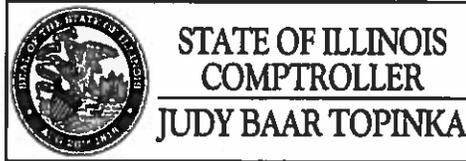


FY 2012
ANNUAL TAX INCREMENT FINANCE
REPORT



Name of Municipality: Moline Reporting Fiscal Year: 2012
 County: Rock Island Fiscal Year End: 12/31/2012
 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
 Mobile _____ E-mail: pburke@moline.il.us
 Mobile _____ Best way to Email _____ Phone _____
 Provider _____ contact _____ Mobile _____ Mail _____

I attest to the best of my knowledge, this report of the redevelopment project areas in: City/Village of _____
 is complete and accurate at the end of this reporting Fiscal year under the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] Or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]
Patrick Burke 7/25/13
 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 DISTRICT		
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	
TIF #8 Route 6 & 150	12/4/2012	
TIF #9 41st Street	12/11/2012	

*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:	Downtown
Primary Use of Redevelopment Project Area*:	Combination/Mixed
If "Combination/Mixed" List Component Types:	CBD/Industrial/Residential
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):	
Tax Increment Allocation Redevelopment Act <input checked="" type="checkbox"/>	Industrial Jobs Recovery Law <input type="checkbox"/>

	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.

Fund Balance at Beginning of Reporting Period \$ (8,019,510)

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment	\$ 3,555,883	\$ 32,673,765	42%
State Sales Tax Increment	\$ 239,939	\$ 4,187,113	5%
Local Sales Tax Increment	\$ 128,957	\$ 2,964,730	4%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 93,183	\$ 612,195	1%
Land/Building Sale Proceeds		\$ 91,667	0%
Bond Proceeds		\$ 30,780,000	40%
Transfers from Municipal Sources	\$ 60,109	\$ 3,738,578	5%
Private Sources	\$ -	\$ 485,087	1%
Other (identify source _____; if multiple other sources, attach schedule)	\$ 629,204	\$ 1,495,905	2%

*must be completed where 'Reporting Year' is populated

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period \$ 4,707,275

Cumulative Total Revenues/Cash Receipts \$ 77,029,040 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) \$ 3,352,516

Distribution of Surplus

Total Expenditures/Disbursements \$ 3,352,516

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS \$ 1,354,759

FUND BALANCE, END OF REPORTING PERIOD* \$ (6,664,751)

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

SECTION 3.2 A- (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))

ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND
(by category of permissible redevelopment cost, amounts expended during reporting period)

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

Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]	Amounts	Reporting Fiscal Year
1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)		
Renew Moline	150,000	
Professional Services	64,331	
Administration	196,573	
		\$ 410,904
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)		
Contractual Services	27,490	
Property Acquisition	340,000	
Demolition	14,520	
Parking Lot	170,271	
		\$ 552,281
4. Costs of rehabilitation, reconstruction, repair or remodeling and replacement of existing public buildings. Subsection (q)(3) and (o)(4)		
Developer Rebates	118,697	
		\$ 118,697
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		
		\$ -

SECTION 3.2 A

PAGE 2

7. Cost of job training and retraining, including "welfare to work" programs Subsection (q)(5), (o)(7) and (o)(12)		
		\$ -
8. Financing costs. Subsection (q) (6) and (o)(8)		
Debt Service Payments	2,264,951	
Fiscal Agent Fees	5,683	
		\$ 2,270,634
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)		
		\$ -

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

FUND BALANCE, END OF REPORTING PERIOD \$ (6,664,751)

	Amount of Original Issuance	Amount Designated
1. Description of Debt Obligations		
General Obligation Bond Series 2004B/C	\$ 8,990,000	\$ 935,125
General Obligation Bonds Series 2012C	\$ 7,350,000	\$ 7,973,413
General Obligation Bonds Series 2012E	\$ 5,930,000	\$ 5,927,650
General Obligation Bonds Series 2012G	\$ 3,120,000	\$ 3,401,521
General Obligation Bonds Series 2012I	\$ 3,440,000	\$ 4,038,680

Total Amount Designated for Obligations \$ 28,830,000 \$ 22,276,389

2. Description of Project Costs to be Paid		

Total Amount Designated for Project Costs \$ -

TOTAL AMOUNT DESIGNATED \$ 22,276,389

SURPLUS*/(DEFICIT) \$ (28,941,139)

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

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

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

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

Property Acquired by the Municipality Within the Redevelopment Project Area

Property (1):	Campos Muffler
Street address:	315 12th Street
Approximate size or description of property:	10,997 sf
Purchase price:	340,000.00
Seller of property:	Miquel A. Campos and Kendy Y. Guevara

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)
PAGE 1

If **NO** projects were undertaken by the Municipality Within the Redevelopment Project Area, indicate so in the space provided _____

If Projects **WERE** undertaken by the Municipality Within the Redevelopment Project Area enter the **TOTAL** number of projects and list them in detail below. 25

SECTION 5 PROVIDES PAGES 1-3 TO ACCOMMODATE UP TO 25 PROJECTS. PAGE 1 **MUST BE INCLUDED** WITH TIF REPORT. PAGES 2-3 SHOULD BE INCLUDED **IF** PROJECTS ARE LISTED ON THESE PAGES

TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	\$ 104,319,300	\$ 16,900,000	\$ 121,219,300
Public Investment Undertaken	\$ 39,941,317	\$ 6,276,720	\$ 47,556,864
Ratio of Private/Public Investment	2 52/85		2 28/51

Project 1:			
Heart of America			
Private Investment Undertaken (See Instructions)	\$4,577,500	\$ -	\$4,577,500
Public Investment Undertaken	\$391,000	\$809,000	\$1,200,000
Ratio of Private/Public Investment	11 29/41		3 22/27

Project 2:			
Watermark Corners			
Private Investment Undertaken (See Instructions)	\$1,400,000	\$ -	\$1,400,000
Public Investment Undertaken	\$56,965	\$153,035	\$210,000
Ratio of Private/Public Investment	24 49/85		6 2/3

Project 3:			
Caxton Block			
Private Investment Undertaken (See Instructions)	\$5,500,000	\$ -	\$5,500,000
Public Investment Undertaken	\$84,332	\$740,668	\$825,000
Ratio of Private/Public Investment	65 19/87		6 2/3

Project 4:			
Red Cross Headquarters			
Private Investment Undertaken (See Instructions)	\$2,300,000	\$ -	\$2,300,000
Public Investment Undertaken		\$ -	
Ratio of Private/Public Investment	0		0

Project 5:			
Quad City Rowing Association			
Private Investment Undertaken (See Instructions)	\$750,000	\$ -	\$750,000
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 6:			
John Deere Collectors Center			
Private Investment Undertaken (See Instructions)	\$5,000,000	\$ -	\$5,000,000
Public Investment Undertaken	750000	\$ -	\$750,000
Ratio of Private/Public Investment	6 2/3		6 2/3

Project 7:			
Moline Centre Master Plan Update			
Private Investment Undertaken (See Instructions)	\$35,000	\$ -	\$35,000
Public Investment Undertaken	\$35,000	\$ -	\$35,000
Ratio of Private/Public Investment	1		1

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

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

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

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

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

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

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

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

Project 16:			
Three Kings of Moline			
Private Investment Undertaken (See Instructions)	\$510,000	0	\$510,000
Public Investment Undertaken	\$90,000	0	\$90,000
Ratio of Private/Public Investment	5 2/3		5 2/3

Project 17:			
Reliance Building			
Private Investment Undertaken (See Instructions)	\$935,000	0	\$935,000
Public Investment Undertaken	\$165,000	0	\$165,000
Ratio of Private/Public Investment	5 2/3		5 2/3

Project 18:			
Amendment to Bass Street Landing			
Private Investment Undertaken (See Instructions)	\$8,251,800	0	\$8,251,800
Public Investment Undertaken	\$1,996,000	0	\$1,996,000
Ratio of Private/Public Investment	4 11/82		4 11/82

Project 19:			
Stoney Creek Inn			
Private Investment Undertaken (See Instructions)	\$6,200,000	0	\$6,200,000
Public Investment Undertaken	\$3,800,000	0	\$3,800,000
Ratio of Private/Public Investment	1 12/19		1 12/19

Project 20:			
Uniform Den			
Private Investment Undertaken (See Instructions)	\$360,000	0	\$360,000
Public Investment Undertaken	\$90,000	0	\$90,000
Ratio of Private/Public Investment	4		4

Project 21:			
Gateway Lofts			
Private Investment Undertaken (See Instructions)	\$1,800,000	0	\$1,800,000
Public Investment Undertaken	\$183,064	\$0	\$183,064
Ratio of Private/Public Investment	9 5/6		9 5/6

Project 22:			
West Gateway			
Private Investment Undertaken (See Instructions)	\$2,500,000	\$ -	\$2,500,000
Public Investment Undertaken	\$314,300	\$ -	\$314,300
Ratio of Private/Public Investment	7 21/22		7 21/22

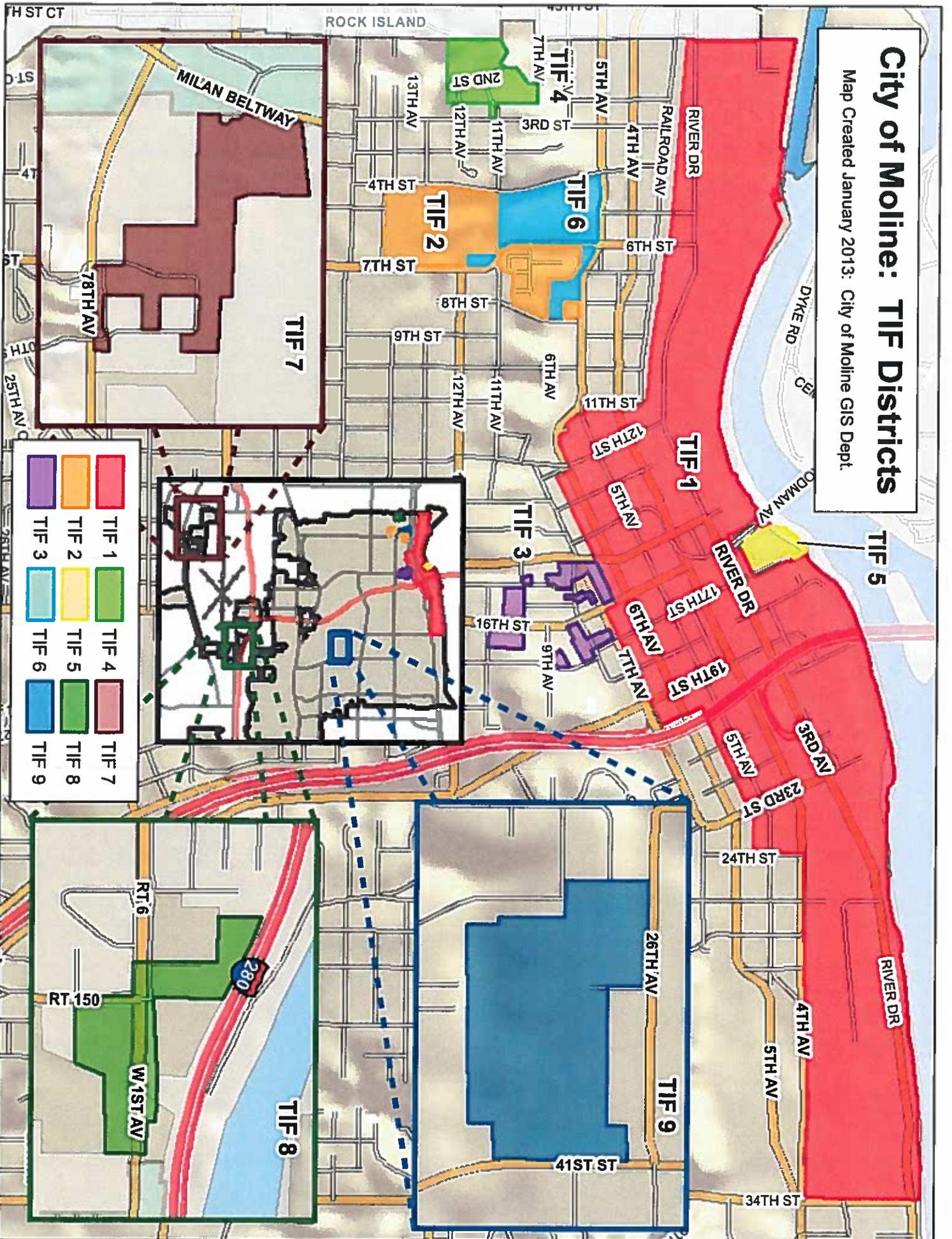
Project 23:			
Enterprise Lofts			
Private Investment Undertaken (See Instructions)	\$12,000,000	\$0	\$12,000,000
Public Investment Undertaken	\$200,000	\$0	\$200,000
Ratio of Private/Public Investment	60		60

Project 24:			
Phillips Lofts			
Private Investment Undertaken (See Instructions)	\$1,600,000	\$ -	\$1,600,000
Public Investment Undertaken	\$240,000	\$ -	\$240,000
Ratio of Private/Public Investment	6 2/3		6 2/3

Project 25:			
Berglund Flats			
Private Investment Undertaken (See Instructions)	\$ 2,500,000	\$ -	\$ 2,500,000
Public Investment Undertaken	\$ 375,000	\$ -	\$ 375,000
Ratio of Private/Public Investment	6 2/3		6 2/3

City of Moline: TIF Districts

Map Created January 2013: City of Moline GIS Dept.



ATTACHMENT B

TIF 1 - 9
Certification of Chief Executive Officer

I, Scott Raes, 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 2012 (January 1st - December 31st).

11/6/13
Date

Scott Raes
Scott Raes, Mayor

TIF 1 - 9
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 2012 (January 1st - December 31st).

11.5.13
Date


Maureen Riggs, City Attorney

TIF 1
ACTIVITIES STATEMENT

Berglund Flats

Berglund Flats will be a \$2.5 million project that will rehab 1317-1321 Fifth Avenue into first floor commercial space and 28 loft apartments on the second and third floors.

Downtown Parking

The Indecco building at 1710 River Drive was demolished. A 55 space pervious parking lot was then constructed at 1708 and 1710 River Drive for \$182,000.

Façade Program

Four façade projects were completed at:

417 14th Street

1529 Third Avenue A

1606 Fifth Avenue

1615 Fifth Avenue

ATTACHMENT E

TIF 1
2012 AGREEMENTS

The following agreements were executed during this reporting fiscal year.

Council Bill/Resolution No. 1125-2012

Sponsor: _____

A RESOLUTION

AUTHORIZING the Mayor and City Clerk to execute an Acknowledgement and Consent to Collateral Assignment for the Phillips Lofts redevelopment project.

WHEREAS, in June 2011, the City executed a development agreement with Phillips Lofts, LLC ("Developer"), to facilitate redevelopment of property located at 1312 and 1320-1322 5th Avenue, Moline; and

WHEREAS, the City granted TIF assistance to Developer in the form of an incremental property tax rebate; and

WHEREAS, Developer's lender, BankOrion, has agreed to make two loans to Developer in the amount of \$1,600,000, the proceeds of which shall be used by Developer for the development and construction of the project; and

WHEREAS, as further security for the loans to Developer, Developer seeks to assign its payment rights under the development agreement to BankOrion until such time as all obligations of Developer to BankOrion with respect to the loans have been satisfied; and

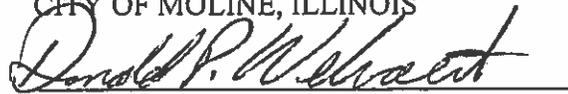
WHEREAS, the City acknowledges that the Collateral Assignment between Developer and BankOrion is a material inducement to BankOrion to enter into the loan transaction; and

WHEREAS, the City agrees to execute the Consent and Acknowledgment to Collateral Assignment which shall acknowledge the right of BankOrion to receive payments pursuant to the development agreement's assignment authority and acknowledge that nothing contained in the Consent and Acknowledgement shall affect the City's rights and obligations under the development agreement.

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

That the Mayor and City Clerk are hereby authorized to execute an Acknowledgement and Consent to Collateral Assignment for the Phillips Lofts redevelopment project; provided, however, that said Acknowledgement and Consent is substantially similar in form to that attached hereto as Exhibit "A" and has been approved as to form by the City Attorney.

CITY OF MOLINE, ILLINOIS



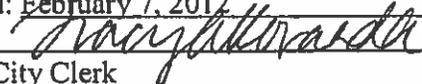
Mayor

January 24, 2012

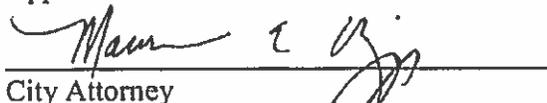
Date

Passed: January 24, 2012

Approved: February 7, 2012

Attest: 
City Clerk

Approved as to Form:


City Attorney

**COLLATERAL ASSIGNMENT OF TIF PAYMENT RIGHTS PURSUANT TO
DEVELOPMENT AGREEMENT**

THIS COLLATERAL ASSIGNMENT, effective as of this 24th day of January, 2011, is made by PHILLIPS LOFTS, LLC, an Illinois limited liability company (hereafter referred to as the "Developer"), to BANKORION, an Illinois banking corporation (hereafter referred to as the "Bank") and hereby consented to and acknowledged by THE CITY OF MOLINE, ILLINOIS, an Illinois municipal corporation (the "City").

WHEREAS, on June 14, 2011, the Developer and the City entered into a Development Agreement (hereinafter referred to as the "Redevelopment Agreement"), relating to the redevelopment of the real estate commonly known as 1312-1320 5th Avenue, Moline, Illinois, and legally described on Exhibit A, attached hereto and incorporated herein (the "Real Estate"), with benefits available under the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. (the "TIF Act"); and

WHEREAS, the Developer desires to rehabilitate the existing building on the Real Estate into approximately 2400 square feet of commercial space and 18 two-bedroom apartment units, including improvements to the parking facilities on the Real Estate, all in accordance with the plans and specifications reviewed and approved by the City (the "Project"); and

WHEREAS, the Redevelopment Agreement provides, in part, that the City shall reimburse the Developer from the net incremental real estate tax generated by the Project up to fifteen percent (15.00%) of the eligible redevelopment project costs incurred by the Developer in connection with the construction of the Project pursuant to the terms of the Redevelopment Agreement and the TIF Act; and

WHEREAS, the estimated eligible redevelopment project costs to be incurred by the Developer for the Project are \$1,600,000.00; and

WHEREAS, the Bank has agreed to make two loans to the Developer in the aggregate principal amount of \$1,600,000.00 (hereafter collectively referred to as the "Loan"), the proceeds of which shall be used by the Developer for the development and construction of the Project; and

WHEREAS, as security and a source of repayment for the Loan, the Developer has agreed to assign its right to payments under the Redevelopment Agreement to the Bank until such time as all obligations of the Developer to the Bank with respect to the Loan have been satisfied.

NOW, THEREFORE, for and in consideration of the recitals set forth above, to secure the Loan and all other amounts due or to become due under the instruments evidencing the Loan, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Developer hereby unconditionally assigns and sets over to Bank any and all of the Developer's rights to receive payment or reimbursement from the City under the Redevelopment Agreement, together with all amendments, addenda, supplements, modifications

and extensions thereto, whether made now or hereafter, subject to the terms and conditions hereafter set forth.

1. The recitals set forth in the preambles to this Collateral Assignment are hereby incorporated into this paragraph 1 as if fully set forth herein.

2. The Developer hereby authorizes and directs that until such time as all obligations under the Loan have been satisfied, the City to pay directly to the Bank any and all amounts due and owing to the Developer pursuant to the Redevelopment Agreement. The Bank shall give notice to the Developer within ten (10) business days following its receipt of any payments from the City under the Redevelopment Agreement. In connection therewith, the Developer hereby irrevocably appoints the Bank as the Developer's power of attorney to exercise any or all of the Developer's right in, to and under the Redevelopment Agreement, including but not limited to the right to receive payments from the City, and to do any or all other acts, in the Developer's name or in the Bank's own name, that the Developer could do under such agreement with the same force and effect as if this Collateral Assignment had not been made.

3. This Collateral Assignment shall not be deemed to be an assignment of the Developer's obligations under the Redevelopment Agreement, it being the explicit understanding and agreement between the Developer, City and Bank that the Developer shall remain bound by the Redevelopment Agreement obligations to the City, and any other parties interested in any matter whatsoever related to the development of the Real Estate or the Project, for the Developer's non-performance or default under said Redevelopment Agreement. In connection therewith, the Developer agrees to take all steps necessary to comply with and satisfy the terms of the Redevelopment Agreement and to indemnify and hold the Bank harmless from any judgments, claims, demands, costs and expenses, including reasonable attorney's fees, in connection with the Developer's non-performance or default of the Redevelopment Agreement.

4. The Developer shall file, in a timely manner and pursuant to the terms of the Redevelopment Agreement, all requests for reimbursement from the City and such other documents as may be necessary to receive approval for the reimbursement of redevelopment project costs incurred by the Developer in connection with the Project from the City.

5. The Developer represents and warrants to the Bank as follows:

(a) The Developer, with the consent of the City herein, has full power and authority to make this Collateral Assignment, notwithstanding any provisions to the contrary in the Redevelopment Agreement;

(b) The Redevelopment Agreement is in full force and effect, there are no defaults thereunder or known matters which may give rise to an event of default upon the giving of notice or passage of time.

(c) There are no defenses, rights to setoff or counterclaims with respect to any matters contained in the Redevelopment Agreement. The Developer, upon the construction of the Project in accordance with the plans and specifications approved by

the City, will be entitled to the reimbursement of fifteen percent (15%) of the total eligible redevelopment project costs expended in the Project from the net incremental real estate tax generated by the Project.

(d) Upon the execution of this Collateral Assignment, the Bank will be entitled to receive all payments to which the Developer is entitled pursuant to the Redevelopment Agreement.

6. The Developer agrees to execute and deliver to Bank any other documents or instruments necessary to satisfy the intent and purposes of this Collateral Assignment expressed herein and to perfect the assignment made hereby. In the event the Developer receives any payment from the City under the Redevelopment Agreement prior to the satisfaction of the Developer's obligations under the Loan, the Developer agrees to remit such funds to the Bank within five (5) days of its receipt of said payment from the City.

7. The Developer shall not further assign the Redevelopment Agreement, or cause any amendment or modification of such agreement, without the prior written consent of the Bank, which may be withheld in the Bank's sole and absolute discretion.

8. All payments to be made to the Bank pursuant to this Collateral Assignment shall be made to the following address:

BankORION
Attention: Eric Tagtmeier
5301 44th Avenue Drive
Moline, IL 61265

With a copy going to the Developer at the following address:

Mark Roemer
2550 Middle Road
Suite 300
Bettendorf, IA 52722

The Bank agrees to provide the Developer with a full accounting of any payments it receives from the City pursuant to the Redevelopment Agreement within ten (10) business days after its receipt of said payment from the City.

9. This Collateral Assignment shall be binding upon and inure to the benefit of the successors, assigns, legal and personal representatives, executors, administrators, heirs and other transferees of the parties hereto. Notwithstanding the foregoing, the Developer shall not assign this Collateral Assignment without the prior written consent of the Bank.

IN WITNESS WHEREOF, the parties have executed this Collateral Assignment by their duly authorized representatives, dated and effective as the date first written above.

PHILLIPS LOFTS, LLC, an Illinois limited liability company

By MDR
Mark D. Roemer, Member

BANKORION, an Illinois banking corporation

By EWT
Its Vice President

ACKNOWLEDGEMENT AND CONSENT TO COLLATERAL ASSIGNMENT
BY THE CITY OF MOLINE, ILLINOIS

The undersigned, the duly authorized and acting Mayor of the City of Moline, Illinois, acting under authority granted by the City Council, hereby signs solely and exclusively to acknowledge the rights of Assignee to receive the payments, but only as such rights accrue, and to acknowledge actual notice and consent to said assignment pursuant to the Redevelopment Agreement. Nothing in this Assignment shall affect the rights and obligations of the City under the Redevelopment Agreement. The City of Moline, Illinois further agrees that any payments due to the Developer pursuant to the Redevelopment Agreement, until further notice from Bank, be sent and made payable directly to Bank. The City hereby agrees to send a copy of any notices sent to the Developer to the Bank at the above-listed address within three (3) days of sending said notice to the Developer

CITY OF MOLINE, ILLINOIS

By *Donald R. Plechert*
Mayor

Attest: *Mary K. Waelder*
City Clerk

Exhibit A

Tract I

Lot 2, excepting the East 7.5 feet thereof in Block 3 of Pitts, Gilbert and Pitts' First Addition to the City of Moline, Rock Island County, Illinois; according to the Plat thereof recorded June 30, 1857 in Plat Book 1, page 3; Also the South 10 feet of so much of Fifth Avenue (formerly Henry Street), as lies North of and adjacent to said portion of Lot 2 herein, vacated by Ordinance passed by the City Council of the said City of Moline on April 3, 1876.

AND

Tract II

All of Lot 3 and the East 28 feet of Lot 4 in Block 3 of Pitts, Gilbert and Pitts' First Addition to City of Moline, Rock Island County, Illinois; according to the Plat thereof recorded June 30, 1857 in Plat Book 1, page 3; Also the South 10 feet of so much of Fifth Avenue (formerly Henry Street) as lies North of and adjacent to said Lots 3 and 4 herein, as vacated by Ordinance passed by the City Council of the said City of Moline on April 3, 1876.

Council Bill/Resolution No. 1146-2012

Sponsor: _____

A RESOLUTION

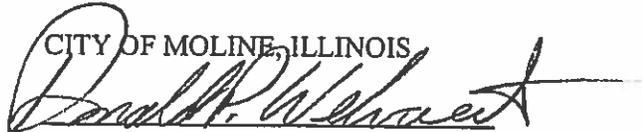
AUTHORIZING the Mayor and City Clerk to execute a Development Agreement between the City of Moline and Berglund Flats, LLC to facilitate the rehabilitation of property located at 1317—1321 5th Avenue, Moline, IL.

WHEREAS, the total project cost is approximately \$2,500,000 which will include the Developer's purchase of the property's building and land and rehabilitation of the property to include commercial space and 28 lofts apartments which will be located in the TIF #1 District; and

WHEREAS, the Developer has requested a property tax rebate from the net incremental real estate taxes to make the project financially feasible so City's total payment from the net increment shall not exceed 15% of the total project costs and shall not extend beyond the TIF district's expiration date of December 31, 2021.

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 Development Agreement between the City of Moline and Berglund Flats, LLC to facilitate the rehabilitation of property located at 1317—1321 5th Avenue, Moline, IL.; 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 City Attorney.

CITY OF MOLINE, ILLINOIS


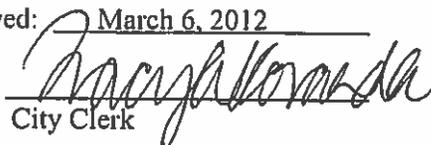
Mayor

February 28, 2012

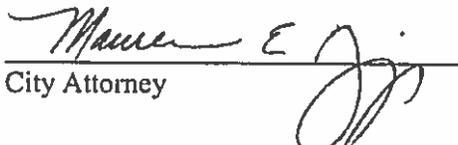
Date

Passed: February 28, 2012

Approved: March 6, 2012

Attest: 
City Clerk

APPROVED AS TO FORM:


City Attorney

DEVELOPMENT AGREEMENT

Between the

CITY OF MOLINE

and

BERGLUND FLATS, LLC

THIS INDENTURE ("Agreement") made and entered into on this 29th day of February, 2012, by and between the City of Moline, an Illinois Municipal Corporation ("City"), and Berglund Flats, LLC, an Illinois Limited Liability Company ("Developer").

WITNESSETH:

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

WHEREAS, the City wishes to enter into this Development Agreement with the Developer in order to facilitate redevelopment of the Property (as defined below) located at 1317-1321 5th Avenue; and

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

- i. Purchase of the building at 1317-1321 5th Avenue and land identified as parcel number 08-5548;
- ii. Rehabilitation of 1317-1321 5th Avenue into commercial space on the first floor and 28 loft apartments on the second and third floors.

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

WHEREAS, the Redevelopment Project is to take place upon that certain real property described above as parcel number 08-5548, which is more particularly described in Exhibit A, "Legal Description," attached hereto and incorporated herein by this reference thereto ("Property"); and

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

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

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

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

I. CITY'S AGREEMENT TO PROVIDE ASSISTANCE.

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

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

The estimated total project cost for the Redevelopment Project is Two Million Five Hundred Thousand Dollars (\$2,500,000). Fifteen percent (15%) of such total project costs equals Three Hundred Seventy Five Thousand Dollars (\$375,000). In no event shall the maximum total assistance ever exceed Three Hundred Seventy Five Thousand Dollars (\$375,000) distributed from the property tax rebate. In the event that the total project cost is less than the amount shown above, then fifteen percent (15%) of the reduced project cost will be the maximum amount paid to the Developer through the term of this Agreement. If, for example, the total project costs are twenty percent (20%) less than the amount shown above, then the total City rebate distributed from the property tax rebate will be reduced by twenty percent (20%).

- B. Property Tax Rebate. The City shall pay through its TIF Fund to Developer the net incremental annual real estate taxes as follows:
- ❖ 100%: 2014, 2015, 2016, 2017, 2018
 - ❖ 30.5% for one year – 2019 or until the final payment is made or the TIF District expires in 2021, it being understood that should the Maximum TIF Payment be paid prior to any of the dates listed on this schedule, then no additional amount will be due or

owing from the City. In no event will any payment be made after 2021.

The net incremental annual real estate taxes shall be used by the Developer only to pay for eligible redevelopment costs allowed under the Act (65 ILCS 5/11-74.4-3) as illustrated in Exhibit C, "Redevelopment Project Costs," attached hereto and incorporated herein by this reference, subject to the maximum identified in I.A. above. The base year for computation purposes of the net annual increment is agreed to be the annual real estate taxes for parcel 08-5548; the base Equalized Assessed Valuation (EAV) for the base year 2011 is \$59,605. The property tax rebate period will start with assessment year 2013 and payment year 2014. An illustrative example of the payments called for under this paragraph is shown in Exhibit D attached hereto and incorporated by reference herein; the percentages shown on Exhibit D shall be the percentage of payments made under this paragraph. The percentage payment shall be from the incremental property tax generated solely by the Property, and paid to the City's TIF Account; the City shall remit to the Developer within thirty-days (30) after receipt of total annual payment into said City's TIF Account from Rock Island County. In the event that the Incremental Real Estate Taxes generated are less than the amount shown on Exhibit D, then the percentage of net Incremental Real Estate Taxes generated by the Redevelopment Project will be paid to the Developer for the particular year in question as set forth above. The parties agree that the figures shown in Exhibit D are for illustrative purposes, and the actual annual payments to be made in any given year may be more or less than the amount shown or may be \$0 depending upon the actual experience.

- C. Maximum Amount of Property Tax Rebate. Pursuant to 65 ILCS 5/11-74.4-3(q), the maximum amount of rebate shall not exceed the sum of all reasonable or necessary eligible costs (see Exhibit C) incurred or incidental to the Redevelopment Plan and Redevelopment Project.
- D. Final Payment. Upon final payment of the amount specified in paragraph I.A., above, or upon making the final payment as specified in I.B. above, the City's obligations under this Agreement shall be fully paid and satisfied regardless of the total amount of payments actually received by the Developer.
- E. Interest. There shall be no interest charged to the City or due to the Developer pursuant to this Agreement at any time, and no interest shall ever be paid to the Developer from the City pursuant to this Agreement, irrespective of whether or not the City is delinquent or otherwise tardy in making payments required hereunder.

- F. Enterprise Zone Benefits. The City shall take no action to eliminate the Enterprise Zone while still authorized by statute for the benefit and duration of the Redevelopment Project by which means materials can be purchased for the construction of the Redevelopment Project without the imposition of sales tax and other economic benefits may be obtained under the Enterprise Zone guidelines as are available under the law. The City will cooperate and assist the Developer in its application for all Enterprise Zone benefits, if any, but the City does not warrant or assure or guarantee that any such benefits will be available to the Developer.
- G. Grants and Loan Applications. The City agrees to use its best efforts to support the Developer in applying to state and federal grant or loan programs that will enhance the Redevelopment Project.
- H. TIF Amendments. The parties expressly understand and agree that all payments provided for in the paragraphs set forth above shall be at all times subject to the requirements and restrictions of the Act.

II. DEVELOPER AGREEMENT TO DEVELOP PROPERTY.

- A. Upon the execution of this Agreement, the Developer shall complete the Redevelopment Project substantially in accordance with the plans and specifications for the Redevelopment Project, which plans and specifications must be approved by the City prior to commencement of the Redevelopment Project (such approval may not unreasonably be withheld), as may be normal, customary or required in order to proceed with the Redevelopment Project, in accordance with all applicable rules, codes, regulations, ordinances and laws, including without limitation, the City's Design/Build Management Team ("DBMT") process.
- B. Developer agrees to complete the following project elements:
 - i. Purchase of the building at 1317-1321 5th Avenue and land identified as parcel number 08-5548;
 - ii. Rehabilitation of 1317-1321 5th Avenue into commercial space on the first floor and 28 loft apartments on the second and third floors.
- C. Code Compliance. To the best of the Developer's knowledge, the Redevelopment Project, as designed, is and shall be in full compliance with all applicable state and local laws and ordinances. Further, Developer warrants that the City Code Compliance Manager or Building Official and City Fire Department shall have approved all building plans submitted and agrees to follow all recommendations and requirements of the City Code and the City Code Compliance Manager or Building Official and Fire Chief.

- D. Assessed Valuation. Developer agrees to a minimum equalized assessed value of Eight Hundred Thirty Three Thousand Three Hundred Thirty Three Dollars (\$833,333) and a minimum fair market value of Two Million Five Hundred Thousand Dollars (\$2,500,000). Developer agrees not to appeal the annual assessed valuation of the Property as determined by the Moline Township Assessor until the expiration of this TIF district, provided that any such assessment is consistent with that of comparable properties within the City's Tax Increment Financing District #1.

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

A. The Parties agree that the performance of their respective obligations set forth herein is specifically contingent upon the satisfaction and performance of the Developer having obtained debt and equity financing, or commitments for the same, in such amounts and having such financial terms as are reasonable and related to a fair market financing subject to the exercise of the Developer's discretion within sixty (60) days of the execution of this Agreement.

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

IV. WARRANTIES OF THE CITY.

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

V. WARRANTIES OF THE DEVELOPER.

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

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

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

VI. DEVELOPER'S INDEMNIFICATION.

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

VII. ENTIRE AGREEMENT.

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

VIII. ASSIGNMENT.

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

IX. ASSIGNMENT OF INCENTIVES.

The City acknowledges that as further security for a loan to Bergland Flats, LLC, ("Assignor"), Assignor may assign its payment rights, if any accrue and are owing pursuant to this Development Agreement and as long as Assignor is not in material breach of this Development Agreement, to a qualified bank ("Lender"). The City agrees to consent to such assignment as long as the terms of such assignment are reasonable and not otherwise contrary to this Development Agreement. The City acknowledges that consent to such an assignment is a material inducement to Lender to enter into a loan transaction, and, without execution and delivery of the Consent, Lender will not enter into a loan transaction.

X. SURVIVAL OF WARRANTIES AND REPRESENTATIONS.

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

XI. NOTICE OF DEFAULT.

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

XII. REMEDIES UPON DEFAULT.

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

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

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

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

recover all costs and expenses, including reasonable attorneys' fees, incurred in connection with such action.

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

XIII. NON-DISCRIMINATION.

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

XIV. NOTICES.

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

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

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

TO DEVELOPER: Berglund Flats, LLC
Attn: Mark Roemer
2550 Middle Road
Bettendorf, IA 52722

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

XV. COUNTERPARTS.

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

XVI. HEADINGS.

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

XVII. 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.

XVIII. SEVERABILITY.

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

XIX. 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.

XX. 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.

XXI. DELAYED EXECUTION.

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

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.

(Signature provisions on following page)

THE CITY OF MOLINE, ILLINOIS

BERGLUND FLATS, LLC

DATED: 3.7.2012

DATED: 4/12/12

By: Donald P. Welvaert
Donald Welvaert, Mayor

By: Mark Roemer
Mark Roemer, Manager

Attest: Tracy Koranda
Tracy Koranda, City Clerk

Approved as to form:

Maureen E. Riggs
Maureen E. Riggs, City Attorney

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

On this 7th day of March, 2012, before me, the undersigned, a Notary Public in and for the State of Illinois, personally appeared DONALD WELVAERT and TRACY KORANDA to me personally known, who, being by me duly sworn, did say that they are the Mayor and City Clerk, respectively, of the CITY OF MOLINE, executing the within and foregoing instrument to which this is attached; that said instrument was signed (and sealed) on behalf of (the seal affixed thereto is the seal of said corporation) as such officers acknowledged the execution of said instrument to be the voluntary act and deed of said corporation, by it and by them voluntarily executed.

(seal)



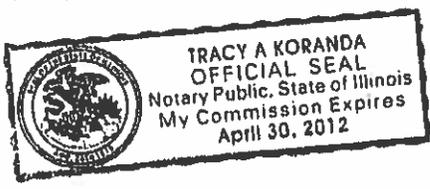
Vickie L. Felger
NOTARY PUBLIC

STATE OF IL
COUNTY OF Rock Island)

SS:

On this 12th day of April, 2012, before me, a Notary Public in and for said County and State aforesaid, personally appeared **MARK ROEMER** to me personally known, who being by me duly sworn (or affirmed) did say that he is the Manager of **BERGLUND FLATS, LLC**, and that said instrument was signed on behalf of the limited liability company; **MARK ROEMER** acknowledged the execution of said instrument to be the voluntary act and deed of said limited liability company, by it and by him voluntarily executed.

(seal)



Tracy A Koranda
NOTARY PUBLIC

EXHIBIT A
LEGAL DESCRIPTION

Lot 7 in Block 27 in that part of the City of Moline known as and called the Old or Original Town of Moline, Illinois.

EXHIBIT B
DEVELOPMENT TIMETABLE

EXHIBIT C
REDEVELOPMENT COSTS

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

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

EXHIBIT D
ILLUSTRATIVE EXAMPLE OF FINANCIAL ASSISTANCE

\$ 2,500,000 Total Project Cost 1.5% Growth
 \$ 375,000 Rebate Amount (15%)

No. Of Yrs.	Assmt Yr	Payable Yr	Net Prop. Tax Incr.	Prop. Tax Rebate	% Dev'r. PTX Rebate
1	2013	2014	\$68,442.00	\$68,442.00	100%
2	2014	2015	\$69,468.63	\$69,468.63	100%
3	2015	2016	\$70,510.66	\$70,510.66	100%
4	2016	2017	\$71,568.32	\$71,568.32	100%
5	2017	2018	\$72,641.84	\$72,641.84	100%
6	2018	2019	\$73,731.47	\$22,488.10	30.5%
7	2019	2020	\$74,837.44	\$0.00	0%
8	2020	2021	\$75,960.01	\$0.00	0%
9	2021	2022	\$0.00	\$0.00	0%
10	2022	2023	\$0.00	\$0.00	0%
11	2023	2024	\$0.00	\$0.00	0%
12	2024	2025	\$0.00	\$0.00	0%
13	2025	2026	\$0.00	\$0.00	0%
Total			\$577,160.37	\$375,119.55	

2012 Façade \$10,000

Property Rebate	<u>\$365,000</u>
Total	\$375,000

Council Bill/Resolution No. 1174-2012

Sponsor: _____

A RESOLUTION

- AUTHORIZING the concept of a historic redevelopment project which includes the design, development and operation of a transit-enhanced real estate development project on a 1.3 acre parcel, with additional parcel opportunities adjacent to the project site within the development block known as the "John Deere Commons"; and
- AFFIRMING the intent of the City to provide incentives so that the project will be economically viable; and
- AUTHORIZING staff to negotiate a development agreement to be reviewed for approval by the City Council for a term of 12 months with Restoration Saint Louis exclusively.

WHEREAS, Restoration Saint Louis has been selected as the preferred developer for the Quad Cities Multi-Modal Station project; and

WHEREAS, redevelopment of the site will enhance the Transit Oriented Development, provide new property and sales tax to the Tax Increment Financing District, and increase the viability of Moline Centre and the surrounding area.

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

That staff is hereby authorized to assist with the application to the United States Department of the Interior/National Park Service for Historic Tax Credits; and negotiate a development agreement concerning redevelopment of the property exclusively with Restoration Saint Louis, which agreement shall be subject to further review and approval by the City Council. The term of this Resolution shall be 12 months.

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

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

BE IT FURTHER RESOLVED that the intentions, affirmations and authorizations of the City of Moline as expressed in the recital of the project identified herein are approved as to

concept; provided, however that neither and none of such intentions, affirmations, authorizations or recitals are binding upon the City nor may the same be relied upon by any person or entity, to such entity or person's detriment, or for any reason whatsoever, whether third person or otherwise; and provided further, that any and all such agreements referenced herein shall be separately reviewed and approved by the City Council subsequent to this Resolution and also approved as to form by the City Attorney.

CITY OF MOLINE, ILLINOIS

Scott Ross
Mayor

April 24, 2012
Date

Passed: April 24, 2012

Approved: May 1, 2012

Attest: Carol Koranda
City Clerk

APPROVED AS TO FORM:

Maura C. U.
City Attorney

Council Bill/Resolution No. 1175-2012

Sponsor: _____

A RESOLUTION

AUTHORIZING the concept of a redevelopment project which includes the design, development and operation of a mixed-use real estate development project on property west of the Quad Cities Multi-Modal Station; and

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

AUTHORIZING staff to negotiate a development agreement to be reviewed for approval by the City Council for a term of 12 months with Financial District Properties exclusively.

WHEREAS, Financial District Properties has been selected as the preferred developer for the property adjacent to the Multi-Modal project; and

WHEREAS, redevelopment of the site will enhance the Transit Oriented Development, provide new property and sales tax to the Tax Increment Financing District, and increase the viability of Moline Centre and the surrounding area.

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

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

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

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

BE IT FURTHER RESOLVED that the intentions, affirmations and authorizations of the City of Moline as expressed in the recital of the project identified herein are approved as to concept; provided, however that neither and none of such intentions, affirmations, authorizations or recitals are binding upon the City nor may the same be relied upon by any person or entity, to

such entity or person's detriment, or for any reason whatsoever, whether third person or otherwise; and provided further, that any and all such agreements referenced herein shall be separately reviewed and approved by the City Council subsequent to this Resolution and also approved as to form by the City Attorney.

CITY OF MOLINE, ILLINOIS

Scott R. Kelly
Mayor

April 24, 2012
Date

Passed: April 24, 2012

Approved: May 1, 2012

Attest: Nancy Koranda
City Clerk

APPROVED AS TO FORM:

Man i j
City Attorney

Council Bill/Special Ordinance No. 4023-2012

Sponsor: _____

Λ SPECIAL ORDINANCE

AUTHORIZING the issuance of not to exceed \$16,200,000 General Obligation Refunding Bonds of 2012 of the City of Moline, Illinois.

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

Section 1. Authority and Purpose. 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 authorizing the refunding of all or a portion of (A) the \$8,190,000 outstanding principal amount of General Obligation Corporate Purpose Bonds, Series 2004A, of the City maturing in the years 2014 to 2018, both inclusive and 2024 (the "2004A Bonds"); (B) the \$3,790,000 outstanding principal amount of General Obligation Corporate Purpose Bonds, Series 2004B, of the City maturing in the years 2014 to 2020, both inclusive (the "2004B Bonds"); and (C) the \$2,795,000 outstanding principal amount of General Obligation Corporate Purpose Bonds, Taxable Series 2004C, of the City maturing in the years 2014, 2017 and 2020 (the "2004C Bonds").

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. Refunding Plan. The City may determine to refund and redeem all, a portion or none of the 2004A Bonds, the 2004B Bonds and the 2004C Bonds. The particular 2004A Bonds to be refunded and redeemed (the "Prior 2004A Bonds"), the particular 2004B Bonds to be refunded and redeemed (the "Prior 2004B Bonds") and the particular 2004C Bonds to be refunded and redeemed (the "Prior 2004C Bonds" and together with the Prior 2004A Bonds and the Prior 2004B Bonds, the "Prior Bonds") shall be specified in the Bond Order to be executed by the City Administrator. The date of redemption of the Prior 2004A Bonds shall be June 1, 2014. The date of redemption of the Prior 2004B Bonds and the Prior 2004C Bonds shall be May 1, 2014. The Mayor, City Administrator, Finance Director and the other officers and officials of the City are authorized and directed to do, or cause to be done, all things necessary to accomplish the refunding and redemption of the Prior Bonds.

Section 3. Authorization and Terms of Bonds. (A) To meet part of the estimated costs of refunding the Prior 2004A Bonds, including the costs of issuance of the bonds authorized by this paragraph, there is hereby appropriated the sum of \$8,800,000. Pursuant to the home rule powers of the City to issue debt payable from ad valorem property tax receipts and for the purpose of financing said appropriation, general obligation bonds of the City are authorized to be issued and sold in an aggregate principal amount of not to exceed \$8,800,000 (the "First Series Bonds"). The principal amount of the First Series Bonds to be issued shall be specified in the Bond Order.

(B) To meet part of the estimated costs of refunding the Prior 2004B Bonds, including the costs of issuance of the bonds authorized by this paragraph, there is hereby appropriated the sum of \$4,100,000. Pursuant to the home rule powers of the City to issue debt payable from ad valorem property tax receipts and for the purpose of financing said appropriation, general obligation bonds of the City are authorized to be issued and sold in an aggregate principal amount of not to exceed \$4,100,000 (the "Second Series Bonds"). The principal amount of the Second Series Bonds to be issued shall be specified in the Bond Order.

(C) To meet part of the estimated costs of refunding the Prior 2004C Bonds, including the costs of issuance of the bonds authorized by this paragraph, there is hereby appropriated the sum of \$3,300,000. Pursuant to the home rule powers of the City to issue debt payable from ad valorem property tax receipts and for the purpose of financing said appropriation, general obligation bonds of the City are authorized to be issued and sold in an aggregate principal amount of not to exceed \$3,300,000 (the "Third Series Bonds" and together with the First Series Bonds and the Second Series Bonds, the "Bonds"). The principal amount of the Third Series Bonds to be issued shall be specified in the Bond Order.

(D) Each series of the Bonds shall be designated "General Obligation Refunding Bonds," shall bear an additional series designation of "Series 2012G," "Series 2012H" or "Series 2012I" as determined in the Bond Order and, any Third Series Bonds shall bear the additional designation "Taxable."

(E) Bonds shall be issuable in the denominations of \$5,000 or any integral multiple thereof and may bear such identifying numbers or letters as shall be useful to facilitate the registration, transfer and exchange of Bonds. Each Bond delivered upon the original issuance of the Bonds shall be dated as of the date specified in the Bond Order. Each Bond thereafter issued upon any transfer, exchange or replacement of Bonds shall be dated so that no gain or loss of interest shall result from such transfer, exchange or replacement.

(F) The Bonds shall mature in such years, on such dates and in such principal amounts as shall be determined in the Bond Order, provided that no First Series Bond shall mature later than December 1, 2023 and no Second Series Bond or Third Series Bond shall mature later than November 1, 2020.

(G) Each Bond shall bear interest from its date, computed on the basis of a 360 day year consisting of twelve 30 day months and shall be payable in lawful money of the United States of America on such interest payment dates and at such rates as shall be determined in the Bond Order, provided that no Bond shall bear interest at a rate exceeding five percentum (5.00%) per annum.

(H) No First Series Bonds shall be sold pursuant to this ordinance unless the sum of (i) the taxes levied pursuant to Section 10 of this ordinance and (ii) the moneys to be deposited into the First Series Debt Service Fund (established by this ordinance) is sufficient to provide for the punctual payment of the principal of and interest on the First Series Bonds.

(I) No Second Series Bonds shall be sold pursuant to this ordinance unless the sum of (i) the taxes levied pursuant to Section 11 of this ordinance and (ii) the moneys to be deposited into the Second Series Debt Service Account (established by this ordinance) is sufficient to provide for the punctual payment of the principal of and interest on the Second Series Bonds.

(J) No Third Series Bond shall be sold pursuant to this ordinance unless the sum of (i) the taxes levied pursuant to Section 12 of this ordinance and (ii) the moneys to be deposited into the Third Series Debt Service Account (established by this ordinance) is sufficient to provide for the punctual payment of the principal of and interest on the Third Series Bonds.

(K) 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.

(L) The Bonds of each series may be subject to redemption prior to maturity as determined in the Bond Order, 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 of the same series, at such redemption prices as determined in the Bond Order and not in excess of 102% of the principal amount to be redeemed, for such periods of redemption as determined in the Bond Order.

(M) Bonds of like series and maturity may be subject to mandatory redemption, by the application of sinking fund installments, all as determined in the Bond Order. All Bonds subject to mandatory sinking fund redemption shall be redeemed at a redemption price equal to the principal amount thereof to be redeemed. The bond registrar is hereby authorized and directed to mail notice of the mandatory sinking fund redemption of Bonds in the manner provided in this section.

(N) Whenever Bonds subject to mandatory sinking fund redemption are redeemed at the option of the City, the principal amount thereof so redeemed shall be credited against the unsatisfied balance of future sinking fund installments or final maturity amount established with respect to such Bonds, in such amounts and against such installments or final maturity amount as shall be determined by the City in the proceedings authorizing such optional redemption or, in the absence of such determination, shall be credited against the unsatisfied balance of the applicable sinking fund installments next ensuing, and with respect to which notice of redemption has not yet been given.

(O) On or prior to the 60th day preceding any sinking fund installment date, the City may purchase Bonds subject to mandatory redemption on such sinking fund installment date, at

such prices as the City shall determine. Any Bond so purchased shall be cancelled and the principal amount thereof so purchased shall be credited against the unsatisfied balance of the next ensuing sinking fund installment.

(P) In the event of the redemption of less than all the Bonds of like series, maturity and interest rate, 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 series, maturity and interest rate 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.

(Q) 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 series, maturity and interest rate and of the denomination of \$5,000 or any integral multiple thereof.

(R) 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 4. Sale and Delivery. The delegated authority to sell Bonds pursuant to this ordinance shall expire on December 31, 2012. The Bonds are to be sold to Robert W. Baird & Co. Incorporated (the "Underwriter") at a price of not less than 98% of par. 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 form of the Bond Purchase Agreement by and between the City and the Underwriter, on file in the office of the City Clerk, is approved and the City Administrator and the Mayor are each authorized to execute and deliver a final form of the Bond Purchase Agreement reflecting the details of the sale of the Bonds.

No Bonds authorized by this ordinance shall be sold unless as a result of refunding the Prior Bonds, the City will obtain a net present value savings after taking into account all costs of issuance of the Bonds of not less than 2.5% of the principal amount of the Prior Bonds that are refunded. Subject to the limitations contained in this ordinance, authority is delegated to the City Administrator to award the Bonds to the Underwriter.

In order to enhance the marketability of the Bonds, the City Administrator may determine to purchase from a bond insurance company (the "Bond Insurer") a municipal bond insurance policy with respect to the payment of the Bonds.

The sale and award of the Bonds and the determination of the details of the Bonds shall be evidenced by the Bond Order, which shall be signed by the City Administrator. An executed counterpart of the Bond Order shall be filed with the City Clerk and entered in the records of the City.

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, the Bond Purchase Agreement and the Official Statement.

Section 5. 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 6. 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, 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.

Section 7. 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 8. 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 9. 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. _____

United States of America
State of Illinois
County of Rock Island
CITY OF MOLINE
GENERAL OBLIGATION REFUNDING BOND,
[TAXABLE] SERIES 2012__

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED DATE</u>	<u>CUSIP</u>
%	_____, 1, _____	_____	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 _____ 1, 20__ and semiannually thereafter on _____ 1 and _____ 1 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 \$_____ 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 July 17, 2012 and entitled: "An Ordinance Authorizing the Issuance of Not to Exceed \$16,200,000 General Obligation Refunding Bonds of 2012 of the City of Moline, Illinois." [This bond is issued to refund bonds 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 _____ 1, 20__ 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 _____ 1, 20__ and on any date thereafter, at a redemption price equal to the principal amount thereof to be redeemed.]

[The bonds of such series maturing in the years 20__, 20__ and 20__ (the "Term Bonds") are subject to mandatory redemption, in part and by lot, on _____ 1 in the years and in the respective principal amounts set forth in the following tables, by the application of sinking fund installments, at a redemption price equal to the principal amount thereof to be redeemed:

20__ Term Bonds		20__ Term Bonds		20__ Term Bonds	
<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
20__		20__		20__	
20__		20__		20__	
20__		20__		20__	

[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.

Council Bill/Special Ordinance No. 4023-2012

Sponsor: _____

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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: _____

CITY OF MOLINE

Mayor

Attest:

City Clerk

CERTIFICATE OF AUTHENTICATION

This bond is one of the General Obligation Refunding Bonds, [Taxable] Series 2012__, 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 10. Levy and Extension of Taxes For First Series Bonds. (A) For the purpose of providing the money required to pay the interest on the First Series Bonds when and as the same falls due and to pay and discharge the principal thereof (including sinking fund installments) as the same shall mature, there is hereby levied upon all the taxable property in the City, in each year while any of the First Series Bonds shall be outstanding, a direct annual tax sufficient for that purpose in addition to all other taxes, as follows:

<u>Tax Levy Year</u>	<u>A Tax Sufficient to Produce</u>
2012	\$ 400,000
2013	1,084,000
2014	1,085,000
2015	1,084,000
2016	1,082,000
2017	1,078,000
2018	1,072,000
2019	1,075,000
2020	1,070,000
2021	1,068,000
2022	829,000

(B) 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.

(C) After the sale of the First Series Bonds and the execution of the Bond Order for the First Series Bonds, an executed copy of the Bond Order and a copy of this ordinance, 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 (the "County Clerk"), who is hereby directed to ascertain the rate per cent required to produce the aggregate tax hereinbefore provided to be levied in the years 2012 to 2022, inclusive, and, subject to adjustment as provided in paragraph (D) of this Section, 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 First Series Bonds herein authorized as the same become due and payable.

(D) In the event that First Series Bonds are to be issued in principal amounts and bearing interest such that for any tax levy year an amount less than that set forth in paragraph (A) of this Section is required to be produced to pay when due the principal of and interest on the First Series Bonds, then the City Treasurer is authorized and directed to file with the County Clerk, on or prior to the date of delivery of the First Series Bonds, a direction for abatement of taxes specifying the exact amount of taxes to be levied to produce the required amounts for each of the various tax levy years.

Section 11. Levy and Extension of Taxes For Second Series Bonds. (A) For the purpose of providing the money required to pay the interest on the Second Series Bonds when and as the same falls due and to pay and discharge the principal (including sinking fund installments) 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 Second Series Bonds shall be outstanding, a direct annual tax sufficient for that purpose in addition to all other taxes, as follows:

<u>Tax Levy Year</u>	<u>A Tax Sufficient to Produce</u>
2012	\$153,000
2013	563,000
2014	586,000
2015	608,000
2016	634,000
2017	647,000
2018	694,000
2019	723,000

(B) 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.

(C) After the sale of the Second Series Bonds and the execution of the Bond Order for the Second Series Bonds, an executed copy of the Bond Order and a copy of this ordinance, certified by the City Clerk, which certificate shall recite that this ordinance has been duly adopted, shall be filed with the County Clerk, who is hereby directed to ascertain the rate per cent required to produce the aggregate tax hereinbefore provided to be levied in the years 2012 to 2019, inclusive, and, subject to adjustment as provided in paragraph (D) of this Section, 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 Second Series Bonds herein authorized as the same become due and payable.

(D) In the event that Second Series Bonds are to be issued in principal amounts and bearing interest such that for any tax levy year an amount less than that set forth in paragraph (A) of this Section is required to be produced to pay when due the principal of and interest on the Second Series Bonds, then the City Treasurer is authorized and directed to file with the County Clerk, on or prior to the date of delivery of the Second Series Bonds, a direction for abatement of taxes specifying the exact amount of taxes to be levied to produce the required amounts for each of the various tax levy years.

Section 12. Levy and Extension of Taxes For Third Series Bonds. (A) For the purpose of providing the money required to pay the interest on the Third Series Bonds when and as the same falls due and to pay and discharge the principal (including sinking fund payments) 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 Third Series Bonds shall be outstanding, a direct annual tax sufficient for that purpose in addition to all other taxes, as follows:

<u>Tax Levy Year</u>	<u>A Tax Sufficient to Produce</u>
2012	\$141,000
2013	481,000
2014	479,000
2015	481,000
2016	488,000
2017	488,000
2018	486,000
2019	488,000

(B) 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.

(C) After the sale of the Third Series Bonds and the execution of the Bond Order for the Third Series Bonds, an executed copy of the Bond Order and a copy of this ordinance, certified by the City Clerk, which certificate shall recite that this ordinance has been duly adopted, shall be filed with the County Clerk, who is hereby directed to ascertain the rate per cent required to produce the aggregate tax hereinbefore provided to be levied in the years 2012 to 2019, inclusive, and, subject to adjustment as provided in paragraph (D) of this Section, 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 Third Series Bonds herein authorized as the same become due and payable.

(D) In the event that Third Series Bonds are to be issued in principal amounts and bearing interest such that for any tax levy year an amount less than that set forth in paragraph (A) of this Section is required to be produced to pay when due the principal of and interest on the Third Series Bonds, then the City Treasurer is authorized and directed to file with the County Clerk, on or prior to the date of delivery of the Third Series Bonds, a direction for abatement of taxes specifying the exact amount of taxes to be levied to produce the required amounts for each of the various tax levy years.

Section 13. Full Abatement of Tax Levy for Unissued Bonds. If no Bonds of a series are to be issued, then the City Treasurer is authorized and directed to file with the County Clerk, a direction for abatement in full of the taxes levied by this ordinance with respect to such series of Bonds.

Section 14. Taxes Levied for Payment of Prior Bonds. After the issuance of the Bonds, the City Treasurer shall file with the County Clerk, certificates listing the Prior Bonds and the taxes theretofore levied for the payment of the principal of and interest on the Prior Bonds, and said certificates shall direct the abatement of such taxes. Taxes collected with respect to the 2011 tax levy year for the payment of the Prior Bonds shall be deposited into the applicable Debt Service Fund or Account established by this ordinance for the payment of the principal of and interest on the applicable series of the Bonds that refunded such Prior Bonds.

Section 15. Escrow Deposit Agreement. The form of Second 2012 Escrow Deposit Agreement by and between the City and Amalgamated Bank of Chicago, as Escrow Agent, on file in the office of the City Clerk, is hereby approved. The proper officers of the City are authorized and directed to execute and deliver the Second 2012 Escrow Deposit Agreement on behalf of the City.

Section 16. Application of First Series Proceeds. The net proceeds of sale of the First Series Bonds (exclusive of accrued interest) shall be applied as follows:

1. To the Tax-Exempt Account in the 2012 Escrow Fund maintained under the Second 2012 Escrow Deposit Agreement, the amount, together with other moneys (if any) of the City deposited therein, necessary to provide for the redemption of the Prior 2004A Bonds on their redemption date and to provide for interest to become due and payable on the Prior 2004A Bonds to their redemption date.

2. To the Expense Fund established by this ordinance, the amount of such proceeds of sale remaining after making the foregoing payment.

Section 17. Application of Second Series Proceeds. The net proceeds of sale of the Second Series Bonds (exclusive of accrued interest) shall be applied as follows:

1. To the Tax-Exempt Account in the 2012 Escrow Fund, the amount, together with other moneys (if any) of the City deposited therein, necessary to provide for the redemption of the Prior 2004B Bonds on their redemption date and to provide for interest to become due and payable on the Prior 2004B Bonds to their redemption date.

2. To the Expense Fund, the amount of such proceeds of sale remaining after making the foregoing payment.

Section 18. Application of Third Series Proceeds. The net proceeds of sale of the Third Series Bonds (exclusive of accrued interest) shall be applied as follows:

1. To the Taxable Account of the 2012 Escrow Fund maintained under the Second 2012 Escrow Deposit Agreement, the amount, together with other moneys (if any) of the City deposited therein, necessary to provide for the redemption of the Prior 2004C Bonds on their redemption date and to provide for interest to become due and payable on the Prior 2004C Bonds to their redemption date.

2. To the Expense Fund, the amount of such proceeds of sale remaining after making the foregoing payment.

Section 19. First Series Debt Service Fund. Moneys derived from taxes levied pursuant to Section 10 of this ordinance are hereby appropriated and set aside for the sole purpose of paying the principal of and interest on the First Series Bonds when and as the same come due. All of such moneys shall be deposited in the First Series Debt Service Fund, which is hereby established as a special fund of the City and shall be administered as a bona fide debt service fund under the Internal Revenue Code of 1986 (the "Code").

Section 20. Second Series Debt Service Account. Moneys derived from taxes 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 Second Series Bonds when and as the same come due. All of such moneys shall be deposited in the "Second Series Debt Service Account", which is hereby established as a special account of the City within the Special Tax Allocation Fund for

the City of Moline's Redevelopment Project District (the "Moline Centre TIF Fund") established pursuant to General Ordinance No. 86-12-4, adopted by the City Council on December 16, 1986. The Second Series Debt Service Account shall be administered as a bona fide debt service fund under the Internal Revenue Code of 1986.

Section 21. Third Series Debt Service Account. Moneys derived from taxes levied pursuant to Section 12 of this ordinance are appropriated and set aside for the sole purpose of paying principal of and interest on the Third Series Bonds when and as the same come due. All of such moneys shall be deposited in the "Third Series Debt Service Account", which is hereby established as a special account of the City within the Moline Centre TIF Fund.

Section 22. Pledges Securing Bonds. The moneys deposited or to be deposited into the First Series Debt Service Fund, the Second Series Debt Service Account and the Third Series Debt Service Account, including the tax receipts derived from the taxes levied pursuant to this ordinance, are pledged as security for the payment of the principal of and interest on the applicable series of 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 Fund and 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 23. Expense Fund. The "Expense Fund", is hereby established as a special fund of the City. Moneys in the Expense Fund shall be used 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 and will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the First Series Bonds and the Second Series Bonds.

Section 24. Investment Regulations. No investment shall be made of any moneys in the First Series Debt Service Fund, the Second Series Debt Service Account, the Tax-Exempt Account of the 2012 Escrow Fund or the Expense Fund, except in accordance with the tax covenants set forth in Section 25 of this ordinance. All income derived from such investments in respect of moneys or securities in any Fund or Account shall be credited in each case to the Fund or Account in which such moneys or securities are held.

Any moneys in any Fund or Account that are subject to investment yield restrictions may be invested in United States Treasury Securities, State and Local Government Series, pursuant to the regulations of the United States Treasury Department, Bureau of Public Debt or in any tax-exempt bond that is not an "investment property" within the meaning of Section 148(b)(2) of the Internal Revenue Code of 1986. The City Treasurer and agents designated by her are hereby authorized to submit, on behalf of the City, subscriptions for such United States Treasury Securities and to request redemption of such United States Treasury Securities.

Section 25. Tax Covenants. The City shall not take, or omit to take, any action lawful and within its power to take, which action or omission would cause interest on any First Series Bond or Second Series Bond (collectively, the "Tax-Exempt Bonds") to become subject to federal income taxes in addition to federal income taxes to which interest on such Bond is subject on the date of original issuance thereof.

The City shall not permit any of the proceeds of the Tax-Exempt Bonds, or any facilities financed with such proceeds, to be used in any manner that would cause any Tax-Exempt Bond to constitute a "private activity bond" within the meaning of Section 141 of the Internal Revenue Code of 1986.

The City shall not permit any of the proceeds of the Bonds or other moneys to be invested in any manner that would cause any Tax-Exempt Bond to constitute an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986 or a "hedge bond" within the meaning of Section 149(g) of the Internal Revenue Code of 1986.

The City shall comply with the provisions of Section 148(f) of the Internal Revenue Code of 1986 relating to the rebate of certain investment earnings at periodic intervals to the United States of America.

Section 26. Tax Status of Third Series Bonds. The City intends that any interest on the Third Series Bonds will be includible in the gross income of the owners of the Third Series Bonds for federal income tax purposes.

Section 27. Tax Allocation Fund. The Second Series Bonds and the Third Series Bonds are issued for purposes authorized by the Tax Increment Allocation Redevelopment Act (the "Redevelopment Act"). Moneys held in the Moline Centre TIF 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 as security for the payment of the principal of and interest on the Second Series Bonds and the Third Series Bonds on a parity with prior pledges of the Moline Centre TIF Fund for the benefit and security of outstanding bonds of the City, 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 Centre TIF Fund. Moneys held in the Moline Centre TIF Fund, which are to be used for the payment of the principal of or interest on the Second Series Bonds, may be deposited in the Second Series Debt Service Account, and upon such deposit such moneys shall be used solely for the payment of such principal and interest. Moneys held in the Moline Centre TIF Fund, which are to be used for the payment of the principal of or interest on the Third Series Bonds, may be deposited in the Third Series Debt Service Account, and upon such deposit such moneys shall be used solely for the payment of such principal and interest.

The foregoing pledge of moneys in the Moline Centre TIF Fund is 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 28. 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 29. 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 of each series, 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. The 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 30. 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, or (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.

Section 31. 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 the same series. All of the Bonds of the same series, 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 32. 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.

Council Bill/Special Ordinance No. 4023-2012

Sponsor: _____

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Section 33. Effective Date. This ordinance shall become effective upon its passage and approval.

Passed and adopted this 17th day of July, 2012, by roll call vote as follows:

Ayes: Aldermen Knaack, Raes, Ronk, Turner, Liddell, Schoonmaker and Acri

Nays: None

Approved: July 17, 2012



Mayor

Published in pamphlet form: July 18, 2012

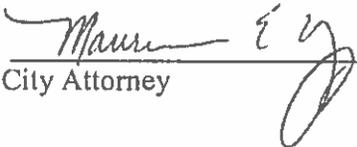
(SEAL)

Attest:



City Clerk

Approved as to form:



City Attorney

CERTIFICATION OF MINUTES AND AGENDA

I, Tracy A. Koranda, City Clerk of the City of Moline, Illinois, hereby certify that annexed hereto is a copy of the minutes of a meeting of the City Council of the City duly called and held on July 10, 2012 and at which a quorum was present and acting throughout.

I further certify that I have compared said copy with the original minutes of said meeting as recorded in the minute book of said City and that said copy is a true and correct copy of the whole of said original minutes.

I further certify that annexed hereto is a copy of the agenda of said meeting and I have compared said copy with the original agenda of said meeting and that said copy is a true and correct copy of the whole of said original agenda.

IN WITNESS WHEREOF, I have hereunto set my hand and have caused the seal of said City to be affixed, this 18th day of July, 2012.


City Clerk

(SEAL)

CERTIFICATION OF MINUTES AND AGENDA

I, Tracy A. Koranda, City Clerk of the City of Moline, Illinois, hereby certify that annexed hereto is a copy of the minutes of a meeting of the City Council of the City duly called and held on July 17, 2012 and at which a quorum was present and acting throughout.

I further certify that I have compared said copy with the original minutes of said meeting as recorded in the minute book of said City and that said copy is a true and correct copy of the whole of said original minutes.

I further certify that annexed hereto is a copy of the agenda of said meeting and I have compared said copy with the original agenda of said meeting and that said copy is a true and correct copy of the whole of said original agenda.

IN WITNESS WHEREOF, I have hereunto set my hand and have caused the seal of said City to be affixed, this 18th day of July, 2012.



City Clerk

(SEAL)

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 Not to Exceed \$16,200,000 General Obligation Refunding Bonds of 2012 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 6:44 p.m. on July 17, 2012, 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 July 17, 2012, and thereafter published in pamphlet form on July 18, 2012, 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 18th day of July, 2012.


City Clerk

(SEAL)

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 Not to Exceed \$16,200,000 General Obligation Refunding Bonds of 2012 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 July 17, 2012, 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 July 17, 2012, and thereafter published in pamphlet form on July 18, 2012, 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 6th day of August, 2012.



City Clerk

(SEAL)

Council Bill/Resolution No.: 1195-2012
Sponsor: _____

A RESOLUTION

AUTHORIZING the Mayor and City Clerk to execute a contract with A.J. Excavating, Inc. for Project #1165, Parking Lot and Demolition at 17th Street and River Drive, in the amount of \$182,007.10.

WHEREAS, bids were publicly read on July 3, 2012; and

WHEREAS, bids were solicited with A.J. Excavating, Inc. submitting the lowest responsible and responsive bid; and

WHEREAS, sufficient funds are available.

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 contract with A.J. Excavating, Inc. for Project #1165, Parking Lot and Demolition at 17th Street and River Drive, in the amount of \$182,007.10; provided, however, that said contract is substantially similar in form and content to that attached hereto and incorporated herein by this reference thereto as Exhibit "A" and has been approved as to form by the City Attorney.

CITY OF MOLINE, ILLINOIS

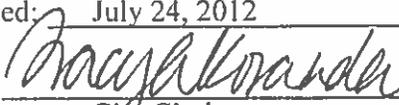


Mayor

July 17, 2012
Date

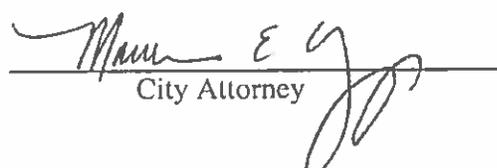
Passed: July 17, 2012

Approved: July 24, 2012

Attest: 

City Clerk

Approved as to form:



City Attorney

**CITY OF MOLINE
CONTRACT**

THIS AGREEMENT, made and concluded this 10th day of August, A.D., 2012, between **A.J. EXCAVATING, INC.** of P.O. BOX 1032, BETTENDORF, IA 52722, hereinafter referred to as the "CONTRACTOR," and the CITY OF MOLINE, ILLINOIS, hereinafter referred to as the "CITY;"

WITNESSETH, that the CONTRACTOR for and in consideration of the payments to be made to it by the CITY in the amount of **ONE HUNDRED EIGHTY TWO THOUSAND SEVEN AND 10/100 (\$182,007.10) DOLLARS**, hereby covenants and agrees, to and with the CITY, that it shall and will in good and workmanlike manner, furnish all the labor and material for **PROJECT NO. 1165, PARKING LOT AND DEMOLITION AT 17TH STREET AND RIVER DRIVE** as set out in the plans and specifications.

Such work to be under the direction and to the satisfaction of the City Engineer, and in accordance with the plans and specifications, which are a part of this contract. The work to be commenced not later than 10 days after the execution of this contract; to progress regularly and uninterruptedly after it shall have been begun excepting as shall otherwise be ordered by the City Council of the City of Moline (hereinafter referred to as the "City Council"), or its authorized representative, and shall be finished and fully completed within the timeframe set forth in the specifications; the time of commencement, rate of progress and time of completion being essential conditions of this contract; PROVIDED, however that if the time of the performance of the contract herein be for any reason either expressly or by implication extended, such extension shall not affect the validity of this contract.

The Contractor further agrees that the unit prices submitted are for the purpose of obtaining a gross sum, and for use in computing the value of extras and deductions; that if there is a discrepancy

1195-2012

between the gross sum bid and that resulting from the summation of the quantities multiplied by their respective unit prices, the latter shall apply. When this contract shall be wholly carried out and completed on the part of the Contractor, and when said work has been accepted by the City, a sum of money shall be computed by multiplying the following unit prices by the quantity of items completed, it being understood that the following total sum of money listed is for the purpose of determining the amount of the performance, labor, material and maintenance bond only. Such payment shall be made as provided for in the said specifications.

This Contract calls for the construction of a "public work" within the meaning of the Illinois Prevailing Wage Act, 820 ILCS 130/.01 et seq. ("the Act"). The Act requires contractors, subcontractors, and truckers to pay laborers, workers, and mechanics performing services on public works projects not less than the "prevailing rate of wages" (hourly cash wages plus fringe benefits) in the county where the work is performed. The prevailing wage rates for projects for the City of Moline required by Moline Special Ordinance 4004-2012 are updated monthly by the Illinois Department of Labor and may be found at:

http://www.state.il.us/agency/idol/rates/ODDMO/ROCK_ISL.htm.

All contractors, subcontractors, and truckers rendering services under this contract must comply with all requirements of the Act, including but not limited to, all wage, notice and record keeping duties. All contractors, subcontractors, and truckers shall keep an accurate record showing the names and occupations of all laborers, workers, and mechanics employed by them on this contract, and also showing the actual hourly wages paid to each of such persons and shall preserve their weekly payroll records for a period of three (3) years from the date of completion of the contract. Weekly certified payrolls shall be sent to the City Engineer.

For further information, please refer to the Illinois Department of Labor's website at:

<http://www.state.il.us/agency/idol>.

It is further provided that the CONTRACTOR shall upon the sealing of this contract, file with the CITY a good and sufficient bond in the penal sum of **ONE HUNDRED EIGHTY TWO THOUSAND SEVEN AND 10/100 (\$182,007.10) DOLLARS** conditioned upon the faithful performance and execution of the work covered by this contract according to the complete and detailed specifications and full and complete drawings, profiles and models therefore, and according to the terms and conditions of this contract, and conditioned also that the CONTRACTOR shall pay all debts incurred by said CONTRACTOR in the prosecution of such work, including those for labor and materials furnished. The CONTRACTOR further agrees to pay liquidated damages as set forth in the specifications for failure to complete the Project by the date specified.

IN WITNESS WHEREOF, the said Parties have executed these presents on the date above mentioned.

CONTRACTOR:

AJ EXCAVATING INC
By: *Chris J. Neal*
PRESIDENT

CITY:

CITY OF MOLINE, ILLINOIS
By: *Donald P. Wehant*
Mayor
Attest: *Tracy Morand*
City Clerk

Approved as to form:

Man
City Attorney

Date: 7.31.12

Date: 8-6-12

Performance Bond Attached

Certificate of Insurance Attached

PERFORMANCE, LABOR, MATERIAL AND MAINTENANCE BOND

BOND #0857689

KNOW ALL MEN BY THESE PRESENTS: THAT AJ EXCAVATING, INC.
as Principal, and WEST BEND MUTUAL INSURANCE COMPANY, as
Surety, are held and firmly bound to the City of Moline, Illinois, in the sum of
ONE HUNDRED-EIGHTY TWO THOUSAND AND SEVEN DOLLARS & 10/100
Dollars, (\$182,007.10) to be paid to the City of Moline, Illinois and for
the lawful payment of said sum, we and each of us, heraby bind ourselves, our heirs,
our executors, administrators, successors, and assigns firmly by these presents.

The condition of this bond is such that:

WHEREAS, the above-named principal did on the ^{6th}~~23~~ day of ^{August}~~JULY~~, 2012, enter
into a contract with the City of Moline, Illinois for:
PROJECT #1165- PARKING LOT AND DEMOLITION AT 17TH ST & RIVER DRIVE, MOLINE, IL

NOW, THEREFORE, if the above-named principal shall well and truly:

1. Keep and perform all of the contract of his, its, or their part to be kept and performed, and faithfully comply with all of the laws of the State of Illinois and all of the ordinances of the City of Moline, Illinois, applicable to the aforesaid contract and this bond and conditions of said contract, and at the time stipulated in said contract or within a reasonable time if no time is stipulated;
2. Pay for any and all materials, lubricants, oil, gasoline, grain, hay, feed, coal and coke, repairs on machinery, groceries and foodstuffs, equipment and tools consumed or used in connection with construction with the work aforescribed, and all insurance premiums both for compensation and for all other kinds of insurance on said work above described, and for all labor performed in the work whether by the principal or by subcontractor or otherwise and at the prevailing hourly rate of wages made shall have been so specified;
3. Maintain any public improvement installed or constructed under said contract from defective material or workmanship in said work for a period of one (1) year from the date of acceptance of said work.

Then this obligation shall be void, otherwise, it shall remain in full force and effect.

It is understood and agreed that this bond is executed and furnished under the provisions of 30 ILCS 550/1 et seq. (Ill Compiled Statutes). Further, the principal and surety on this bond agree that all the undertakings, covenants, terms, conditions and agreements of the contract or contracts entered into between the principal and the City of Moline will be performed and fulfilled and to pay all persons, firms and corporations having contracts with the principal or with subcontractors, all just claims due them under the provisions of such contracts for labor performed or material furnished in the performance of the contract on account of which this bond is given, when such claims are not satisfied out of the contract price of the contract on account of which this bond is given, after final settlement between the officer, board, commission or agent of the City of Moline and the principal has been made.

It is understood and agreed that this bond shall not be avoided because of changes in the plans or specifications for the work or because of extensions of time for the performances of the work and the surety above-named does hereby waive notice of and does hereby consent to any such changes or extension of time.

It is understood and agreed that any person entitled to payment for any of the matters upon which this bond is conditioned shall have the right to sue upon such bond in the name of the City of Moline, Illinois for his use and benefit for the recovery of such payment. It is further agreed that no such suit shall be instituted until the expiration of one hundred and twenty (120) days after the date of the last item of work or the furnishing of the last item of materials except in the case where final settlement between the City of Moline and the contractor shall have been prior to the expiration of the 120-day period, in which case, action may be taken immediately

following such final settlement; nor shall any action of any kind be brought later than six (6) months after the acceptance of the City of Moline of the work. Any person making claim as aforesaid, must provide notice of said claim as provided in 30 ILCS 300/2. However, defects in the notice shall not deprive the claimant of his right to action, unless it shall affirmatively appear that such defect has prejudiced the rights of an interested party.

It is expressly agreed that this bond is also given as a guaranty against defective material or workmanship in the work covered by the contract and as a guaranty that all of said work shall remain in good condition for one year from the date of acceptance of same; provided no suit shall be commenced upon said guarantees more than one (1) year and forty-five (45) days following the acceptance of the said work.

In addition to any other remedies which may be had by the City of Moline, Illinois, under this bond, the City may, in case of default or abandonment of the contract herein before referred to, notify the surety hereto by registered or certified mail directed to the surety or to its attorney-in-fact for it authorized at the time of execution of this bond that such default or abandonment has occurred, which such notice need not be detailed but may be in generalities, and the surety shall have the obligation to inquire into the nature of such default or abandonment and within fifteen (15) days from said notice to notify the City of Moline of the intention to proceed toward completion of the improvements or to pay the City of Moline the value of the bond less the contract cost of the work completed on the date of notice by the City and to thereafter within sixty (60) days from the date of such notice proceed toward completion without undue delay of the improvements in accordance with the contract aforesaid; and, in the event of default on the part of the surety to proceed to complete as aforesaid, the City of Moline shall have the right:

A. To itself complete the work and upon completion to be reimbursed by the principal, the surety or both of them for the cost of said completion including cost of readvertisements, preparation of new plans, contracts, etc., and all other ordinary and reasonable expenses in connection with completion of the work; or

B. At the election of the City of Moline, the City may relet the contract and the said City of Moline, Illinois, is hereby appointed and constituted trustee for and on behalf of the property owners affected by said contract to collect, and, if necessary, sue on behalf of such property owners for any loss they may sustain by reasons of the principal's default or abandonment of his aforementioned contract with the City.

Failure of the surety to provide notice to the City within fifteen (15) days from the date of notice of default of principal shall make the surety liable for the full value of damage to the City of Moline notwithstanding any limit on obligation contained hereinabove.

The parties hereto agree that should any litigation arise out of this bond, the venue for such litigation shall be in the Circuit Court of Rock Island County, Illinois, and the parties hereto expressly waive all rights to venue inconsistent herewith.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this 23 day of JULY, 2012, or have caused these presents to be executed by our authorized agent on the same day and year.

AI EXCAVATING, INC
[Signature] PRESIDENT
WEST BEND MUTUAL INSURANCE COMPANY
[Signature]

Approved as to Form:

GENE KRISMANITS

ATT-IN-FACT

[Signature]

City Attorney



0857689

Power of Attorney

Know all men by these Presents, That West Bend Mutual Insurance Company, a corporation having its principal office in the City of West Bend, Wisconsin does make, constitute and appoint:

GENE KRISMANITS

lawful Attorney(s)-in-fact, to make, execute, seal and deliver for and on its behalf as surety and as its act and deed any and all bonds, undertakings and contracts of suretyship, provided that no bond or undertaking or contract of suretyship executed under this authority shall exceed in amount the sum of: Six Million Dollars (\$6,000,000)

This Power of Attorney is granted and is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of West Bend Mutual Insurance Company at a meeting duly called and held on the 21st day of December, 1999.

Appointment of Attorney-In-Fact. The president or any vice president, or any other officer of West Bend Mutual Insurance Company may appoint by written certificate Attorneys-in-Fact to act on behalf of the company in the execution of and attesting of bonds and undertakings and other written obligatory instruments of like nature. The signature of any officer authorized hereby and the corporate seal may be affixed by facsimile to any such power of attorney or to any certificate relating therefore and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the company, and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the company in the future with respect to any bond or undertaking or other writing obligatory in nature to which it is attached. Any such appointment may be revoked, for cause, or without cause, by any said officer at any time.

In witness whereof, the West Bend Mutual Insurance Company has caused these presents to be signed by its president undersigned and its corporate seal to be hereto duly attested by its secretary this 1st day of March, 2009.

Attest

James J. Pauly
James J. Pauly
Secretary



Kevin A. Steiner
Kevin A. Steiner
Chief Executive Officer / President

State of Wisconsin
County of Washington

On the 1st day of March, 2009 before me personally came Kevin A. Steiner, to me known being by duly sworn, did depose and say that he resides in the County of Washington, State of Wisconsin; that he is the President of West Bend Mutual Insurance Company, the corporation described in and which executed the above instrument; that he knows the seal of the said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the board of directors of said corporation and that he signed his name thereto by like order.



John F. Duwell
John F. Duwell
Executive Vice President - Chief Legal Officer
Notary Public, Washington Co. WI
My Commission is Permanent

The undersigned, duly elected to the office stated below, now the incumbent in West Bend Mutual Insurance Company, a Wisconsin corporation authorized to make this certificate, Do Hereby Certify that the foregoing attached Power of Attorney remains in full force effect and has not been revoked and that the Resolution of the Board of Directors, set forth in the Power of Attorney is now in force.

Signed and sealed at West Bend, Wisconsin this 23 day of July, 2012



Dale J. Kent
Dale J. Kent
Executive Vice President -
Chief Financial Officer

Notice: Reproductions are not binding on the company. Any questions concerning this Power of Attorney may be directed to the Bond Manager at NSI, a division of West Bend Mutual Insurance Company.



CERTIFICATE OF LIABILITY INSURANCE

OP ID: JA

DATE (MM/DD/YYYY)

07/23/12

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Mel Foster Co., Inc. Insurance Department 3218 E. 35th Street Court Davenport, IA 52807 GENE H. KRISMANITS	563-359-5446	CONTACT NAME:	
	563-359-6432	PHONE (A/C, No, Ext):	FAX (A/C, No):
		E-MAIL ADDRESS:	
		PRODUCER CUSTOMER ID #:	AJEXC-1
		INSURER(S) AFFORDING COVERAGE	NAIC #
INSURED A. J. EXCAVATING JACK & ASHLEY LAUD P O BOX 1032 BETTENDORF, IA 52722		INSURER A:	Selective Insurance Company
		INSURER B:	
		INSURER C:	
		INSURER D:	
		INSURER E:	
		INSURER F:	

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDITIONAL INSURER WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	X	S 1973896	01/17/12	01/17/13	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 1,000,000 PRODUCTS - COMP/OP AGG \$ 1,000,000
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	X	S 1973896	01/17/12	01/17/13	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DEDUCTIBLE RETENTION \$	X	S 1973896	01/17/12	01/17/13	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000 \$ \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input type="checkbox"/>	N/A WC 7987359	01/17/12	01/17/13	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000
A	PROPERTY		S 1973896	01/17/12	01/17/13	CONTENTS 2,080
A	EQUIPMENT		S 1973896	01/17/12	01/17/13	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
 THE CITY OF MOLINE AND ITS EMPLOYEES, ACTING WITHIN THE SCOPE OF THEIR DUTIES, AS ADDITIONAL INSURED FOR ALL COVERAGES

CERTIFICATE HOLDER

CITYMOL

CITY OF MOLINE
619 18TH STREET
MOLINE, IL 61265

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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Council Bill/Resolution No. 1216-2012

Sponsor: _____

A RESOLUTION

AUTHORIZING the Mayor and City Clerk to execute a Consent to Collateral Assignment of TIF Development Agreement for the Berglund Flats redevelopment project.

WHEREAS, in March 2012, the City executed a development agreement with Berglund Flats, LLC ("Developer") to facilitate redevelopment of property located at 1317-1321 5th Avenue, Moline; and

WHEREAS, the City granted TIF assistance to Developer in the form of an incremental property tax rebate; and

WHEREAS, Developer's lender, Walcott Trust and Savings Bank ("Bank") has agreed to make a loan to Developer in the amount of \$2,360,000, the proceeds of which shall be used by Developer for the acquisition of the property and development and construction of the project; and

WHEREAS, as further security for the loans to Developer, Developer seeks to assign all payment rights under the development agreement to the Bank until such time as all obligations of Developer to the Bank with respect to the loans have been satisfied; and

WHEREAS, the City acknowledges that the Collateral Assignment between Developer and the Bank is a material inducement to the Bank to enter into the loan transaction; and

WHEREAS, the City agrees to execute the Consent to Collateral Assignment which shall acknowledge the right of the Bank to receive payments pursuant to the development agreement's assignment authority and acknowledge that nothing contained in the Consent shall affect the City's rights and obligations under the development agreement.

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

That the Mayor and City Clerk are hereby authorized to execute a Consent to Collateral Assignment of TIF Development Agreement for the Berglund Flats redevelopment project; provided, however, that said Consent is substantially similar in form to that attached hereto as Exhibit "A" and has been approved as to form by the City Attorney.

CITY OF MOLINE, ILLINOIS

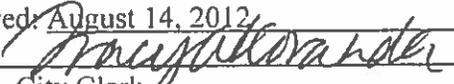

Mayor

August 7, 2012

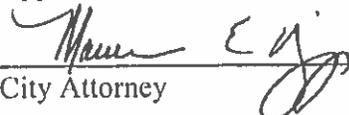
Date

Passed: August 7, 2012

Approved: August 14, 2012

Attest: 
City Clerk

Approved as to Form:


City Attorney

Memorandum

To: Tracy Koranda, City Clerk
From: Vickie Felger, Legal Services Specialist *vlf*
Date: August 16, 2012
Re: CB/Reso. 1216-2012 – Berglund Flats: Collateral Assignment
08/07/12 CC Agenda

Tracy, attached are two copies of a Collateral Assignment of TIF Development Agreement with a Consent to the agreement to be signed by the Mayor and you.

Please return one signed copy to me and retain the other as an original for your office.

Thank you.

:vlf (ext. 2010)
Attachments

returned to vlf 8.28.12 DAK

COLLATERAL ASSIGNMENT OF TIF DEVELOPMENT AGREEMENT

THIS COLLATERAL ASSIGNMENT, effective as of this 15th day of July, 2012, is made by BERGLUND FLATS, LLC, an Illinois limited liability company (hereafter referred to as the "Developer"), to WALCOTT TRUST AND SAVINGS BANK, an Iowa banking corporation (hereafter referred to as the "Bank").

WHEREAS, on March 7, 2012 the Developer and THE CITY OF MOLINE, ILLINOIS, an Illinois municipal corporation (the "City") entered into a Development Agreement (hereinafter referred to as the "Redevelopment Agreement"), relating to the redevelopment of the real estate commonly known as 1317-1321 5th Avenue, Moline, Illinois, and legally described on Exhibit A, attached hereto and incorporated herein (the "Real Estate"), with benefits available under the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. (the "TIF Act"); and

WHEREAS, the Developer desires to rehabilitate the existing building on the Real Estate into approximately 6000 square feet of commercial space and 28 loft apartment units, all in accordance with the plans and specifications reviewed and approved by the City (the "Project"); and

WHEREAS, the Redevelopment Agreement provides, in part, that the City shall reimburse the Developer up to fifteen percent (15.00%) of the eligible redevelopment project costs incurred by the Developer in connection with the construction of the Project pursuant to the terms of the Redevelopment Agreement and the TIF Act; and

WHEREAS, the estimated eligible redevelopment project costs to be incurred by the Developer for the Project are \$2,500,000.00; and

WHEREAS, the Bank has agreed to make one loan to the Developer in the principal amount of \$2,360,000.00 (hereafter referred to as the "Loan"), the proceeds of which shall be used by the Developer for the acquisition of the Real Estate, development and construction of the Project; and

WHEREAS, as security and a source of repayment for the Loan and pursuant to Paragraph IX of the Redevelopment Agreement, the Developer may assign its right to payments under the Redevelopment Agreement to the Bank until such time as the Loan is paid, at which point this Collateral Assignment is deemed void.

NOW, THEREFORE, for and in consideration of the recitals set forth above, to secure the Loan and all other amounts due or to become due under the instruments evidencing the Loan, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Developer hereby unconditionally assigns and sets over to the Bank any and all of its interest in the payment or reimbursement amount from the City under the Redevelopment Agreement until such time as the Loan is paid, at which point this Collateral Assignment is deemed void, together with all amendments, addenda, supplements, modifications

and extensions thereto, whether made now or hereafter, subject to the terms and conditions hereafter set forth.

1. The recitals set forth in the preambles to this Collateral Assignment are hereby incorporated into this paragraph 1 as if fully set forth herein.

2. The Developer hereby authorizes and directs that until such time as the Loan is paid, at which point this Collateral Assignment is deemed void, the City shall pay directly to the Bank any and all amounts due and owing to the Developer pursuant to the Redevelopment Agreement. The City and Bank shall notify the Developer once payments have been made. In connection therewith, the Developer hereby irrevocably appoints the Bank as the Developer's power of attorney to exercise any or all of the Developer's right in, to and under the Redevelopment Agreement, including but not limited to the right to receive payments from the City, and to do any or all other acts, in the Developer's name or in the Bank's own name, that the Developer could do under such agreement with the same force and effect as if this Collateral Assignment had not been made.

3. This Collateral Assignment shall not be deemed to be an assignment of the Developer's obligations under the Redevelopment Agreement, it being the explicit understanding and agreement between the Developer and Bank that the Developer shall remain bound by the Redevelopment Agreement obligations to the City, and any other parties interested in any matter whatsoever related to the development of the Real Estate or the Project, for the Developer's non-performance or default under said Redevelopment Agreement. In connection therewith, the Developer agrees to take all steps necessary to comply with and satisfy the terms of the Redevelopment Agreement and to indemnify and hold the Bank harmless from any judgments, claims, demands, costs and expenses, including reasonable attorney's fees, in connection with the Developer's non-performance or default of the Redevelopment Agreement.

4. The Developer shall file, in a timely manner and pursuant to the terms of the Redevelopment Agreement, all requests for reimbursement from the City to receive approval for the reimbursement of redevelopment project costs incurred by the Developer in connection with the Project from the City.

5. The Developer represents and warrants to the Bank as follows:

(a) The Redevelopment Agreement is in full force and effect, there are no defaults thereunder or known matters which may give rise to an event of default upon the giving of notice or passage of time.

(b) There are no defenses, rights to setoff or counterclaims with respect to any matters contained in the Redevelopment Agreement. The Developer, upon the construction of the Project in accordance with the plans and specifications approved by the City, will be entitled to the reimbursement of fifteen percent (15%) of the total eligible redevelopment project costs expended in the Project.

(c) Upon the execution of this Collateral Assignment, the Bank will be entitled to receive all payments to which the Developer is entitled pursuant to the Redevelopment Agreement.

6. The Developer agrees to execute and deliver to Bank other documents or instruments necessary to satisfy the intent and purposes of this Collateral Assignment expressed herein to perfect the assignment.

7. The Developer shall not further assign the Redevelopment Agreement, or cause any amendment or modification of such agreement, without the prior written consent of the Bank, which may be withheld in the Bank's sole and absolute discretion.

8. All payments to be made to the Bank pursuant to this Collateral Assignment shall be made to the following address:

Walcott Trust and Savings Bank
Attn: Tim Perkins
101 West Bryant Street
PO Box 100
Walcott, IA 52773-0100

With a copy going to the Developer at the following address:

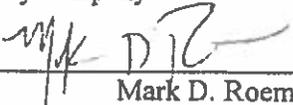
Mark Roemer
2550 Middle Road
Suite 300
Bettendorf, IA 52722

The Bank agrees to provide the Developer with a full accounting of payments made each quarter.

9. This Collateral Assignment shall be binding upon and inure to the benefit of the successors, assigns, legal and personal representatives, executors, administrators, heirs and other transferees of the parties hereto. Notwithstanding the foregoing, the Developer shall not assign this Collateral Assignment without the prior written consent of the Bank.

IN WITNESS WHEREOF, the parties have executed this Collateral Assignment by their duly authorized representatives, dated and effective as the date first written above.

BERGLUND FLATS, LLC, an Illinois limited liability company

By 
Mark D. Roemer, Member

WALCOTT TRUST AND SAVINGS BANK, an Iowa banking corporation

By 
Its Senior Vice President

This is intended as an addition to the "Collateral Assignment of TIF Development Agreement" between Berglund and Walcott Bank, and is designed as the City of Moline's consent.

CITY OF MOLINE, ILLINOIS' CONSENT TO COLLATERAL ASSIGNMENT
OF TIF DEVELOPMENT AGREEMENT AS SET FORTH IN THE PRECEDING
DOCUMENT BETWEEN BERGLUND FLATS, LLC AND THE WALCOTT
TRUST & SAVINGS BANK

This document is being executed on behalf of the City of Moline by the Mayor, acting under the authority granted by the City Council, and attested by the City Clerk, and approved as to form by the City Attorney.

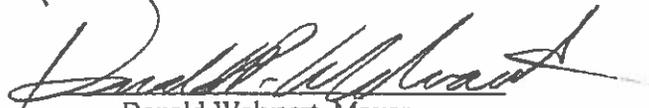
The City of Moline, Illinois, hereby agrees and acknowledges as follows:

1. The City of Moline, Illinois, gives its consent for Berglund Flats, LLC to execute the foregoing Collateral Assignment of TIF Development Agreement to Walcott Trust and Savings Bank.

2. The City of Moline, Illinois, hereby acknowledges the rights of Walcott Trust and Savings Bank to receive the TIF payments contemplated by the Development Agreement, but only as such rights to payments accrue and they become due and payable. Nothing in this Assignment shall affect the rights and obligations of the City under the Development Agreement. The City of Moline, Illinois, further agrees that any payments due to Berglund Flats, LLC pursuant to the Development Agreement be sent and made payable directly to Walcott Trust and Savings Bank, until further written notice otherwise from Walcott Trust and Savings Bank and Berglund Flats, LLC.

3. The City of Moline states and acknowledges that as of the date of this Consent and Acknowledgment, Berglund Flats, LLC is not in default on the Development Agreement with the City of Moline dated March 7, 2012, covering the property described in Exhibit A of this Assignment document.

Signed by the City of Moline, Illinois, this Aug. day of ~~July~~, 2012.


Donald Welvaert, Mayor

ATTEST:


Tracy Koranda, City Clerk

APPROVED AS TO FORM:


Maureen E. Riggs, City Attorney

Exhibit A

Lot 7 in Block 27 in that part of the City of Moline known as and called the Old or Original Town of Moline, Illinois.

Council Bill/Resolution No. 1219-2012

Sponsor: _____

A RESOLUTION

- AUTHORIZING the concept of a redevelopment project as proposed to be constructed on the property located in the 2500 and 2600 block of River Drive, Moline, Illinois, for the Riverfront Commons redevelopment project; and
- AFFIRMING the intent of the City to provide incentives as warranted and justified so that the project will be economically viable; and
- AUTHORIZING staff to negotiate a development agreement to be reviewed for approval by the City Council for a term of 12 months with Three Corners, LLC, exclusively.

WHEREAS, Three Corners, LLC has been selected as the developer of choice for the City owned property known as RiverTech/Hendricks redevelopment project; and

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

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

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

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

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

BE IT FURTHER RESOLVED that the intentions, affirmations and authorizations of the City of Moline as expressed in the recital of the project identified herein are approved as to concept; provided, however that neither and none of such intentions, affirmations, authorizations or recitals are binding upon the City nor may the same be relied upon by any person or entity, to

Council Bill/Resolution No. 1219-2012

Sponsor: _____

Page 2

such entity or person's detriment, or for any reason whatsoever, whether third person or otherwise; and provided further, that any and all such agreements referenced herein shall be separately reviewed and approved by the City Council subsequent to this Resolution and also approved as to form by the City Attorney.

CITY OF MOLINE, ILLINOIS



Mayor

August 14, 2012

Date

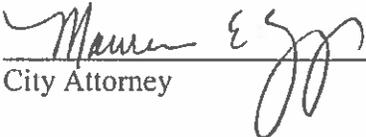
Passed: August 14, 2012

Approved: August 28, 2012

Attest: 

City Clerk

APPROVED AS TO FORM:



City Attorney

Sponsor: _____

A RESOLUTION

AUTHORIZING the Mayor and City Clerk to rescind Resolution #1174-2012, a "Resolution authorizing City staff to authorize the concept of a historic redevelopment project which includes the design, development and operation of a transit-enhanced real estate development project on a 1.3 acre parcel, with additional parcel opportunities adjacent to the project site within the development block known as the "John Deere Commons"; and affirming the intent of the City to provide incentives so that the project will be economically viable; and authorizing staff to negotiate a development agreement to be reviewed for approval by the City Council for a term of 12 months with Restoration Saint Louis exclusively."

WHEREAS, the City of Moline accepted Restoration Saint Louis as the preferred developer in May, 2012 and since that time, no agreement has been reached between the developer and the City as to the size and scope of the project; and

WHEREAS, the developer has notified the City that it is withdrawing from the project because it does not believe that the parties will be able to agree upon the level of financial incentives offered by the City; and

WHEREAS, the Project Management Team has recommended removing exclusivity with the developer for the transit-enhanced real estate development project.

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 rescind, on behalf of the City of Moline, Resolution #1174-2012, a "Resolution authorizing City staff to authorize the concept of a historic redevelopment project which includes the design, development and operation of a transit-enhanced real estate development project on a 1.3 acre parcel, with additional parcel opportunities adjacent to the project site within the development block known as the "John Deere Commons"; and affirming the intent of the City to provide incentives so that the project will be economically viable; and authorizing staff to negotiate a development agreement to be reviewed for approval by the City Council for a term of 12 months with Restoration Saint Louis exclusively."

CITY OF MOLINE, ILLINOIS

Donald P. Schubert

Mayor

November 13, 2012

Date

Passed: November 13, 2012

Approved: November 27, 2012

Attest: *Tracy K. Brandt*
City Clerk

APPROVED AS TO FORM:

Mark E. G.
City Attorney

ATTACHMENT H

Joint Review Board Meeting

TIF 1-7 Review for 2011

Committee-of-the- Whole

August 16, 2012 9:00 AM

Minutes

Taxing District:

Moline Township: Dave Hendrickx

City of Moline: Patrick Burke, Ray Forsythe, Lew Steinbrecher

Moline School District #40: Absent

Rock Island/Milan School District #41: Absent

Blackhawk Township: Absent

MetroLINK: Absent

Metro Airport Authority: Absent

Rock Island County: Absent

Blackhawk College: Absent

Patrick Burke created a trend analysis for each Tax Increment Finance (TIF) district in order to review the performance of each district over the past five years.

TIF 1 Downtown (1986)

Since 2007, the fund balance deficit has tripled. The expenditures each year were greater than the revenue generated each year. The largest expenditure every year was debt service. Administrative/Professional Services, Rebates to Developers, and Land Acquisition/Site Preparation also contributed to expenditures. In 2011, those four categories accounted for 100% of the expenditures (\$4,990,766). The district's equalized assessed value (EAV) has been relatively flat since 2008.

Two projects continued to move forward. Phillips Lofts was a \$1.6 million project that will be converting a vacant building into 18 market rate apartments with commercial space on the first floor. It should be completed by September, 2012. Also, land acquisition for the Amtrak station continued. The City acquired 315 Twelfth Street and 1121 Fourth Avenue.

TIF 2 One Moline Place (1998)

The fund balance deficit has increased since 2007. The annual debt service has been greater than the property tax revenue. The decline in the housing market has negatively impacted this project for several years. The EAV declined in 2011. One Moline Place experienced a great deal of positive momentum during 2011. Site grading after the demolition of the former nurses' dorm building occurred. The TIF district was extended 12 years. With the additional time, the TIF has been projected to pay down the deficit by its termination date.

TIF 3 Old Moline High School (2004)

Although the EAV has been relatively flat since 2007, this residential project has remained strong. Gorman & Company restored a vacant building into a \$9.9 million 60 apartment unit project. The fund balance has been stable. The developer rebate has been the only major expenditure.

TIF 4 Autumn Trails (2005)

Autumn Trails has been a senior living project which has offered townhomes and an assisted living center. It has been another residential project negatively impacted by the decline in the housing market. Sales slowed considerably and the value of the current units has declined. The EAV has been declining since 2007. The fund balance has remained stable, however.

TIF 5 KONE Centre (2009)

Construction of an eight story, 125,000 sf multi-use building estimated at \$40 million began in 2011. The project will be completed by summer, 2012. KONE will be the main tenant.

TIF 6 Moline Place Phase II & III (2010)

The City took possession of the land located within TIF 6 in February and issued a Request for Proposals March 1. Negotiations with an interested developer continued throughout 2011 related to the conceptual design and configuration of a residential subdivision, including the possibility of the City installing the public infrastructure and the developer building the residential housing units.

TIF 7 Moline Business Park (2011)

The City annexed 134 acres, created the TIF district, and then issued a bond for \$7,605,000. The TIF reimbursed nearly \$900,000 in expenses.

ATTACHMENT K

TIF 1 - 7
AUDITED FINANCIAL STATEMENTS

CITY OF MOLINE

**BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2012**

	<u>General</u>	<u>Tax Increment Financing #1</u>	<u>Debt Service</u>	<u>Capital Projects</u>
ASSETS				
Cash and cash equivalents	\$ 116,986	\$ 978	\$ 495,201	\$ -
Restricted cash and cash equivalents	-	-	-	-
Investments	6,723,926	-	-	1,193,549
Restricted investments	-	-	-	-
Receivables (net)				
Property taxes	9,645,009	2,857,781	-	-
Accounts	2,009,599	7,059	-	-
Accrued interest	-	-	-	9,254
Loans	30,000	27,220	6,332,511	-
Other taxes	5,289,961	54,422	-	1,541,385
Due from other governments	84,771	14,543	-	-
Due from other funds	2,287,692	50,000	-	111,000
Inventories	10,461	-	-	-
Prepaid items	-	-	-	-
Interfund advances	<u>4,874,000</u>	<u>-</u>	<u>-</u>	<u>351,117</u>
TOTAL ASSETS	<u>\$ 31,072,405</u>	<u>\$ 3,012,003</u>	<u>\$ 6,827,712</u>	<u>\$ 3,206,305</u>
LIABILITIES AND FUND BALANCE				
Liabilities				
Accounts payable	\$ 390,329	\$ 92,730	\$ -	\$ 46,757
Accrued expenses	770,192	6,229	-	-
Due to other governments	-	50,000	-	-
Due to other funds	55,333	1,821,000	-	141,914
Deferred revenues	11,625,022	2,824,143	-	571,106
Deposits	102,771	8,652	-	11,160
Line of credit	-	-	6,332,511	-
Interfund advances	<u>-</u>	<u>4,874,000</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>12,943,647</u>	<u>9,676,754</u>	<u>6,332,511</u>	<u>770,937</u>
Fund Balances				
Nonspendable	4,884,461	-	-	-
Restricted	386,631	-	495,201	-
Committed	-	-	-	2,435,368
Assigned	-	-	-	-
Unassigned	<u>12,857,666</u>	<u>(6,664,751)</u>	<u>-</u>	<u>-</u>
Total Fund Balances (deficit)	<u>18,128,758</u>	<u>(6,664,751)</u>	<u>495,201</u>	<u>2,435,368</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 31,072,405</u>	<u>\$ 3,012,003</u>	<u>\$ 6,827,712</u>	<u>\$ 3,206,305</u>

See accompanying notes to financial statements.

CITY OF MOLINE

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2012**

	<u>General</u>	<u>Tax Increment Financing #1</u>	<u>Debt Service</u>	<u>Capital Projects</u>
REVENUES				
Taxes	\$ 34,222,019	\$ 3,924,779	\$ -	\$ 7,160,829
Licenses and permits	928,845	-	-	-
Intergovernmental	662,730	621,857	-	-
Charges for services	4,774,925	-	-	24,315
Fines, forfeitures and penalties	319,166	-	-	-
Use of money and property	73,496	93,183	213,074	15,907
Contributions	-	-	-	-
Miscellaneous	395,913	7,347	-	-
Total Revenues	<u>41,377,094</u>	<u>4,647,166</u>	<u>213,074</u>	<u>7,201,051</u>
EXPENDITURES				
Current				
General government	2,330,897	-	-	-
Public safety	25,545,707	-	-	-
Public works	8,480,579	-	-	-
Economic development	1,239,476	557,091	-	-
Culture and recreation	-	-	-	-
Libraries	-	-	-	-
Capital Outlay	356,062	524,791	-	3,743,258
Debt Service				
Principal	-	-	9,226,854	-
Interest and fiscal charges	-	5,683	2,449,381	7,065
Bond issuance costs	-	-	513,192	-
Total Expenditures	<u>37,952,721</u>	<u>1,087,565</u>	<u>12,189,427</u>	<u>3,750,323</u>
Excess (deficiency) of revenues over expenditures	<u>3,424,373</u>	<u>3,559,601</u>	<u>(11,976,353)</u>	<u>3,450,728</u>
OTHER FINANCING SOURCES (USES)				
General obligation bonds issued	-	-	-	-
Refunding bonds issued	-	-	33,727,224	-
Premium on refunding bond issuance	-	-	2,305,855	-
Payments to refunding escrow	-	-	(30,767,495)	-
Transfers in	308,683	60,109	6,105,336	-
Transfers out	(646,875)	(2,264,951)	-	(3,249,642)
Proceeds from sale of capital assets	30,249	-	-	-
Total Other Financing Sources (Uses)	<u>(307,943)</u>	<u>(2,204,842)</u>	<u>11,370,920</u>	<u>(3,249,642)</u>
Net Change in Fund Balances	3,116,430	1,354,759	(605,433)	201,086
FUND BALANCES (DEFICIT) - Beginning of Year	<u>15,012,328</u>	<u>(8,019,510)</u>	<u>1,100,634</u>	<u>2,234,282</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 18,128,758</u>	<u>\$ (6,664,751)</u>	<u>\$ 495,201</u>	<u>\$ 2,435,368</u>

See accompanying notes to financial statements.

ATTACHMENT L

CERTIFIED AUDIT REPORT

Following is the Section "Q" compliance letter dated June 12, 2013 for fiscal year 2012.



Baker Tilly Virchow Krause, LLP
1301 W 22nd St, Ste 400
Oak Brook, IL 60523-3389
tel 630 990 3131
fax 630 990 0039
bakertilly.com

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
TAX INCREMENT FINANCING DISTRICTS**

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

We have audited the basic financial statements of the City of Moline, Illinois, as of and for the year ended December 31, 2012, and have issued our report thereon dated June 12, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance with laws, regulations, contracts and grants applicable to the City of Moline is the responsibility of the City of Moline's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatements, we performed tests of the City of Moline's compliance with provisions in Subsection (q) of Section 11-74.4-3 of Public Act 85-1142, "An Act in Relation to Tax Increment Financing", noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance.

This report is intended solely for the information and use of the City Council, management, the State of Illinois, and others within the City and is not intended to be, and should not be, used by anyone other than the specified parties.

Baker Tilly Virchow Krause, LLP

Oak Brook, Illinois
June 12, 2013