenal Island. In recent years, administrative programs have benefited from a national consolidation of research and development programs. Among these programs was a $250 million rehabilitation and renovation program for Arsenal Island completed in 1994. In 1995, the Defense Financing and Accounting Center was opened and in 1996 the Civilian Personnel Regional office opened in renovated existing office space. Current uses of these facilities are under review.

The City continues to experience residential and commercial development throughout the community. Previously adopted City Council Goals, including a Strong Local Economy, a Vibrant Downtown, and Expanded Housing Opportunities, reflect the city's interest in maintaining and enhancing local growth in a variety of economic sectors. As previously undeveloped sites become harder to find, much of the community's new development is occurring in the form of infill development, redevelopment, and adaptive reuse projects. Previously successful commercial redevelopment projects have rendered favorable economic impacts on the Moline community. These benefits include generating a higher economic multiplier effect, capitalizing on existing infrastructure, and adding value to existing structures or development sites. Examples of building reuse would include the Historic Block, the Heart of America headquarters, the Caxton Building and the old Moline High School.

The Bass Street Landing Project incorporates commercial and residential components unique to the Quad City area. Significant public improvements including an open "green" area, a riverfront bike/pedestrian trail, additional parking, an "active" public plaza with water features as well as significant improvements to 17th Street and River Drive have enhanced and leveraged substantial private developments. Two major multi-million dollar developments have been completed and the final phase is under construction. Riverstation is a 44,000 square foot, three-story building with ground floor restaurant/retail, second and third floor offices. Stoney Creek Inn and Convention Center is a $10 million themed complex with 140 rooms and meeting space for 350 to 500 people. Phase III, KONE Centre, is a 10 story mixed use building with up to $45 million dollars in investment and will house the North American Operational Headquarters of KONE, additional office, retail space, and luxury condominiums will occupy the first and upper floors. A parking deck is included to serve the building as well as provide additional parking for nearby office, retail and entertainment venues. A new $12,000,000 four story building is under construction at 19th Street and River Drive. Gorman & Company created a mixed-use, mixed-income, 69-unit "live-work" development. It is designed to serve up-and-coming entrepreneurs and other members of the region's evolving "creative class." The development features live-work units that have commercial street entrances, activating the street and allowing small business owners to combine their office, studio, and residence in one place. In addition 3,000 square feet of commercial space is available for a restaurant or other retail businesses.

To complement the City's highly successful riverfront development is an aggressive revitalization initiative for the central business district (5th Avenue Area Corridor) commonly referred as the Moline Centre. In 2008 the City applied for and received designation as a State of Illinois Main Street Community. The City had previously introduced the National Trust for Historic Preservation Main Street Program to bring more pedestrian and residential activity downtown by following the proven methodology of the four-point approach: Organization, Promotions, Design and Economic Restructuring. A full time Executive Director was hired in 2008 to oversee the public-private program and became a City employee in 2010. Moline Centre Main Street in cooperation with the City Historic Preservation Commission has been approved for the designation of 33 acres in Moline Centre a Historic District which would provide property owners the opportunity to apply for Historic Tax Credits if they choose to comply with National Standards. Using a combination of ARRA Funds, Tax Increment Financing, Special Service Area funds, as well as Sewer and Water funds, the City has completed Phase I of the 5th Avenue reconstruction and streetscaping project. Several blocks of the City's "Main Street" have been completely rebuilt with new utilities, pavement, decorative pavement, crosswalks, landscaping, lighting, street furniture and on street parking. Several new businesses have located in Moline Centre to take advantage of the City's investment and other private investment that has taken place.

The City and the Iowa and Illinois Departments of Transportation were also successful in obtaining a $10,000,000 TIGER II and $230,000,000 High Speed Rail (HSR) Funding for new Amtrak service between Chicago, IL and Iowa City, IA. A $16,000,000 Transit Oriented Development will be constructed at 12th Street and 4th Avenue and will be the location for the Quad City Amtrak Station. The project consists of renovation of the historic six story Sears Warehouse building as well as new construction. It will be a mixed use facility with retail, entertainment, office and residential uses and supportive services to Amtrak and the other transit modes in Centre Station which is adjacent to the new station. Service is expected to begin in late 2012.

Coupled with this is the City's desire to launch a Technology Corridor beginning along 19th Street and extending to the Western Illinois University (WIU) Campus along the Ben Butterworth Parkway east to 34th Street. This opportunity embraces existing attributes that allow the City to market new and existing knowledge-based businesses such as good broadband connectivity, an educated workforce, strategic properties, urban social and recreational amenities and the presence of Western Illinois University. In the capital construction plan approved by the Illinois Legislature and signed by the Governor, WIU-Quad Cities received $15.8 million for phase I of renovation and construction of Building 1 at the new Riverfront Campus and $42 million for phase II. Phase I will be complete by September 2011 and classes will begin in January 2012. The City has completed the acquisition of approximately 16 acres adjacent to the campus site and will begin redevelopment this summer leveraging city funds with both state and federal grant funds as well as private development. This will create construction as well as permanent full and part time jobs and expanded retails, commercial and residential opportunities. City staff is negotiating development agreements with two development firms for the e3 and FlexTech Developments. In an effort to meet the needs of local businesses the University began an Engineering Program in 2009 in leased space in Moline Centre which now has over 100 students completing Engineering Degrees.

Several new restaurants and a commercial building have been constructed in the out lots at SouthPark Mall. This includes a Kentucky Fried Chicken, a strip center with Buffalo Wild Wings and Qdoaba Mexican Grill and two service businesses which opened in 2009 and spring of 2010. In addition a credit union was completed in the summer of 2009. The City with the Quad City Chamber of Commerce has been in discussions with Simon Property Group on a repositioning of SouthPark Mall and the surrounding areas. Concept plans have been completed and the City has begun the process of establishing a Tax Increment Financing District to help facilitate this redevelopment.

There has also been increased interest in the east end of the John Deere Corridor as a major commercial destination. As one of the last open tracts of land in Moline, it is the City's intention that this proposed development be an attractive eastern gateway into Moline. Pedcor Investments has completed the Planned Unit Development process and has City Council approval to construct 385 townhouse style apartments. Construction is completed on the first 185 units. The remainder of the property is intended to be developed with retail, office and commercial uses and include 1,000,000 square feet of space with an estimated construction cost of over $100,000,000. Menards has received final PUD approval to build a 162,000 square foot store and construction will begin in June 2011. They have also agreed to complete the necessary infrastructure and public improvements which will provide opportunities for the remaining 75 acres.

The City Council adopted the Moline South Plan which calls for light industrial/ technology, commercial, and residential development south of the Rock River. Predicated upon the City Council's interest in annexation and quality development, the city has drafted an annexation policy and strategic annexation action plan to help facilitate these future growth opportunities. The City Council approved a contract with Gould Evans to complete an Airport South District Plan. The plan will include land use recommendations and review of infrastructure needs for sustained long term growth of the City as well as include marketing materials necessary to assist in developer recruitment of City owned properties.

SOCIOECONOMIC INFORMATION

The following economic and demographic information is for the City of Moline. The statistics shown may in some cases also pertain to Scott County, Iowa and Rock Island and Henry Counties, Illinois, which comprise the Davenport-Rock Island-Moline metropolitan statistical area (the "MSA").

Population

Population*(1)*

	The City		Bi-State Region(2)	
Year	Census	Percent Change	Census	Percent Change
1960.....	42,705	14.20%	370,364	12.10%
1970.....	46,237	8.30%	417,113	12.60%
1980.....	46,278	0.10%	443,680	6.30%
1990.....	43,202	(6.60%)	408,067	(8.00)
2000.....	43,768	1.30%	417,741	2.40%
2010.....	43,483	(0.65%)	422,435	1.12%

Notes: (1) Sources: U.S. Department of Commerce, Bureau of the Census.
(2) Includes Rock Island, Henry and Mercer Counties, Illinois and Muscatine and Scott Counties, Iowa.

Education Levels for Persons 25 Years of Age and Older*(1)*

	City of Moline	Rock Island County	State of Illinois
Less than 9th grade	5.0%	5.2%	7.5%
9th to 12th grade, no diploma	11.0%	12.2%	11.1%
High school graduate	31.6%	34.0%	27.7%
Some college, no degree	25.2%	24.8%	21.6%
Associate degree	6.4%	6.7%	6.1%
Bachelor's degree	14.1%	11.5%	16.5%
Graduate or professional degree	6.8%	5.6%	9.5%
Percent high school graduate or higher	84.1%	82.6%	81.4%
Percent bachelor's degree or higher	20.8%	17.1%	26.1%

Note: (1) Source: U. S. Bureau of the Census (2000). Information from the 2010 Census is not available as of the date of this Official Statement.

Employment

City residents enjoy employment opportunities throughout the Quad Cities metropolitan area. The following are lists of large employers located in the City and the Quad Cities area; both on the Illinois and Iowa sides of the Mississippi River.

Major City Employers*(1)*

Name	Product/Service	Approximate Employment
Deere & Company	Agricultural Equipment	1,785
Moline Community Schools	Schools	1,400
Black Hawk College	Community College	800
McLaughlin Body Co.	Truck Cabs	750
John Deere Seeding Group	Planting Equipment	460
I Wireless	Multi-Purpose Arena	400
Kone, Inc.	Elevators and Moving Stairways	400
City of Moline	Government	392(2)
Wal-Mart	Retailer	380
Moline Dispatch Publishing Co.	Newspaper Printing	300
John Deer Harvester Works, Cylinder Div.	Construction and Agricultural Equipment Cylinders	280
Elliott Aviation, Inc.	Air Transportation	250
Trinity Visiting Nurse and Homecare Assn.	Nursing and Personal Care	200
Builders Sales & Service Co.	Plastering, Insulation and Drywall Contractors	166
The Valspar Corp.	Paint and Allied Products	163
Williams, White & Co.	Machine Tools	100

Notes: (1) Source: 2011 Illinois Manufacturers Directory, 2011 Illinois Services Directory and a selective telephone survey.
(2) Does not include 32 part-time employees.

Major Area Employers*(1)*

Location	Name	Product/Service	Approximate Employment
Rock Island	Rock Island Arsenal	Munitions Manufacturing	8,500(2)
Quad Cities Area	Deere & Company	Agricultural Equipment	6,300(3)
Davenport, IA	Genesis Health System	Hospitals, Healthcare	4,900
Rock Island	Trinity Regional Health System	Hospitals, Healthcare	2,900(4)
Quad Cities Area	Hy-Vee Stores	Supermarkets	2,800(5)
Hillsdale	Tyson Foods, Inc.	Meat Packing and Processing	2,400
Riverdale, IA	ALCOA	Aluminum	2,250
Davenport, IA	Davenport Community Schools	Education	2,096
Davenport, IA	Kraft Foods North America	Food Production and Packaging	1,650
Milan	XPAC	Company Headquarters and Steel and Aluminum Equipment	1,195
Davenport, IA	City of Davenport	Government	1,086
Davenport, IA	Isle of Capri Casino & Hotel	Riverboat Gambling	1,050
Davenport, IA	MidAmerican Energy Co.	Utility	1,025
Davenport, IA	Eastern Iowa Community College	Post-Secondary Education	1,005
Rock Island	Rock Island Community Schools	Education	900
Davenport, IA	APAC Customer Services Inc.	Outbound Telemarketing Services	900
Davenport, IA	Exelon Energy	Electric Utility Service	700
Quad Cities Area	AT&T	Telecommunications	610(3)
Davenport, IA	Sears Manufacturing	Agricultural and Industrial Equipment Manufacturing	600
Davenport, IA	President/Rhythm City Casino	Gambling	600

Notes: (1) Source: 2011 Illinois Manufacturers Directory, 2011 Illinois Services Directory, Quad Cities First and a selective telephone survey.
(2) Military and civilian employees. Employees are employed by the Department of the Army, Department of Defense Navy and Army Corp of Engineering. Current uses of facilities are under review.
(3) Includes the entire Quad Cities Area.
(4) Total for three campuses in Rock Island, Moline and Bettendorf, Iowa.
(5) For the Quad Cities Area including the City of Davenport.

The following tables show employment by industry and by occupation for the City, Rock Island County (the "County") and the State of Illinois as reported by the 2000 Census.

Employment By Industry*(1)*

	The City		The County		State of Illinois	
Classification	Number	Percent	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing, Hunting, and Mining	13	0.14%	452	0.63%	66,481	1.14%
Construction	531	5.74%	4,112	5.76%	334,176	5.73%
Manufacturing	1,849	19.98%	13,145	18.40%	931,162	15.96%
Wholesale Trade	446	4.82%	2,639	3.69%	222,990	3.82%
Retail Trade	1,043	11.27%	8,530	11.94%	643,472	11.03%
Transportation and Warehousing, and Utilities	483	5.22%	4,239	5.93%	352,193	6.04%
Information	184	1.99%	1,879	2.63%	172,629	2.96%
Finance, Insurance, Real Estate, Rental and Leasing	467	5.05%	3,739	5.23%	462,169	7.92%
Professional, Scientific, Management, Administrative, and Waste Management Services	792	8.56%	5,275	7.38%	590,913	10.13%
Educational, Health and Social Services	1,780	19.23%	13,309	18.63%	1,131,987	19.41%
Arts, Entertainment, Recreation, Accommodation and Food Services	947	10.23%	6,943	9.72%	417,406	7.16%
Other Services (Except Public Administration)	365	3.94%	3,648	5.11%	275,901	4.73%
Public Administration	354	3.83%	3,536	4.95%	231,706	3.97%
Total	9,254	100.00%	71,446	100.00%	5,833,185	100.00%

Note: (1) Source: U. S. Bureau of the Census. Information from the 2010 Census is not available as of the date of this Official Statement.

Employment By Occupation*(1)*

Classification	The City Number	The City Percent	The County Number	The County Percent	State of Illinois Number	State of Illinois Percent
Management, Professional and Related Occupations	2,591	28.00%	19,452	27.23%	1,993,671	34.18%
Service	1,759	19.01%	12,376	17.32%	813,479	13.95%
Sales and Office	2,239	24.19%	19,540	27.35%	1,609,939	27.60%
Farming, Fishing and Forestry	0	0.00%	168	0.24%	17,862	0.31%
Construction, Extraction, and Maintenance	781	8.44%	6,261	8.76%	480,418	8.24%
Production, Transportation, and Material Moving	1,884	20.36%	13,649	19.10%	917,816	15.73%
Total	9,254	100.00%	71,446	100.00%	5,833,185	100.00%

Note: (1) Source: U. S. Bureau of the Census. Information from the 2010 Census is not available as of the date of this Official Statement.

Annual Average Unemployment Rates*(1)*

Calendar Year	The City	MSA(2)	The County	State of Illinois
2002	5.4%	5.8%	5.7%	6.5%
2003	5.8%	6.2%	6.1%	6.7%
2004	5.4%	5.7%	5.6%	6.2%
2005	4.5%	4.7%	4.6%	5.7%
2006	4.1%	4.3%	4.3%	4.5%
2007	5.6%	4.8%	4.7%	5.0%
2008	5.5%	5.9%	5.7%	6.4%
2009	8.5%	9.2%	9.2%	10.1%
2010	9.1%	9.5%	9.5%	10.3%
2011(3)	8.4%	8.9%	8.8%	9.1%

Notes: (1) Source: Illinois Department of Employment Security.
(2) Illinois portion.
(3) Preliminary rates for the month of March 2011.

Building Permits

City of Moline, Rock Island County, Illinois
Number of Building Permits Issued *(1)*

Fiscal Year	Commercial Construction New	Commercial Construction Additions	Other	Residential Construction Single Family	Residential Construction Multi Family Units	Dollar Value of all Construction(2)
2000	16	17	3,556	22	18	$20,943,064
2001	29	10	3,963	44	0	84,042,339
2002	16	8	3,016	27	23	69,488,568
2003	7	5	3,175	30	4	53,355,809
2004	0	5	3,767	38	16	76,751,179
2005	7	6	3,696	13	0	87,267,044
2006	9	6	3,535	9	0	78,587,632
2007	9	9	4,147	12	0	73,677,247
2008	8	9	4,109	17	0	68,625,974
2009	4	8	4,047	13	0	40,006,035
2010	1	7	3,146	21	5	25,693,988

Notes: (1) Source: The City.
(2) Excludes land value.

Housing

The 2000 Census reported that the median home value of the City's owner-occupied homes was $78,100, which compares with $78,900 for the County and $138,800 for the State. The 2000 market value of specified owner-occupied units for the City, the County and the State was as follows:

Specified Owner-Occupied Units*(1)*

Value	The City		The County		State of Illinois	
	Number	Percent	Number	Percent	Number	Percent
Under $50,000	943	19.28%	6,486	17.48%	230,049	9.31%
$50,000 to $99,999	2,769	56.61%	19,775	53.30%	651,605	26.38%
$100,000 to $149,999	832	17.01%	6,733	18.15%	583,409	23.62%
$150,000 to $199,999	275	5.62%	2,333	6.29%	429,311	17.38%
$200,000 to $299,999	66	1.35%	1,365	3.68%	344,651	13.95%
$300,000 to $499,999	6	0.12%	336	0.91%	163,254	6.61%
$500,000 to $999,999	0	0.00%	62	0.17%	55,673	2.25%
$1,000,000 or more	0	0.00%	9	0.02%	12,386	0.50%
Total	4,891	100.00%	37,099	100.00%	2,470,338	100.00%

Note: (1) Source: U. S. Bureau of the Census. Information from the 2010 Census is not available as of the date of this Official Statement.

The trend in median housing values for the City, MSA and the State of Illinois is shown below:

Median Value of Owner-Occupied Housing*(1)*

Location	1980	1990	2000
City of Moline	$49,200	$49,600	$ 78,100
Davenport-Rock Island-Moline MSA	45,700	49,800	84,500
State of Illinois	52,800	80,900	130,800

Note: (1) Source: U. S. Bureau of the Census. Information from the 2010 Census is not available as of the date of this Official Statement.

Income

According to the 2000 Census, the City had a median family income of $44,695. This compares to $47,956 for the County and $55,545 for the State. The following table represents the distribution of family incomes for the City, the County and the State at the time of the 2000 Census.

Median Family Income*(1)*

Income	The City		The County		State of Illinois	
	Number	Percent	Number	Percent	Number	Percent
Under $10,000	423	7.79%	2,063	5.24%	156,205	5.00%
$10,000 to $14,999	307	5.65%	1,653	4.20%	105,747	3.38%
$15,000 to $24,999	634	11.67%	4,344	11.03%	273,712	8.76%
$25,000 to $34,999	639	11.76%	5,001	12.69%	331,907	10.62%
$35,000 to $49,999	1,127	20.74%	7,563	19.20%	506,429	16.20%
$50,000 to $74,999	1,212	22.31%	9,846	24.99%	736,897	23.58%
$75,000 to $99,999	708	13.03%	4,964	12.60%	445,390	14.25%
$100,000 to $149,999	291	5.36%	2,846	7.22%	356,068	11.39%
$150,000 to $199,999	61	1.12%	580	1.47%	101,955	3.26%
$200,000 or more	31	0.57%	534	1.36%	111,008	3.55%
Total	5,433	100.00%	39,394	100.00%	3,125,318	100.00%

Note: (1) Source: U. S. Bureau of the Census. Information from the 2010 Census is not available as of the date of this Official Statement.

According to the 2000 Census, the City had a median household income of $35,836. This compares to $38,608 for the County and $46,590 for the State. The following table represents the distribution of household incomes for the City, the County and the State at the time of the 2000 Census.

Median Household Income*(1)*

	The City		County		State of Illinois	
Income	Number	Percent	Number	Percent	Number	Percent
Under $10,000	986	11.56%	5,339	8.80%	383,299	8.35%
$10,000 to $14,999	679	7.96%	4,291	7.07%	252,485	5.50%
$15,000 to $24,999	1,291	15.13%	9,235	15.22%	517,812	11.27%
$25,000 to $34,999	1,183	13.87%	8,766	14.44%	545,962	11.89%
$35,000 to $49,999	1,603	18.79%	10,590	17.45%	745,180	16.23%
$50,000 to $74,999	1,517	17.78%	12,002	19.78%	952,940	20.75%
$75,000 to $99,999	843	9.88%	5,841	9.62%	531,760	11.58%
$100,000 to $149,999	331	3.88%	3,312	5.46%	415,348	9.04%
$150,000 to $199,999	66	0.77%	661	1.09%	119,056	2.59%
$200,000 or more	31	0.36%	649	1.07%	128,898	2.81%
Total	8,530	100.00%	60,686	100.00%	4,592,740	100.00%

Note: (1) Source: U. S. Bureau of the Census. Information from the 2010 Census is not available as of the date of this Official Statement.

Retail Activity

Sales tax receipts, including home rule sales tax, exceeded 24% of Governmental Fund Type revenues in fiscal 2009. Following is a summary of the City's sales tax receipts as collected and disbursed by the State of Illinois.

Retailers' Occupation, Service Occupation and Use Tax*(1)*

Calendar Year Ending December 31:	Municipal Sales Tax Distribution(2)	Annual Percentage Change + or (-)	Home Rule Sales Tax	Annual Percentage Change + or (-)	Total
2001	$8,775,879(3)	3.25%	$4,601,294	(0.42%)(3)	$13,377,173
2002	8,673,755	(1.16%)	4,569,858	(0.68%)	13,243,613
2003	8,789,266	1.33%	4,606,735	0.81%	13,396,001
2004	8,907,237	1.34%	6,256,970	35.82%	15,164,207
2005	9,059,149	1.71%	6,352,258	1.52%	15,411,407
2006	9,363,688	3.36%	6,471,903	1.88%	15,835,591
2007	9,516,498	1.63%	6,617,076	2.24%	16,133,574
2008	9,402,594	(1.20%)	6,488,757	(1.94%)	15,891,351
2009	9,147,227	(2.72%)	6,307,768	(2.79%)	15,454,995
2010	9,130,371	(0.18%)	6,674,893	5.82%	15,805,264
Growth from 2001 to 2010		4.04%		45.07%	

Notes: (1) Source: Illinois Department of Revenue.
(2) Tax distributions are based on records of the Illinois Department of Revenue relating to the 1% municipal portion of the Retailers' Occupation, Service Occupation and Use Tax, collected on behalf of the City, less a State administration fee. The municipal 1% includes tax receipts from the sale of food and drugs which are not taxed by the State.
(3) The 2001 percentage is based on a 2000 Sales Tax of $8,499,380 for Municipal Tax and $4,620,800 for Home Rule Tax.

THE PROJECT

Bond proceeds will be used for infrastructure improvements and economic development in the TIF, for capitalized interest through June 1, 2014, and to pay the cost of issuance.

The TIF consists of eighteen (18) tax parcels and is bounded roughly by 78th Avenue to the south, the Milan Beltway to the west, 1st Avenue to the north, and the Quad City International Airport to the east. The area comprises approximately 134 acres and does not contain any buildings. No building activity has occurred within the TIF over the last five years and approximately 48% its land area is currently not directly serviced by water or sanitary sewer.

Currently, the TIF is characterized by inadequate public utilities and infrastructure, and as a contributor to flooding along the Case Creek and Rock River. The improvements to be made are referred to as the Case Creek Trails project. The aforementioned conditions impede private development within the TIF due to high costs and expected low rent levels in the market. This situation limits the potential for local area employment opportunities and growth, and it contributes to the lack of new investment within the TIF.

The land use and existing conditions for the area suggest four (4) major redevelopment needs for the TIF:

1. Capital improvements;
2. Streetscape and infrastructure improvements;
3. Resources for commercial/industrial development;
4. Site preparation and storm water management.

DEBT INFORMATION

After issuance of the Bonds, the City will have outstanding $78,335,000 principal amount of general obligation debt. The City also had outstanding $7,007,951 of a Line of Credit, $1,293,526 of installment notes, and $8,919,130 of an IEPA Loan at December 31, 2010. The Line of Credit as of June 7, 2011, has been reduced to $6,707,636.

The City intends to issue additional debt within the next six months.

City of Moline, Illinois
Outstanding General Obligation Bonds(1)
Principal Only

Calendar Year	Outstanding Principal						
	Series 2002A	Series 2002B	Series 2002C	Series 2003	Series 2003A	Taxable Series 2003B	Taxable Series 2003C
2011	$ 0	$ 645,000	$ 245,000	$ 370,000	$ 0	$ 110,000	$ 140,000
2012	1,000,000	675,000	255,000	385,000	0	150,000	150,000
2013	1,025,000	700,000	260,000	400,000	0	235,000	155,000
2014	1,070,000	0	270,000	415,000	85,000	825,000	165,000
2015	1,115,000	0	285,000	435,000	130,000	865,000	170,000
2016	1,175,000	0	295,000	450,000	190,000	900,000	180,000
2017	1,235,000	0	305,000	470,000	250,000	940,000	190,000
2018	1,310,000	0	320,000	495,000	310,000	1,000,000	200,000
2019	1,375,000	0	335,000	515,000	380,000	1,030,000	215,000
2020	1,450,000	0	350,000	540,000	455,000	1,080,000	225,000
2021	1,525,000	0	365,000	565,000	0	0	0
2022	1,600,000	0	0	595,000	0	0	0
2023	0	0	0	625,000	0	0	0
2024	0	0	0	655,000	0	0	0
2025	0	0	0	0	0	0	0
2026	0	0	0	0	0	0	0
2027	0	0	0	0	0	0	0
2028	0	0	0	0	0	0	0
2029	0	0	0	0	0	0	0
2030	0	0	0	0	0	0	0
Total	$13,880,000	$2,020,000	$3,285,000	$6,915,000	$1,800,000	$7,135,000	$1,790,000

Calendar Year	Outstanding Principal						Total Outstanding Bonds
	Series 2003D	Series 2004A	Series 2004B	Taxable Series 2004C	Series 2007A	Series 2010A	
2011	$ 755,000	$ 615,000	$ 0	$ 340,000	$ 30,000	$ 0	$ 3,250,000
2012	385,000	635,000	0	395,000	30,000	310,000	4,370,000
2013	820,000	660,000	0	470,000	35,000	320,000	5,080,000
2014	0	685,000	410,000	340,000	35,000	320,000	4,620,000
2015	0	715,000	450,000	355,000	35,000	335,000	4,890,000
2016	0	745,000	490,000	375,000	35,000	345,000	5,180,000
2017	0	780,000	535,000	400,000	40,000	355,000	5,500,000
2018	0	815,000	570,000	420,000	40,000	365,000	5,845,000
2019	0	850,000	640,000	440,000	40,000	385,000	6,205,000
2020	0	895,000	695,000	465,000	45,000	400,000	6,600,000
2021	0	935,000	0	0	45,000	415,000	3,850,000
2022	0	980,000	0	0	45,000	435,000	3,655,000
2023	0	790,000(2)	0	0	290,000	0	1,705,000
2024	0	0	0	0	1,130,000	0	1,785,000
2025	0	0	0	0	1,175,000	0	1,175,000
2026	0	0	0	0	1,225,000	0	1,225,000
2027	0	0	0	0	1,275,000	0	1,275,000
2028	0	0	0	0	1,330,000	0	1,330,000
2029	0	0	0	0	1,385,000	0	1,385,000
2030	0	0	0	0	1,445,000	0	1,445,000
Total	$1,960,000	$10,100,000	$3,790,000	$4,000,000	$9,710,000	$3,985,000	$70,370,000

Notes: (1) Source: the City. Mandatory redemption amounts are shown for term bonds.
(2) A portion of the term bond due December 1, 2024 and a portion of the mandatory redemption amount of that term bond due December 1, 2023 was refunded in 2007.

City of Moline, Illinois
Outstanding General Obligation Bonds*(1)*
Principal Only
(Continued)

Calendar Year	Total Outstanding Bonds	The Bonds(2)	Total(2)	Cumulative Principal Retired(2) Amount	Cumulative Principal Retired(2) Percent
2011	$ 3,250,000	$ 0	$ 3,250,000	$ 3,250,000	4.15%
2012	4,370,000	0	4,370,000	7,620,000	9.73%
2013	5,080,000	0	5,080,000	12,700,000	16.21%
2014	4,620,000	305,000	4,925,000	17,625,000	22.50%
2015	4,890,000	165,000	5,055,000	22,680,000	28.95%
2016	5,180,000	200,000	5,380,000	28,060,000	35.82%
2017	5,500,000	225,000	5,725,000	33,785,000	43.13%
2018	5,845,000	250,000	6,095,000	39,880,000	50.91%
2019	6,205,000	285,000	6,490,000	46,370,000	59.19%
2020	6,600,000	330,000	6,930,000	53,300,000	68.04%
2021	3,850,000	375,000	4,225,000	57,525,000	73.43%
2022	3,655,000	415,000	4,070,000	61,595,000	78.63%
2023	1,705,000	465,000	2,170,000	63,765,000	81.40%
2024	1,785,000	510,000	2,295,000	66,060,000	84.33%
2025	1,175,000	565,000	1,740,000	67,800,000	86.55%
2026	1,225,000	625,000	1,850,000	69,650,000	88.91%
2027	1,275,000	700,000	1,975,000	71,625,000	91.43%
2028	1,330,000	775,000	2,105,000	73,730,000	94.12%
2029	1,385,000	850,000	2,235,000	75,965,000	96.97%
2030	1,445,000	925,000	2,370,000	78,335,000	100.00%
Total ..	$70,370,000	$7,965,000	$78,335,000		

Notes: (1) Source: the City.
(2) Subject to change.

Detailed Overlapping Bonded Debt*(1)*

	Outstanding Debt(2)	Applicable to City Percent(3)	Applicable to City Amount
Schools:			
East Moline School District Number 37.....	$ 7,865,149	3.81%	$ 299,662
United Township High School District Number 30....	980,000	2.79%	27,342
Moline School District Number 40.....	28,528,575	87.28%	24,899,740
Blackhawk Community College District Number 503...	27,145,000	21.15%	5,741,168
Total Schools.....			$30,967,912
Others:			
Rock Island County(4).....	$27,595,000	31.26%	$ 8,626,197
Rock Island County Forest Preserve District.....	4,425,000	31.26%	1,383,255
Metropolitan Mass Transit District.....	10,290,000	31.26%	3,216,654
Metropolitan Airport Authority.....	24,645,000	39.31%	9,687,950
Total Others.....			$22,914,056
Total Overlapping Bonded Debt.....			$53,881,967

Notes: (1) Source: Rock Island County Clerk and overlapping taxing units.
(2) As of November 30, 2010.
(3) Overlapping debt percentage is based on the 2010 EAV, the most current available.
(4) Includes bonds issued by the Public Building Commission and bonds issued by the County for the County Nursing Home.

Statement of Bonded Indebtedness*(1)*

	Amount Applicable	EAV	Estimated Actual	Per Capita (2010 Census 43,483)
EAV of Taxable Property, 2010	$ 742,933,207	100.00%	33.33%	$17,085.60
Estimated Actual Value, 2010	2,228,799,621	300.00%	100.00%	51,256.80
Direct Bonded Debt(2)	$ 78,335,000	10.54%	3.51%	$ 1,801.51
Overlapping Bonded Debt(2)(3)				
Schools	$ 30,967,912	4.17%	1.39%	$ 712.18
All Others	22,914,056	3.08%	1.03%	526.97
Total Overlapping Bonded Debt(2)	$ 53,881,968	7.25%	2.42%	$ 1,239.15
Total Net Direct & Overlapping Debt(2)	$ 132,216,968	17.80%	5.93%	$ 3,040.66

Notes: (1) Source: The City. Includes the Bonds.
(2) Subject to change.
(3) As of November 30, 2010.

PROPERTY ASSESSMENT AND TAX INFORMATION

For the 2010 year, the City's EAV was comprised of approximately 65% residential, 2% industrial, 32% commercial, and less than 1% farm and railroad property valuations.

Equalized Assessed Valuation*(1)*

	Levy Years				
Property Class	2006	2007	2008	2009	2010(3)
Residential	$443,232,191	$473,507,242	$477,372,862	$477,803,853	$$591,392,861
Farm	98,375	340,243	109,589	111,585	102,635
Commercial	256,975,891	266,102,311	273,247,482	277,500,506	279,541,063
Industrial	14,580,106	14,878,681	15,297,000	15,598,111	15,815,505
Railroad	366,993	346,494	740,123	474,743	546,196
Total	$715,253,556	$755,174,971	$766,767,056	$771,488,798	$887,398,260
Increment and Abatements	(29,592,448)	(37,122,034)	(33,915,280)	(35,508,964)	(144,465,053)(3)
Total	$685,661,108	$718,052,937	$732,851,776	$735,979,834	$742,933,207
Percent Change + (-)	3.81%(2)	4.72%	2.06%	0.43%	0.94%

Notes: (1) Source: City's Comprehensive Annual Financial Reports for fiscal years 2006 through 2010 and the County.
(2) Percentage change based on 2005 EAV of $660,490,489.
(3) Values for 2010 are before exemptions such as homestead, senior citizens, etc. while prior years are after exemptions; amount shown in Increment and Abatements reflects approximately $35,000,000 of TIF reductions and $109,000,000 of exemptions.

Representative Tax Rates*(1)*
(Per $100 EAV)

	Levy Years				
	2006	2007	2008	2009	2010
City Rates:					
Corporate	$0.5228	$0.5904	$0.5616	$0.2732	$0.1806
Library	0.3852	0.3678	0.3660	0.3606	0.3572
Police Pension	0.1708	0.1798	0.1978	0.2778	0.3070
Fire Pension	0.1950	0.2128	0.2346	0.3096	0.3606
IMRF	0.1404	0.1144	0.1008	0.1778	0.1966
Parks and Recreation	0.3288	0.3634	0.3616	0.3526	0.3494
Social Security	0.1778	0.1776	0.1742	0.1772	0.1810
Capital Improvement	0.0438	0.0000	0.0000	0.0000	0.0000
Total City Rates	$1.9646	$2.0062	$1.9966	$1.9288	$1.9324
Rock Island County(2)	0.7956	0.7890	0.8480	0.8542	0.8574
Moline Township	0.1452	0.1444	0.1490	0.2048	0.2096
School District Number 40	5.1152	5.0586	5.0188	5.0266	5.0584
Metro Airport Authority	0.0726	0.0716	0.0734	0.0742	0.0734
Community College District Number 503	0.4579	0.5016	0.5356	0.5337	0.5324
Metro Transit Authority	0.1754	0.1742	0.1768	0.1812	0.1822
Total Overall Tax Rates	$8.7265	$8.7456	$8.7982	$8.8035	$8.8458

Notes: (1) Source: Rock Island County Supervisor of Assessments.
(2) Includes rate for the Forest Preserve.

Tax Extensions and Collections*(1)*
(Includes Road and Bridge Levy)

Levy Year	Coll. Year	Taxes Extended(2)	Total Collections Amount(3)	Total Collections Percent
2005	2006	$12,935,000	$12,915,598	99.85%
2006	2007	13,465,000	13,417,873	99.65%
2007	2008	14,399,800	14,349,401	99.65%
2008	2009	14,619,000	14,567,834	99.65%
2009	2010	14,191,000	14,142,554	99.66%
2010	2011(2)	14,380,265	--- In Collection ---	

Notes: (1) Source: City's Comprehensive Annual Financial Reports and the County.
(2) First distribution is June 2011.

Principal Taxpayers*(1)*

Taxpayer Name	Business/Service	2010 EAV*(2)*
SDG Macerich Property/Tax Dept	Retail Shopping Center	$16,632,476
Deere & Company	Farm Equipment	8,278,491
United Health Care	Health Care Plans	4,162,875
Wal-Mart Stores	Retail Store	3,726,859
Pedcor INV 2006 XCVI LP	Real Property	3,542,656
Heritage Place Associates LLC	Real Property	3,141,317
Carr Limited Partnership	Real Property	3,047,724
Moline Hotel LLC	Hotel	2,892,978
City Line	Real Property	2,877,127
Lowes Co. Inc.	Retail Store	2,694,802
Total		$50,997,305
Ten largest as a percent of the City's 2010 EAV ($742,933,207)		6.86%

Notes: (1) Source: Rock Island County Supervisor of Assessments.
(2) Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels and it is possible that some parcels and their valuations have been overlooked. The 2010 EAV is the most current available for parcels.

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

Tax Levy and Collection Procedures

Local assessment officers determine the assessed valuation of taxable real property and railroad property not held or used for railroad operations. The Illinois Department of Revenue (the "Department") assesses certain other types of taxable property, including railroad property held or used for railroad operations. Local assessment officers' valuation determinations are subject to review at the county level and then, in general, to equalization by the Department. Such equalization is achieved by applying to each county's assessments a multiplier determined by the Department. The purpose of equalization is to provide a common basis of assessments among counties by adjusting assessments toward the statutory standard of 33-1/3% of fair cash value. Farmland is assessed according to a statutory formula which takes into account factors such as productivity and crop mix. Taxes are extended against the assessed values after equalization.

Property tax levies of each taxing body are filed in the office of the county clerk of each county in which territory of that taxing body is located. The county clerk computes the rates and amount of taxes applicable to taxable property subject to the tax levies of each taxing body and determines the dollar amount of taxes attributable to each respective parcel of taxable property. The county clerk then supplies to the appropriate collecting officials within the county the information needed to bill the taxes attributable to the various parcels therein. After the taxes have been collected, the collecting officials distribute to the various taxing bodies their respective shares of the taxes collected. Taxes levied in one calendar year are due and payable in two installments during the next calendar year. Taxes that are not paid when due, or that are not paid by mail and postmarked on or before the due date, are subject to a penalty of 1-1/2% per month until paid. Unpaid property taxes, together with penalties, interest and costs, constitute a lien against the property subject to the tax.

Exemptions

An annual General Homestead Exemption (the "General Homestead Exemption") provides that the Equalized Assessed Valuation ("EAV") of certain property owned and used for residential purposes ("Residential Property") may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of $3,500 for assessment years prior to assessment year 2004 in counties with less than 3,000,000 inhabitants, and a maximum reduction of $5,000 for assessment year 2004 through 2007 in all counties. Additionally, the maximum reduction is $5,500 for assessment year 2008 and the maximum reduction is $6,000 for assessment year 2009 and thereafter in all counties.

The Homestead Improvement Exemption applies to Residential Properties that have been improved or rebuilt in the 2 years following a catastrophic event. The exemption is limited to $45,000 through December 31, 2003, and $75,000 per year beginning January 1, 2004 and thereafter, to the extent the assessed value is attributable solely to such improvements or rebuilding.

Additional exemptions exist for senior citizens. The Senior Citizens Homestead Exemption ("Senior Citizens Homestead Exemption") operates annually to reduce the EAV on a senior citizen's home for assessment years prior to 2004 by $2,000 in counties with less than 3,000,000 inhabitants. For assessment years 2004 and 2005, the maximum reduction is $3,000 in all counties. For assessment years 2006 and 2007, the maximum reduction is $3,500 in all counties. In addition, for assessment year 2008 and thereafter, the maximum reduction is $4,000 for all counties. Furthermore, beginning with assessment year 2003, for taxes payable in 2004, property that is first occupied as a residence after January 1 of any assessment year by a person who is eligible for the Senior Citizens Homestead Exemption must be granted a pro rata exemption for the assessment year based on the number of days during the assessment year that the property is occupied as a residence by a person eligible for the exemption.

A Senior Citizens Assessment Freeze Homestead Exemption ("Senior Citizens Assessment Freeze Homestead Exemption") freezes property tax assessments for homeowners, who are 65 and older and receive a household income not in excess of the maximum income limitation. The maximum income limitation is $35,000 for years prior to 1999, $40,000 for assessment years 1999 through 2003, $45,000 for assessment years 2004 and 2005, $50,000 from assessment years 2006 and 2007 and for assessments year 2008 and after, the maximum income limitation is $55,000. In general, the Senior Citizens Assessment Freeze Homestead Exemption limits the annual real property tax bill of such property by granting to qualifying senior citizens an exemption as to a portion of the valuation of their property. In counties with a population of 3,000,000 or more, the exemption for all assessment years is equal to the EAV of the residence in the assessment year for which application is made less the base amount. Furthermore, for those counties with a population of less than 3,000,000, the Senior Citizens Assessment Freeze Homestead Exemption is as follows: through assessment year 2005 and for assessment year 2007 and later, the exempt amount is the difference between (i) the current EAV of their residence and (ii) the base amount, which is the EAV of a senior citizen's residence for the year prior to the year in which he or she first qualifies and applies for the Exemption (plus the EAV of improvements since such year). For assessment year 2006, the amount of the Senior Citizens Assessment Freeze Homestead Exemption phases out as the amount of household income increases. The amount of the Senior Citizens Assessment Freeze Homestead Exemption is calculated by using the same formula as above, and then multiplying the resulting value by a ratio that varies according to household income.

Another exemption available to disabled veterans operates annually to exempt up to $70,000 of the Assessed Valutaion of property owned and used exclusively by such veterans or their spouses for residential purposes. Also, certain property is exempt from taxation on the basis of ownership and/or use, such as public parks, not-for-profit schools and public schools, churches, and not-for-profit hospitals and public hospitals. However, individuals claiming exemption under the Disabled Persons' Homestead Exemption ("Disabled Persons' Homestead Exemption") or the Disabled Veterans Standard Homestead Exemption ("Disabled Veterans Standard Homestead Exemption") cannot claim the aforementioned exemption.

Furthermore, beginning with assessment year 2007, the Disabled Persons' Homestead Exemption provides an annual homestead exemption in the amount of $2,000 for property that is owned and occupied by certain persons with a disability. However, individuals claiming exemption as a disabled veteran or claiming exemption under the Disabled Veterans Standard Homestead Exemption cannot claim the aforementioned exemption.

In addition, the Disabled Veterans Standard Homestead Exemption provides disabled veterans an annual homestead exemption starting with assessment year 2007 and thereafter. Specifically, (i) those veterans with a service-connected disability of 75% are granted an exemption of $5,000 and (ii) those veterans with a service-connected disability of less than 75%, but at least 50% are granted an exemption of $2,500. Furthermore, the veteran's surviving spouse is entitled to the benefit of the exemption, provided that the spouse has legal or beneficial title of the homestead, resides permanently on the homestead and does not remarry. Moreover, if the property is sold by the surviving spouse, then an exemption amount not to exceed the amount specified by the current property tax roll may be transferred to the spouse's new residence, provided that it is the spouse's primary residence and the spouse does not remarry. However, individuals claiming exemption as a disabled veteran or claiming exemption under the Disabled Persons' Homestead Exemption cannot claim the aforementioned exemption.

Beginning with assessment year 2007, the Returning Veterans' Homestead Exemption ("Returning Veterans' Homestead Exemption") is available for property owned and occupied as the principal residence of a veteran in the assessment year the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a homestead exemption of $5,000, which is applicable in all counties. In order to apply for the Returning Veterans' Homestead Exemption, the individual must pay real estate taxes on the property, own the property or have either a legal or an equitable interest in the property, "or a leasehold interest of land on which a single family residence is located, which is occupied as a principle residence of a veteran returning from an armed conflict involving the armed forces of the United States who has an ownership interest therein, legal, equitable or as a lessee, and on which the veteran is liable for the payment of property taxes." Those individuals eligible for the Returning Veterans' Homestead Exemption may claim the Returning Veterans' Homestead Exemption, in addition to other homestead exemptions, unless otherwise noted.

Property Tax Extension Limitation Law

The Property Tax Extension Limitation Law (the "Limitation Law") limits the amount of the annual increase in property taxes to be extended for certain Illinois non-home rule units of government. In general, the Limitation Law restricts the amount of such increases to the lesser of 5% or the percentage increase in the Consumer Price Index during the calendar year preceding the levy year. Currently, the Limitation Law applies only to and is a limitation upon all non-home rule taxing bodies in Cook County, the five collar counties (DuPage, Kane, Lake, McHenry and Will) and several downstate counties.

Home rule units, including the City, are exempt from the limitations contained in the Limitation Law. If the Limitation Law were to apply in the future to the City, the limitations set forth therein will not apply to any taxes levied by the City to pay the principal of and interest on the Bonds.

Truth in Taxation Law

Legislation known as the Truth in Taxation Law (the "Law") limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels.

FINANCIAL INFORMATION

Basis of Accounting

The government wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the Proprietary Fund and Fiduciary Fund financial statements. Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Financial Statements

The Government Finance Officer's Association (GOFA) awarded a Certificate of Achievement for Excellence in Reporting to the City of Moline for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2009. This was the eighteenth consecutive year that the City has received this award. The Certificate of Achievement is a national award recognizing conformance with the highest standard for preparation of and local government financial reports.

Budgeting Process

The City exercises fiscal control through two processes; administrative budgeting and appropriations. The administrative budget, which is the budgetary data reflected in the financial statements, is developed for informative and fiscal planning purposes and presents an itemized listing of contemplated expenditures and estimated revenue for the ensuing fiscal year. The City follows these procedures in establishing their administrative budgets:

1. Department heads meet with staff to determine budgetary needs for the forthcoming fiscal year.

2. Budgets are then reviewed by the City Administrator and Finance Director.

3. Prior to April 1st, the City Administrator submits a proposed administrative budget for the fiscal year commencing the previous January 1st. The Administrative budget includes the proposed expenditures and the means of financing them.

4. Public Hearings are conducted to obtain taxpayer comments.

5. Prior to April 1st, the nonappropriated administrative budget is approved by resolution of the City Council.

6. It is the intent of the budget document to provide authorization to the City Administrator and various other officers and department heads to make expenditures during the fiscal year provided; however, no capital expenditure item shall be incurred without first obtaining City Council approval.

7. No department total within the budget shall be exceeded without first obtaining approval from the City Council. In cases of a bona fide emergency, the City Administrator, upon recommendations of the department head and in consultation with the Finance Director, may approve expenditures either not budgeted or exceeding the budgeted amount provided an appropriated amount will not be exceeded by such an expenditure.

Administrative budgets are prepared, as described above, on a department and division line item basis for the general, special revenue, debt service, capital projects, enterprise, and pension trust funds. This process is done on a basis consistent with accounting principals generally accepted in the United States of America and is the basis for the annual appropriation ordinance, prepared on a fund level, approved by the City Council. Although actual expenditures may exceed the amounts of the administrative budget as described above, expenditures may not legally exceed the amounts of the appropriation ordinance. The budget may only be amended by approval of the City Council.

Although the budgetary level of control is at the department/division line item level, state law as mandated in the Illinois Compiled Statutes provides for a legal level of control for legal compliance purposes at the fund level.

Deposits and Investments

Permitted Deposits and Investments - Statutes authorize the City to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Money Market Fund. Pension funds may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, and Illinois insurance company general and separate accounts and equity securities.

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "cash and investments". In addition, investments are separately held by several of the government's funds. The deposits and investments of the pension trust funds are held separately from those of other funds.

Financial Reports

The City's financial statements are audited annually by certified public accountants. The City's financial statements are completed on a modified accrual basis of accounting consistent with generally accepted accounting principles applicable to governmental entities. See **APPENDIX A** for more detail.

No Consent or Updated Information Requested of the Auditor

The tables and excerpts (collectively, the "Excerpted Financial Information") contained in this **"FINANCIAL INFORMATION"** section and in **APPENDIX A** are from the audited financial statements of the City, including the audited financial statements for the fiscal year ended December 31, 2010 (the "2010 Audit"). The 2010 Audit has been prepared by McGladrey & Pullen, LLP, Certified Public Accountants, Davenport, Iowa (the "Auditor"), and approved by formal action of the City Council. The City has not requested the Auditor to update information contained in the Excerpted Financial Information; nor has the City requested that the Auditor consent to the use of the Excerpted Financial Information in this Official Statement. Other than as expressly set forth in this Official Statement, the financial information contained in the Excerpted Financial Information has not been updated since the date of the 2010 Audit. The inclusion of the Excerpted Financial Information in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the City since the date of the 2010 Audit. Questions or inquiries relating to financial information of the City since the date of the 2010 Audit should be directed to the City.

Summary Financial Information

The following tables are summaries and do not purport to be the complete audits, copies of which are available upon request. See **APPENDIX A** for excerpts of the City's 2010 fiscal year audit.

Statement of Net Assets
Governmental Activities

	Audited as of December 31				
	2006	2007	2008	2009	2010
ASSETS:					
Current Assets:					
Cash and Cash Equivalents	$ 24,285,912	$ 19,218,516	$ 14,859,991	$ 14,085,217	$ 10,010,482
Investments	3,958,284	10,720,478	16,183,042	13,560,993	18,551,095
Receivables:					
Property Taxes	14,443,564	15,401,492	16,089,223	19,100,939	18,953,161
Accounts, Net of Allowances for Uncollectibles	1,252,217	1,616,279	1,819,733	1,724,667	1,706,469
Accrued Interest	77,847	93,679	112,877	47,913	43,624
Loans	0	0	0	484,545	484,690
Other Taxes	5,431,277	6,002,700	5,661,399	6,073,116	7,335,375
Due from Other Governmental Units	1,007,732	1,554,145	1,294,910	1,219,568	847,036
Internal Balances	(1,597,053)	(2,325,234)	(3,123,578)	(3,685,730)	(3,358,618)
Inventories	148,017	65,987	99,582	127,323	115,723
Prepaid Expenses	51,808	21,133	7,091	67,255	10,513
Total Current Assets	$ 49,059,605	$ 52,369,175	$ 53,004,270	$ 52,805,806	$ 54,699,550
Noncurrent Assets:					
Loans	$ 427,824	$ 7,880,188	$ 7,602,950	$ 8,103,681	$ 7,660,943
Bond Issuance Cost	279,811	413,608	364,696	318,809	276,059
Bond Discounts	402,222	419,440	384,951	0	0
Deferred Amount on Refunding	0	570,573	0	0	0
Capital Assets:					
Land	15,056,834	13,059,312	13,151,959	13,238,329	13,982,142
Construction-in-Progress	11,913,844	1,315,281	817,205	696,007	1,079,448
Land Improvements	9,105,105	9,104,816	9,182,458	10,218,207	10,253,133
Building and Improvements	42,850,334	54,875,065	52,858,175	53,627,902	54,683,797
Major Movable Equipment	4,487,354	4,317,109	4,163,669	4,133,150	3,800,470
Vehicles	9,624,569	10,336,373	11,017,151	11,765,900	11,810,950
Infrastructure	58,916,513	60,513,214	62,027,059	65,493,796	66,931,105
Less Accumulated Depreciation	(42,649,890)	(47,302,480)	(51,694,099)	(55,668,243)	(60,177,489)
Total Capital Assets	$109,304,663	$106,218,690	$101,523,577	$103,505,048	$110,300,558
Pension Assets	5,189,738	5,415,180	5,741,076	5,955,444	6,230,540
Total Noncurrent Assets	$115,604,258	$120,917,679	$115,617,250	$117,882,982	$116,531,098
Total Assets	$164,663,863	$173,286,854	$168,621,520	$170,688,788	$171,230,648
LIABILITIES AND NET ASSETS:					
Liabilities:					
Current Liabilities:					
Accounts Payable	$ 1,948,840	$ 1,455,399	$ 1,990,216	$ 997,360	$ 1,098,644
Accrued Expenses	551,192	590,212	812,982	898,336	997,471
Claims Payable	2,074,623	2,207,978	2,049,909	2,008,661	1,624,835
Compensated Absences	1,622,184	1,763,735	1,823,366	1,799,340	1,811,215
Accrued Interest Payable	713,802	659,800	642,747	601,641	565,853
Unearned Revenue	14,238,874	15,451,124	15,164,796	17,971,659	17,863,307
Deposits	21,491	24,860	126,934	95,449	67,862
Line of Credit	0	0	0	0	7,007,951
Current Maturities of Long-Term Debt	4,479,510	4,010,561	6,039,822	12,547,963	4,950,559
Total Current Liabilities	$ 25,650,516	$ 26,163,669	$ 28,650,772	$ 36,920,409	$ 35,987,697
Noncurrent Liabilities:					
Claims Payable	$ 0	$ 0	$ 0	$ 0	$ 862,111
Compensated Absences	4,866,552	5,291,205	5,470,099	5,398,021	5,433,645
Other Postemployment Benefits Obligation	0	0	335,099	627,851	846,704
IMRF Pension Obligation	0	0	0	0	414,954
Due to Other Governments	50,000	50,000	50,000	50,000	50,000
Installment Notes, Net of Current Maturities	1,263,846	1,017,692	756,538	515,000	265,002
Capital Lease Payable, Net of Current Maturities	1,362,088	1,193,591	0	0	0
Special Service Area Bonds, Net of Current Maturities	750,000	515,000	265,000	0	0
General Obligation Bonds Payable, Net of Current Maturities	72,642,371	78,329,988	73,579,847	62,316,949	57,780,905
Deferred Amount on Refunding	0	0	(482,793)	(395,013)	0
Bond Discounts	0	0	0	(351,254)	0
Bond Premium	67,524	40,306	29,326	19,838	0
Total Noncurrent Liabilities	81,002,381	86,437,782	80,003,116	68,181,392	65,653,321
Total Liabilities	$106,652,897	$112,601,451	$108,653,888	$105,101,801	$101,641,018
Net Assets:					
Invested in Capital Assets, Net of Related Debt	$ 57,201,501	$ 64,345,991	$ 62,717,995	$ 67,051,552	$ 60,561,906
Restricted for: Motor Fuel Tax Projects	3,359,615	3,172,229	2,730,016	2,385,076	2,197,351
Tourism	406,045	565,973	580,228	720,205	800,206
Fire Department Supplies	33,474	37,311	36,269	36,310	46,396
Tax Increment Financing Districts	2,939	49,535	151,307	84,992	134,967
Unrestricted	(2,992,608)	(7,485,636)	(6,248,183)	(4,691,148)	5,848,804
Total Net Assets	58,010,966	60,685,403	59,967,632	65,586,987	69,589,630
Total Liabilities and Net Assets	$164,663,863	$173,286,854	$168,621,520	$170,688,788	$171,230,648

Note: (1) Source: City of Moline, Comprehensive Annual Reports for years ending December 31, 2006-2010.

Statement of Activities*(1)*
Governmental Activities
Statement of Net (Expense) Revenue and Change in Net Assets

	Audited Fiscal Year Ended December 31				
	2006	2007	2008	2009	2010
Primary Government:					
Government Activities(2):					
General Government	$ (1,669,888)	$ 1,378,132	$ 1,696,666	$ 1,747,072	$ (510,539)
Public Safety	(17,366,206)	(19,166,185)	(21,083,162)	(21,309,262)	(23,323,543)
Public Works	(11,631,257)	(15,135,882)	(14,725,651)	(11,715,267)	(11,920,090)
Cemetery	177,303	0	0	0	0
Economic Development	(1,595,806)	(2,251,961)	(4,398,132)	(254,925)	(1,872,412)
Culture and Recreation	(3,442,957)	(3,135,813)	(3,664,914)	(3,052,175)	(1,586,383)
Libraries	(1,257,931)	(2,943,790)	(3,064,086)	(2,922,771)	(2,947,672)
Interest on Long-Term Debt	(3,965,343)	(3,766,018)	(3,998,121)	(3,810,629)	(3,585,046)
Total Governmental Activities	$(40,752,085)	$(45,021,517)	$(49,237,400)	$(41,317,957)	$(45,745,685)
General Revenues:					
Taxes:					
Property Taxes	$15,534,342	$16,360,726	$17,543,384	$ 18,117,131	$17,855,293
Sales Taxes	10,218,879	10,329,548	10,180,790	9,975,304	10,989,828
Home Rule Tax	6,483,054	6,658,480	6,611,526	6,219,676	7,844,608
Income Tax	3,586,058	3,907,201	4,138,395	3,557,485	2,857,866
Personal Property Replacement Tax	2,216,170	2,720,044	2,508,904	2,281,414	2,398,869
Hotel/Motel Tax	1,092,998	1,155,277	1,267,206	1,144,394	1,205,644
Other Taxes	1,817,802	2,004,746	1,803,392	1,804,182	2,636,109
Franchise Taxes	2,158,817	2,340,998	2,340,621	2,284,129	2,257,915
Investment Earnings	1,227,350	1,609,674	1,096,194	492,259	402,708
Miscellaneous	631,387	608,990	1,032,666	1,061,338	1,227,715
Transfers	0	0	(3,449)	0	0
Total General Revenues	$44,966,857	$47,695,684	$48,519,629	$46,937,312	$49,676,555
Changes in Net Assets	$ 4,214,772	$ 2,674,167	$ (717,771)	$ 5,619,355	$ 3,930,870
Net Assets, Beginning of Year	53,796,194	58,010,966	60,685,403(3)	59,967,632	65,658,760(3)
Net Assets, End of Year	$58,010,966	$60,685,133	$59,967,632	$65,586,987	$69,589,630

Notes: (1) Source: City of Moline, Comprehensive Annual Financial Reports for years ending December 31, 2006-2010.
(2) Expenses net of program revenues of charges for sales and services, operating grants and contributions, and capital grants and contributions.
(3) As restated.

General Fund
Balance Sheet

	Audited as of December 31				
	2006	2007	2008	2009	2010
ASSETS:					
Cash and Cash Equivalents	$ 5,842,887	$ 1,719,566	$ 2,149,753	$ 1,216,346	$ 1,047,107
Investments	1,183,827	5,130,412	6,208,802	5,192,696	3,788,973
Receivables:					
Property Taxes	8,536,140	7,841,296	8,122,726	7,734,087	8,039,235
Accounts, Net of Allowance for Collection Losses	987,536	1,606,342	1,818,654	1,711,434	1,679,749
Accrued Interest	3,596	14,942	9,888	0	0
Other Taxes	3,858,067	4,175,419	3,693,728	4,380,674	5,550,349
Due from Other Governmental Units	120,082	108,936	295,746	281,753	145,077
Due from Other Funds	1,553,201	1,667,012	1,201,465	1,130,018	1,234,434
Inventories	11,398	3,313	7,791	10,233	5,417
Interfund Advances	1,274,382	2,747,108	2,701,678	2,846,248	3,794,898
Total Assets	$23,371,116	$25,014,346	$26,210,231	$24,503,489	$25,285,239
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	$ 337,931	$ 467,404	$ 1,189,478	$ 406,285	$ 359,637
Accrued Expenses	454,032	483,613	625,408	699,885	801,592
Due to Other Funds	935,511	75,125	303,208	63,775	43,479
Deferred Revenue	9,635,187	9,149,439	9,106,966	8,860,264	9,925,467
Deposits	10,331	10,700	101,214	74,370	46,283
Total Liabilities	$11,372,992	$10,186,281	$11,326,274	$10,104,579	$11,176,458
Fund Balances:					
Reserved for:					
Inventories and Prepaids	$ 11,398	$ 3,313	$ 7,791	$ 10,233	$ 5,417
Advances	1,274,382	2,747,108	2,701,678	2,846,248	3,794,898
Unreserved	10,712,344	12,077,644	12,174,488	11,542,429	10,308,466
Total Fund Balances	$11,998,124	$14,828,065	$14,883,957	$14,398,910	14,108,781
Total Liabilities and Fund Balances	$23,371,116	$25,014,346	$26,210,231	$24,503,489	$25,285,239

Note: (1) Source: City of Moline, Comprehensive Annual Reports for years ending December 31, 2006-2010.

General Fund
Revenues and Expenditures(*1*)

	Audited Fiscal Year Ended December 31				
	2006	2007	2008	2009	2010
REVENUES:					
Taxes	$28,638,182	$28,906,971	$29,227,973	$28,168,079	$30,156,238
Licenses and Permits	816,825	810,858	841,424	731,901	778,997
Intergovernmental	825,441	589,815	1,066,453	791,877	527,605
Charges for Services	3,846,883	4,341,322	4,156,270	4,198,011	4,529,362
Use of Money and Property	298,397	459,619	278,371	83,690	75,334
Fines and Forfeitures	562,672	509,356	523,832	433,165	365,188
Miscellaneous	514,020	365,398	339,569	360,218	378,683
Total Revenues	$35,502,420	$35,983,339	$36,433,892	$34,766,941	$36,811,407
EXPENDITURES:					
General Government	$ 3,174,375	$ 3,294,118	$ 2,476,868	$ 2,291,791	$ 2,433,339
Public Safety	20,188,107	20,947,310	23,620,556	23,189,309	24,564,811
Public Works	9,951,054	8,059,103	9,177,985	8,260,265	8,635,975
Economic Development	575,097	694,946	892,664	769,555	1,332,974
Capital Outlay	283,382	1,176,269	465,628	885,378	108,201
Debt Service:					
Interest and Fiscal Agent Fees	9,340	0	0	0	0
Total Expenditures	$34,181,355	$34,171,746	$36,633,701	$35,396,298	$37,075,300
Excess (Deficiency) of Revenues Over Expenditures	$ 1,321,065	$ 1,811,593	$ (199,809)	$ (629,357)	$ (263,893)
Other Financing Sources (Uses):					
Transfers In	$ 270,586	$ 1,038,276	$ 258,912	$ 238,751	$ 273,769
Transfers Out	(45,175)	(39,590)	(3,449)	(100,000)	(311,290)
Proceeds from Sale of Capital Assets	205	19,662	238	5,559	11,285
Total Other Financing Sources (Uses)	$ 225,616	$ 1,018,348	$ 255,701	$ 144,310	$ (26,236)
Net Change in Fund Balances	$ 1,546,681	$ 2,829,941	$ 55,892	$ (485,047)	$ (290,129)
Fund Balances, Beginning of Year	10,451,443	11,998,124	14,828,065	14,883,957	14,398,910
Fund Balances, End of Year	$11,998,124	$14,828,065	$14,883,957	$14,398,910	$14,108,781

Note: (1) Source: City of Moline, Comprehensive Annual Financial Reports for years ending December 31, 2006-2010.

General Fund
Budget and Interim Financial Information*(1)*

	Budget Twelve Months Ending 12/31/2011	Interim Five Months Ending 5/31/2011
REVENUES:		
Taxes	$31,403,680	$10,428,291
Licenses and Permits	763,350	297,547
Intergovernmental	624,545	183,719
Charges for Services	4,467,485	1,450,152
Use of Money and Property	441,000	123,783
Fines and Forfeitures	50,500	476,319
Miscellaneous	1,040,125	146,646
Total Revenues	$38,790,685	$13,106,457
EXPENDITURES:		
General Government	$ 2,977,320	$ 1,289,047
Public Safety	24,425,995	7,890,176
Public Works	9,861,595	3,889,111
Economic Development	1,525,775	404,609
Total Expenditures	$38,790,685	$13,472,943

Note: (1) Source: the City.

EMPLOYEE RETIREMENT AND OTHER POSTEMPLOYMENT BENEFITS OBLIGATIONS

The City's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases and death benefits to plan members and beneficiaries. The City's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. Police sworn personnel are covered by the Police Pension Plan, which is a defined single employer pension plan. Fire sworn personnel are covered by the Firefighters' Pension Plan, which is a defined benefit single employer pension plan. The defined benefits of each of these plans, as well as the employee and employer contribution level, are mandated by Illinois Compiled Statutes and may be amended only by the Illinois legislature. The City sponsors a single-employer health care plan that provides medical, prescription drug, dental and vision benefits to all active and retired employees and their eligible dependents. The City's contributions to this plan are negotiated by management and the union and governed by union contracts. Currently, the plans are not fully funded.

See **APPENDIX A** herein for a discussion of the City's employee retirement and other postemployment benefits obligations.

TRANSFER, EXCHANGE AND REGISTRY

See also **APPENDIX B** for information on registration, transfer and exchange of book-entry bonds. The Bonds will be initially issued as book-entry bonds.

The Bonds shall be negotiable, subject to the provisions for registration of transfer contained herein. Each Bond shall be transferable only upon the registration books maintained by the City for that purpose at the principal corporate trust office of the bond registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the bond registrar and duly executed by the registered owner or his duly authorized attorney. Upon the surrender for transfer of any such Bond, the City shall execute and the bond registrar shall authenticate and deliver a new Bond or Bonds registered in the name of the transferee, of the same aggregate principal amount, series, maturity and interest rate as the surrendered Bond. Bonds, upon surrender thereof at the principal corporate trust office of the bond registrar, with a written instrument satisfactory to the bond registrar, duly executed by the registered owner or his attorney duly authorized in writing, may be exchanged for an equal aggregate principal amount of Bonds of the same series, maturity and interest rate and of the denominations of $5,000 or any integral multiple thereof.

For every such exchange or registration of transfer of Bonds, the City or the bond registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. No other charge shall be made for the privilege of making such transfer or exchange. The provisions of the Illinois Bond Replacement Act shall govern the replacement of lost, destroyed or defaced Bonds.

The City and the bond registrar may deem and treat the person in whose name any Bond shall be registered upon the registration books as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of or interest thereon and for all other purposes whatsoever, and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the City nor the bond registrar shall be affected by any notice to the contrary.

CERTAIN FEDERAL INCOME TAX CONSIDERATIONS

THE BONDS WILL BE TREATED AS OBLIGATIONS NOT DESCRIBED IN SECTION 103(A) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, EXCLUDING FROM FEDERAL GROSS INCOME THE INTEREST ON AN OBLIGATION OF A POLITICAL SUBDIVISION OF A STATE. THE HOLDERS OF THE BONDS SHOULD TREAT THE INTEREST ON THE BONDS AS SUBJECT TO FEDERAL INCOME TAXATION.

CERTAIN STATE INCOME TAX CONSIDERATIONS

INTEREST ON THE BONDS IS NOT EXEMPT FROM ILLINOIS INCOME TAXES.

CONTINUING DISCLOSURE

In the Bond Ordinance, the City has covenanted and agreed, for the benefit of the beneficial owners of the Bonds, to provide certain financial information and operating data relating to the City within 210 days after the close of the City's fiscal year (the "Annual Report"); and, in a timely manner, to provide notices of the occurrence of certain enumerated events, if material. The Annual Report will be filed by the City with the Municipal Securities Rulemaking Board (the "MSRB") for disclosures on its Electronic Municipal Market Access ("EMMA") system. The information to be contained in the Annual Report will consist of the annual audited financial statement of the City, and updated information with respect to the statements in the Official Statement contained under the captions **"Retailers' Occupation, Service Occupation and Use Tax"**, **"DEBT INFORMATION"**, **"PROPERTY ASSESSMENT AND TAX INFORMATION"** and **"FINANCIAL INFORMATION"**. Each annual audited financial statement will conform to generally accepted accounting principles applicable to governmental units and will be prepared in accordance with standards of the Governmental Accounting Standards Board. If the audited financial statement is not available, then an unaudited financial statement will be included in the Annual Report and the audited financial statement will be filed promptly after it becomes available. The notices of material events and timely notice of any failure of the City to file its Annual Report within the 210 day period will be filed by the City with the MSRB for disclosures on EMMA. The City's undertaking with respect to material events includes timely notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Debt calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Tender offers
13. Bankruptcy, insolvency, receivership or similar event of the City*
14. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
15. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

**This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City*.*

The City has agreed to the foregoing undertakings in order to assist participating underwriters of the Bonds and brokers, dealers and municipal securities dealers in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) promulgated under the Securities Exchange Act of 1934. The City will provide the foregoing information for so long as Rule 15c2-12(b)(5) is applicable to the Bonds and the City remains an "obligated person" under the Rule with respect to the Bonds. No provision of the bond ordinance limits the remedies available to any beneficial owner of the Bonds with respect to the enforcement of the continuing disclosure covenants of the City described above. Failure to comply with the continuing disclosure covenants will not constitute an event of default under the Bond Ordinance.

The City may amend the continuing disclosure undertakings contained in the Ordinance upon a change in circumstances provided that (a) the undertakings, as amended, would have complied with the requirements of Rule 15(c)2-12(b)(5) at the time of this offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances and (b) in the opinion of nationally recognized bond counsel selected by the City, the amendment does not materially impair the interests of the beneficial owners of the Bonds.

OPTIONAL REDEMPTION

Bonds due December 1, 2014-2020, inclusive, are non-callable. Bonds due December 1, 2021-2030, inclusive, are callable in whole or in part on any date on or after June 1, 2021, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the City and within any maturity by lot.

Notice of the redemption of bonds will be mailed not less than 30 days nor more than 60 days prior to the date fixed for such redemption to the registered owners of bonds to be redeemed at their last addresses appearing on such registration books. The bonds or portions thereof specified in said notice shall become due and payable at the applicable redemption price on the redemption date therein designated, and if, on the redemption date, moneys for payment of the redemption price of all the bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, and if notice of redemption shall have been mailed as aforesaid (and notwithstanding any defect therein or the lack of actual receipt thereof by any registered owner) then from and after the redemption date interest on such bonds or portions thereof shall cease to accrue and become payable.

LITIGATION

There is no litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the City taken with respect to the issuance or sale thereof.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the unqualified approving opinion of Katten Muchin Rosenman LLP, Chicago, Illinois, Bond Counsel, whose approving opinion will be delivered with the Bonds. Bond Counsel has reviewed the statements in this Official Statement appearing under the heading **"PURPOSE, LEGALITY AND SECURITY"** and is of the opinion that the statements contained under such heading are accurate statements or summaries of the matters set forth therein and fairly present the information purported to be shown. Except for the foregoing, however, Bond Counsel has not independently verified the accuracy or completeness of statements and information contained in the Official Statement and does not assume any responsibility of the accuracy or completeness of such statements and information.

The opinion of Bond Counsel is based on statutes, judicial decisions, regulations, rulings and other official interpretations of law in existence on the date the Bonds are issued. There can be no assurance that such law or the interpretation thereof will not be changed or that new provisions of law will not be enacted or promulgated at any time while the Bonds are outstanding in a manner that would adversely affect the value or the tax treatment of ownership of the Bonds.

OFFICIAL STATEMENT AUTHORIZATION

This Official Statement has been authorized for distribution to prospective purchasers of the Bonds. All statements, information, and statistics herein are believed to be correct but are not guaranteed by the consultants or by the City, and all expressions of opinion, whether or not so stated, are intended only as such.

INVESTMENT RATING

The City has requested an investment rating for the Bonds from Moody's Investors Service. The City has supplied certain information and material concerning the Bonds and the City to the rating service shown on the cover page, including certain information and materials which may not have been included in this Official Statement, as part of its application for an investment rating on the Bonds. A rating reflects only the views of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. Generally, such rating service bases its rating on such information and material, and also on such investigations, studies and assumptions that it may undertake independently. There is no assurance that such rating will continue for any given period of time or that it may not be lowered or withdrawn entirely by such rating service if, in its judgment, circumstances so warrant. Any such downward change in or withdrawal of such rating may have an adverse effect on the secondary market price of the Bonds. An explanation of the significance of the investment rating may be obtained from the rating agency: Moody's Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, telephone 212-553-1658.

DEFEASANCE AND PAYMENT OF BONDS

If the City shall pay or cause to be paid to the registered owners of the Bonds, the principal, premium, if any, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Bond Ordinance, then the pledge of taxes, securities and funds hereby pledged and the covenants, agreements and other obligations of the City to the registered owners and the beneficial owners of the Bonds shall be discharged and satisfied.

Any Bonds or interest installments appertaining thereto, whether at or prior to the maturity or the redemption date of such Bonds, shall be deemed to have been paid if (1) in case any such bonds are to be redeemed prior to the maturity thereof, there shall have been taken all action necessary to call such bonds for redemption and notice of such redemption shall have been duly given or provision shall have been made for the giving of such notice, and (2) there shall have been deposited in trust with a bank, trust company or national banking association acting as fiduciary for such purpose either (i) moneys in an amount which shall be sufficient, or (ii) "Federal Obligations" as defined below, the principal of and the interest on which when due will provide moneys which, together with any moneys on deposit with such fiduciary at the same time for such purpose, shall be sufficient, to pay when due the principal of, redemption premium, if any, and interest due and to become due on said Bonds on and prior to the applicable redemption date or maturity date thereof.

The term "Federal Obligations" means (i) non-callable, direct obligations of the United States of America, (ii) non-callable and non-prepayable, direct obligations of any agency of the United States of America, which are unconditionally guaranteed by the United States of America as to full and timely payment of principal and interest, (iii) non-callable, non-prepayable coupons or interest installments from the securities described in clause (i) or clause (ii) which are stripped pursuant to programs of the Department of the Treasury of the United States of America, or (iv) coupons or interest installments stripped from bonds of the Resolution Funding Corporation.

UNDERWRITING

The Bonds were offered for sale by the City at a public, competitive sale on June 21, 2011. The best bid submitted at the sale was submitted by _____ (the "Underwriter"). The City awarded the contract for sale of the Bonds to the Underwriter at a price of $_____. The Underwriter has represented to the City that the Bonds have been subsequently re-offered to the public initially at the yields or prices set forth in the addendum to this Official Statement.

FINANCIAL ADVISOR

The City has engaged Speer Financial, Inc. as financial advisor (the "Financial Advisor") in connection with the issuance and sale of the Bonds. The Financial Advisor will not participate in the underwriting of the Bonds. The financial information included in the Official Statement has been compiled by the Financial Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. The Financial Advisor is not a firm of certified public accountants and does not serve in that capacity or provide accounting services in connection with the Bonds. The Financial Advisor is not obligated to undertake any independent verification of or to assume any responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement, nor is the Financial Advisor obligated by the City's continuing disclosure undertaking.

CERTIFICATION

We have examined this Official Statement dated June 8, 2011, for the $7,965,000* Taxable General Obligation Corporate Purpose Bonds, Series 2011A, believe it to be true and correct and will provide to the purchaser of the Bonds at the time of delivery a certificate confirming to the purchaser that to the best of our knowledge and belief information in the Official Statement was at the time of acceptance of the bid for the Bonds and, including any addenda thereto, was at the time of delivery of the Bonds true and correct in all material respects and does not include any untrue statement of a material fact, nor does it omit the statement of any material fact required to be stated therein, or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

/s/ **DONALD WELVAERT**
Mayor
CITY OF MOLINE
Rock Island County, Illinois

/s/ **KATHLEEN A. CARR**
Director of Finance
CITY OF MOLINE
Rock Island County, Illinois

**Subject to change.*

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APPENDIX A

CITY OF MOLINE, ROCK ISLAND COUNTY, ILLINOIS

EXCERPTS OF FISCAL YEAR 2010 AUDITED FINANCIAL STATEMENTS

City of Moline, Illinois

Statement of Net Assets
December 31, 2010

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents	$ 10,010,482	$ 6,550,066	$ 16,560,548
Investments	18,551,095	-	18,551,095
Receivables:			
Property taxes	18,953,161	-	18,953,161
Accounts, net of allowances for uncollectibles of $843,101	1,706,469	3,374,660	5,081,129
Accrued interest	43,624	-	43,624
Loans	484,690	-	484,690
Other taxes	7,335,375	-	7,335,375
Due from other governmental units	847,036	2,356	849,392
Internal balances	(3,358,618)	3,358,618	-
Inventories	115,723	101,251	216,974
Prepaid expenses	10,513	-	10,513
Total current assets	54,699,550	13,386,951	68,086,501
Noncurrent assets:			
Restricted assets, cash and cash equivalents	-	2,962,455	2,962,455
Loans	7,660,943	-	7,660,943
Bond issuance costs	276,059	73,793	349,852
Pension assets	6,230,540	-	6,230,540
Capital assets:			
Land	13,982,142	389,419	14,371,561
Construction-in-progress	1,079,448	113,017	1,192,465
Land improvements	10,253,133	467,434	10,720,567
Buildings and improvements	54,683,797	56,309,917	110,993,714
Major movable equipment	3,800,470	14,900,130	18,700,600
Vehicles	11,810,950	-	11,810,950
Infrastructure	66,931,105	66,492,889	133,423,994
Less accumulated depreciation	(60,177,489)	(51,735,068)	(111,912,557)
Total capital assets	102,363,556	86,937,738	189,301,294
Total noncurrent assets	116,531,098	89,973,986	206,505,084
Total assets	$ 171,230,648	$ 103,360,937	$ 274,591,585

See Notes to Basic Financial Statements.

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Liabilities and Net Assets			
Liabilities			
Current liabilities:			
Accounts payable	$ 1,098,644	$ 649,775	$ 1,748,419
Accrued expenses	997,471	184,338	1,181,809
Claims payable	1,624,835	-	1,624,835
Compensated absences	1,811,215	289,473	2,100,688
Accrued interest payable	565,853	232,437	798,290
Unearned revenue	17,863,307	40,622	17,903,929
Deposits	67,862	180,993	248,855
Line of credit	7,007,951	-	7,007,951
Current maturities of long-term debt	4,950,559	1,214,824	6,165,383
Total current liabilities	35,987,697	2,792,462	38,780,159
Noncurrent liabilities:			
Claims payable	862,111	-	862,111
Compensated absences	5,433,645	868,418	6,302,063
Other postemployment benefits obligation	846,704	108,764	955,468
IMRF pension obligation	414,954	-	414,954
Due to other governments	50,000	-	50,000
IEPA loan, net of current maturities	-	8,375,452	8,375,452
Installment notes, net of current maturities	265,002	1,874,519	2,139,521
General obligation bonds payable, net of deferred amount on refunding, bond discounts and premium	57,780,905	8,646,639	66,427,544
Total noncurrent liabilities	65,653,321	19,873,792	85,527,113
Total liabilities	101,641,018	22,666,254	124,307,272
Net assets:			
Invested in capital assets, net of related debt	60,561,906	68,733,516	129,295,422
Restricted for:			
Construction	-	2,962,455	2,962,455
Motor fuel tax projects	2,197,351	-	2,197,351
Tourism	800,206	-	800,206
Fire department supplies	46,396	-	46,396
Tax increment financing districts	134,967	-	134,967
Unrestricted	5,848,804	8,998,712	14,847,516
Total net assets	69,589,630	80,694,683	150,284,313
Total liabilities and net assets	$ 171,230,648	$ 103,360,937	$ 274,591,585

City of Moline, Illinois

Statement of Activities
Year Ended December 31, 2010

Functions/Programs	Expenses	Program Revenues: Charges for Sales and Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets, Primary Government: Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental activities:							
General government	$ 2,573,283	$ 1,605,665	$ 457,079	$ -	$ (510,539)	$ -	$ (510,539)
Public safety	25,475,065	1,654,274	497,248	-	(23,323,543)	-	(23,323,543)
Public works	13,289,803	47,963	1,321,750	-	(11,920,090)	-	(11,920,090)
Economic development	4,366,582	840,736	1,653,434	-	(1,872,412)	-	(1,872,412)
Culture and recreation	2,499,745	870,273	43,089	-	(1,586,383)	-	(1,586,383)
Libraries	3,119,042	85,210	41,468	44,692	(2,947,672)	-	(2,947,672)
Interest on long-term debt	3,585,046	-	-	-	(3,585,046)	-	(3,585,046)
Total governmental activities	54,908,566	5,104,121	4,014,068	44,692	(45,745,685)	-	(45,745,685)
Business-type activities:							
Water	7,664,423	7,300,576	-	1,116,318	-	752,471	752,471
Water pollution control	6,091,218	6,445,526	-	231,500	-	585,808	585,808
Storm water utility	908,505	965,327	-	-	-	56,822	56,822
Curbside recycling	439,393	476,870	-	-	-	37,477	37,477
Total business-type activities	15,103,539	15,188,299	-	1,347,818	-	1,432,578	1,432,578
Total primary government	$ 70,012,105	$ 20,292,420	$ 4,014,068	$ 1,392,510	(45,745,685)	1,432,578	(44,313,107)
General Revenues							
Taxes:							
Property taxes					17,855,293	-	17,855,293
Sales taxes					10,989,828	-	10,989,828
Home rule tax					7,844,608	-	7,844,608
Income tax					2,857,866	-	2,857,866
Personal property replacement tax					2,398,869	-	2,398,869
Hotel/motel tax					1,205,644	-	1,205,644
Other taxes					2,636,109	-	2,636,109
Franchise taxes					2,257,915	-	2,257,915
Investment earnings					402,708	35,068	437,776
Miscellaneous					1,227,715	6,103	1,233,818
Total general revenues					49,676,555	41,171	49,717,726
Changes in net assets					3,930,870	1,473,749	5,404,619
Net assets, beginning of year, as restated					65,658,760	79,220,934	144,879,694
Net assets, end of year					$ 69,589,630	$ 80,694,683	$ 150,284,313

See Notes to Basic Financial Statements.

City of Moline, Illinois

Balance Sheet
Governmental Funds
December 31, 2010

	Primary Government					
Assets	General	Park	Tax Increment Financing #1	Debt Service	Nonmajor Governmental Funds	Total
Cash and cash equivalents	$ 1,047,107	$ 681,065	$ -	$ 34	$ 1,794,594	$ 3,522,800
Investments	3,788,973	-	-	-	2,168,927	5,957,900
Receivables:						
Property taxes	8,039,235	2,710,400	3,136,423	-	5,067,103	18,953,161
Accounts, net of allowance for collection losses of $822,777	1,679,749	24,703	-	-	2,017	1,706,469
Accrued interest	-	-	418	-	28,145	28,563
Loans	-	-	994,171	7,008,036	143,426	8,145,633
Other taxes	5,550,349	-	104,820	-	1,680,206	7,335,375
Due from other governmental units	145,077	37,924	-	-	664,035	847,036
Due from other funds	1,234,434	126	-	50,000	2,180,570	3,465,130
Inventories	5,417	-	-	-	-	5,417
Prepaid items	-	10,513	-	-	-	10,513
Interfund advances	3,794,898	-	-	-	1,418,000	5,212,898
Total assets	$ 25,285,239	$ 3,464,731	$ 4,235,832	$ 7,058,070	$ 15,147,023	$ 55,190,895
Liabilities and Fund Balances (Deficits)						
Liabilities:						
Accounts payable	$ 359,637	$ 24,919	$ 63,844	$ -	$ 324,282	$ 772,682
Accrued expenses	801,592	20,558	7,232	-	112,855	942,237
Due to other funds	43,479	428,540	-	-	2,549,700	3,021,719
Due to other governments	-	-	50,000	-	-	50,000
Deferred and unearned revenue	9,925,467	2,594,680	3,739,786	-	5,626,868	21,886,801
Deposits	46,283	1,100	9,319	-	11,160	67,862
Line of credit	-	-	-	7,007,951	-	7,007,951
Interfund advances	-	-	6,996,120	-	-	6,996,120
Total liabilities	11,176,458	3,069,797	10,866,301	7,007,951	8,624,865	40,745,372
Fund balances (deficits):						
Reserved for:						
Inventories	5,417	-	-	-	-	5,417
Prepaid items	-	10,513	-	-	-	10,513
Loans	-	-	-	7,008,036	143,426	7,151,462
Advances	3,794,898	-	-	-	1,418,000	5,212,898
Unreserved, reported in:						
General Fund	10,308,466	-	-	-	-	10,308,466
Special revenue funds	-	384,421	(6,630,469)	-	2,615,418	(3,630,630)
Debt Service Fund	-	-	-	(6,957,917)	-	(6,957,917)
Capital Projects Fund	-	-	-	-	2,345,314	2,345,314
Total fund balances (deficits)	14,108,781	394,934	(6,630,469)	50,119	6,522,158	14,445,523
Total liabilities and fund balances	$ 25,285,239	$ 3,464,731	$ 4,235,832	$ 7,058,070	$ 15,147,023	$ 55,190,895

See Notes to Basic Financial Statements.

City of Moline, Illinois

Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Assets
December 31, 2010

Total governmental fund balances		$ 14,445,523
Amounts reported for governmental activities in the statement of net assets are different because capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Land	$ 13,982,142	
Construction-in-progress	1,079,448	
Land improvements	10,253,133	
Buildings and improvements	54,683,797	
Major movable equipment	3,533,080	
Infrastructure	66,931,105	
Accumulated depreciation	(53,888,660)	96,574,045
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:		
Deferred revenues	4,023,494	
Police net pension asset	2,255,873	
Firefighters' net pension asset	3,974,667	10,254,034
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets:		
Capital assets:		
Vehicles	11,810,950	
Major movable equipment	267,390	
Accumulated depreciation	(6,288,829)	
Other current assets	19,206,244	
Internal balances	1,960,687	
Compensated absences, current	(71,584)	
Other current liabilities	(2,006,031)	
Compensated absences, noncurrent	(214,750)	
Other noncurrent liabilities	(662,111)	23,801,946
Internal service funds allocated to business-type activities		(3,979,474)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Compensated absences, current	(1,739,631)	
Compensated absences, noncurrent	(5,218,895)	
Other postemployment benefits obligation	(846,704)	
IMRF pension obligation	(414,954)	
Accrued interest payable	(565,853)	
General obligation bonds payable, current	(3,922,035)	
General obligation bonds payable, noncurrent	(56,394,914)	
Installment, current	(1,026,524)	
Installment, noncurrent	(265,002)	
Bond issuance costs	276,059	
Bond discounts	318,830	
Bond deferred amount on refunding	307,233	
Bond premiums	(12,054)	(71,506,444)
Net assets of governmental activities		$ 59,589,630

See Notes to Basic Financial Statements.

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City of Moline, Illinois

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

	Primary Government					
	General	Park	Tax Increment Financing #1	Debt Service	Nonmajor Governmental Funds	Total
Revenues:						
Taxes	$ 30,156,238	$ 2,783,829	$ 3,204,559	$ -	$ 11,083,241	$ 47,227,867
Licenses and permits	778,997	-	-	-	-	778,997
Intergovernmental	527,605	237,301	-	-	3,382,405	4,147,311
Charges for services	4,529,362	869,023	51,935	-	105,336	5,555,656
Fines and forfeitures	365,188	-	-	-	53,691	418,879
Use of money and property	75,334	115,803	117,480	122	66,899	375,638
Contributions	-	3,588	-	-	320,577	324,165
Miscellaneous	378,683	1,127	-	416,345	432,807	1,228,962
Total revenues	36,811,407	4,010,671	3,373,974	416,467	15,444,956	60,057,475
Expenditures:						
Current:						
General government	2,433,339	-	-	-	449,275	2,882,614
Public safety	24,564,811	-	-	-	-	24,564,811
Public works	8,635,975	-	-	-	1,503,973	10,139,948
Economic development	1,332,974	-	558,247	-	2,133,168	4,024,389
Culture and recreation	-	3,621,254	-	-	26,163	3,647,417
Libraries	-	-	-	-	2,890,066	2,890,066
Capital outlay	108,201	211,931	981,233	-	3,225,745	4,527,110
Debt Service:						
Principal	-	-	-	11,769,437	-	11,769,437
Interest and fiscal agent fees	-	-	1,600	3,443,798	20,266	3,465,664
Total expenditures	37,075,300	3,833,185	1,541,080	15,213,235	10,248,656	67,911,456
Excess (deficiency) of revenues over expenditures	(263,893)	177,486	1,832,894	(14,796,768)	5,196,300	(7,853,981)
Other financing sources (uses):						
Transfers in	273,769	140,126	100,000	7,346,887	225,055	8,085,837
Transfers out	(311,290)	-	(2,348,360)	-	(5,426,187)	(8,085,837)
Proceeds from sale of capital assets	11,285	-	-	-	109,077	120,362
Total other financing sources (uses)	(26,236)	140,126	(2,248,360)	7,346,887	(5,092,055)	120,362
Net change in fund balances	(290,129)	317,612	(415,466)	(7,449,881)	104,245	(7,733,619)
Fund balances (deficits), beginning of year	14,398,910	77,322	(6,215,003)	7,500,000	6,417,913	22,179,142
Fund balances (deficits), end of year	$ 14,108,781	$ 394,934	$ (6,630,469)	$ 50,119	$ 6,522,158	$ 14,445,523

See Notes to Basic Financial Statements.

City of Moline, Illinois

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended December 31, 2010

Net change in fund balances - governmental funds		$ (7,733,619)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following is the amount by which capital outlays exceeded depreciation in the current year:		
Capital outlay	$ 4,017,727	
Depreciation	(4,667,125)	(649,398)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations and disposals) is to increase/decrease net assets:		
Loss on the sale of capital assets	(225,425)	
Proceeds from sale of capital assets	(120,362)	(345,787)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Home rule tax revenue	24,465	
Sales tax revenue	268,268	
Local use tax revenue	580,531	
Other tax revenue	(54,997)	
Charges for services	(54,696)	
Grant revenues	(412,716)	350,853
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Change in compensated absences	(25,191)	
Change in other postemployment benefits obligation	(218,853)	
Change in IMRF pension obligation	(414,954)	(658,998)
The issuance of long-term debt (e.g. bonds, loan, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds an interest expenditure is reported when due. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items:		
Repayment of bond principal	11,769,437	
Decrease in accrued interest payable	35,768	
Amortization of bond issuance costs, discounts, deferred amount on refunding and premiums	(155,170)	11,650,055

(Continued)

City of Moline, Illinois

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities (Continued)
Year Ended December 31, 2010

Internal service funds are used by management to charge the costs of various activities internally to individual funds. The net expense of certain activities of internal service funds is reported with governmental activities.	1,428,600
Change in internal service fund allocation to business-type activities.	(363,932)
The increase in pension asset resulting from contributions in excess of the annual required contribution for 2010 is not a financial resource and is not reported in the funds.	275,096
Change in net assets of governmental activities	$ 3,930,870

See Notes to Basic Financial Statements.

City of Moline, Illinois

Balance Sheet
Proprietary Funds
December 31, 2010

Assets	Business-Type Activities - Enterprise Funds: Water	Water Pollution Control	Storm Water Utility	Nonmajor Enterprise Fund: Curbside Recycling	Total Enterprise Funds	Governmental Activities: Internal Service Funds
Current assets:						
Cash and cash equivalents	$ 5,447,307	$ 99,280	$ 985,879	$ 17,600	$ 6,550,066	$ 6,487,682
Investments	-	-	-	-	-	12,593,195
Receivables, net of allowance for uncollectibles of $20,324:						
Accounts	1,593,421	1,476,643	252,860	51,736	3,374,660	-
Accrued interest	-	-	-	-	-	15,061
Due from other governmental units	2,356	-	-	-	2,356	-
Due from other funds	1,458	236,148	-	-	237,606	208,735
Inventory	93,566	7,685	-	-	101,251	110,306
Total current assets	7,138,108	1,819,756	1,238,739	69,336	10,265,939	19,414,979
Noncurrent assets:						
Restricted assets, cash and cash equivalents	-	2,962,455	-	-	2,962,455	-
Bond issuance costs	73,793	-	-	-	73,793	-
Interfund advances	-	-	-	-	-	1,783,222
Capital assets:						
Land	170,124	219,295	-	-	389,419	-
Construction-in-progress	113,017	-	-	-	113,017	-
Land improvements	452,968	14,466	-	-	467,434	-
Buildings and improvements	34,920,667	21,389,250	-	-	56,309,917	-
Major movable equipment	6,406,912	8,493,218	-	-	14,900,130	267,390
Infrastructure	25,922,783	27,270,489	13,299,617	-	66,492,889	-
Vehicles	-	-	-	-	-	11,810,950
Less accumulated depreciation	(18,293,919)	(29,902,145)	(3,539,004)	-	(51,735,068)	(6,288,829)
Total noncurrent assets	49,766,345	30,447,028	9,760,613	-	89,973,986	7,572,733
Total assets	$ 56,904,453	$ 32,266,784	$ 10,999,352	$ 69,336	$ 100,239,925	$ 26,987,712

(Continued)

City of Moline, Illinois

Balance Sheet (Continued)
Proprietary Funds
December 31, 2010

Liabilities and Net Assets	Business-Type Activities - Enterprise Funds: Water	Water Pollution Control	Storm Water Utility	Nonmajor Enterprise Fund: Curbside Recycling	Total Enterprise Funds	Governmental Activities: Internal Service Funds
Current liabilities:						
Accounts payable	$ 365,004	$ 82,364	$ 202,407	$ -	$ 649,775	$ 325,962
Accrued expenses	90,617	88,390	5,331	-	184,338	55,234
Claims payable	-	-	-	-	-	1,624,835
Compensated absences	118,858	167,479	3,136	-	289,473	71,584
Accrued interest payable	226,762	-	5,675	-	232,437	-
Due to other funds	674,786	179,078	4,598	-	858,462	31,290
Unearned revenue	-	-	-	40,622	40,622	-
Deposits	180,993	-	-	-	180,993	-
IEPA loan, current	543,678	-	-	-	543,678	-
Installment note, current	118,181	-	-	-	118,181	-
General obligation bonds	511,740	-	41,225	-	552,965	-
Total current liabilities	2,830,619	517,311	262,372	40,622	3,650,924	2,108,905
Noncurrent liabilities:						
Claims payable	-	-	-	-	-	862,111
Compensated absences	356,573	502,438	9,407	-	868,418	214,750
Other postemployment benefits obligation	52,576	56,188	-	-	108,764	-
IEPA loan, net of current maturities	8,375,452	-	-	-	8,375,452	-
Installment note, net of current maturities	1,874,519	-	-	-	1,874,519	-
General obligation bonds, net of deferred amount on refunding, bond discounts and premium	7,923,714	-	722,925	-	8,646,639	-
Total noncurrent liabilities	18,582,834	558,626	732,332	-	19,873,792	1,076,861
Total liabilities	21,413,453	1,075,937	994,704	40,622	23,524,716	3,185,766
Net assets:						
Invested in capital assets, net of related debt	32,252,480	27,484,573	8,996,463	-	68,733,516	6,569,511
Restricted for construction	-	2,962,455	-	-	2,962,455	-
Unrestricted	3,238,520	743,819	1,008,185	28,714	5,019,238	17,232,435
Total net assets	35,491,000	31,190,847	10,004,648	28,714	76,715,209	23,801,946
Total liabilities and net assets	$ 56,904,453	$ 32,266,784	$ 10,999,352	$ 69,336	$ 100,239,925	$ 26,987,712

See Notes to Basic Financial Statements.

City of Moline, Illinois

Reconciliation of Proprietary Funds Net Assets to the Statement of Net Assets
December 31, 2010

Total enterprise funds net assets	$ 76,715,209
Amounts reported for enterprise activities in the statement of net assets are different because:	
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	3,979,474
Net assets of business-type activities	$ 80,694,683

See Notes to Basic Financial Statements.

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City of Moline, Illinois

Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
Year Ended December 31, 2010

	Business-Type Activities - Enterprise Funds			Nonmajor Enterprise Fund		Governmental Activities
	Water	Water Pollution Control	Storm Water Utility	Curbside Recycling	Total Enterprise Funds	Internal Service Funds
Operating revenues:						
Charges for services	$ 7,038,674	$ 6,366,823	$ 965,327	$ 476,870	$ 14,847,694	$ 14,144,030
Fines and forfeitures	-	-	-	-	-	16,844
Penalties	78,843	62,174	-	-	141,017	-
Miscellaneous	183,059	22,399	-	233	205,691	190,613
Total operating revenues	7,300,576	6,451,396	965,327	477,103	15,194,402	14,351,487
Operating expenses:						
Salaries	2,011,810	1,923,549	120,545	-	4,055,904	1,286,780
Employee benefits	647,221	636,398	44,711	-	1,328,330	460,664
Professional services	613,258	900,083	75,478	-	1,588,819	699,550
Property services	1,561,875	1,254,855	369,054	439,393	3,625,177	528,066
Other services	286,546	205,826	4,655	-	497,027	404,153
Supplies	730,827	230,749	9,484	-	971,060	1,172,979
Depreciation	1,317,101	1,126,369	258,730	-	2,702,200	978,801
Insurance claims and changes in reserves	-	-	-	-	-	7,465,760
Total operating expenses	7,168,638	6,277,829	882,657	439,393	14,768,517	12,996,753
Operating income	131,938	173,567	82,670	37,710	425,885	1,354,734
Nonoperating revenues (expenses):						
Investment earnings	32,796	1,556	691	25	35,068	91,573
Interest expense	(683,216)	-	(35,738)	-	(718,954)	-
Gain (loss) on sale of capital assets	66,968	-	-	-	66,968	(222,641)
Total nonoperating revenues (expenses)	(584,452)	1,556	(35,047)	25	(617,918)	(131,068)
Income (loss) before capital grants, contributions and transfers	(452,514)	175,123	47,623	37,735	(192,033)	1,223,666
Capital grants and contributions	1,050,350	231,500	-	-	1,281,850	202,934
Transfers in	500,000	154,313	-	-	654,313	-
Transfers out	(154,313)	(500,000)	-	-	(654,313)	-
Change in net assets	943,523	60,936	47,623	37,735	1,089,817	1,426,600
Total net assets (deficit), beginning of year	34,547,477	31,129,911	9,957,025	(9,021)	75,625,392	22,375,346
Total net assets, end of year	$ 35,491,000	$ 31,190,847	$ 10,004,648	$ 28,714	$ 76,715,209	$ 23,801,946

See Notes to Basic Financial Statements.

City of Moline, Illinois

Reconciliation of the Change in Net Assets of Enterprise Funds to the Statement of Activities
Year Ended December 31, 2010

Net changes in net assets in enterprise funds	$	1,089,817
Amounts reported for proprietary activities in the statement of activities are different because:		
Internal service funds are used by management to charge the costs of various activities internally to individual funds. The net expense of certain activities of internal service funds is reported with business-type activities.		383,932
Change in net assets of business-type activities	$	1,473,749

See Notes to Basic Financial Statements.

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City of Moline, Illinois

Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2010

	Business-Type Activities - Enterprise Funds			Nonmajor Enterprise Fund		Governmental Activities
	Water	Water Pollution Control	Storm Water Utility	Curbside Recycling	Total Enterprise Funds	Internal Service Funds
Cash flows from operating activities:						
Receipts from customers and users	$ 7,016,471	$ 6,195,250	$ 966,543	$ 469,610	$ 14,647,874	$ 14,160,874
Payments to suppliers	(2,925,879)	(2,715,301)	(408,794)	(479,555)	(6,529,529)	(2,651,818)
Payments to employees	(2,671,903)	(2,505,379)	(161,467)	-	(5,338,749)	(1,716,573)
Claims paid	-	-	-	-	-	(6,987,475)
Other receipts	183,059	22,399	-	233	205,691	190,613
Net cash provided by (used in) operating activities	1,601,748	996,969	386,282	(9,712)	2,985,287	2,995,621
Cash flows from noncapital financing activities:						
Proceeds from interfund accounts and advances	686,002	170,951	4,598	-	861,551	3,040,712
(Payments on) interfund accounts and advances	-	(150,507)	-	-	(150,507)	(784,442)
Transfers in	500,000	154,313	-	-	654,313	-
Transfers out	(154,313)	(500,000)	-	-	(654,313)	-
Net cash provided by (used in) noncapital financing activities	1,031,689	(325,243)	4,598	-	711,044	2,256,270
Cash flows from capital and related financing activities:						
Purchase of capital assets	(4,236,300)	(922,883)	(710,956)	-	(5,870,139)	(1,060,063)
Proceeds from sale of capital assets	73,509	-	-	-	73,509	76,701
Proceeds from long term debt, net of bond issue costs, deferred amount on refunding and premiums of $82,487	5,917,513	-	-	-	5,917,513	-
Payment on debt	(4,919,270)	-	(39,554)	-	(4,958,824)	-
Interest paid on debt	(672,185)	-	(35,492)	-	(707,677)	-
Capital grants and contributions	-	-	-	-	-	202,934
Net cash (used in) capital and related financing activities	(3,836,733)	(922,883)	(786,002)	-	(5,545,618)	(780,428)
Cash flows from investing activities:						
Interest and dividends received	32,796	1,556	691	25	35,068	93,183
Purchase of investments	-	-	-	-	-	(7,207,846)
Net cash provided by (used in) investing activities	32,796	1,556	691	25	35,068	(7,114,663)
(Decrease) in cash and cash equivalents	(1,170,500)	(249,601)	(384,431)	(9,687)	(1,814,219)	(2,643,200)
Cash and cash equivalents, beginning of year	6,617,807	3,311,336	1,370,310	27,287	11,326,740	9,130,882
Cash and cash equivalents, end of year	$ 5,447,307	$ 3,061,735	$ 985,879	$ 17,600	$ 9,512,521	$ 6,487,682

City of Moline, Illinois

Statement of Cash Flows (Continued)
Proprietary Funds
Year Ended December 31, 2010

	Business-Type Activities - Enterprise Funds			Nonmajor Enterprise Fund		Governmental Activities
	Water	Water Pollution Control	Storm Water Utility	Curbside Recycling	Total Enterprise Funds	Internal Service Funds
Reconciliation of operating income to net cash provided by (used in) operating activities:						
Operating income	$ 131,938	$ 173,587	$ 82,670	$ 37,710	$ 425,885	$ 1,354,734
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities, depreciation	1,317,101	1,128,369	258,730	-	2,702,200	978,801
Change in assets and liabilities:						
Receivables	(95,046)	(233,747)	1,216	(7,260)	(334,837)	-
Inventories	20,678	3,264	-	-	23,942	6,784
Prepaid items	-	-	-	-	-	57,412
Accounts payable	245,949	(127,052)	49,877	(40,162)	128,612	88,734
Accrued expenses	14,978	15,723	969	-	31,670	8,563
Compensated absences	(17,571)	47,868	2,820	-	33,117	22,308
Other postemployment benefits obligation	(10,279)	(9,023)	-	-	(19,302)	-
Deposits	(6,000)	-	-	-	(6,000)	-
Claims payable	-	-	-	-	-	478,285
Net cash provided by (used in) operating activities	$ 1,601,748	$ 996,969	$ 396,282	$ (9,712)	$ 2,985,287	$ 2,995,621
Schedule of noncash items:						
Capital and related financing activities, water and sewer mains donated by developers	$ 1,050,350	$ 231,500	$ -	$ -	$ 1,281,850	$ -
Investing activities, increase in fair value of investments	-	-	-	-	-	12,768

See Notes to Basic Financial Statements.

City of Moline, Illinois

Statement of Fiduciary Net Assets
Pension Trust Funds
December 31, 2010

Assets	
Cash and cash equivalents	$ 3,692,624
Investments:	
Government obligations	3,195,829
Common stock	19,313,966
Mutual funds	23,664,015
Receivables:	
Employer contributions	4,958,875
Accrued interest	41,878
Total assets	$ 54,867,187
Net assets, held in trust for pension benefits	$ 54,867,187

See Notes to Basic Financial Statements.

City of Moline, Illinois

Statement of Changes in Fiduciary Net Assets
Pension Trust Funds
Year Ended December 31, 2010

Additions:	
Contributions:	
Employer	$ 4,845,151
Plan member deposits	1,020,138
Total contributions	5,865,289
Net investment income (expense):	
Net appreciation in fair value of investments	3,258,013
Interest	1,388,128
Investment expense	(135,282)
Net investment income (expense)	4,510,859
Total additions	10,376,148
Deductions:	
Benefits	6,618,758
Administrative expenses	81,816
Total deductions	6,700,574
Change in net assets	3,675,574
Net assets held in trust for benefits:	
Beginning of year	51,191,613
End of year	$ 54,867,187

See Notes to Basic Financial Statements.

Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies

Nature of operations:

The City of Moline, Illinois (the City) was incorporated in 1872 under the laws of the state of Illinois. The City is a home rule city and operates under a city administrator form of government. The City provides a full range of services to its residents including recreation and cultural events, community development, general administration services, individual and community protection, health, leisure time, environment preservation, planning and zoning, water and sewer service and highway and street construction and maintenance.

Reporting entity:

In accordance with the Codification of Governmental Accounting and Financial Reporting Standards, the basic financial statements include all funds, organizations, agencies, boards, commissions and authorities for which the City is financially accountable. The City has also considered all other potential organizations for which the nature and significance of their relationships with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a majority of an organization's governing body, and 1) the ability of the City to impose its will on that organization or 2) the potential for that organization to provide specific benefits to or impose specific financial burdens on the City.

In addition, the Codification sets forth additional criteria to determine whether certain organizations for which the City is not financially accountable should be reported as component units based on the nature and significance of their relationship with the City. These criteria include 1) the economic resources being received or held by the separate organization being entirely or almost entirely for the direct benefit of the City, its component units, or its constituents, 2) the City being entitled to, or having the ability to otherwise access, a majority of the economic resources received or held by the separate organization and 3) the economic resources received or held by an individual organization that the City is entitled to, or has the ability to otherwise access, are significant to the City.

Based on these criteria, there were no other organizations, agencies, boards, commissions or authorities required to be included in the City's basic financial statements.

Basis of presentation:

Government-wide and fund financial statements: The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported as general revenues.

Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of fund financial statements is on major funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

Fund accounting: The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, reserves, fund balance/net assets, revenues and expenditures or expenses, as appropriate. The City has the following funds:

Governmental Fund Types: Governmental fund types are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are paid; and the difference between governmental fund assets and liabilities, the fund equity, is referred to as "fund balance." The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the City's major governmental funds:

General Fund: The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Park Fund: A special revenue fund that accounts for supplies and services necessary to operate the parks and recreational programs of the City. This fund is presented as major for public interest purposes.

Tax Increment Financing #1 Fund: A special revenue fund that accounts for the revenue and expenditures related to the 1st Tax Increment Financing District in Moline's downtown.

Debt Service Fund: To account for the servicing of the general long-term debt related to the acquisition and construction of capital facilities and other capital assets of the City with the exception of those that are financed through proprietary funds.

The other governmental funds of the City are considered nonmajor and are as follows:

Special Revenue Funds: To account for the proceeds of specific revenue sources (other than certain capital projects that are legally restricted to expenditures for specific projects).

Community Development Block Grant Fund: To account for expenditures relating to neighborhood improvements benefiting low and moderate income persons and economic development activities which are reimbursed by the federal government under the Community Development Block Grant Program.

Community Development Block Grant Recovery Fund: To account for revenue and expenditures relating to projects for the U.S. of HUD ARRA entitlement funding.

Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)

Motor Fuel Tax Fund: To account for the revenue and expenditures related to projects financed by the state gasoline tax as collected and distributed by the state of Illinois.

Revolving Loan Program Fund: To account for the revenue and expenditures related to the City's Revolving Loan program.

Tourism Fund: To account for the revenue generated by the hotel/motel occupational tax.

Special Service Area Number Three Fund: To account for transactions related to John Deere Corridor development.

Special Service Area Number Five Fund: To account for transactions related to the Bass Street Landing Project.

Special Service Area Number Six Fund: To account for transactions related to the Downtown Moline Project.

Foreign Fire Insurance Fund: To account for foreign fire insurance tax monies expended for fire department supplies and equipment approved by the Foreign Fire Insurance Committee.

General Trust Fund: To account for the revenue and expenditures related to amusement tax.

Tax Increment Financing #2 Fund: To account for the revenue and expenditures related to the 2nd Tax Increment Financing District at Moline's old hospital site related to Phase I.

Tax Increment Financing #6 Fund: To account for the revenue and expenditures related to the 6th Tax Increment Financing District at Moline's old hospital site related to Phase II.

Tax Increment Financing #3 Fund: To account for the revenue and expenditures related to the 3rd Tax Increment Financing District at Moline's old high school.

Tax Increment Financing #4 Fund: To account for the revenue and expenditures related to the 4th Tax Increment Financing District for the Autumn Trails project, an assisted living program.

Library Trust Fund: To account for monies designated for the two libraries.

Perpetual Care Fund: To account for a portion of pre-need cemetery sales held for future maintenance care.

Reher Art Gallery Fund: To account for monies designated for art related purchases.

Park and Cemetery Gifts Fund: To account for monies designated for parks and cemeteries.

Sanitation Fund: To account for the City's residential sanitation collection services.

Home Buyer Grant Fund: To account for transactions relating to the HOME Investment Partnerships Program Grant.

Lead Hazard Control Grant: To account for transactions relating to the Lead Based Paint Hazard Control Program.

Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)

Single Family Owner Occupied Rehabilitation Grant Fund: To account for transactions relating to the Single Family Owner Occupied Rehabilitation Grant.

Small Rental Properties Program Fund: To account for transactions relating to the Small Rental Properties Program Grant.

Library Fund: To account for services related to the City's libraries.

NSP2 Grant Fund: To account for transactions relating to the Neighborhood Stabilization Program Grant.

Tax Increment Financing #5 Fund: To account for revenue and expenditures related to the 5th Tax Increment Financing District for Phase III of the Bass Street Landing Project, a mixed use development.

Capital Projects Fund: To account for all resources used in the acquisition and construction of capital facilities and other capital assets, with the exception of those that are financed through proprietary funds.

Proprietary Fund Types: Proprietary fund types are used to account for a government's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon income determination, financial position and cash flows.

Enterprise Funds: To account for those operations that are financed and operated in a manner similar to private business or where the City has decided the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, the City has elected to apply all applicable Financial Accounting Standards Board (FASB) pronouncements, issued on or before November 30, 1989, except for those pronouncements which conflict with or contradict GASB pronouncements and has elected to not apply FASBs issued subsequent to November 30, 1989.

The following are the City's major enterprise funds:

Water Fund: To account for the operations of the City's water system.

Water Pollution Control Fund: To account for the operations of the City's sanitary sewer system.

Storm Water Utility Fund: To account for the operations of the City's storm water system.

The following is the City's nonmajor enterprise fund,

Curbside Recycling: To account for the operations of the City's curbside recycling service.

Internal Service Funds: To finance and account for services and commodities provided by designated departments or agencies to other departments and agencies of the City.

The following are the City's internal service funds:

Health Fund: To account for the premiums and medical claims of all covered City employees and their covered dependents.

Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)

Liability Fund: To account for the premiums and the payment of claims for general worker's compensation, auto and property insurance.

Fleet Fund: To account for monies set aside annually for future vehicle replacement purchases.

Information Technology Fund: To account for monies set aside annually for future technology equipment replacement purchases.

Fiduciary Fund Types: Fiduciary fund types are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The City has the following fiduciary fund types:

Pension Trust Funds: To account for the trust funds in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. The pension trust funds account for the assets of the City's police and firefighter's pension plans.

Police Pension Fund: To account for the accumulation of resources needed to pay pension costs when due. Resources are contributions from police force members at rates fixed by state statutes and City contributions in the form of an annual property tax levy.

Firefighters' Pension Fund: To account for the accumulation of resources needed to pay pension costs when due. Resources are contributions from fire department members at rates fixed by state statutes and City contributions in the form of an annual property tax levy.

Measurement focus and basis of accounting:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the Proprietary Fund and Fiduciary Fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are budgeted. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pensions, other postemployment benefits, and claims and judgments, are recorded only when payment is due or matured.

City of Moline, Illinois

Notes to Basic Financial Statements

Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. For derived tax revenues (i.e. sales taxes) revenues are recorded when the underlying exchange has occurred and the resources meet the availability criteria for government-mandated or voluntary nonexchange transactions, revenues are recognized when all eligibility requirements have been met and the resources meet the availability criteria.

Licenses and permits, fines and forfeitures, charges for sales and services (other than utility) and miscellaneous revenues are generally recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are measurable and available.

Property taxes are recognized as a receivable at the time an enforceable lien is placed on the property. The current taxes receivable represent the 2010 levy applicable to the fiscal year ended December 31, 2011. Property taxes are assessed in December and attach as an enforceable lien on the property as of the preceding January 1. These taxes become due and collectible in June, August, September and November of the following year and are collected by the County Collector who, in turn, remits to the City its respective share. The City receives these remittances approximately one month after the collection dates.

The City maintains home-rule status under Illinois statues and, as such, no property tax limitations are imposed on the City by state law.

Taxes receivable represent property, sales and franchise taxes, including interest and penalties, reduced by an appropriate allowance for uncollectible taxes.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Summary of significant accounting policies:

The significant accounting policies followed by the City include the following:

Cash and cash equivalents: For purposes of cash flows, the City considered all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments: Are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales prices at current exchange rates.

The City invests in an external investment pool not SEC-registered, the Illinois Funds Money Market Fund. The Illinois Funds Money Market Fund is regulated by the State Treasurer's Office. The fair value of the position in the external investment pool is the same as the value of the pool shares.

Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)

Accounts receivable: Result primarily from services provided to citizens and are accounted for in the governmental funds. Water services are accounted for in the Water Fund, and sewer and storm water utility services are accounted for in the Water Pollution Control Fund and Storm Water Utility Fund. The accounts receivable also include amounts unbilled. All are net of an allowance for uncollectibles.

Inventories and prepaid items: Consist of consumable supplies and are valued at cost using the first-in first-out (FIFO) method. The costs of Governmental Fund Type inventories are recorded as expenditures when consumed rather than when purchased.

Prepaid items represent current expenditures which benefit future periods.

Long-term obligations: In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Bond principal payments are reported as debt service expenditures.

Restricted assets: Certain assets of enterprise funds are classified as restricted assets because their use is restricted by the Environmental Protection Agency for replacement of equipment originally purchased from grant proceeds or from unused bond proceeds.

Capital assets: Including land, construction-in-progress, buildings and improvements, land improvements, major movable equipment, vehicles and infrastructure are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and proprietary fund type financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $15,000 and an initial useful life of one year or greater. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred, net of investment income on project specific debt service expenditures, during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)

Depreciation has been provided using the straight-line method over the estimated useful lives of the respective assets. The estimated useful lives for each capital asset type are as follows:

Land improvements	10 - 40 years
Buildings and improvements	20 - 50 years
Major movable equipment	4 - 40 years
Vehicles	5 - 10 years
General infrastructure	7 - 50 years
Water, storm and sewer system infrastructure	40 -100 years

The City's collection of works of art, library books and other similar assets are not capitalized. These collections are unencumbered, held for public exhibition and education, protected, cared for and preserved and subject to City policy that requires proceeds from the sale of these items to be used to acquire other collection items.

Deferred and unearned revenues: In the governmental funds, deferred revenues represent amounts due, which are measurable, but not available. In the statement of net assets and governmental funds, unearned revenues represent the deferral of property tax receivables which are levied for a future period and resources which have been received but are not yet earned.

Interfund transactions: Transactions among City funds that would be treated as revenues and expenditures or expenses if they involved organizations external to City government are accounted for as revenues and expenditures or expenses in the funds involved.

Transactions which constitute reimbursements to a fund for expenditures initially made from it which are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund.

Transactions, which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended, are separately reported in the respective funds' operating statements.

Activity between funds that are representative of lending/borrowing arrangements at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Noncurrent portions of long-term inter-fund loan receivables are reported as advances within the governmental funds and are offset equally by a fund balance reserve account which indicates they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

Compensated absences: Employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is compensated for accumulated vacation days. Employees are reimbursed for 50 percent of accumulated sick leave upon retirement, as defined by the different employee pension plans. Employees with 10 years of service but not eligible for retirement are reimbursed for 25 percent of accumulated sick leave, up to $1,000 upon voluntary termination of employment. Employees, other than police and fire personnel, with eight years of service and who are at least 55 years of age, are reimbursed for 25 percent of accumulated sick leave upon voluntary termination of employment. Police officers and firefighters with 20 years of service, regardless of age, are reimbursed for 25 percent of accumulated sick leave.

Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)

For proprietary fund types and the government-wide statements, these accumulations are recorded as expenses and liabilities of the appropriate fund and activity in the fiscal year earned. For governmental fund types, the amount of accumulated unpaid compensated absences which are payable from available resources are recorded as a liability of the respective fund if they have matured, for example, as a result of employee retirements and resignations.

Fund equity: Reservations of fund balance represent amounts that are not available for appropriation or are legally segregated for a specific purpose. Designations of fund balance represents tentative management plans that are subject to change.

Net assets: Represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets invested in capital assets, net of related debt, excludes unspent debt proceeds. Net assets are reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Net assets restricted by enabling legislation includes $2,197,351 for motor fuel tax projects, $800,206 for tourism, $46,396 for fire department supplies and $134,967 for tax increment financing districts.

The City first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2. Deposits and Investments

Authorized investments: State statutes authorize the City to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Money Market Fund. Pension funds may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants; obligations of the state of Illinois and its political subdivisions, Illinois insurance company general and separate accounts and equity securities. By policy, the City will specifically avoid any purchase of financial forwards or futures, derivatives, inverse floaters, any leveraged investments, lending securities or reverse repurchase agreements. All investments, except for cash management accounts and the Illinois Public Treasurer's Investment Pool, shall be selected on the basis of negotiated bids.

Note 2. Deposits and Investments (Continued)

The City maintains a cash and investment pool which is available for use by all funds, except the pension trust funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "cash and cash equivalents." Income from investments purchased with pooled cash is allocated to individual funds based on the fund's average cash balance and legal requirements. In addition, investments are separately held by several of the City's funds.

The Trustees of both the Police and Firefighters' Pension Funds have adopted an asset allocation mix to serve as a general guide to the trustees and the Fund's investment manager. The following percentages dictate the specific allowable asset allocation structure for the plan: Domestic Equity Large Capitalization – 35 percent, Cash – 2 percent, Intermediate Duration Fixed Income – 53 percent, and Variable Annuity – 10 percent.

Interest rate risk: Interest rate risk is the risk that changes in market interest rate will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Currently the City, the Police Pension Fund and the Firefighters' Pension Fund do not have a policy relating to the length of the maturity of an investment.

Information about the sensitivity of the fair values of the City's debt security investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

		Investment Maturities (In Years)			
	Fair Value	Less than 1	1-5	6-10	More than 10
The City of Moline					
Money market mutual funds	$ 18,526,901	$ 18,526,901	$ -	$ -	$ -
U.S. government securities	8,849	8,849	-	-	-
Corporate equities funds	15,345	N/A	N/A	N/A	N/A
Total City of Moline	18,551,095	18,535,750	-	-	-
Police Pension Fund					
Mutual funds	14,538,234	-	14,538,234	-	-
Stocks	10,281,585	N/A	N/A	N/A	N/A
Total Police Pension Fund	24,819,819	-	14,538,234	-	-
Firefighters' Pension Fund					
Mutual funds	9,125,781	-	9,125,781	-	-
Mortgage-backed securities	3,195,829	1,266,991	1,079,461	323,319	526,058
Stocks	9,032,381	N/A	N/A	N/A	N/A
Total Firefighters' Pension Fund	21,353,991	1,266,991	10,205,242	323,319	526,058
Total	$ 64,724,905	$ 19,802,741	$ 24,743,476	$ 323,319	$ 526,058

Note 2. Deposits and Investments (Continued)

Credit risk: Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

As of December 31, 2010, the City's investments were rated as follows:

Investment type	Fair Value	Moody's Investor's Service	Standard and Poor's
The City of Moline			
Money Market:			
Illinois Funds Money Market	$ 18,526,901	N/R	AAAm
Moline Foundation Velie Homestead	482	N/R	N/R
	$ 18,527,383		
Police Pension Fund			
Mutual Funds:			
DFA Invt Dimensions Group In Intr Gvt Bd Pt	$ 5,784,369	N/R	AAA
Vanguard GNMA Fund #536 Admiral Shares	8,753,865	N/R	AAA
	$ 14,538,234		
Firefighters' Pension Fund			
Mortgage Backed Securities:			
Federal Farm Credit Bank	$ 1,856,998	Aaa	AAA
Federal Home Loan Bank	1,338,831	Aaa	AAA
	$ 3,195,829		
Mutual Funds:			
DFA Invt Dimensions Group In Intr Gvt Bd Pt	$ 4,542,652	N/R	AAA
Vanguard GNMA Fund #536 Admiral Shares	4,583,129	N/R	AAA
	$ 9,125,781		

Concentration of credit risk: It is the policy of the City of Moline to diversify its investment portfolio. Investments shall be diversified to eliminate the risk of a loss resulting in over concentration in a specific maturity, issuer or class of securities. It is the policy of the City of Moline to diversify its investment portfolio. Investments shall be diversified to eliminate the risk of a loss resulting in over concentration in a specific maturity, issuer or class of securities. Money market mutual funds and mutual funds are not subject to this risk as the City and Pension Fund do not hold the underlying investments.

The trustees of the police and firefighters' pension plans desire to maintain a portfolio which provides a consistent flow of income to the fund while maintaining a relatively low degree of volatility and moderate growth. Fixed income and equity investments will be utilized in accordance with these purposes. There is no policy regarding the specific concentration of investments.

As of December 31, 2010, more than 5 percent of the City's Firefighters' Pension Fund investments are in DFA Investment Dimensions Grp Government Bonds, Vanguard GNMA Fund and Federated Govt Oblig Tax-MGD #636. These investments are 21.27 percent, 21.46 percent and 5.34 percent, respectively, of the City's total Firefighter's Pension Fund investments.

Note 2. Deposits and Investments (Continued)

Custodial credit risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

It is the policy of the City of Moline to require that funds on deposit in excess of FDIC or insurable limits be secured by some form of collateral to protect public deposits in a single financial institution if it were to default due to poor management or economic factors. The amount of collateral provided will be not less than 110 percent of the fair market value of the net amount of public funds secured. The City will not maintain funds in any financial institution that is not a member of the FDIC system. In addition, the City will not maintain funds in any institution not willing or capable of posting required collateral for funds in excess of FDIC insurable limits.

The Police and Firefighters' Pension Funds investment policies do not address custodial credit risk.

As of December 31, 2010, none of the City's bank balance of $21,447,887 was exposed to custodial credit risk. None of the total Police Pension Fund bank balance of $1,138,716 and Firefighters' Pension Fund bank balance of $1,415,819 was exposed to custodial credit risk.

As of December 31, 2010, the City and pension funds did not have any investments exposed to custodial credit risk.

Note 3. Capital Assets

The following is a summary of changes in capital assets for the year ended December 31, 2010:

	2009 Balance, as restated	Additions	Deletions	2010 Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	$ 13,258,886	$ 1,069,043	$ 345,787	$ 13,982,142
Construction-in-progress	696,007	383,441	-	1,079,448
Total capital assets not being depreciated	13,954,893	1,452,484	345,787	15,061,590
Capital assets being depreciated:				
Land improvements	10,218,207	85,524	50,598	10,253,133
Buildings and improvements	53,627,902	1,093,626	37,731	54,683,797
Major movable equipment	4,133,150	-	332,680	3,800,470
Vehicles	11,765,900	1,060,064	1,015,014	11,810,950
Infrastructure	55,545,012	1,385,093	-	56,931,105
Total capital assets being depreciated	145,290,171	3,625,307	1,438,023	147,479,455
Less accumulated depreciation for:				
Land improvements	4,648,009	454,885	50,598	5,052,297
Buildings and improvements	10,875,288	1,499,767	37,731	12,337,324
Major movable equipment	2,673,326	281,767	332,680	2,622,413
Vehicles	5,995,591	976,676	715,671	6,256,596
Infrastructure	31,476,029	2,432,830	-	33,908,859
Total accumulated depreciation	55,668,243	5,645,926	1,136,680	60,177,489
Total capital assets being depreciated, net	89,621,928	(2,020,619)	299,343	87,301,966
Governmental activities capital assets, net	$ 103,576,821	$ (568,135)	$ 645,130	$ 102,363,556

Note 3. Capital Assets (Continued)

	2009 Balance	Additions	Deletions	2010 Balance
Business-Type Activities				
Capital assets not being depreciated:				
Land	$ 389,419	$ -	$ -	$ 389,419
Construction-in-progress	92,222	113,017	92,222	113,017
Total capital assets not being depreciated	481,641	113,017	92,222	502,436
Capital assets being depreciated:				
Land improvements	467,434	-	-	467,434
Buildings and improvements	56,475,415	-	165,498	56,309,917
Major movable equipment	12,166,386	3,727,883	994,139	14,900,130
Infrastructure	63,989,860	3,403,311	900,282	66,492,889
Total capital assets being depreciated	133,099,095	7,131,194	2,059,919	138,170,370
Less accumulated depreciation for:				
Land improvements	392,585	27,202	-	419,787
Buildings and improvements	25,256,044	1,283,726	165,497	26,374,273
Major movable equipment	8,601,376	284,605	986,599	7,899,382
Infrastructure	16,835,241	1,106,667	900,282	17,041,626
Total accumulated depreciation	51,085,246	2,702,200	2,052,378	51,735,068
Total capital assets being depreciated, net	82,013,849	4,428,994	7,541	86,435,302
Business-type activities capital assets, net	$ 82,495,490	$ 4,542,011	$ 99,763	$ 86,937,738

Depreciation expense was charged to the functions of the government as follows:

Governmental Activities:	
General government	$ 71,474
Public safety	670,914
Public works	3,029,216
Economic development	57,866
Culture and recreation	502,217
Libraries	335,438
Internal service	978,801
Total depreciation expense, governmental activities	$ 5,645,926
Business-Type Activities:	
Water	$ 1,317,101
Water pollution control	1,126,369
Storm water utility	258,730
Total depreciation expense, business-type activities	$ 2,702,200

Note 4. Loans Receivable

The City has long-term notes receivable from local businesses which are accounted for in the TIF #1 Fund. The notes receivable have an interest rate of 5.0 percent – 5.5 percent and require monthly payments of $80-$88,652. The final payments are due July 2012. The balance of the notes receivable as of December 31, 2010 was $994,171. The notes receivable include balloon payments at the end of the term.

Note 5. Short-Term Debt

In 2007, the City issued bonds in the amount of $7,550,000 to facilitate a loan to the developer, Financial District Properties KP, LLC, for the purpose of financing property acquisition costs of Phase III of the Bass Street Landing Project. The bonds matured on December 30, 2010 in the amount of $7,710,809. There were funds available to make the interest portion of the debt service but not the principal amount of $7,550,000. The developer requested a three-year extension on the loan to allow time to negotiate a long-term lease of the two existing KONE buildings to retain these operations in Moline. A line of credit was approved to finance the three-year extension. The line of credit is due December 22, 2011.

	Balance December 31, 2009	Additions	Retirements	Balance December 31, 2010	Due Within One Year
Governmental Activities:					
Line of credit	$ -	$ 7,007,951	$ -	$ 7,007,951	$ 7,007,951

Note 6. Long-Term Debt

The following is a summary of changes in long-term debt for the year ended December 31, 2010:

	Balance December 31, 2009	Additions	Retirements	Balance December 31, 2010	Due Within One Year
Governmental Activities:					
General obligation bonds	$ 73,579,847	$ -	$ 11,262,898	$ 62,316,949	$ 3,922,035
Special service area bonds	265,000	-	265,000	-	-
Installment notes	1,535,065	-	241,539	1,293,526	1,028,524
Compensated absences	7,197,361	1,846,839	1,799,340	7,244,860	1,811,215
	$ 82,577,273	$ 1,846,839	$ 13,568,777	$ 70,855,335	$ 6,761,774
Business-Type Activities:					
General obligation bonds	$ 9,700,153	$ 4,000,000	$ 4,422,101	$ 9,278,052	$ 552,965
Installment note	-	2,000,000	7,300	1,992,700	118,181
IEPA loan	9,448,553	-	529,423	8,919,130	543,678
Compensated absences	1,124,774	314,310	281,193	1,157,891	289,473
	$ 20,273,480	$ 6,314,310	$ 5,240,017	$ 21,347,773	$ 1,504,297

Compensated absences attributable to governmental activities are generally liquidated by the General Fund. The City is a home rule municipality and, therefore, is not subject to the statutory general obligation debt limitations.

General obligation bonds: The City has issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and to refund part of 2004 general obligation bonds. These bonds have been issued for both general government and proprietary activities. The general obligation bonds for governmental activities is being paid out of tax increment financing and Home Rule Sales Tax supplied through transfers from the Capital Projects Fund. Those bonds for proprietary activities are reported in the proprietary funds as they are expected to be repaid from proprietary revenues.

Note 6. Long-Term Debt (Continued)

General obligation bonds currently outstanding for governmental activities are as follows:

Issue	Amount Issued	Outstanding December 31, 2010
2002 A Corporate Purpose general obligation bonds due in annual amounts of $875,000 to $1,600,000 through February 1, 2022; interest at 4.125% to 5.500%	$ 16,595,000	$ 14,620,000
2002 B Corporate Purpose general obligation bonds due in annual amounts of $600,000 to $700,000 through November 1, 2013; interest at 4.00% to 4.25%	3,240,000	2,020,000
2002 C Corporate Purpose general obligation bonds issued for capital asset purposes due in annual amounts of $200,000 to $365,000 through November 1, 2021; interest at 3.25% to 4.75%	5,000,000	3,285,000
2003 Corporate Purpose general obligation bonds issued for capital asset purposes due in annual amounts of $85,489 to $180,629 through November 1, 2024; interest at 3.375% to 4.800%	9,225,000	1,906,949
2003 A Corporate Purpose general obligation bonds issued for capital asset purposes due in annual amounts of $85,000 to $455,000 through November 1, 2020; interest at 4% to 5%	1,800,000	1,800,000
2003 B Corporate Purpose Taxable general obligation bonds issued for capital asset purposes due in annual amounts of $80,000 to $1,080,000 through November 1, 2020; interest at 5.25% to 5.75%	7,875,000	7,135,000
2003 C Corporate Purpose Taxable general obligation bonds issued for capital asset purposes due in annual amounts of $115,000 to $225,000 through November 1, 2020; interest at 4.5% to 6.0%	2,415,000	1,790,000
2003 D Corporate Purpose general obligation bonds due in annual amounts of $385,000 to $820,000 through December 1, 2013; interest at 2% to 4%	6,330,000	1,960,000
2004 A Corporate Purpose general obligation bonds issued for capital asset purposes due in annual amounts of $530,000 to $1,460,000 through December 1, 2030; interest at 3.500% to 5.000%	22,535,000	10,100,000
2004 B & C Corporate Purpose general obligation bonds issued for capital asset purposes due in annual amounts of $300,000 to $1,160,000 through November 1, 2020; interest at 4.000% to 4.536%	8,990,000	7,790,000
2007A Corporate Purpose general obligation bonds issued for temporary financing due in annual amounts of $25,000 to $1,445,000 through December 1, 2030; interest at 4.000% to 4.150%	10,000,000	9,710,000
	$ 94,005,000	$ 62,316,949

Note 6. Long-Term Debt (Continued)

General obligation bonds currently outstanding for proprietary activities are as follows:

Issue	Amount Issued	Outstanding December 31, 2010
2001 A Corporate Purpose general obligation bonds due in annual amounts of $170,000 to $445,000 through February 1, 2022; interest at 4.375% to 4.500%	$ 6,000,000	$ 270,000
2003 A Corporate Purpose general obligation bonds due in annual amounts of $189,971 to $401,391 through November 1, 2024; interest at 3.375% to 4.800%	5,500,000	4,237,582
2003 B Corporate Purpose general obligation bonds due in annual amounts of $34,540 to $72,980 through November 1, 2024; interest at 3.375% to 4.800%	1,027,850	770,470
2010 Corporate Purpose general obligation bonds due in annual amounts of $15,000 to $435,000 through February 1, 2022; interest at 2.0% to 4.0%	4,000,000	4,000,000
	$ 16,527,850	$ 9,278,052

Debt Refunding: On July 13, 2010, the City issued $4,000,000 in General Obligation Bonds, Series 2010A maturing February 1, 2011 through February 1, 2022 with interest rates ranging from 2 percent to 4 percent to refund $3,905,000 of the outstanding General Obligation Bonds, Series 2001A with interest rates from 4.4 percent to 4.5 percent. The net proceeds related to the refunding of $4,003,221 and a municipal contribution of $72,853 were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the portion on the Series 2001A being refunded. As a result, all of the Series 2001A bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net assets. The defeased bonds were subsequently paid off on February 1, 2011.

The City completed the advance refunding to reduce its total debt service payments over the next twelve years by $212,530 and to obtain an economic loss (difference between the present values of old and new debt service payments) of $68,366.

Note 6. Long-Term Debt (Continued)

Installment contracts: The City has the following installment contracts for governmental activities, which were used for the acquisition of capital assets:

Issue	Amount Issued	Outstanding December 31, 2010
2002-A U.S. Government Guaranteed Notes, due in annual amounts of $145,000 to $265,000 through August 1, 2012; interest at 3.90% to 4.99%	$ 1,990,000	$ 515,000
Revolving Line of Credit, First Midwest Bank, due on May 2, 2011, with monthly interest payment at Wall Street Journal Prime Rate minus 0.5% multiplied by 66%, 3.25% as of December 31, 2010	2,900,000	778,526
	$ 4,890,000	$ 1,293,526

Installment contracts currently outstanding for proprietary activities are as follows:

Issue	Amount Issued	Outstanding December 31, 2010
Revolving Line of Credit, First Midwest Bank, due in quarterly amounts of $50,000 to $57,529 through October 1, 2023; interest at 4.200%	$ 2,000,000	$ 1,992,700

Illinois Environmental Protection Agency (IEPA) loan: The City entered into a loan agreement with the Illinois Environmental Protection Agency on February 27, 2002 and amended on November 19, 2004, for the upgrade of the water treatment plant. The City draws down loan proceeds as construction progresses. Total borrowings available under this agreement are $12,000,000. Under the terms of the agreement, the City was required to make semi-annual payments of principal and interest beginning January 19, 2005 through July 19, 2024 with interest at 2.675 percent.

Issue	Amount Issued	Outstanding December 31, 2010
Loan, Illinois Environmental Protection Agency, due in semi-annual payments of $389,327 through July 19, 2024 including interest of 2.675%	$ 12,000,000	$ 8,919,130

Note 6. Long-Term Debt (Continued)

Summary of principal and interest maturities: Annual debt service requirements to service all outstanding indebtedness as of December 31, 2010 are as follows:

Year ending December 31:	Debt Service General Obligation Bonds		Debt Service Installment Contracts	
	Principal	Interest	Principal	Interest
2011	$ 3,922,035	$ 2,899,673	$ 1,028,526	$ 25,349
2012	3,781,171	2,734,482	265,000	13,223
2013	4,470,308	2,572,486	-	-
2014	4,004,445	2,379,053	-	-
2015	4,244,960	2,195,069	-	-
2016 - 2020	25,681,152	7,512,396	-	-
2021 - 2025	9,552,878	2,344,699	-	-
2026 - 2030	6,660,000	847,885	-	-
	$ 62,316,949	$ 23,485,763	$ 1,293,526	$ 38,572

Year ending December 31:	Business-Type Activities General Obligation Bonds		Business-Type Activities IEPA Loan	
	Principal	Interest	Principal	Interest
2011	$ 552,965	$ 542,517	$ 543,678	$ 234,975
2012	588,829	341,406	558,319	220,334
2013	609,692	323,952	573,354	205,299
2014	620,555	304,365	588,794	189,860
2015	650,040	282,518	604,649	174,004
2016 - 2020	3,638,848	1,156,989	3,276,434	616,834
2021 - 2025	2,617,123	400,223	2,773,902	161,311
	$ 9,278,052	$ 3,351,970	$ 8,919,130	$ 1,802,617

Year ending December 31:	Business-Type Activities Installment Contract	
	Principal	Interest
2011	$ 118,181	$ 81,819
2012	123,223	76,777
2013	128,481	71,519
2014	133,963	66,037
2015	139,678	60,322
2016 - 2020	793,036	206,964
2021 - 2025	556,138	38,280
	$ 1,992,700	$ 601,718

Note 6. Long-Term Debt (Continued)

Prior year defeasance: In 2007, the City defeased a portion of the GO Corporate Purpose Bonds Series 2004A with the issuance of GO Corporate Purpose Bonds Series 2007A. The proceeds were placed in an irrevocable trust to provide for the remaining principal and interest payments until they are callable. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. As of December 31, 2010, the remaining portion to be called by the escrow account is $9,075,000.

Legal debt margin: The City is a home rule municipality.

Article VII, Section 6(k) of the 1970 Illinois Constitution governs computation of the legal debt margin.

> "The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property... (1) if its population is more than 25,000 and less than 500,000 an aggregate of one percent... (2) indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum... shall not be included in the foregoing percentage amounts."

To date, the General Assembly has set no limits for home rule municipalities.

Note 7. Risk Management

The City has established self-insurance funds (internal service funds) to meet potential losses from general and auto liability, workers' compensation, property and casualty claims, and medical and other risks. The City carries stop-loss medical coverage of approximately $175,000 per occurrence and $5,335,802 in the aggregate. The City has a $100,000 deductible plan for general liability and a $25,000 deductible for property. The deductible plan for workers' compensation is $500,000 for all City employees. All claim procedures are performed by an independent claims administrator.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claims payable include all known claims and an amount for claims that have been incurred but not reported (IBNRs). Claim liabilities are estimated by considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors. Changes in the balances of claims payable during the years ended December 31, 2010 and 2009 are as follows:

	Insurance	
	2010	2009
Unpaid claims, beginning of period	$ 2,008,661	$ 2,049,909
Incurred claims (including IBNR)	7,465,760	5,959,813
Claims payments	6,987,475	6,001,061
Unpaid claims, end of period	$ 2,486,946	$ 2,008,661

Based on experience, $1,624,835 of the claims payable as of December 31, 2010 is considered current and due within one year.

Each participating fund makes payments to the self-insurance funds for amounts which are actuarially determined. Such payments are displayed on the financial statements as revenues and expenditures/expenses.

There have been no significant reductions in insurance coverage in the current year from prior years. The amount of settlements have not exceeded insurance coverage in the past three fiscal years.

Note 8. Interfund Receivables and Payables

The individual fund interfund receivable and payable balances as of December 31, 2010 are as follows:

	Interfund Receivable	Interfund Payable
Governmental activities:		
Major governmental funds:		
General	$ 1,234,434	$ 43,479
Park	126	428,540
Debt Service	50,000	-
Nonmajor governmental funds	2,180,570	2,549,700
Internal service funds	208,735	31,290
Business-type activities:		
Major enterprise funds:		
Water	1,458	874,786
Water pollution control	236,148	179,078
Storm Water Utility	-	4,598
Total	$ 3,911,471	$ 3,911,471

Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

	Interfund Advances Receivable	Interfund Advances Payable
Governmental activities:		
Major governmental funds:		
General Fund	$ 3,794,898	$ -
Special Revenue Fund, Tax Increment Financing #1	-	6,996,120
Nonmajor governmental funds	1,418,000	-
Internal service funds	1,783,222	-
Total	$ 6,996,120	$ 6,996,120

This advance is to assist with debt payments until the Tax Increment Financing #1 District generates enough tax dollars to meet the debt payments.

Note 9. Interfund Transfers

The following is a schedule of transfers as included in the basic financial statements of the City:

	Transfers In	Transfers Out
Governmental activities:		
Major governmental funds:		
General	$ 273,769	$ 311,290
Park	140,126	-
Tax Increment Financing #1	100,000	2,348,360
Debt service	7,346,887	-
Nonmajor governmental funds	225,055	5,426,187
Business-type activities:		
Water	500,000	154,313
Water pollution control	154,313	500,000
Total	$ 8,740,150	$ 8,740,150

Note 9. Interfund Transfers (Continued)

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them or (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 10. Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457(g) which allows the plan to hold assets in trust. The plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Since the assets are held in trust, the liability and corresponding investment are not reflected in the financial statements.

Note 11. Defined Benefit Pension Plans

Plan descriptions and provisions:

Illinois Municipal Retirement Fund

Plan description: The City's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases and death benefits to plan members and beneficiaries. The City's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding policy: As set by statute, the City's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2010 was 8.45 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2010 was 11.22 percent. The City also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Note 11. Defined Benefit Pension Plans (Continued)

Annual pension cost and net pension obligation: For 2010, the City's actual contributions for pension cost for the Regular plan were $1,265,833. Its required contributions for 2010 was $1,680,787.

Annual required contribution	$ 1,680,787
Interest on net IMRF pension obligation	-
Adjustment to annual required contribution	-
Annual pension cost	1,680,787
Annual contributions made	1,265,833
Increase in IMRF pension obligation	414,954
Net IMRF pension obligation, beginning of year	-
Net IMRF pension obligation, end of year	$ 414,954

The General Fund will liquidate the IMRF obligation in future years.

The required contribution for 2010 was determined as part of the December 31, 2008, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10 percent per year depending on age and service, attributable to seniority/merit and (d) postretirement benefit increases of 3 percent annually. The actuarial value of the City's plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investment over a five-year period with a 20 percent corridor between the actuarial and market value of assets. The City's Regular plan's unfunded actuarial accrued liability at December 31, 2008 is being amortized as a level percentage of projected payroll on an open 30-year basis.

Three-Year Trend Information

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
Year ended December 31, 2010	$ 1,680,787	75%	$ 414,954
Year ended December 31, 2009	595,023	100	-
Year ended December 31, 2008	780,450	100	-

Funded status and funding progress: As of December 31, 2010, the most recent actuarial valuation date, the plan was 81.12 percent funded. The actuarial accrued liability for benefits was $48,131,894, and the actuarial value of assets was $39,042,890, resulting in an unfunded actuarial accrued liability (UAAL) of $9,089,004. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was $14,980,272 and the ratio of the UAAL to the covered payroll was 61 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Note 11. Defined Benefit Pension Plans (Continued)

Police Pension

Police sworn personnel are covered by the Police Pension Plan, which is a defined benefit single employer pension plan. The Plan does not issue a standalone financial report; it is included as a Pension Trust Fund in this Comprehensive Annual Financial Report. Although this is a single employer pension plan, the defined benefits, as well as the employee and employer contribution levels, are mandated by Illinois Compiled Statutes and may be amended only by the Illinois legislature. The City accounts for the plan as a Pension Trust Fund. Plan members' contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. The City's payroll for employees covered by the Police Pension Plan for the year ended December 31, 2010 was $6,307,255 out of a total City payroll of $26,651,270. As of December 31, 2010, the Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	72
Terminated employees entitled to benefits but not yet receiving them	2
Active vested plan members	61
Active nonvested plan members	22
	157

The Plan provides retirement benefits, as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one-half of the monthly salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The monthly pension shall be increased by 2.5 percent of such monthly salary for each additional year of service over 20 years, to a maximum of 75 percent of such monthly salary. Employees are entitled to a minimum benefit of $1,000 per month. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977, shall be increased annually following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent simple interest annually thereafter.

Covered employees are required to contribute 9.91 percent of their base salary to the Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the Plan as actuarially determined by an enrolled actuary. For the year ended December 31, 2010, the City's contribution rate was 40.08 percent. Effective July 1, 1994, the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is fully funded by the year 2033.

Note 11. Defined Benefit Pension Plans (Continued)

Annual pension cost and net pension asset: The City's annual pension cost and net pension asset to the Police Pension Plan for the current year were as follows:

Annual required contributions	$ 2,128,166
Interest on net pension asset	(171,274)
Adjustments to annual required contribution	151,142
Annual pension cost	2,108,034
Annual contributions made	2,222,982
Increase in net pension asset	(114,948)
Net pension asset, beginning of year	(2,140,925)
Net pension asset, end of year	$ (2,255,873)

The annual required contribution for the current year was determined as part of the January 1, 2010 actuarial valuation using the entry age normal cost funding method. The actuarial assumption included (a) 8.0 percent investment rate of return and (b) projected salary increases of 5.0 percent. Both (a) and (b) included an inflation component of 3 percent and postretirement benefit increases of 3 percent annually. The unfunded actuarial accrued liability is being amortized as a closed period, level percentage of payroll. The remaining amortization period as of the January 1, 2010 actuarial valuation date was 23 years.

Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
December 31, 2010	$ 2,108,034	105.5%	$ 2,255,873
December 31, 2009	1,995,035	103.8	2,140,925
December 31, 2008	1,345,462	109.6	2,064,604

Funded status and funding progress: As of January 1, 2010, the most recent actuarial valuation date, the plan was 48.1 percent funded. The actuarial accrued liability for benefits was $54,454,928, and the actuarial value of assets was $26,204,232, resulting in an unfunded actuarial accrued liability (UAAL) of $28,250,696. The covered payroll (annual payroll of active employees covered by the plan) was $5,309,947, and the ratio of the UAAL to the covered payroll was 532.03 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Note 11. Defined Benefit Pension Plans (Continued)

Firefighters' Pension

Fire sworn personnel are covered by the Firefighters' Pension Plan, which is a defined benefit single employer pension plan. Although this is a single employer pension plan, the defined benefits, as well as the employee and employer contribution levels are mandated by Illinois Compiled Statutes (Chapter 40 – Article 5/3) and may be amended only by the Illinois legislature. The City accounts for the Plan as a Pension Trust Fund. The Plan does not issue a standalone financial report and is not included in any reports of public employee retirement systems or other entities. Plan members' contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when earned and the employer has made a formal commitment to provide the contributions. The City's payroll for employees covered by the Firefighters' Pension Plan for the year ended December 31, 2010 was $5,148,530 out of the total payroll of $26,651,270. As of December 31, 2010, the Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	92
Terminated employees entitled to benefits but not yet receiving them	-
Active vested plan members	41
Active nonvested plan members	27
	160

The Plan provides retirement as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one-half of the monthly salary attached to the rank held on the last date of service. The monthly pension shall be increased by 1/12 of 2.5 percent of such monthly salary for each additional month over 20 years through 30 years, to a maximum of 75 percent of such monthly salary. Employees are entitled to a minimum benefit of $1,000 per month. Employees with at least 10 years of service but less than 20 years of service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a covered employee who retired with 20 or more years of service after January 1, 1977, shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the amount of the pension payable at the time of the increase.

Covered employees are required to contribute 9.455 percent of their base salary to the Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the Plan as actuarially determined by an enrolled actuary. For the year ended December 31, 2010, the City's contribution rate was 55.78 percent. Effective July 1, 1993, the City's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is fully funded by the year 2033.

Note 11. Defined Benefit Pension Plans (Continued)

Annual pension cost and net pension asset: The City's annual pension cost and net pension asset to the Firefighters' Pension Plan for the current year were as follows:

Annual required contributions	$ 2,497,891
Interest on net pension asset	(305,162)
Adjustments to annual required contribution	269,292
Annual pension cost	2,462,021
Annual contributions made	2,622,169
Increase in net pension asset	(160,148)
Net pension asset, beginning of year	(3,814,519)
Net pension asset, end of year	$ (3,974,667)

The annual required contribution for the current year was determined as part of the January 1, 2010, actuarial valuation using the entry age normal cost funding method. The actuarial assumption included (a) 8.0 percent investment rate of return and (b) projected salary increases of 5.0 percent. Both (a) and (b) included an inflation component of 3 percent and postretirement benefit increases of 3 percent annually. The unfunded actuarial accrued liability is being amortized as a closed period, level percentage of payroll. The remaining amortization period as of the January 1, 2010 actuarial valuation date was 23 years.

Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
December 31, 2010	$ 2,462,021	106.5%	$ 3,974,667
December 31, 2009	2,192,141	106.3	3,814,519
December 31, 2008	1,574,593	112.5	3,676,472

Funded status and funding progress: As of January 1, 2010, the most recent actuarial valuation date, the plan was 43.6 percent funded. The actuarial accrued liability for benefits was $57,338,719, and the actuarial value of assets was $24,987,381, resulting in an unfunded actuarial accrued liability (UAAL) of $32,351,338. The covered payroll (annual payroll of active employees covered by the plan) was $4,478,182, and the ratio of the UAAL to the covered payroll was 722.42 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Note 11. Defined Benefit Pension Plans (Continued)

The statement of fiduciary net assets and the statement of changes in fiduciary net assets for the pension funds are as follows:

Statement of Fiduciary Net Assets
Pension Trust Funds
December 31, 2010

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
Assets:			
Cash and cash equivalents	$ 1,348,414	$ 2,344,210	$ 3,692,624
Investments:			
Government obligations	-	3,195,829	3,195,829
Common stock	10,281,585	9,032,381	19,313,966
Mutual funds	14,538,234	9,125,781	23,664,015
Receivables:			
Employer contributions	2,280,595	2,678,280	4,958,875
Accrued interest	15	41,863	41,878
Total assets	$ 28,448,843	$ 26,418,344	$ 54,867,187
Net assets, held in trust for pension benefits	$ 28,448,843	$ 26,418,344	$ 54,867,187

Statement of Changes in Fiduciary Net Assets
Pension Trust Funds
Year Ended December 31, 2010

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
Additions:			
Contributions:			
Employer	$ 2,222,982	$ 2,622,169	$ 4,845,151
Plan member deposits	554,189	465,949	1,020,138
Total contributions	2,777,171	3,088,118	5,865,289
Net investment income (expense):			
Net appreciation in fair value of investments	1,828,480	1,429,533	3,258,013
Interest	707,013	681,115	1,388,128
Investment expense	(68,514)	(66,768)	(135,282)
Net investment income (expense)	2,466,979	2,043,880	4,510,859
Total additions	5,244,150	5,131,998	10,376,148
Deductions:			
Benefits	2,944,429	3,674,329	6,618,758
Administrative expenses	55,109	26,707	81,816
Total deductions	2,999,538	3,701,036	6,700,574
Change in net assets	2,244,612	1,430,962	3,675,574
Net assets held in trust for benefits:			
Beginning of year	26,204,231	24,987,382	51,191,613
End of year	$ 28,448,843	$ 26,418,344	$ 54,867,187

Note 12. Other Postemployment Benefits

Plan description: The City provides the continuation of health care benefits and life insurance to employees who retire from the City. Employees who terminate after reaching retirement eligibility in the plan are eligible to elect to continue their health care coverage by paying the monthly premium rate. Because the actuarial cost of health benefits for retirees exceeds the average amount paid by retirees, the additional cost is paid by the City and is the basis for the OPEB obligation accounted for under GASB 45. Retiree coverage begins at age 50 with 20 years of service for Police and Fire employees and at IMRF retirement age of at least 55 for all other City employees and continues until the retiree is medicare eligible. The plan does not issue a stand-alone financial report.

Membership in the OPEB comprised the following at December 31, 2010:

Retired participants	115
Active participants	344

Funding policy: The health insurance plan contributions on behalf of employees are negotiated by management and the union and governed by the City's union contracts. Retiree and active members also pay a portion of the insurance costs. The current funding policy of the City is to pay health claims as they occur through internal allocated funds.

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2010, the City contributed $1,016,820. Retiree and active members receiving benefits have required monthly contributions. Premium rates for the City, employees (active) and retirees (R) and Dependents (D) are as follows:

Coverage Type	City	Employee/Retiree	Total
Single - active	$ 424.26	$ 106.06	$ 530.32
Family - active	1,107.34	276.83	1,384.17
R <65 >50	424.26	106.06	530.32
R >65	-	276.82	276.82
R <50	-	530.32	530.32
R <65 >50 & D <65	424.26	959.91	1,384.17
R <50 & D <65	-	1,384.17	1,384.17
R <65 >50 & D >65	424.26	382.90	807.16
R >65 & D <65	-	1,130.65	1,130.65
R & D >65	-	553.67	553.67

Note 12. Other Postemployment Benefits (Continued)

Annual OPEB cost and net OPEB obligation: The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance to the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for the year, the amount actuarially contributed to the plan and changes in the City's annual OPEB obligation:

Annual required contribution	$ 1,225,407
Interest on net OPEB obligation	37,796
Adjustment to annual required contribution	(46,832)
Annual OPEB cost	1,216,371
Contributions and payments made	1,016,820
Increase in net OPEB obligation	199,551
Net OPEB obligation, beginning of year	755,917
Net OPEB obligation, end of year	$ 955,468

The General Fund will liquidate the net other postemployment benefit obligation in future years.

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligations for 2010 are as follows in the table below. 2008 was the transition year of GASB Statement No. 45.

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2010	$ 1,216,371	83.6	955,468
December 31, 2009	840,089	59.5	755,917
December 31, 2008	848,614	51.0	415,719

As of December 31, 2010 the plan was 0 percent funded. The actuarial accrued liability for benefits was $12,747,914, and the actuarial value of assets was none, resulting in an unfunded actuarial accrued liability (UAAL) of $12,747,914. The covered payroll (annual payroll of active employees covered by the plan) was $21,295,138 and the ratio of the UAAL to the covered payroll was 59.9 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Note 12. Other Postemployment Benefits (Continued)

Actuarial methods and assumptions: Projections and benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and included in the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2010 actuarial valuation, entry age actuarial cost method was used. The actuarial assumptions included a 5 percent discount rate and an annual health care cost trend rate of 8 percent initially, reduced to an ultimate rate of 4 percent after 5 years. Both rates include a 2.5 percent inflation assumption. The City's unfunded actuarial accrued liability is being amortized as a level dollar amount over 30 years.

Note 13. Individual Fund Disclosures

The following is a summary of deficit fund balances of individual major and nonmajor funds as of December 31, 2010:

Major Funds:	
Tax Increment Financing #1	$ (6,630,469)
Nonmajor funds:	
Community Development Block Grant Recovery	(15,001)
Tax Increment Financing #2	(669,000)
Tax Increment Financing #8	(35,221)
Sanitation	(523,262)
Home Buyer Grant	(13,563)
Lead Hazard Control Grant	(41,681)
Single Family Owner Occupied Rehabilitation Grant	(43,838)
Small Rental Properties Program Grant	(9,502)
NSP2 Grant	(173,844)
Tax Increment Financing #5	(1,405)

These fund deficits will be funded with future tax revenues.

Note 14. Commitments and Contingent Liabilities

The City is a defendant in various lawsuits. Although the ultimate outcome of these lawsuits is not presently determinable, in the opinion of the City's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

The City has an intergovernmental agreement with the Illinois Quad City Civic Center Authority (the Authority) to provide financial assistance relating to operating deficits, if any. During the year ended December 31, 2010, the City made no contributions to the operations of the Authority.

The City was involved in construction projects as of December 31, 2010 with an estimated cost of $32,800 related to these projects.

Note 15. Noncommitment Debt

Industrial and residential mortgage revenue bonds: The City has participated in several issues of industrial and economic development revenue bonds issued for the purposes of constructing privately operated manufacturing and other related facilities within the City. These bonds are not direct or contingent liabilities of the City. Revenue from lease agreements and property purchased with the bond proceeds is pledged for the total payment of principal and interest on the bonds and the bondholders can look only to these sources for repayment. As of December 31, 2010, there were three series of industrial and economic development revenue bonds outstanding issued prior to April 1, 1996. The aggregate principal amount payable for the series issued could not be determined; however, their original issue amounts totaled $16,800,000. There have been no Industrial Revenue Bonds issued since April 1, 1996.

The City has also issued residential mortgage revenue bonds to provide funds to acquire mortgage loans collateralized by first mortgage liens on single family or two to four family owner occupied residential housing and to provide monies to make deposits in various reserve funds and to pay bond issuance costs. These bonds are collateralized by an assignment and pledge of interest in (1) all mortgage loans and earnings from such mortgage loans, (2) all of the City's rights and interest in the bond agreement and (3) all monies and securities held by the custodian of the bond assets. The bonds and interest thereon are not considered as obligations of the City and will be payable solely out of bond proceeds, commitment fees, revenue and other amounts derived by the mortgage loans and certain reserve funds. The bonds and the interest thereon do not constitute an indebtedness, liability, general or moral obligation or pledge of the faith or loan of credit of the City. As of December 31, 2010, there were three series of residential mortgage revenue bonds issued prior to April 1, 1996 outstanding. The aggregate principal amount payable for the series issued could not be determined; however, their original issue amounts totaled $48,545,000. There have been no residential mortgage revenue bonds issued since April 1, 1996.

When the principal and interest on the bonds have been fully paid or provision for such payment has been provided for, monies remaining with the custodian and not required to pay any costs related to the bonds will be transferred to the City to be used for any lawful corporate purpose.

Note 16. Governmental Accounting Standards Board (GASB) Pending Pronouncements

The City implemented the following statements during the year ended December 31, 2010:

- GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. This Statement provides guidance regarding how to identify, account for and report intangible assets. The new standard characterizes an intangible asset as an asset that lacks physical substance, is nonfinancial in nature and has an initial useful life extending beyond a single reporting period. As a result of the implementation, the City capitalized intangible assets acquired prior to fiscal year ended December 31, 2010 and restated beginning governmental activities net assets by $71,773.
- GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. This Statement will improve how state and local governments report information about derivative instruments in their financial statements. The Statement specifically requires governments to measure most derivative instruments at fair value in their financial statements that are prepared using the economic resources measurement focus and the accrual basis of accounting. The guidance in this Statement also addresses hedge accounting requirements. This Statement had no effect on the City in the current year.

Note 16. Governmental Accounting Standards Board (GASB) Pending Pronouncements (Continued)

- GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*. This Statement provides guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. It establishes requirements for recognizing and measuring the effects of the bankruptcy process on assets and liabilities, and for classifying changes in those items and related costs. This Statement had no effect on the City in the current year.

The GASB had issued several statements not yet implemented by the City. The statements which might impact the City are as follows:

- GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, issued March 2009, will be effective for the City beginning with its year ending December 31, 2011. This Statement is intended to improve the usefulness of information provided to financial report users about fund balances by providing clearer, more structured fund balance classifications, and by clarifying the definitions of existing governmental fund types. Fund balance information is among the most widely and frequently used information in state and local government financial reports. The GASB developed this standard to address the diversity of practice and the resulting lack of consistency that had evolved in fund balance reporting. To reduce confusion, the new standard establishes a hierarchy of fund balance classification based primarily on the extent to which a government is bound to observe spending constraints.
- GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, an amendment of GASB Statement No. 43 and No. 45, issued January 2010, will be effective for the City beginning with its year ending December 31, 2012. This Statement addresses issues related to measurement of OPEB obligations by certain employers participating in agent multiple-employer OPEB plans.
- GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, issued November 2010, will be effective for the City beginning with its year ending December 31, 2012. This Statement is intended to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. Specifically, this Statement improves financial reporting by establishing recognition, measurement, and disclosure requirements SCAs for both transferors and governmental operators, requiring governments to account for and report SCAs in the same manner, which improves the comparability of financial statements. This Statement also improves the decision usefulness of financial reporting by requiring that specific relevant disclosures be made by transferors and governmental operators about SCAs.
- GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, issued November 2010, will be effective for the City beginning with its year ending December 31, 2013. This Statement is intended to improve financial reporting for a governmental financial reporting entity by improving guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity. The amendments to the criteria for including component units allow users of financial statements to better assess the accountability of elected officials by ensuring that the financial reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. The amendments to the criteria for blending also improve the focus of a financial reporting entity on the primary government by ensuring that the primary government includes only those component units that are so intertwined with the primary government that they are essentially the same as the primary government, and by clarifying which component units have that characteristic.

Note 16. Governmental Accounting Standards Board (GASB) Pending Pronouncements (Continued)

- GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance* Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, issued January 2011, will be effective for the City beginning with its year ending December 31, 2012. This Statement is intended to enhance the usefulness of the Codification of Governmental Accounting and Financial Reporting Standards by incorporating guidance that previously could only be found in certain FASB and AICPA pronouncements. This Statement incorporates into the GASB's authoritative literature the applicable guidance previously presented in the following pronouncements issued before November 30, 1989: FASB Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the AICPA's Committee on Accounting Procedure. By incorporating and maintaining this guidance in a single source, the GASB believes that GASB 62 reduces the complexity of locating and using authoritative literature needed to prepare state and local government financial reports.

Management has not yet determined the effect these Statements will have on the City's financial statements.

Note 17. Restatement

The City adopted GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, in the current year. As a result, fiscal year 2009 governmental activities balances were restated as follows:

	Balance December 31, 2009 as Previously Reported	Restatement	Balance December 31, 2009 as Restated
Governmental activities, capital assets, net	$ 103,505,048	$ 71,773	$ 103,576,821
Net assets invested in capital assets net of related debt	67,051,552	71,773	67,123,325
Governmental activities, total net assets	65,586,987	71,773	65,658,760

APPENDIX B
DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to any Tender/Remarketing Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to any Tender/Remarketing Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to any Tender/Remarketing Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

APPENDIX C
LEGAL OPINION

July 5, 2011

The City Council of the
City of Moline, Illinois

Dear Members:

We have examined a record of proceedings relating to the issuance of $_____,000 principal amount of Taxable General Obligation Corporate Purpose Bonds, Series 2011A (the "Bonds") of the City of Moline, a municipal corporation and a home rule unit of the State of Illinois. The Bonds are authorized and issued pursuant to the provisions of Section 6 of Article VII of the Illinois Constitution of 1970, and Section 2-1110 of the Moline Code of Ordinances and by virtue of an ordinance adopted by the City Council of the City on June 21, 2011 and entitled: "An Ordinance Authorizing the Issuance of Taxable General Obligation Corporate Purpose Bonds, Series 2011A, of the City of Moline, Illinois" (the "Bond Ordinance").

The Bonds are issuable in the form of fully registered bonds in the denominations of $5,000 or any integral multiple thereof. The Bonds delivered on original issuance are dated July 5, 2011. The Bonds mature on December 1 in each of the following years in the respective principal amount set opposite each such year in the following table, and the Bonds maturing in each such year bear interest from their date payable on December 1, 2011 and semiannually thereafter on June 1 and December 1, at the respective rate of interest per annum set forth opposite such year:

Year	Principal Amount	Interest Rate
20__	$,000	. %
20__	,000	
20__	,000	
20__	,000	
20__	,000	
20__	,000	
20__	,000	

The Bonds maturing on or after December 1, 20__ are subject to redemption prior to maturity at the option of the City, in such principal amounts and from such maturities as the City shall determine, and by lot within a single maturity, on June 1, 2021 and on any date thereafter, at a redemption price equal to the principal amount thereof to be redeemed.

The Bonds maturing on December 1, 20__, are subject to mandatory redemption, in part and by lot, at a redemption price equal to the principal amount thereof to be redeemed, on December 1 of the years 20__ and 20__, in the following principal amounts, each constituting a sinking fund installment for the retirement of the Bonds maturing on December 1, 20__:

Year	Principal Amount
20__	$,000
20__	,000

The Bonds maturing on December 1, 20__, are subject to mandatory redemption, in part and by lot, at a redemption price equal to the principal amount thereof to be redeemed, on December 1 of the years 20__ and 20__, in the following principal amounts, each constituting a sinking fund installment for the retirement of the Bonds maturing on December 1, 20__:

Year	Principal Amount
20__	$,000
20__	,000

In our opinion, the Bonds are valid and legally binding general obligations of the City of Moline and the City is obligated to levy ad valorem taxes upon all the taxable property within the City for the payment of the Bonds and the interest thereon without limitation as to rate or amount. However, the enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights and remedies heretofore or hereafter enacted.
Interest on the Bonds is not exempt from Federal or Illinois income taxes.

Very truly yours,

LG:bae

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City of Moline
1616 6th Avenue
Moline, Illinois 61265

OFFICIAL BID FORM
(OPEN SPEER AUCTION)

June 21, 2011
Speer Financial, Inc.

Members of the City Council:

For the $7,965,000* Taxable General Obligation Corporate Purpose Bonds, Series 2011A, of the City of Moline, Rock Island County, Illinois, as described in the annexed Official Notice of Sale, which is expressly made a part of this bid, we will pay you $_____ (no less than $7,890,000) plus accrued interest from July 5, 2011, to the date of delivery for Bonds bearing interest as follows (each rate a multiple of 1/8 or 1/100 of 1%). **The discount is subject to adjustment allowing the same $_____ gross spread per $1,000 bond as bid herein.**

MATURITIES* - DECEMBER 1

$305,000	... 2014	_____%	$330,000	... 2020	_____%	$565,000	... 2025	_____%
165,000	... 2015	_____%	375,000	... 2021	_____%	625,000	... 2026	_____%
200,000	... 2016	_____%	415,000	... 2022	_____%	700,000	... 2027	_____%
225,000	... 2017	_____%	465,000	... 2023	_____%	775,000	... 2028	_____%
250,000	... 2018	_____%	510,000	... 2024	_____%	850,000	... 2029	_____%
285,000	... 2019	_____%				925,000	... 2030	_____%

Any consecutive maturities may be aggregated into no more than five term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

Maturities: _____ *Term Maturity* _____ *Maturities:* _____ *Term Maturity* _____ *Maturities:* _____ *Term Maturity* _____
Maturities: _____ *Term Maturity* _____ *Maturities:* _____ *Term Maturity* _____

The Bonds are to be executed and delivered to us in accordance with the terms of this bid accompanied by the approving legal opinion of Katten Muchin Rosemann LLP, Chicago, Illinois. The City will pay for the legal opinion. The underwriter agrees to **apply for CUSIP numbers within 24 hours** and pay the fee charged by the CUSIP Service Bureau and will accept the Bonds with the CUSIP numbers as entered on the Bonds.

As evidence of our good faith, we have wire transferred or enclosed herewith a check or Surety Bond payable to the order of the Treasurer of the City in the amount of **TWO PERCENT OF PAR** (the "Deposit") under the terms provided in your Official Notice of Sale. Attached hereto is a list of members of our account on whose behalf this bid is made.

Form of Deposit
Check One:

Certified/Cashier's Check [ ]
Financial Surety Bond [ ]
Wire Transfer [ ]

Amount: $159,300

Account Manager Information

Name _____

Address _____

By _____

City _____ State/Zip _____

Direct Phone (_____) _____

FAX Number (_____) _____

E-Mail Address _____

Bidders Option Insurance

We have purchased insurance from:

Name of Insurer
(Please fill in)

_____

Premium: _____

Maturities: (Check One)

[_] _____ **Years**

[_] **All**

The foregoing bid was accepted and the Bonds sold by Ordinance of the City on June 21, 2011, and receipt is hereby acknowledged of the good faith Deposit which is being held in accordance with the terms of the annexed Official Notice of Sale.

CITY OF MOLINE, ROCK ISLAND COUNTY, ILLINOIS

_____
Mayor

**Subject to change.*

---------- **NOT PART OF THE BID** ----------
(Calculation of true interest cost)

Gross Interest	$
Less Premium/Plus Discount	$
True Interest Cost	$
True Interest Rate	%
TOTAL BOND YEARS	109,215.25
AVERAGE LIFE	13.712 Years

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OFFICIAL NOTICE OF SALE

$7,965,000*
CITY OF MOLINE
ROCK ISLAND COUNTY, ILLINOIS
Taxable General Obligation Corporate Purpose Bonds, Series 2011A

The City of Moline, Rock Island County, Illinois (the "City"), will receive electronic bids on the SpeerAuction (*"SpeerAuction"*) website address "www.SpeerAuction.com" for its $7,965,000* Taxable General Obligation Corporate Purpose Bonds, Series 2011A (the "Bonds"), on an all or none basis between 9:45 A.M. and 10:00 A.M., C.D.T., June 21, 2011. To bid, bidders must have: (1) completed the registration form on the SpeerAuction website, and (2) requested and received admission to the City's sale (as described below). Award will be made or all bids rejected at a meeting of the City on that date. The City reserves the right to change the date or time for receipt of bids. Any such change shall be made not less than twenty-four (24) hours prior to the revised date and time for receipt of the bids for the Bonds and shall be communicated by publishing the changes in the Amendments Page of the SpeerAuction webpage and through *Thompson Municipal News*.

The Bonds are valid and legally binding general obligations of the City and the City is obligated to levy ad valorem taxes upon all the taxable property within the City for the payment of the Bonds and the interest thereon without limitation as to rate or amount. However, the enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights and remedies heretofore or hereafter enacted.

Bidding Details

Bidders should be aware of the following bidding details associated with the sale of the Bonds.

(1) All bids must be submitted on the SpeerAuction website at www.SpeerAuction.com. **No telephone, telefax or personal delivery bids will be accepted.** The use of SpeerAuction shall be at the bidder's risk and expense and the City shall have no liability with respect thereto, including (without limitation) liability with respect to incomplete, late arriving and non-arriving bid. Any questions regarding bidding on the SpeerAuction website should be directed to Grant Street Group at (412) 391-5555 x 370.

(2) Bidders may change and submit bids as many times as they like during the bidding time period; provided, however, each and any bid submitted subsequent to a bidder's initial bid must result in a lower true interest cost ("TIC") with respect to a bid, when compared to the immediately preceding bid of such bidder. In the event that the revised bid does not produce a lower TIC with respect to a bid the prior bid will remain valid.

(3) If any bid in the auction becomes a leading bid two (2) minutes prior to the end of the auction, then the auction will be automatically extended by two (2) minutes from the time such bid was received by SpeerAuction. The auction end time will continue to be extended, indefinitely, until a single leading bid remains the leading bid for at least two minutes.

(4) The last valid bid submitted by a bidder before the end of the bidding time period will be compared to all other final bids submitted by others to determine the winning bidder or bidders.

(5) During the bidding, no bidder will see any other bidder's bid, but bidders will be able to see the ranking of their bid relative to other bids (i.e., "Leader", "Cover", "3rd" etc.)

(6) On the Auction Page, bidders will be able to see whether a bid has been submitted.

Rules of SpeerAuction

Bidders must comply with the Rules of SpeerAuction in addition to the requirements of this Official Notice of Sale. To the extent there is a conflict between the Rules of SpeerAuction and this Official Notice of Sale, this Official Notice of Sale shall control.

Rules

(1) A bidder ("Bidder") submitting a winning bid ("Winning Bid") is irrevocably obligated to purchase the Bonds at the rates and prices of the winning bid, if acceptable to the City, as set forth in the related Official Notice of Sale. Winning Bids are not officially awarded to Winning Bidders until formally accepted by the City.

(2) Neither the City, Speer Financial, Inc., nor Grant Street Group (the "Auction Administrator") is responsible for technical difficulties that result in loss of Bidder's internet connection with SpeerAuction, slowness in transmission of bids, or other technical problems.

**Subject to change.*

(3) If for any reason a Bidder is disconnected from the Auction Page during the auction after having submitted a Winning Bid, such bid is valid and binding upon such Bidder, unless the City exercises its right to reject bids, as set forth herein.

(4) Bids which generate error messages are not accepted until the error is corrected and bid is received prior to the deadline.

(5) Bidders accept and agree to abide by all terms and conditions specified in the Official Notice of Sale (including amendments, if any) related to the auction.

(6) Neither the City, Speer Financial, Inc., nor the Auction Administrator is responsible to any bidder for any defect or inaccuracy in the Official Notice of Sale, amendments, or Preliminary Official Statement as they appear on SpeerAuction.

(7) Only Bidders who request and receive admission to an auction may submit bids. SpeerAuction and the Auction Administrator reserve the right to deny access to SpeerAuction website to any Bidder, whether registered or not, at any time and for any reason whatsoever, in their sole and absolute discretion.

(8) Neither the City, Speer Financial, Inc., nor the Auction Administrator is responsible for protecting the confidentiality of a Bidder's SpeerAuction password.

(9) If two bids submitted in the same auction by the same or two or more different Bidders result in same True Interest Cost, the first confirmed bid received by SpeerAuction prevails. Any change to a submitted bid constitutes a new bid, regardless of whether there is a corresponding change in True Interest Cost.

(10) Bidders must compare their final bids to those shown on the Observation Page immediately after the bidding time period ends, and if they disagree with the final results shown on the Observation Page they must report them to SpeerAuction within 15 minutes after the bidding time period ends. Regardless of the final results reported by SpeerAuction, Bonds are definitively awarded to the winning bidder only upon official award by the City. If, for any reason, the City fails to: (i) award Bonds to the winner reported by SpeerAuction, or (ii) deliver Bonds to winning bidder at settlement, neither the City, Speer Financial, Inc., nor the Auction Administrator will be liable for damages.

The City reserves the right to reject all proposals, to reject any bid proposal not conforming to this Official Notice of Sale, and to waive any irregularity or informality with respect to any proposal. Additionally, the City reserves the right to modify or amend this Official Notice of Sale; however, any such modification or amendment shall not be made less than twenty-four (24) hours prior to the date and time for receipt of bids on the Bonds and any such modification or amendment will be announced on the Amendments Page of the SpeerAuction webpage and through *Thompson Municipal News*.

The Bonds will be in fully registered form in the denominations of $5,000 and integral multiples thereof in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, to which principal and interest payments on the Bonds will be paid. Individual purchases will be in book-entry only form. Interest on each Bond shall be paid by check or draft of the Bond Registrar to the person in whose name such bond is registered at the close of business on the fifteenth day of the month next preceding an interest payment date. The principal of the Bonds shall be payable in lawful money of the United States of America at the principal office maintained for the purpose by the Bond Registrar in Chicago, Illinois. Semiannual interest is due June 1 and December 1 of each year commencing December 1, 2011, and is payable by Amalgamated Bank of Chicago, Chicago, Illinois (the "Bond Registrar"). The Bonds are dated July 5, 2011.

MATURITIES* – DECEMBER 1

$305,000 ... 2014	$330,000 ... 2020	$565,000 ... 2025
165,000 ... 2015	375,000 ... 2021	625,000 ... 2026
200,000 ... 2016	415,000 ... 2022	700,000 ... 2027
225,000 ... 2017	465,000 ... 2023	775,000 ... 2028
250,000 ... 2018	510,000 ... 2024	850,000 ... 2029
285,000 ... 2019		925,000 ... 2030

Any consecutive maturities may be aggregated into no more than five term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

Bonds due December 1, 2014-2020, inclusive, are non-callable. Bonds due December 1, 2021-2030, inclusive, are callable in whole or in part on any date on or after June 1, 2021, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the City and within any maturity by lot

All interest rates must be in multiples of one-eighth or one one-hundredth of one percent (1/8 or 1/100 of 1%), and not more than one rate for a single maturity shall be specified. The rates bid shall be in non-descending order. The differential between the highest rate bid and the lowest rate bid shall not exceed four percent (4%). All bids must be for all of the Bonds, must be for not less than $7,890,000, plus accrued interest from the dated date to the date of delivery.

Award of the Bonds: The Bonds will be awarded on the basis of true interest cost, determined in the following manner. **True interest cost shall be computed by determining the annual interest rate (compounded semi-annually) necessary to discount the debt service payments on the Bonds from the payment dates thereof to the dated date and to the bid price.** For the purpose of calculating true interest cost, the Bonds shall be deemed to become due in the principal amounts and at the times set forth in the table of maturities set forth above. In the event two or more qualifying bids produce the identical lowest true interest cost, the winning bid shall be the bid that was submitted first in time on the SpeerAuction webpage.

The Bonds will be awarded to the bidder complying with the terms of this Official Notice of Sale whose bid produces the lowest true interest cost rate to the City as determined by the City's Financial Advisor, which determination shall be conclusive and binding on all bidders; *provided,* that the City reserves the right to reject all bids or any non-conforming bid and reserves the right to waive any informality in any bid. Bidders should verify the accuracy of their final bids and compare them to the winning bids reported on the SpeerAuction Observation Page immediately after the bidding.

The discount, if any, is subject to pro rata adjustment if the maturity amounts of the Bonds are changed, allowing the same dollar amount of profit per $1,000 bond as submitted on the Official Bid Form. The dollar amount of profit must be written on the Official Bid Form for any adjustment to be allowed, and is subject to verification.

The true interest cost of each bid will be computed by SpeerAuction and reported on the Observation Page of the SpeerAuction webpage immediately following the date and time for receipt of bids. These true interest costs are subject to verification by the City's Financial Advisor, will be posted for information purposes only and will not signify an actual award of any bid or an official declaration of the winning bid. The City or its Financial Advisor will notify the bidder to whom the Bonds will be awarded, if and when such award is made.

The winning bidder will be required to make the standard filings and maintain the appropriate records routinely required pursuant to MSRB Rules G-8, G-11 and G-32. The winning bidder will be required to pay the standard MSRB charge for Bonds purchased. In addition, the winning bidder who is a member of the Securities Industry and Financial Markets Association ("SIFMA") will be required to pay SIFMA's standard charge per bond.

Each bid shall be accompanied by a certified or cashier's check on, or a wire transfer from, a solvent bank or trust company or a Financial Surety Bond for **TWO PERCENT OF PAR** payable to the Treasurer of the City as evidence of good faith of the bidder (the "Deposit"). The Deposit of the successful bidder will be retained by the City pending delivery of the Bonds and all others will be promptly returned. Should the successful bidder fail to take up and pay for the Bonds when tendered in accordance with this Notice of Sale and said bid, said Deposit shall be retained as full and liquidated damages to the City caused by failure of the bidder to carry out the offer of purchase. Such Deposit will otherwise be applied on the purchase price upon delivery of the Bonds. No interest on the Deposit will accrue to the purchaser.

If a wire transfer is used for the Deposit, it must be sent according to the following wire instructions:

Amalgamated Bank of Chicago
Corporate Trust
One West Monroe, 3rd Floor
Chicago, IL 60603
ABA # 071003405
Credit to: DDA # 150002305
Further Credit to: 1853281001 Speer Bidding Escrow
RE: City of Moline, Rock Island County, Illinois
$7,965,000* Taxable General Obligation Corporate Purpose Bonds, Series 2011A

The wire shall arrive in such account no later than 30 minutes prior to the date and time of the sale of the Bonds. Contemporaneously with such wire transfer, the bidder shall send an email to biddingescrow@aboc.com with the following information: (1) indication that a wire transfer has been made, (2) the amount of the wire transfer, (3) the issue to which it applies, and (4) the return wire instructions if such bidder is not awarded the Bonds. The City and any bidder who chooses to wire the Deposit hereby agree irrevocably that Speer Financial, Inc. ("Speer") shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: (i) if the bid is not accepted, Speer shall, at its expense, promptly return the Deposit amount to the unsuccessful bidder; (ii) if the bid is accepted, the Deposit shall be forwarded to the City; (iii) Speer shall bear all costs of maintaining the escrow account and returning the funds to the bidder; (iv) Speer shall not be an insurer of the Deposit amount and shall have no liability except if it willfully fails to perform, or recklessly disregards, its duties specified herein; and (v) income earned on the Deposit, if any, shall be retained by Speer.

**Subject to change.*

If a Financial Surety Bond is used for the Deposit, it must be from an insurance company licensed to issue such a bond in the State of Illinois and such bond must be submitted to Speer prior to the opening of the bids. The Financial Surety Bond must identify each bidder whose deposit is guaranteed by such Financial Surety Bond. If the Bonds are awarded to a bidder using a Financial Surety Bond, then that purchaser is required to submit its Deposit to the City in the form of a certified or cashier's check or wire transfer as instructed by Speer, or the City not later than 3:00 P.M. on the next business day following the award. If such Deposit is not received by that time, the Financial Surety Bond may be drawn by the City to satisfy the Deposit requirement.

The City covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the "Undertaking") to provide ongoing disclosure about the City for the benefit of the beneficial owners of the Bonds on or before the date of delivery of the Bonds as required under Section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The Undertaking shall be as described in the Official Statement, with such changes as may be agreed in writing by the Underwriter. The City represents that it is in compliance with each and every undertaking previously entered into it pursuant to the Rule.

The Underwriter's obligation to purchase the Bonds shall be conditioned upon the City delivering the Undertaking on or before the date of delivery of the Bonds.

By submitting a bid, any bidder makes the representation that it understands Bond Counsel represents the City in the Bond transaction and, if such bidder has retained Bond Counsel in an unrelated matter, such bidder represents that the signatory to the bid is duly authorized to, and does consent to and waive of and on behalf of such bidder any conflict of interest of Bond Counsel arising from any adverse position to the City in this matter; such consent and waiver shall supersede any formalities otherwise required in any separate understandings, guidelines or contractual arrangements between the bidder and Bond Counsel.

Bonds will be delivered to the successful purchaser against full payment in immediately available funds as soon as they can be prepared and executed, which is expected to be on or about July 5, 2011. Should delivery be delayed beyond sixty (60) days from the date of sale for any reason beyond the control of the City except failure of performance by the purchaser, the City may cancel the award or the purchaser may withdraw the good faith deposit and thereafter the purchaser's interest in and liability for the Bonds will cease.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts, and interest rates of the Bonds, and any other information required by law or deemed appropriate by the City, shall constitute a "Final Official Statement" of the City with respect to the Bonds, as that term is defined in the Rule. By awarding the Bonds to any underwriter or underwriting syndicate, the City agrees that, no more than seven (7) business days after the date of such award, it shall provide, without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded, up to 100 copies of the Final Official Statement to permit each "Participating Underwriter" (as that term is defined in the Rule) to comply with the provisions of such Rule. The City shall treat the senior managing underwriter of the syndicate to which the Bonds are awarded as its designated agent for purposes of distributing copies of the Final Official Statement to each Participating Underwriter. Any underwriter executing and delivering an Official Bid Form with respect to the Bonds agrees thereby that if its bid is accepted by the City it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

By submission of its bid, the senior managing underwriter of the successful bidder agrees to supply all necessary pricing information and any Participating Underwriter identification necessary to complete the Official Statement within 24 hours after award of the Bonds. Additional copies of the Final Official Statement may be obtained by Participating Underwriters from the printer at cost.

The City will, at its expense, deliver the Bonds to the purchaser in New York, New York, through the facilities of DTC and will pay for the bond attorney's opinion. At the time of closing, the City will also furnish to the purchaser the following documents, each dated as of the date of delivery of the Bonds: (1) the unqualified opinion of Katten Muchin Rosenman LLP, Chicago, Illinois, that the Bonds are lawful and enforceable obligations of the City in accordance with their terms and (2) a no litigation certificate by the City.

The City has authorized the printing and distribution of an Official Statement containing pertinent information relative to the City and the Bonds. Copies of such Official Statement or additional information may be obtained from Ms. Kathleen A. Carr, Finance Director, 1616 6th Avenue, Moline, Illinois 61265 or an electronic copy of this Official Statement is available from the www.speerfinancial.com web site under "Debt Auction Center/Competitive Sales Calendar" from the Independent Public Finance Consultants to the City, Speer Financial, Inc., One North LaSalle Street, Suite 4100, Chicago, Illinois 60602, telephone (312) 346-3700.

/s/ **DONALD WELVAERT**
Mayor
CITY OF MOLINE
Rock Island County, Illinois

/s/ **KATHLEEN A. CARR**
Director of Finance
CITY OF MOLINE
Rock Island County, Illinois

**Subject to change.*

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ATTACHMENT J

TIF 7
Bond Analysis

Katten
KattenMuchinRosenman LLP
525 W. Monroe Street
Chicago, IL 60661-3693
312.902.5200 tel
312.902.1061 fax

July 5, 2011

The City Council of the
City of Moline, Illinois

Dear Members:

We have examined a record of proceedings relating to the issuance of $7,605,000 principal amount of Taxable General Obligation Corporate Purpose Bonds, Series 2011A (the "Bonds") of the City of Moline, a municipal corporation and a home rule unit of the State of Illinois. The Bonds are authorized and issued pursuant to the provisions of Section 6 of Article VII of the Illinois Constitution of 1970, and Section 2-1110 of the Moline Code of Ordinances and by virtue of an ordinance adopted by the City Council of the City on June 21, 2011 and entitled: "An Ordinance Authorizing the Issuance of Taxable General Obligation Corporate Purpose Bonds, Series 2011A, of the City of Moline, Illinois" (the "Bond Ordinance").

The Bonds are issuable in the form of fully registered bonds in the denominations of $5,000 or any integral multiple thereof. The Bonds delivered on original issuance are dated July 5, 2011. The Bonds mature on December 1 in each of the following years in the respective principal amount set opposite each such year in the following table, and the Bonds maturing in each such year bear interest from their date payable on December 1, 2011 and semiannually thereafter on June 1 and December 1, at the respective rate of interest per annum set forth opposite such year:

Year	Principal Amount	Interest Rate
2014	$305,000	1.60%
2015	165,000	2.00
2016	200,000	2.45
2017	225,000	2.85
2018	250,000	3.10
2019	285,000	3.40
2020	330,000	3.85
2021	375,000	4.05
2022	415,000	4.25
2023	465,000	4.65
2024	510,000	4.80
2025	565,000	4.95
2026	625,000	5.05
2027	650,000	5.15
2028	700,000	5.20
2029	750,000	5.20
2030	790,000	5.30

The Bonds maturing on or after December 1, 2021 are subject to redemption prior to maturity at the option of the City, in such principal amounts and from such maturities as the City shall determine, and by lot within a single maturity, on June 1, 2021 and on any date thereafter, at a redemption price equal to the principal amount thereof to be redeemed.

In our opinion, the Bonds are valid and legally binding general obligations of the City of Moline and the City is obligated to levy ad valorem taxes upon all the taxable property within the City for the payment of the Bonds and the interest thereon without limitation as to rate or amount. However, the enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights and remedies heretofore or hereafter enacted.

Interest on the Bonds is not exempt from Federal or Illinois income taxes.

Very truly yours,

Katten Muchin Rosenman LLP

LG:bae

ATTACHMENT K

TIF 1 - 7
AUDITED FINANCIAL STATEMENTS

City of Moline, Illinois

Balance Sheet
Governmental Funds
December 31, 2011

	Primary Government			
Assets	General	Park	Tax Increment Financing #1	Debt Service
Cash and cash equivalents	$ 745,276	$ 381,626	$ -	$ 1,100,634
Restricted cash and cash equivalents	-	-	-	-
Investments	4,840,420	-	-	-
Receivables:				
Property taxes	9,450,552	2,715,036	3,214,782	-
Accounts, net of allowance for collection losses of $116,454	1,778,120	30,276	2,500	-
Accrued interest	-	-	1,442	-
Loans	-	-	916,900	6,556,760
Other taxes	5,360,364	-	68,922	-
Due from other governmental units	116,218	36,468	587,690	-
Due from other funds	1,611,896	-	-	-
Inventories	12,504	-	-	-
Prepaid items	-	18,462	-	-
Interfund advances	4,018,818	-	-	-
Total assets	$ 27,934,168	$ 3,181,868	$ 4,792,236	$ 7,657,394
Liabilities and Fund Balances (Deficits)				
Liabilities:				
Accounts payable	$ 404,914	$ 86,814	$ 11,978	$ -
Accrued expenses	783,158	22,234	7,226	-
Due to other funds	250	-	4,418,888	-
Due to other governments	-	-	50,000	-
Deferred and unearned revenue	11,668,438	2,612,266	4,304,836	-
Deposits	65,080	700	-	-
Line of credit	-	-	-	6,556,760
Interfund advances	-	-	4,018,818	-
Total liabilities	12,921,840	2,722,014	12,811,746	6,556,760
Fund balances (deficits):				
Nonspendable	4,031,322	18,462	-	-
Restricted	345,609	441,392	-	1,100,634
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	10,635,397	-	(8,019,510)	-
Total fund balances (deficits)	15,012,328	459,854	(8,019,510)	1,100,634
Total liabilities and fund balances	$ 27,934,168	$ 3,181,868	$ 4,792,236	$ 7,657,394

See Notes to Basic Financial Statements.

City of Moline, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Governmental Funds
Year Ended December 31, 2011

	Primary Government			
	General	Park	Tax Increment Financing #1	Debt Service
Revenues:				
Taxes	$ 31,521,808	$ 2,784,574	$ 3,197,128	$ -
Licenses and permits	826,474	-	-	-
Intergovernmental	583,974	26,924	127,614	-
Charges for services	4,724,640	691,556	77,770	-
Fines and forfeitures	387,682	-	-	-
Use of money and property	39,722	133,590	115,512	198,033
Contributions	-	3,900	-	-
Miscellaneous	437,185	4,574	8,701	-
Total revenues	38,521,485	3,645,118	3,526,725	198,033
Expenditures:				
Current:				
General government	2,322,864	-	-	-
Public safety	25,130,024	-	-	-
Public works	8,943,954	-	-	-
Economic development	1,104,562	-	2,282,398	-
Culture and recreation	-	3,453,168	-	-
Libraries	-	-	-	-
Capital outlay	487,626	348,980	313,696	-
Debt Service:				
Principal	-	-	-	4,272,034
Interest and fiscal agent fees	-	-	3,600	3,362,482
Bond issuance costs	-	-	-	130,876
Total expenditures	37,989,030	3,802,148	2,599,694	7,765,392
Excess (deficiency) of revenues over expenditures	532,455	(157,030)	927,031	(7,567,359)
Other financing sources (uses):				
Issuance of long-term debt	-	-	-	10,195,358
Premium on bond issuance	-	-	-	784,282
Payment to bond escrow agent	-	-	-	(9,862,838)
Transfers in	255,092	221,950	75,000	7,501,072
Transfers out	(325,000)	-	(2,391,072)	-
Proceeds from sale of capital assets	441,000	-	-	-
Total other financing sources (uses)	371,092	221,950	(2,316,072)	8,617,874
Net change in fund balances	903,547	64,920	(1,389,041)	1,050,515
Fund balances (deficits), beginning of year	14,108,781	394,934	(6,630,469)	50,119
Fund balances (deficits), end of year	$ 15,012,328	$ 459,854	$ (8,019,510)	$ 1,100,634

See Notes to Basic Financial Statements.

City of Moline, Illinois

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2011

	Special Revenue			
	Community Development Block Grant	Motor Fuel Tax	Revolving Loan Program	Tourism
Assets				
Cash and cash equivalents	$ 55,832	$ 193,032	$ 170,774	$ 272,992
Restricted cash and cash equivalents	-	-	-	-
Investments	-	455,104	-	250,174
Receivables:				
Property taxes	-	-	-	-
Accounts, net of allowance for collection losses of none	-	-	-	-
Accrued interest	-	-	-	-
Loans	-	-	96,238	22,000
Other taxes	-	179,406	-	58,918
Due from other governmental units	125,582	-	-	-
Due from other funds	-	-	35,212	469,110
Interfund advances	-	-	-	-
Total assets	$ 181,414	$ 827,542	$ 302,224	$ 1,073,194
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	$ 96,914	$ 98,648	$ -	$ 20,732
Accrued expenses	-	-	-	-
Due to other funds	-	28,166	-	-
Deferred revenue	62,536	-	-	-
Deposits	-	-	-	-
Line of credit	-	-	-	-
Interfund advances	-	-	-	-
Total liabilities	159,450	126,814	-	20,732
Fund balances (deficits):				
Nonspendable	-	-	96,238	-
Restricted	21,964	700,728	205,986	1,052,462
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	21,964	700,728	302,224	1,052,462
Total liabilities and fund balances	$ 181,414	$ 827,542	$ 302,224	$ 1,073,194

(Continued)

Special Revenue				
Special Service Area Number Five	Special Service Area Number Six	Foreign Fire Insurance	General Trust	Tax Increment Financing #2
$ 43,452	$ 194,766	$ 69,394	$ 502,540	$ -
-	-	-	-	-
-	-	-	-	-
110,922	238,792	-	-	241,994
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
2,326	-	-	31,280	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
$ 156,700	$ 433,558	$ 69,394	$ 533,820	$ 241,994
$ 36,418	$ 1,594	$ -	$ 45,226	$ 200
128	644	-	-	-
-	-	-	-	1,089,630
80,400	225,000	-	-	240,840
-	-	-	-	-
-	-	-	-	2,121,476
-	-	-	-	-
116,946	227,238	-	45,226	3,452,146
-	-	-	-	-
39,754	206,320	69,394	211,401	-
-	-	-	232,139	-
-	-	-	45,054	-
-	-	-	-	(3,210,152)
39,754	206,320	69,394	488,594	(3,210,152)
$ 156,700	$ 433,558	$ 69,394	$ 533,820	$ 241,994

City of Moline, Illinois

Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
December 31, 2011

	Special Revenue			
	Tax Increment Financing #6	Tax Increment Financing #3	Tax Increment Financing #4	Library Trust
Assets				
Cash and cash equivalents	$ -	$ 4,192	$ 32,272	$ 238,846
Restricted cash and cash equivalents	-	-	-	-
Investments	-	-	-	-
Receivables:				
Property taxes	-	51,376	254,566	-
Accounts, net of allowance for collection losses of none	-	-	-	-
Accrued interest	-	-	-	4,864
Loans	-	-	-	-
Other taxes	-	-	-	-
Due from other governmental units	-	-	-	-
Due from other funds	-	-	-	-
Interfund advances	-	-	-	-
Total assets	$ -	$ 55,568	$ 286,838	$ 243,710
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ 930
Accrued expenses	-	98	-	-
Due to other funds	35,212	-	-	-
Deferred revenue	-	51,116	150,000	-
Deposits	-	-	-	-
Line of credit	-	-	-	-
Interfund advances	-	-	-	-
Total liabilities	35,212	51,214	150,000	930
Fund balances (deficits):				
Nonspendable	-	-	-	-
Restricted	-	4,354	136,838	242,780
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	(35,212)	-	-	-
Total fund balances (deficits)	(35,212)	4,354	136,838	242,780
Total liabilities and fund balances	$ -	$ 55,568	$ 286,838	$ 243,710

(Continued)

Special Revenue						
Perpetual Care	Reher Art Gallery	Park and Cemetery Gifts	Sanitation	Home Buyer Grant	Lead Hazard Control Grant
$ 237,080	$ 23,376	$ 194,334	$ 184,576	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	278,122	-	-
1,760	-	-	84,208	-	-
-	-	5,534	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	50,796	374,460
-	-	-	-	-	-
$ 238,840	$ 23,376	$ 199,868	$ 546,906	$ 50,796	$ 374,460
$ -	$ 480	$ 11,802	$ 103,956	$ -	$ 91,636
-	-	-	42,492	-	-
-	-	-	-	50,796	282,824
-	-	-	297,896	796	374,460
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	431,602	-	-
-	480	11,802	875,946	51,592	748,920
-	-	-	-	-	-
238,840	22,896	188,066	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(329,040)	(796)	(374,460)
238,840	22,896	188,066	(329,040)	(796)	(374,460)
$ 238,840	$ 23,376	$ 199,868	$ 546,906	$ 50,796	$ 374,460

City of Moline, Illinois

Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
December 31, 2011

	Special Revenue			
	Single Family Owner Occupied Rehabilitation Grant	Small Rental Properties Program	Library	NSP2 Grant Fund
Assets				
Cash and cash equivalents	$ -	$ -	$ 228,648	$ -
Restricted cash and cash equivalents	-	-	-	-
Investments	-	-	-	-
Receivables:				
Property taxes	-	-	2,775,676	-
Accounts, net of allowance for collection losses of none	-	-	-	-
Accrued interest	-	-	-	-
Loans	-	-	-	-
Other taxes	-	-	-	-
Due from other governmental units	40,882	72,772	-	2,156,968
Due from other funds	-	-	-	-
Interfund advances	-	-	-	-
Total assets	$ 40,882	$ 72,772	$ 3,004,324	$ 2,156,968
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	$ 29,840	$ 52,422	$ 27,434	$ 588,265
Accrued expenses	-	-	73,864	-
Due to other funds	11,042	20,350	-	1,610,706
Deferred revenue	6,412	-	2,670,610	634,134
Deposits	-	-	-	-
Line of credit	-	-	-	-
Interfund advances	-	-	-	-
Total liabilities	47,294	72,772	2,771,908	2,833,105
Fund balances (deficits):				
Nonspendable	-	-	-	-
Restricted	-	-	232,416	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	(6,412)	-	-	(676,137)
Total fund balances (deficits)	(6,412)	-	232,416	(676,137)
Total liabilities and fund balances	$ 40,882	$ 72,772	$ 3,004,324	$ 2,156,968

Special Revenue					
Tax Increment Financing #5	Tax Increment Financing #7	Tax Increment Financing #8	Tax Increment Financing #9	Capital Projects	Totals
$ 7,914	$ -	$ -	$ 28,002	$ 608,446	$ 3,290,468
-	5,784,200	-	-	-	5,784,200
-	-	-	-	299,454	1,004,732
32,110	17,306	-	-	108,694	4,109,558
-	-	-	-	-	85,968
-	1,990	-	-	11,390	23,778
-	-	-	-	-	118,238
-	-	-	-	1,353,414	1,625,344
-	-	-	-	-	2,821,460
-	-	-	-	-	504,322
-	-	-	-	431,602	431,602
$ 40,024	$ 5,803,496	$ -	$ 28,002	$ 2,813,000	$ 19,799,670
$ -	$ -	$ -	$ -	$ 17,066	$ 1,223,563
-	-	-	-	-	117,226
-	-	2,850	-	-	3,131,576
32,110	17,306	-	-	550,492	5,394,108
-	-	-	-	11,160	11,160
-	-	-	-	-	2,121,476
-	-	-	-	-	431,602
32,110	17,306	2,850	-	578,718	12,430,711
-	-	-	-	431,602	527,840
7,914	5,786,190	-	28,002	-	9,396,305
-	-	-	-	1,802,680	2,034,819
-	-	-	-	-	45,054
-	-	(2,850)	-	-	(4,635,059)
7,914	5,786,190	(2,850)	28,002	2,234,282	7,368,959
$ 40,024	$ 5,803,496	$ -	$ 28,002	$ 2,813,000	$ 19,799,670

City of Moline, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds
Year Ended December 31, 2011

	Special Revenue			
	Community Development Block Grant	Community Development Block Grant Recovery	Motor Fuel Tax	Revolving Loan Program
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Intergovernmental	673,834	61,339	1,269,148	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	1,236	-	902	4,543
Contributions	-	-	-	-
Miscellaneous	902	-	10,335	-
Total revenues	675,972	61,339	1,280,385	4,543
Expenditures:				
Current:				
General government	-	-	-	-
Public works	-	-	-	-
Economic development	611,786	46,338	-	-
Culture and recreation	-	-	-	-
Libraries	-	-	-	-
Capital outlay	-	-	2,777,008	-
Debt service:				
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Total expenditures	611,786	46,338	2,777,008	-
Excess (deficiency) of revenues over expenditures	64,186	15,001	(1,496,623)	4,543
Other financing sources (uses):				
Issuance of long-term debt	-	-	-	-
Premium on bond issuance	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(275,348)	-	-	-
Total other financing sources (uses)	(275,348)	-	-	-
Net change in fund balances	(211,162)	15,001	(1,496,623)	4,543
Fund balances (deficits), beginning of year	233,126	(15,001)	2,197,351	297,681
Fund balances (deficits), end of year	$ 21,964	$ -	$ 700,728	$ 302,224

(Continued)

Special Revenue					
Tourism	Special Service Area Number Three	Special Service Area Number Five	Special Service Area Number Six	Foreign Fire Insurance	General Trust
$ 882,974	$ -	$ 109,292	$ 225,010	$ 50,030	$ 200,688
-	-	-	-	-	80
-	-	-	-	-	-
-	-	-	-	-	-
772	10	18	54	8	56
-	-	-	-	-	377,350
6	-	16	16	-	21,098
883,752	10	109,326	225,080	50,038	599,272
-	-	-	-	27,040	479,040
-	-	-	-	-	-
304,524	-	108,105	76,911	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
304,524	-	108,105	76,911	27,040	479,040
579,228	10	1,221	148,169	22,998	120,232
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(326,972)	(232,754)	-	-	-	-
(326,972)	(232,754)	-	-	-	-
252,256	(232,744)	1,221	148,169	22,998	120,232
800,206	232,744	38,533	58,151	46,396	368,362
$ 1,052,462	$ -	$ 39,754	$ 206,320	$ 69,394	$ 488,594

City of Moline, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds (Continued)
Year Ended December 31, 2011

	Special Revenue			
	Tax Increment Financing #2	Tax Increment Financing #6	Tax Increment Financing #3	Tax Increment Financing #4
Revenues:				
Taxes	$ 194,006	$ -	$ 53,578	$ 192,544
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	34	-	11	56
Contributions	-	-	-	-
Miscellaneous	-	9	-	-
Total revenues	194,040	9	53,589	192,600
Expenditures:				
Current:				
General government	-	-	-	-
Public works	-	-	-	-
Economic development	2,448,564	-	50,374	189,590
Culture and recreation	-	-	-	-
Libraries	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Total expenditures	2,448,564	-	50,374	189,590
Excess (deficiency) of revenues over expenditures	(2,254,524)	9	3,215	3,010
Other financing sources (uses):				
Issuance of long-term debt	-	-	-	-
Premium on bond issuance	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(286,628)	-	-	-
Total other financing sources (uses)	(286,628)	-	-	-
Net change in fund balances	(2,541,152)	9	3,215	3,010
Fund balances (deficits), beginning of year	(669,000)	(35,221)	1,139	133,828
Fund balances (deficits), end of year	$ (3,210,152)	$ (35,212)	$ 4,354	$ 136,838

(Continued)

Special Revenue					
Library Trust	Perpetual Care	Reher Art Gallery	Park and Cemetery Gifts	Sanitation	Home Buyer Grant
$ -	$ -	$ -	$ -	$ 1,341,738	$ -
-	-	-	-	32,720	224,290
-	-	-	-	869,270	-
-	-	-	-	-	-
16,036	68	5	6,764	56	-
85,658	-	-	22,376	800	-
-	13,007	-	-	119,618	-
101,694	13,075	5	29,140	2,364,202	224,290
-	-	-	-	-	-
-	-	-	-	2,182,908	-
-	-	-	-	-	211,523
-	-	28,182	45,086	-	-
149,865	-	-	-	-	-
-	-	-	24,804	-	-
-	-	-	-	15,786	-
-	-	-	-	-	-
149,865	-	28,182	69,890	2,198,694	211,523
(48,171)	13,075	(28,177)	(40,750)	165,508	12,767
-	-	-	-	-	-
-	-	-	-	-	-
-	-	13,766	-	28,714	-
(13,766)	(70)	-	-	-	-
(13,766)	(70)	13,766	-	28,714	-
(61,937)	13,005	(14,411)	(40,750)	194,222	12,767
304,717	225,835	37,307	228,816	(523,262)	(13,563)
$ 242,780	$ 238,840	$ 22,896	$ 188,066	$ (329,040)	$ (796)

City of Moline, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds (Continued)
Year Ended December 31, 2011

	Special Revenue			
	Lead Hazard Control Grant	Single Family Owner Occupied Rehabilitation Grant	Small Rental Properties Program	Library
Revenues:				
Taxes	$ -	$ -	$ -	$ 2,690,528
Intergovernmental	639,196	73,726	129,088	44,790
Charges for services	-	-	-	29,878
Fines and forfeitures	-	-	-	58,568
Use of money and property	-	-	-	48
Contributions	-	-	-	-
Miscellaneous	-	-	-	12,687
Total revenues	639,196	73,726	129,088	2,836,499
Expenditures:				
Current:				
General government	-	-	-	-
Public works	-	-	-	-
Economic development	971,975	36,300	119,586	-
Culture and recreation	-	-	-	-
Libraries	-	-	-	2,877,052
Capital outlay	-	-	-	-
Debt service:				
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Total expenditures	971,975	36,300	119,586	2,877,052
Excess (deficiency) of revenues over expenditures	(332,779)	37,426	9,502	(40,553)
Other financing sources (uses):				
Issuance of long-term debt	-	-	-	-
Premium on bond issuance	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(332,779)	37,426	9,502	(40,553)
Fund balances (deficits), beginning of year	(41,681)	(43,838)	(9,502)	272,969
Fund balances (deficits), end of year	$ (374,460)	$ (6,412)	$ -	$ 232,416

Special Revenue						
NSP2 Grant	Tax Increment Financing #5	Tax Increment Financing #7	Tax Increment Financing #8	Tax Increment Financing #9	Capital Projects	Totals
$ -	$ -	$ -	$ -	$ -	$ 6,165,358	$ 12,105,746
2,494,286	-	-	-	-	75,000	5,717,497
-	-	-	-	-	10,710	909,858
-	-	-	-	-	-	58,568
-	-	4,328	-	2	17,112	52,119
-	-	-	-	-	-	486,184
-	9,319	-	-	28,000	-	215,013
2,494,286	9,319	4,328	-	28,002	6,268,180	19,544,985
-	-	-	-	-	-	506,080
-	-	-	-	-	-	2,182,908
2,962,097	-	726,695	2,850	-	-	8,867,218
-	-	-	-	-	-	73,268
-	-	-	-	-	-	3,026,917
34,482	-	-	-	-	2,386,842	5,223,136
-	-	-	-	-	3,100	18,886
-	-	162,856	-	-	-	162,856
2,996,579	-	889,551	2,850	-	2,389,942	20,061,269
(502,293)	9,319	(885,223)	(2,850)	28,002	3,878,238	(516,284)
-	-	6,624,642	-	-	-	6,624,642
-	-	46,771	-	-	-	46,771
-	-	-	-	-	-	42,480
-	-	-	-	-	(4,215,270)	(5,350,808)
-	-	6,671,413	-	-	(4,215,270)	1,363,085
(502,293)	9,319	5,786,190	(2,850)	28,002	(337,032)	846,801
(173,844)	(1,405)	-	-	-	2,571,314	6,522,158
$ (676,137)	$ 7,914	$ 5,786,190	$ (2,850)	$ 28,002	$ 2,234,282	$ 7,368,959