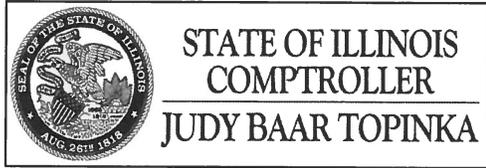


**FY 2013
ANNUAL TAX INCREMENT FINANCE
REPORT**



Name of Municipality: Moline Reporting Fiscal Year: **2013**
 County: Rock Island Fiscal Year End: **12/31/2013**
 Unit Code: 081-050-30

TIF Administrator Contact Information

First Name: Annaka Last Name: Whiting
 Address: 619 16th Street Title: Compliance Analyst
 Telephone: 309-524-2035 City: Moline Zip: 61265
 Mobile _____ E-mail _____
 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.]
Annaka Whiting 5/14/14
 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	2/9/2010	
TIF #7 Moline Business Park	6/21/2011	
Routes 6 & 150	12/4/2012	
41st Street/ Health Park	12/11/2012	
Southpark Mall	9/17/2013	
Multi-Modal Area	11/5/2013	
Riverbend Commons	11/5/2013	

*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.]

FY 2013

Name of Redevelopment Project Area:	Riverbend Commons
Primary Use of Redevelopment Project Area*:	Combination/Mixed
If "Combination/Mixed" List Component Types:	CBD/Retail/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.

FY 2013

TIF NAME: Riverbend Commons

Fund Balance at Beginning of Reporting Period

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment			0%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest			0%
Land/Building Sale Proceeds			0%
Bond Proceeds			0%
Transfers from Municipal Sources			0%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)			0%

*must be completed where 'Reporting Year' is populated

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period

Cumulative Total Revenues/Cash Receipts

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

Distribution of Surplus

Total Expenditures/Disbursements

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

FUND BALANCE, END OF REPORTING PERIOD*

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

Total Amount Designated (Carried forward from Section 3.3)

SECTION 3.2 A

PAGE 3

14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)		
		\$ -
15. Costs of construction of new housing units for low income and very low-income households. Subsection (q)(11)(F) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
16. Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
TOTAL ITEMIZED EXPENDITURES		\$ 29,459

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

FY 2013

TIF NAME: Riverbend Commons

FUND BALANCE, END OF REPORTING PERIOD \$ (29,459)

	Amount of Original Issuance	Amount Designated
--	-----------------------------	-------------------

1. Description of Debt Obligations

N/A		

Total Amount Designated for Obligations \$ - \$ -

2. Description of Project Costs to be Paid

N/A		\$ -

Total Amount Designated for Project Costs \$ -

TOTAL AMOUNT DESIGNATED \$ -

SURPLUS*/(DEFICIT) \$ (29,459)

* 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)]

FY 2013

TIF NAME: Riverbend Commons

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

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

Property Acquired by the Municipality Within the Redevelopment Project Area

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

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

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

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

SECTION 5 - 65 ILCS 5/11-74.4-5 (d) (7) (G) and 65 ILCS 5/11-74.6-22 (d) (7) (G)

FY 2013

TIF NAME: Riverbend Commons

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 ONLY IF PROJECTS ARE LISTED ON THESE PAGES

Check here if NO projects were undertaken by the Municipality Within the Redevelopment Project Area: _____			
ENTER total number of projects undertaken by the Municipality Within the Redevelopment Project Area and list them in detail below*.			
		Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
TOTAL:	11/1/99 to Date		
Private Investment Undertaken (See Instructions)	\$ -	\$ -	\$ -
Public Investment Undertaken	\$ 3,300,000	\$ -	\$ -
Ratio of Private/Public Investment	0		0

Project 1: *IF PROJECTS ARE LISTED NUMBER MUST BE ENTERED ABOVE

The Mills at Riverbend Commons			
Private Investment Undertaken (See Instructions)			\$ -
Public Investment Undertaken	\$ 3,300,000		
Ratio of Private/Public Investment	0		0

Project 2:

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

Project 3:

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

Project 4:

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

Project 5:

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

Project 6:

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

17. Limits on Developer Action:

Until a Certificate of Completion is issued by the City, the Developer may not, without the City's reasonable consent enter into a transaction that would cause a material and detrimental change to the Developer's financial conditions including: (i) merge, liquidate or consolidate, (ii) sell, lease or transfer the property in said phase or all or substantially all of its property (other than retail leases, sale of outlots or retail pads, if applicable, and similar transactions contemplated herein), (iii) enter into any transaction outside the ordinary course of business, or (iv) assume or guarantee the obligations of any other person or entity.

The Developer may not, at any point, apply for tax-exemption on the land or elect tax-exempt status. Furthermore, if the property is sold to a tax-exempt entity, that entity must pay the normal property taxes as levied by the assessor for the property unless otherwise agreed to in writing by the City. This provision will be secured by a covenant that will run with the land.

18. Limitations on Appealing Taxes:

Without written consent of the City, the Developer may not appeal taxes below an equalized assessed value ("EAV") for the Project that will result in total property taxes below \$140,000 per year. This provision will commence on January 1 of the subsequent calendar year following the issuance of the C of O by the City and will terminate upon expiration date of the current life of the TIF District. However, should the assessed value of the Project in any given year come in below an assessed value that results in a tax of \$140,000 not due to an appeal, the Developer has no obligation to appeal the assessed value up but shall provide for additional payment to reach a total guaranteed minimum tax payment of \$140,000

The Developer may not, at any point, apply for tax-exemption on the land or elect tax-exempt status. This covenant shall run with the land for the duration of the TIF district. Furthermore, if the property is sold to a tax-exempt entity, that entity must pay the property taxes as levied by the assessor for the property as if it were not tax-exempt unless otherwise agreed to in writing by the City.

This provision will be secured by a covenant that will run with the land.

19. Limits on Other Financing:

Prior to the issuance of the Certificate(s) of Completion, City consent is required for any financing other than Lender and Equity Financing to facilitate construction of the Project. After issuance of the Certificate of Completion, all City restrictions will expire.

20. Title Company for Closing:

To be determined

21. Future Bond Issuance

The Developer will assist the City in any future bonding efforts related to this TIF district by providing all information necessary. In no case will the Developer be obligated to assume any costs of City bonding not associated with this specific transaction.

Handwritten signature

22. Economic Disclosure Statements - Principals, Structure and Partners in LLC's

Developer will comply with City requirements for disclosure of individuals, corporations or other entities who are party to the developer's legal ownership and the Redevelopment Agreement.

23. City Remedies upon Default

The RDA will contain all reasonable and customary default provisions for real estate transactions. In addition, the RDA will specifically provide for a subordinate mortgage and covenants that run with the land as described above.

24. Good Faith Efforts

City shall assist developer and make good faith effort to approve and provide traffic control signals at 29th Street and River Drive and 25th Street and River Drive. Developer shall include the costs associated with such approval and installation in future budgeting and phases.

City shall provide the Developer with a cost sharing arrangement for Marketing efforts and supporting collateral for the Riverbend Commons site.

DEVELOPMENT AGREEMENT

Between the

CITY OF MOLINE, ILLINOIS

and

THE MILLS AT RIVERBEND COMMONS, LLC

FOR

RIVERBEND COMMONS

THIS AGREEMENT ("Agreement") is made and entered into on this 5th day of November, 2013, by and between the City of Moline, an Illinois municipal corporation ("City") and The Mills at Riverbend Commons, LLC, an Illinois limited liability company ("Developer") (collectively, City and Developer are referred to herein as the "Parties").

RECITALS:

WHEREAS, the City is a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois and, as a home rule unit of government, the City has the power to regulate for the protection of the public health, safety, morals and welfare of its inhabitants, and pursuant thereto, has the power to encourage private development in order to enhance the local tax base, create employment opportunities and to enter into contractual agreements with private parties in order to achieve these goals; and

WHEREAS, the City wishes to engage in certain lawful activities authorized by applicable law, including without limitation 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 certain real property generally located on River Drive west of and adjacent to the campus of Western Illinois University-Quad Cities and consisting of an approximately 15.5-acre site, as legally described on Exhibit A attached hereto (the "Property"); and

WHEREAS, the Redevelopment Project shall consist of the following elements:

- i. Backfill and compaction of approximately 8,500 cubic yards of material within a portion of the Property consisting of the easternmost 5 acres or such size necessary to complete the Redevelopment Project (defined below) (the "Phase 1 Project Land") as indicated in the Schematic Design Documents attached hereto as Exhibit C, to raise the Phase 1 Project Land above the level of the 100-year floodplain (the "Pre-Closing Work");
- ii. purchase of the Phase 1 Project Land; and

- iii. development of the Phase 1 Project Land with a mixed use project consisting of an approximately 107,990 square foot student housing facility and approximately 20,087 square feet of retail space (the "Mixed-Use Facility").

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

WHEREAS, in addition to the elements of the Redevelopment Project described above, the Developer shall fulfill certain obligations, as more particularly described in this Agreement, with respect to development of a future phase of the Property consisting of approximately 150 market-rate residential dwelling units ("Phase 2A"), including without limitation the delivery of schematic plans for development of Phase 2A and the commencement of construction of Phase 2A;

WHEREAS, for City to grant said incentives, the Redevelopment Project must meet certain conditions, including, but not limited to, all property within the Phase I Project Land remaining property tax eligible through the year 2036, and fulfillment of certain obligations with respect to future phases of development, as set forth in this Agreement, along with other conditions; and

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

WHEREAS, the City believes that the Redevelopment Project to be located on the Phase 1 Project Land 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 as a home rule unit of government, under the Act, and other 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:

I. CONDITIONS PRECEDENT TO CITY'S FINANCIAL ASSISTANCE HEREUNDER.

Developer's Obligation to Obtain Debt and Equity Financing. The Parties agree that the performance of their respective obligations set forth herein is specifically contingent upon the satisfaction and performance of the Developer having obtained debt and equity financing, or commitments for the same, in such amounts and having such financial terms as are reasonable and related to a fair market financing subject to the exercise of Developer's discretion by not later than the date of closing of the Phase 1 Project Land. City will have no obligation to perform any action otherwise required herein until Developer provides the City with a letter demonstrating its ability to obtain equity financing and construction debt financing ("Comfort Letter") at the time of execution of this Agreement. This Section I shall not apply to the City's obligation to pay the Developer for up to \$150,000 of the costs of the Pre-Closing Work (defined below), the intent of the Parties being that Developer shall complete, and the City shall pay Developer for, the Pre-Closing Work regardless of whether Developer proceeds with the other elements of the Redevelopment Project.

II. CITY'S AGREEMENT TO PROVIDE ASSISTANCE.

The following sets forth the intentions, undertakings and contractual obligations and responsibilities of the City under this Agreement subject to certain responsibilities of Developer as set forth in this Agreement (including, but not limited to, substantial compliance with the Development Timetable contained in Exhibit B, attached hereto):

- A. Complete the Creation of a new TIF District. The Phase 1 Project Land is located within an already established and valid Tax Increment Financing Redevelopment Project Area, as defined under the Act, which is set to expire in 2021. The City of Moline has approved the creation of a new TIF District that will be completed by the time of execution of this Agreement. The City is creating the new TIF district to provide for the reimbursement of eligible expenses from the Redevelopment Project (and possibly future phases) incurred by the Developer and paid for with the City Funds. The City intends to seek reimbursement for eligible expenses from the Redevelopment Project, to the extent the City Funds have been disbursed to pay for eligible expenses from the Redevelopment Project. The Parties acknowledge that the City Funds are being provided from the City's general funds, and that the City Funds provided under this Agreement may be used to pay for or reimburse Developer for any Redevelopment Project costs, regardless of whether such costs are eligible expenses under the Act, in accordance with Section V.B below.
- B. Maximum Grant. The City's total payment paid under this Section II (the "City Funds") shall not exceed the lesser of (i) Three Million Three Hundred Thousand Dollars (\$3,300,000), plus up to an additional One Hundred Fifty Thousand Dollars (\$150,000) for reimbursement to the Developer of the costs of the Pre-Closing Work, or (ii) the total costs for the Redevelopment Project.
- C. Reimbursement of Pre-Closing Work; Initial Deposit of City Funds. At Closing, the City shall (i) reimburse Developer for the costs of the Pre-Closing Work, up to One Hundred Fifty Thousand Dollars (\$150,000) and (ii) deposit Three Million Three Hundred Thousand Dollars (\$3,300,000) into the City Subaccount (defined below) of the Construction Escrow (defined below), and such funds shall thereafter be disbursed to or at the direction of the Developer to pay or reimburse Developer for Redevelopment Project costs, including without limitation the Developer's purchase of the Phase 1 Project Land, in accordance with the terms of the Escrow Agreement (defined below), but excluding the costs of the Pre-Closing Work, for which Developer will be reimbursed separately in accordance with subsection (i) above. If the Developer does not satisfy the contingency referenced in Section I above regarding sufficient debt and equity financing prior to the Closing Date (defined below), the City shall reimburse Developer for the costs of the Pre-Closing Work, up to One Hundred Fifty Thousand Dollars (\$150,000), upon Developer's request for reimbursement, which shall be made no earlier than fifteen (15) days after completion of the Pre-Closing Work but no more than ninety (90) days after completion of the Pre-Closing Work.
- D. Final Payment. Upon the City's reimbursement of the Pre-Closing Work in accordance with Section II.B.i above and the final disbursement of the City Funds from the Construction Escrow in accordance with the terms of the Escrow Agreement and this Agreement, the City's obligations to provide financial assistance 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, 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, to the extent such benefits are authorized or administered by entities and agencies other than the City, 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. Until the issuance of a Certificate of Completion (defined below), the City agrees not to provide financial assistance to any other development that includes student or student-oriented housing without Developer's consent, which consent shall not be unreasonably withheld.
- I. The City will make good faith efforts to provide Developer with cost-sharing arrangements with respect to marketing and related efforts for the Redevelopment Project.

III. **SALE AND PURCHASE OF PHASE 1 PROJECT LAND**

- A. The City hereby agrees to sell, and Developer hereby agrees to purchase, upon and subject to the terms and conditions of this Agreement, the Phase 1 Project Land for One Million Seven Hundred Thousand Dollars (\$1,700,000) (the "**Purchase Price**"). The Phase 1 Project Land shall be surveyed by the City, and a legal description prepared therefor, before the Closing.
 - i. Said purchase shall be pursuant to a standard Rock Island County form purchase agreement with all costs and expenses paid as is customary in an ordinary purchase and sale of commercial real estate in Rock Island County, Illinois. The Phase 1 Project Land shall be delivered to Developer from the City via a standard special warranty deed, free and clear of all liens and encumbrances. The Purchase Agreement for the Phase 1 Project Land is attached hereto as Exhibit D.
 - ii. The purchase of the Phase 1 Project Land shall occur within fifteen (15) days after completion of the Pre-Closing Work (the "**Closing Date**"). With respect to the Pre-Closing Work, which will commence prior to the conveyance of the Phase 1 Project Land to Developer, Developer shall indemnify and hold City harmless from any and all claims arising out of the construction and use of the Phase 1 Project Land by Developer or any third party under Developer's direction or control.

- iii. Other than the obligations set forth in this Agreement with respect to the Phase 1 Project Land, Developer assumes no other obligation or liability with respect to the legal, physical or environmental condition of the Phase 1 Project Land, all such obligations and liabilities being waived and released by the City; provided, however, the foregoing waiver and release shall not apply to obligations and liabilities arising out of the negligence or willful misconduct of Developer or its affiliates, and their respective members, shareholders, trustees, officers, directors, agents or employees.
- B. In the event that Developer terminates this Agreement prior to the issuance of a Certificate of Completion, or in the event the Developer is found to be in default of this Agreement, based on at least thirty (30) days' prior written notice of default and the expiration of all applicable cure periods subsequent to the conveyance of the Phase 1 Project Land, then the City shall have the right, upon written demand to Developer, to purchase the Phase 1 Project Land back from the Developer for the purchase price of One Million Seven Hundred Thousand Dollars (\$1,700,000). Should the City exercise its right to purchase the Property under this Section III.B after the construction mortgage and other liens are attached to the Phase 1 Project Land, the City must satisfy or mutually settle all liens on the Phase 1 Project Land prior to the conveyance of the Phase 1 Project Land to the City. The City's right to repurchase the Phase 1 Project Land pursuant to this Section III.B shall expire (i) upon issuance of the Certificate of Completion; or (ii) one hundred twenty (120) days after the Developer's termination of this Agreement or the date on which Developer is found to be in default, as the case may be; provided, however, that this period shall be tolled for any periods during which the City is actively engaged in settlement discussions with lienholders. This Agreement or a memorandum thereof referencing this covenant shall be recorded with the Rock Island County Recorder of Deeds on upon the closing of City's sale and the Developer's purchase of the Phase 1 Project Land in accordance with this Section III (the "Closing"). The City shall record a release of this right to repurchase promptly upon expiration of this covenant.
- C. Developer shall deliver the following at the Closing:
- i. evidence that equity and debt proceeds sufficient, together with the City Funds, to fund construction of the Redevelopment Project have been deposited into the Construction Escrow in accordance with Section V.B below;
 - ii. issuance of an owner's policy of title insurance, insuring Developer's interest as owner of the Phase 1 Project Land in an insured amount of at least One Million Seven Hundred Thousand Dollars (\$1,700,000);
 - iii. customary UCC, tax and judgment lien searches; and
 - iv. customary opinion of Developer's counsel as to the Developer's authority to enter into the Agreement.

IV. DEVELOPER'S AGREEMENT TO DEVELOP THE REDEVELOPMENT PROJECT.

- A. Developer shall, (i) upon the execution of this Agreement, commence and diligently pursue the Pre-Closing Work and (ii) promptly after the Closing, commence and diligently pursue development of the Phase 1 Project Land with the Mixed-Use

Facility, both substantially in accordance with the plans and specifications for the respective project elements, which plans and specifications must be approved by the City prior to commencement of the respective project elements (such approval may not unreasonably be withheld), as may be normal, customary or required in order to proceed with the respective project elements, in accordance with all applicable rules, codes, regulations, ordinances and laws, including without limitation, the City's Design/Build Management Team ("DBMT") process, it being understood that in the event of a conflict between or among any of the above plans or documents, the plan or document that provides the greatest control and protection for the City, as determined by the City Administrator, shall control. All of the above plans and documents shall be interpreted so that the duties and requirements imposed by any one of them are cumulative among all of them, unless otherwise provided in this Agreement.

- B. Developer agrees to complete the following project elements:
- I. the Pre-Closing Work;
 - ii. acquisition of the Phase 1 Project Land, subject to Section III above; and
 - iii. development of the Phase 1 Project Land with the Mixed-Use Facility, subject to the City's conveyance of the Phase 1 Project Land in accordance with Section III above. The Redevelopment Project shall be developed in accordance with the Schematic Design Documents attached hereto and incorporated herein by reference as Exhibit C.
 - iv. At all times during construction of the Private Project, Developer shall keep all routes used for construction traffic to be free and clear of mud, dirt, debris, obstructions and hazards and shall repair any damage to public property caused by such construction traffic.
 - v. Developer warrants that it will be able to substantially meet a project timeline as set forth in Exhibit B with commencement of construction during November 2013 and to substantially complete construction defined by the City issuing a Certificate of Occupancy for the Phase 1 Project Land by September 2014, all subject to extensions for Unavoidable Delays (defined below).
- C. Certificate of Completion. Upon completion of construction of all structures and all public infrastructure improvements required for the Redevelopment Project, the City shall issue a Certificate of Completion, in recordable form (the "Certificate of Completion"), certifying that Developer has fulfilled its obligation to complete the Redevelopment Project in compliance with the terms and conditions of this Agreement, provided the following conditions with respect to the Redevelopment Project have been met:
- i. issuance of all certificates of occupancy by the City, not to be unreasonably withheld, or other evidence acceptable to the City, that Developer has complied with building permit requirements for the Redevelopment Project;

- ii. evidence that at least 65% of the retail space is leased; and
- iii. evidence that at least 90% of the student housing units are leased and occupied.

The Certificate of Completion relates only to the completion of the obligations under this Agreement to acquire the Phase 1 Project Land and construct the Redevelopment Project. After issuance of the Certificate of Completion, all executory terms and conditions of this Agreement, including without limitation all covenants described herein as running with the land, shall remain in full force and effect in accordance with the terms described in this Agreement, and issuance of the Certificate of Completion shall not be construed as a waiver by the City of any of its rights and remedies under such executory terms.

D. Future Phases. In addition to the foregoing project elements, the Parties acknowledge their mutual desire that the Developer redevelop additional portions of the Property with future phases, including additional residential dwelling units and additional retail and commercial space. The Developer will make every good faith effort to develop such future phases. The Developer agrees that it will not request additional financial assistance from the City for future phases until such time that the increased property, sales and other tax revenues, in the aggregate, generated by the Phase 1 Project Land are at least equal to the amount of City Funds paid under this Agreement.

- i. In consideration of the assistance being provided by the City under this Agreement, Developer agrees to complete the following elements with respect to such future phases:
 - (a) within ten (10) days after execution of this Agreement, execute a design services contract with the Developer's selected architectural firm to begin design of Phase 2A, along with preparation of a design, budget and construction timetable for Phase 2A;
 - (b) initiate the DBMT process through Renew Moline for Phase 2A no later than December 1, 2013;
 - (c) deliver schematic plans for Phase 2A to the City no later than June 30, 2014; and
 - (d) commence construction of Phase 2A no later than June 30, 2016.
- ii. Developer's obligation to commence construction of Phase 2A shall be subject to the City's conveyance of an additional approximately 5.5-acre portion of the Property for a purchase price not to exceed One Million Seven Hundred Thousand Dollars (\$1,700,000), on substantially the same terms and conditions as are applicable to the purchase and sale of the Phase 1 Project Land under this Agreement.
- iii. The City shall assist Developer and make good faith efforts to approve and provide traffic control signals at 29th Street and River Drive and 25th

Street and River Drive, as may be required to serve future phases of development of the Property. Developer shall include the costs associated with such approval and installation in budgeting for future phases of development.

- E. 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.
- F. Assessed Valuation. From and after the Closing, payment of property taxes for the Phase 1 Project Land shall be the responsibility of Developer. Developer agrees that it will not appeal the annual assessed valuation of the Phase 1 Project Land to a level below that which would generate total property taxes of less than \$140,000 per year. In the event that the assessed value of the Phase 1 Project Land, as determined by the Moline Township Assessor, generates less than \$140,000 in property taxes for the applicable year, the Developer shall have no obligation to appeal to increase the Moline Township Assessor's assessed value determination; provided, however, that, in such event, Developer shall pay to the City the difference between the actual property taxes generated and \$140,000. The provisions of this Section IV.F shall apply during the period commencing on January 1st of the calendar year immediately following the issuance of a Certificate of Occupancy for the Project and terminating upon the expiration of this TIF district. Notwithstanding anything to the contrary in this Agreement, the City may, in its sole discretion, waive and terminate the obligations set forth in this Section IV.F. The provisions of this Section IV.F shall constitute a covenant running with the land comprising the Phase 1 Project Land, and this Agreement or a memorandum thereof referencing this covenant shall be recorded with the Rock Island County Recorder of Deeds upon the Closing.
- G. Phase 1 Project Land Not to Be Tax Exempt. Developer acknowledges that the City cannot provide the assistance under this Agreement unless certain conditions are met, including but not limited to, that owners or tenants of the Phase 1 Project Land must be ad valorem real estate tax generating and taxpaying entities. It is understood and agreed by Developer that tenants of the Phase 1 Project Land and Developer shall not seek property tax exemption status during the duration of this TIF district. The provisions of this Section IV.G shall constitute a covenant running with the land comprising the Phase 1 Project Land, and shall be binding on any owner of the Phase 1 Project Land. To the extent that any tenant or subsequent owner of the Phase 1 Project Land is a tax exempt entity and successfully claims an exemption from property taxes, Developer shall pay the equivalent value of the property taxes for the property owned or leased as if it were owned or leased by a tax paying entity, that is, the property taxes that would be assessed but for the exempt status of the owner or tenant. This Agreement or a memorandum thereof referencing this covenant shall be recorded with the Rock Island County Recorder of Deeds upon the Closing. Notwithstanding anything to the contrary in this Agreement, the City may, in its sole discretion, waive and terminate the obligations set forth in this Section IV.G.

- H. Developer To Meet Deadlines. Developer understands and agrees that the meeting of deadlines subject to Unavoidable Delays as set forth in Exhibit B is necessary, in order to meet the terms of this Agreement and make City contributions possible.. Developer understands a failure to substantially meet said deadlines is a material breach of this Agreement, unless an extension has been agreed to in writing by City.
- I. Developer Not to Sell or Re-Finance Until Project Completion. Prior to issuance of the Certificate of Completion, Developer may not, without the City's consent (not to be unreasonably withheld): (i) enter into a merger, sale, transfer, conveyance, liquidation or consolidation that would have a materially adverse effect on the ability of the Developer to complete the Redevelopment Project; (ii) directly or indirectly sell or transfer (except for leases) all or substantially all of its assets; (iii) enter into any transaction outside the ordinary course of business that would materially and adversely affect the ability of the Developer to complete the Redevelopment Project; (iv) assume or guarantee the obligations of any other person or entity that would materially and adversely affect the ability of Developer to complete the Redevelopment Project; or (v) obtain any financing encumbering the Phase 1 Project Land or the Redevelopment Project other than the equity and debt financing necessary to complete construction of the Redevelopment Project.

V. **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 thirty (30) days of the execution of this Agreement.
- B. At the Closing, the City and Developer shall enter into an escrow agreement (the "Escrow Agreement") creating the Construction Escrow, which shall include a "Developer Subaccount," a "City Subaccount" and the "Lender Financing Subaccount." The City Funds shall be deposited at the Closing into the City Subaccount in accordance with Section II above. At the Closing, the Developer shall deposit sufficient equity and debt proceeds into the Developer Subaccount and the Lender Financing Subaccount, respectively, to complete the Redevelopment Project. Funds deposited into the City Subaccount, the Developer Subaccount and the Lender Financing Subaccount may be used to pay any Redevelopment Project cost, including but not limited to costs eligible for reimbursement under the Act ("TIF Eligible Expenses"), and shall be disbursed in the following order:
- i. with respect to disbursements for TIF Eligible Expenses, such disbursements shall be made, first, from the City Subaccount, then from the Developer Subaccount and the Lender Financing Subaccount; and
 - ii. with respect to disbursements for other than TIF Eligible Expenses such disbursements shall be made first, from the Developer Subaccount, then from the City Subaccount and, finally, the Lender Financing Subaccount.
- C. Developer acknowledges that the City Funds are being used, in part, to reimburse the Developer for TIF Eligible Expenses incurred from the Redevelopment Project, and that the City intends to seek reimbursement for such City Funds paid from future

increment generated by the Redevelopment Project. Therefore, as TIF Eligible Expenses are incurred, Developer shall provide documentation of the actual project cost incurred, which shall have been independently verified by a third party mutually agreed to by the City and Developer, at Developer's expense. Failure to provide an independently verified accounting at the time of such reimbursement request shall not constitute a breach of this Agreement; provided, however, that, such unverified costs shall be paid from the Construction Escrow as though they were not TIF Eligible Expenses, in accordance with Section V.B above; provided, further, that the failure to provide such verification at the time of Developer's reimbursement request shall not preclude the City from verifying such cost as a TIF Eligible Expense in the future. Developer shall submit a request for disbursement from the appropriate subaccount of the Construction Escrow and documentation of actual Redevelopment Project costs in a timely manner as costs are incurred, but in no case later than ninety (90) days after the date the Certificate of Completion is issued. Developer agrees that, upon disbursement of the City Funds from the Construction Escrow to pay for any TIF Eligible Expenses, the City may seek reimbursement for such TIF Eligible Expenses from future increment generated by the Redevelopment Project, and the Developer releases and assigns the City any right it may have to be reimbursed from such future increment for TIF Eligible Expenses already paid for by the City Funds.

- D. Developer agrees to defer reimbursement of Five Hundred Thousand Dollars (\$500,000) of its development fee for the Redevelopment Project until the earlier of (i) commencement of construction of Phase 2A in accordance with Section IV.D above, or (ii) eighteen (18) months after commencement of construction of the Redevelopment Project.
- E. This project may be subject to the Illinois Prevailing Wage Act (the "Prevailing Wage Act"). To the extent the project is subject to the Prevailing Wage Act, Developer agrees to comply with the Prevailing Wage Act, and agrees to indemnify and hold the City harmless from any and all claims, damages, fines, fees and penalties arising out of non-compliance with the Prevailing Wage Act by Developer and its agents.
- F. All work performed to public improvements in the public right-of-way shall be subject to applicable public bid requirements. Developer agrees to comply with such public bid requirements. Payment and performance bonds are required for any work in the public right-of-way in such amounts as are required under City ordinances and applicable state law.
- G. Upon execution of this Agreement and at any other time required under applicable state law or City ordinance, Developer shall provide such information as may be required under Section 3-14-4 of the Illinois Municipal Code (65 ILCS 5/3-14-4), Section 3 of the Public Officer Prohibited Activities Act (50 ILCS 105/3), and any other similar state law or City ordinance.

VI. 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, and to execute and deliver all other agreements and documents, if any, required hereunder to be executed and delivered by the City. The City further represents to Developer that it has fully complied with and satisfied the requirements of the TIF Act pertaining to the establishment of

the TIF District referenced herein and in entering into this Agreement and to reimburse for TIF Eligible Redevelopment Project Costs pursuant to Section 5/11-74.4-3(q) of the Act. The City further represents to Developer that it has fully complied with and satisfied the requirements of all applicable laws pertaining to the assistance described herein and in entering into this Agreement. This Agreement has been, and each such document at the time it is executed and delivered will be, duly executed and delivered on behalf of 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.

VII. 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.

VIII. INDEMNIFICATION.

The Developer shall indemnify and hold harmless 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 (A) the failures of Developer or any contractor, subcontractor or agent or employee thereof (so long as such contractor, subcontractor or agent or employee thereof is hired by Developer) to timely pay any contractor, subcontractor, laborer or material man; (B) any default or breach of the terms of this Agreement by Developer; and (C) any negligence or reckless or willful or wanton misconduct of Developer or any contractor, subcontractor agent or employee thereof (so long as such contractor, subcontractor or agent or employee is hired by Developer).

Developer shall, at Developer's sole cost and expense, appear, defend and pay all reasonable attorney's fees, costs and other expenses arising therefrom or incurred in connection with this indemnification. If any judgment shall be rendered against City, its agents, officers, officials or employees in any such action, Developer shall, at Developer's sole expense, satisfy and discharge the same. This paragraph shall not apply, and Developer shall have no obligation whatsoever, with respect to any acts or omissions of negligence or reckless or willful or wanton misconduct on the part of the City or any of its officers, agents, employees or contractors.

IX. ENTIRE AGREEMENT.

This document and exhibits hereto contain the entire agreement between Developer and City as to this Agreement and its burdens and benefits shall inure to the benefit of, and shall be binding upon the Parties hereto and their respective heirs, executors, successors, and assigns. This Agreement or a memorandum thereof shall be recorded and may be modified only by written amendment signed by Developer and City.

X. AMENDMENTS.

No material amendment or change to this Agreement shall be made or be effective unless ratified or authorized by an ordinance duly adopted by the City Council. The term "material" for purposes of this Section X shall be defined as any deviation from the terms of the Agreement which operates to cancel or otherwise reduce any developmental or construction obligation of the Developer by more than five percent (5%) or materially changes the character of the Redevelopment Project or any activities undertaken by Developer affecting the Phase 1 Project Land, the Redevelopment Project, or both, or increases any time agreed for performance by Developer by more than 180 days.

XI. ASSIGNMENT.

Prior to the issuance of a Certificate of Completion, the Developer hereunder may assign the rights, duties, and obligations of Developer to affiliated entities; provided, however, that assignments to other entities may be made only with the prior written consent of the City (which consent shall not be unreasonably withheld). If a request for consent is not denied in writing on or before thirty (30) days after Developer's written request, such consent shall be deemed given. This Agreement is binding on all successors and assignees.

XII. SUBORDINATION TO LENDER FINANCING.

The City's interest under this Agreement shall be subordinate to any mortgage, deed of trust or security instrument recorded against the Phase 1 Project Land or the Redevelopment Project, securing the interest of a lender providing financing to enable Developer's performance of its obligations under this Agreement ("Lender Financing"). If the City requests, the Developer shall deliver to the City at the Closing a junior mortgage (the "Junior Mortgage") substantially in the form of Exhibit E attached hereto, together with such financing statements as the City may require. At any time after the issuance of the Certificate of Completion, following a request by Developer, the City agrees to release the Junior Mortgage and consents to the recording of such release. The Junior Mortgage shall be subordinate to all Lender Financing.

XIII. SURVIVAL OF WARRANTIES AND REPRESENTATIONS.

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

XIV. DEFAULT.

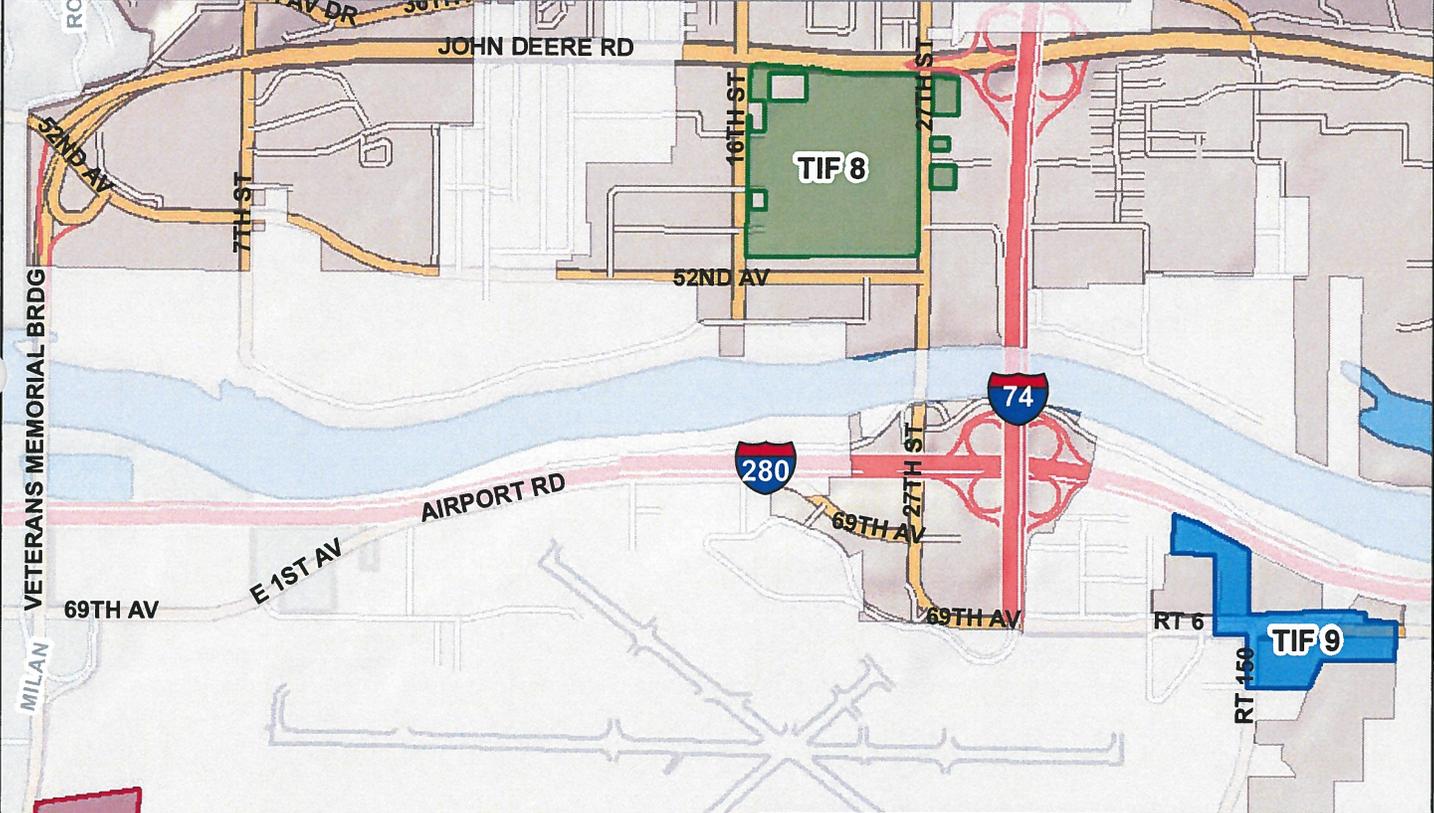
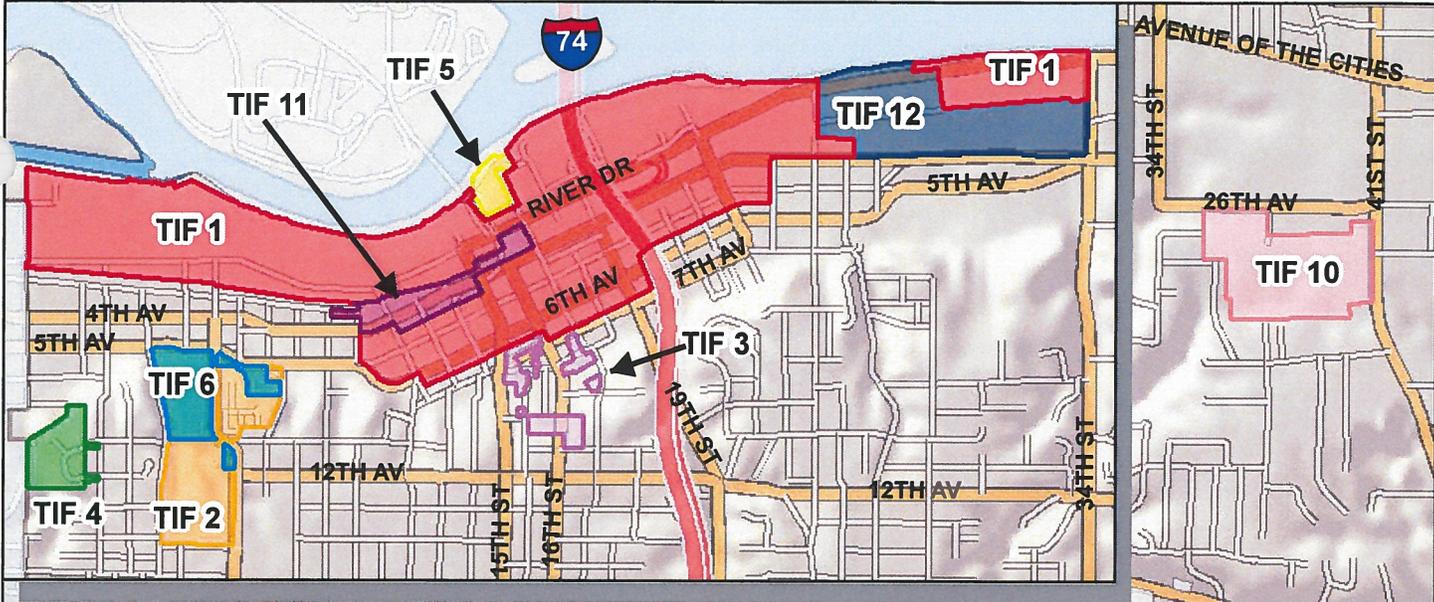
Subject to Section XV below, the following events shall be considered a "default" under this Agreement and subject to the requirements and remedies set forth in Section XV of this Agreement:

- A. A material breach of this Agreement by either City or Developer.
- B. A material breach of any term or condition of the purchase agreement for the purchase and sale of the Phase 1 Project Land by either City or Developer.

- C. The Developer ceases to be permitted to do business in good standing in Illinois by the Secretary of State or other regulatory agency of the Illinois government for a period of ninety (90) days or more.

XV. NOTICE OF DEFAULT AND REMEDIES UPON DEFAULT.

- A. In the event either party is in default hereunder (the "Defaulting Party"), the other party (the "Non-Defaulting Party") shall be entitled to take any action allowed by applicable law by virtue of said default provided that the Non-Defaulting Party first gives the Defaulting Party written notice of default describing the nature of the default, what action, if any, is deemed necessary to cure the same and specifying a time period of not less than thirty (30) days in which the default may be cured by the Defaulting Party.
- B. If, in the City's reasonable judgment exercised in good faith and with honesty in fact, 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.
- C. If the Developer materially fails to fulfill its obligations under this Agreement after notice is given by the City and the applicable cure period described in Paragraph B above has 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 XV.C, the City's sole obligation shall be to record, in the office of the Rock Island County Record, 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 XV.C, in which event this Agreement by virtue of the recording of such certificate, shall *ipso facto* automatically become null and void and of no further force and effect.



City of Moline TIF Districts

Map Created April 2014: City of Moline GIS Dept.

	TIF 1		TIF 2		TIF 3
	TIF 4		TIF 5		TIF 6
	TIF 7		TIF 8		TIF 9
	TIF 10		TIF 11		TIF 12

TIF 1-12

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 2013 (January 1 – December 31).

10-5-14
Date

Scott Raes
Scott Raes, Mayor

TIF 1-12

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 2013 (January 1 - December 31).

6-2-14

Date



Maureen Riggs, City Attorney

Riverbend Commons

ACTIVITIES STATEMENT

- The Riverbend Commons Area Redevelopment Project Area TIF was approved November 5, 2013

RIVERBEND COMMONS

2013 AGREEMENTS

The following agreements were executed during this reporting fiscal year.

Council Bill/Resolution No. 1063-2013

Sponsor: _____

A RESOLUTION

AUTHORIZING the Mayor and City Clerk to enter into a Technical Services Agreement with Peckham Guyton Albers & Viets, Inc. (PGAV) for consulting services in an amount not to exceed \$27,000.00 to explore the feasibility of establishing a tax increment finance redevelopment project area in an area identified herein as the Riverbend Commons Redevelopment Project Area.

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

WHEREAS, if it is determined that the Project Area is eligible under the applicable provisions of the TIF Act, the City may direct PGAV to prepare a redevelopment plan for this area; and

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

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

That the Mayor and City Clerk are hereby authorized to enter into a Technical Services Agreement with Peckham Guyton Albers & Viets, Inc. (PGAV) for consulting services in an amount not to exceed \$27,000.00 to explore the feasibility of establishing a tax increment finance redevelopment project area; provided, however, 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

Scott Raes
Mayor

May 7, 2013
Date

Passed: May 7, 2013

Approved: May 14, 2013

Attest: Tracy Korander
City Clerk

Approved as to Form:

Maur Eng
City Attorney

**CONTRACT FOR PROFESSIONAL SERVICES
BETWEEN
THE CITY OF MOLINE, ILLINOIS AND PECKHAM GUYTON ALBERS & VIETS, INC.**

(Proposed Riverbend Commons TIF District)

THIS AGREEMENT is entered into on the date and by execution shown hereafter, by and between the City of Moline (hereinafter referred to as the "City") and Peckham Guyton Albers & Viets, Inc., (hereinafter referred to as "PGAV").

WITNESSETH:

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

Whereas, the City desires to explore the feasibility of establishing a tax increment finance redevelopment project area in an area identified herein as the Riverbend Commons Redevelopment Project Area (Project Area); and

Whereas, in order to establish a new TIF redevelopment project area, the City wishes to retain PGAV to undertake an eligibility study to determine if all or a portion of the Riverbend Commons Area is eligible under the applicable provisions of the Act; and

Whereas, in the event all or a portion of the Riverbend Commons Area is eligible for designating as a TIF redevelopment project area, the City may direct PGAV to prepare a redevelopment plan for this area, pursuant to the scope of services described herein; and

Whereas, PGAV is duly experienced in conducting eligibility studies and preparing TIF redevelopment plans.

Now, Therefore, the parties hereto do mutually agree as follows:

I. SCOPE OF SERVICES

A. Inducement Resolution

PGAV will prepare, for use by the City, a draft of a resolution indicating the City's intent to designate a portion of the City as a redevelopment project area and to induce private investment in said area.

B. Interested Parties Registry

PGAV will assist the City in complying with the requirements of the Act regarding the "interested parties' registry." This assistance includes providing the City with drafts of the following:

1. A newspaper notice of registration for the interested parties registry regarding the proposed TIF district.
2. An updated TIF interested parties registration form.

C. Eligibility Analysis

1. The area being considered for use of tax increment financing is shown on Exhibit A entitled *Study Area Boundary Map* which is attached hereto and hereby made a part of this Agreement. It should be noted that the boundaries indicated for potential TIF designation are intended to suggest an area of eligibility investigation. As a function of this task, PGAV will make recommendations that may include adding parcels adjacent to but outside the Study Area Boundary or may exclude certain parcels within the boundaries.
2. PGAV will conduct an on-site inspection of conditions on each property to determine the presence of eligibility factors per the current definitions of "blighted area" and "conservation area" contained in the Act. PGAV will also examine any evidentiary documentation, to be provided by the City, concerning building code violations, inadequate utilities and any other information that may affect the public health safety and welfare. The findings will be documented with map annotations and narrative.
3. Based upon the findings of the field work and other research findings, PGAV will recommend a final boundary for The TIF Area. Upon concurrence by the City's point of contact, PGAV will prepare findings on eligibility and incorporate said findings in the Redevelopment Plan as described in Task D below:

D. Redevelopment Plan

PGAV will prepare a Redevelopment Plan for the TIF Area to be known as the Riverbend Commons Redevelopment Project Area or other such name as may be requested by the City. This Plan will include as provided for in the TIF statute:

1. Redevelopment Plan/Statutory Requirements:
 - a. Redevelopment plan objectives.
 - b. Generalized land use to apply for the Project Area.
 - c. Description of private projects and necessary public actions.
 - d. Implementation strategy.
 - e. Estimated redevelopment project costs.
 - f. Estimate of equalized assessed value of the Project Area after redevelopment.
 - g. The eligibility findings for the Project Area as documented in Task A of this scope of services.
 - h. Include documentation that "but for TIF" the Plan will not be implemented.
 - i. Include evidence that the subject Project Area has not been subject to growth and development by private enterprise as may be revealed from assessed value data and/or building permit records.
 - j. Taxing district impacts. This will also estimate the impact of TIF on the School District's General State Aid entitlements.
 - k. Appendix containing photographs evidencing conditions in the Project Area.
2. Exhibits:

PGAV will prepare the following maps and/or exhibits, as deemed necessary by PGAV, to document the Redevelopment Plan.

- a. Redevelopment Project Area Map for the Riverbend Commons Redevelopment Project Area.

- b. Existing Conditions Map.
- c. General Land Use Plan.
- d. Estimated Redevelopment Project Costs.
- e. Parcel key map indexed to a list of County Permanent Identification Numbers (PINs), property owners and most recent equalized assessed valuation (EAV).

E. Review & Approval Process

- 1. PGAV will prepare, for the City's use, a schedule that documents the Redevelopment Plan review and approval process for the proposed Redevelopment Project Area. Included on this schedule will be dates for publications and mailing of required notices pursuant to the requirements of the Act.
- 2. PGAV will provide guidance to the City in the formal approval process of the Redevelopment Plan. This shall include general advice and sample notices for the: Public Meeting (if necessary); Joint Review Board; public hearing; approval ordinances, etc., and notices to taxing bodies, property owners and residential addressees located within 750 feet of the Project Area.
- 3. PGAV will present the proposed Redevelopment Plan at the Joint Review Board meeting and at the required public hearing. This assumes not more than two (2) meetings for these purposes.

II. INFORMATION TO BE PROVIDED OR TASKS TO BE UNDERTAKEN BY THE CITY

The City will provide (or cause to be provided by others) the following:

- A. A person to serve as a point of contact with the City, who will interact with PGAV staff and be responsible for tasks to be completed by the City.
- B. A person knowledgeable of the City's building and life safety codes (e.g., building inspector), to join the PGAV staff person conducting investigative fieldwork. Alternatively, the City may provide specific information on building and life safety code violations or non-compliance with respect the buildings in the Study Area.
- C. Provide a digital base map of the Study Area with appropriate ArcGIS shape files. Said digital map files, at a minimum, shall include parcels, street names, water features, PIN numbers and high-resolution aerial photography.
- D. Collect the most recent equalized assessed valuation (E.A.V.) of each parcel in the Project Area from the County Assessor's office, including name and address of property owners. While collecting this information, the City will obtain the historical E.A.V. for each parcel going back to 2006. This information will be provided to PGAV in an Excel spreadsheet model developed by PGAV and provided to the City in digital form for data entry.
- E. Prepare the boundary description of the proposed Redevelopment Project Area.
- F. Accomplish any necessary amendments to the City's Comprehensive Plan so that the proposed uses contained in the TIF redevelopment plan are consistent with the Comprehensive Plan for the City as a whole.
- G. Be responsible for the publication of the required public hearing notices in the local newspaper and mailing of various required notices to taxing districts, property owners within the Redevelopment Project Area.

ment Project Area and residential addressees within 750 feet of the proposed Project Area boundary. The City will be responsible for ensuring that such publications and mailings take place in accordance with the schedule prepared by PGAV under Section I of this Agreement.

- H. Provide any other information that may be relevant to determining eligibility including information on inadequate utilities, etc.

III. TIMING OF PERFORMANCE

Upon signing of this Agreement and payment by the City of the retainer amount referenced in Section IV, below, PGAV will commence services as provided herein. PGAV shall complete the assignment in accordance with a work schedule to be mutually prepared by PGAV and the City.

IV. FEE & METHOD OF COMPENSATION

- A. Compensation for the completed services associated with Tasks A through E of the Scope of Services shall be \$27,000, exclusive of reimbursable expenses as stated below.
- B. Reimbursable expenses will consist of reasonable travel expenses, local mileage, long distance telephone charges, express delivery charges, photographic expenses, or the cost of printing or other reproduction of documents. Such expenses will be billed at their direct cost to PGAV. Reimbursable expenses shall not exceed \$1,500 without prior written consent from the City.
- C. Method of Compensation shall be in accordance with the below schedule:
 1. \$3,000 Retainer amount upon signing of contract and submittal of Invoice
 2. \$12,000 upon completion of services stated in Section I, Tasks A, B, and C, and submittal of Invoice.
 3. \$8,000 upon completion of the Redevelopment Plan as stated in Section I, Task D and submittal of invoice.
 4. \$4,000 upon completion of Section I, Task E and submittal of invoice.

PGAV may submit invoices for partial completion of services for any Task per the above payment schedule.

- D. Payments to PGAV for services and reimbursable expenses are due within 30 days after receipt of our statement. If no payment has been received within 60 days after receipt of our initial statement, PGAV will suspend services under this Agreement until PGAV has been paid in full the amounts due for services and expenses.

V. SERVICES OUTSIDE THE SCOPE OF THIS AGREEMENT

The scope of the work to be performed by PGAV shall be as provided for herein. The following work elements are hereby specifically noted as not included as tasks to be performed in conjunction with the terms of this Agreement:

- A. Revisions to the Eligibility Study or TIF Redevelopment Plan if the boundaries of the Project Area change after completion of said Eligibility Study;

- B. Undertaking special studies such as market studies, economic impact studies, traffic impact studies and any other special studies that may be useful to the City in making decisions on specific development proposals within the Project Area;
- C. Preparation of the required annual TIF reports that are required to be submitted to the Illinois Comptroller's Office;
- D. Preparation of tax increment revenue history or projections to be used in support of issuance of TIF bonds or other obligations or reporting on any outstanding bond issues.
- E. Preparation of and/or review of redevelopment agreements between the City and private parties wishing to receive TIF assistance.

These services shall be considered additional work beyond the scope of this Agreement. These services may be provided at additional cost subject to a written scope of services for any such task(s) along with the fee to be paid. Any such work must be approved by the City and provided for in the form of a written addendum to this or separate Agreement.

VI. PROJECT STAFFING & MANAGEMENT

- A. PGAV hereby agrees to provide the qualified professional, technical, and clerical staff available within the firm to conduct the work in accordance with the tasks as outlined in Section I of this Agreement.
- B. If, in the opinion of PGAV and the City, a particular assignment (e.g., extra services) requires specialized expertise not available within the PGAV staff, the accomplishment of such tasks may be achieved through subcontract with firms or individuals subject to prior approval of the City.

VII. TERMINATION OF AGREEMENT

If, for any reason, the City wishes to terminate this Agreement, the City shall notify PGAV in writing. The date of said termination shall occur upon receipt of the written notice of termination by PGAV via the U.S. Postal Service or facsimile (followed by receipt of an original signature copy). The City will pay to PGAV an amount representing the percentage complete of the work performed to the date of termination, plus any reimbursable expenses which have been incurred by PGAV to that date.

VIII. OWNERSHIP OF DOCUMENTS

Except to the extent that documents, reports or other information are prepared under the provisions of this Agreement and submitted to municipalities or other public entities wherein they become subject to Federal or State "sunshine law" provisions, the City will have sole ownership of all reports, maps, etc. prepared under this contract, including rights of copying and distribution.

IX. MISCELLANEOUS PROVISIONS

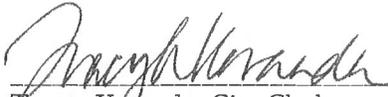
The Scope of Services, provided in Section I of this Agreement, is based upon the provisions of the TIF Act as of December 31, 2012. Should anything occur that would cause TIF Redevelopment Plan to be prepared and processed under the terms of any subsequent amendments, the applicable portions of this Agreement shall be amended as appropriate. **Furthermore, it is expressly understood by both parties that the process of establishing this proposed TIF Area shall be accomplished concurrently**

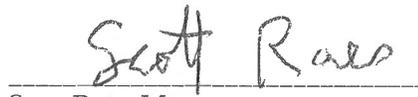
with the proposed Quad Cities Station TIF Area (under separate agreement), with key events such as conduction fieldwork, the meetings of the Joint Review Boards and the public hearings on each TIF Area occurring on the same dates. Should anything occur, beyond PGAV's control, that would cause the review and approval process for each TIF Area not to occur simultaneously, then this Agreement shall be amended as appropriate to reflect the a total fee of \$32,000.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed this 7th day of May, 2013.

ATTEST:

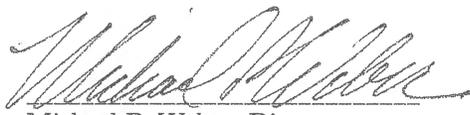
CITY OF MOLINE, ILLINOIS


Tracey Koranda, City Clerk


Scott Raes, Mayor

ATTEST:

PECKHAM GUYTON ALBERS & VIETS, INC.


Michael P. Weber, Director
PGAV Planners


John Brancaglione, Vice President

Attachment: Exhibit A - Riverbend Commons TIF Study Area

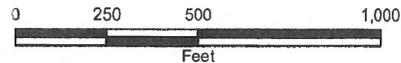
Legend

 Study Area Boundary



Exhibit A
Study Area Boundary Map

Proposed Riverbend Commons
 Redevelopment Project Area



March 2013



Council Bill/Resolution No. 1180-2013

Sponsor: _____

A RESOLUTION

AUTHORIZING the Mayor and City Clerk to execute a Licensing Agreement between the City of Moline and The Mills at Riverbend Commons LLC.

WHEREAS, the City ("Licensor") and The Mills at Riverbend Commons LLC ("Licensee") have executed a Development Agreement whereby the Licensee will take ownership of property located at 2500 and 2600 River Drive, Moline; and

WHEREAS, the Licensee seeks to perform some pre-closing fill work to raise the property above the flood line; and

WHEREAS, approval of this agreement would permit Licensee to perform the work prior to conveyance of the property.

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 Licensing Agreement between the City of Moline and The Mills at Riverbend Commons LLC; provided, however, that said Licensing Agreement is in substantially similar form and content to that attached hereto and incorporated herein by this reference thereto as Exhibit "A," and has been approved as to form by the City Attorney.

CITY OF MOLINE, ILLINOIS

Scott Raes
Mayor

December 3, 2013
Date

Passed: December 3, 2013

Approved: December 10, 2013

Attest: Nancy Kerndt
City Clerk

Approved as to Form:

Maura T. J.
City Attorney

LICENSEE: The Mills at Riverbend Commons, LLC. – 15426 S. 70th Court, Orland Park, IL 60462

LICENSING AGREEMENT

PARTIES: The LICENSOR is the City of Moline, Illinois, a municipal corporation, hereinafter called the CITY.

The LICENSEE is The Mills at Riverbend Commons, LLC, 15426 S. 70th Court, Orland Park, IL 60462, hereinafter called the LICENSEE.

PREMISES: To be placed on City-owned properties located at 2500 and 2600 River Drive, Moline, IL, as depicted in greater detail on the attached Exhibit A.

USE: LICENSEE shall be allowed only to: Install signs at the NW corner of 2500 River Drive and NE corner of 2600 River Drive; park a temporary construction trailer on the SE corner of Lot 2 of 2500 River Drive, park a marketing trailer on the NE corner of Lot 2; and provide mobilization, site preparation, foundation and geo-pier work on Lot 1 as depicted on the attached Exhibit A.

INTEREST ACQUIRED:

LICENSEE acquires only the right to: Install signs at the NW corner of 2500 River Drive and NE corner of 2600 River Drive in accordance with all applicable provisions of Chapter 3 of the Moline Code of Ordinances; park a temporary construction trailer on the SE corner of Lot 2 of 2500 River Drive, park a marketing trailer on the NE corner of Lot 2; and provide mobilization, site preparation, foundation and geo-pier work on Lot 1 as depicted on the attached Exhibit A.

The Licensing Agreement is not assignable without prior written approval of the CITY and the LICENSEE shall give the CITY at least twenty-one (21) days notice in writing of the intention to assign. If assignment is made without notice and approval, the CITY, in addition to any remedies for breach hereof, may hold the LICENSEE responsible for all things to be done, fees to be paid and documents to be filed under the terms hereof. No possessory, possessory, leasehold, ownership, or other property right or interest, except as specifically given herein, is conveyed to or acquired by the LICENSEE and the CITY and LICENSEE specifically disclaim any such acquisition or conveyance.

TERM: The first term of this Licensing Agreement is from November 19, 2013 to December 31, 2013 or to the time the Licensor conveys the Premises to Licensee, whichever occurs first. The CITY or the LICENSEE may terminate this Licensing Agreement by giving the other party 30 days written notice.

FEE: The annual usage charge is \$30.00.

CONDITIONS: LICENSEE shall indemnify and hold the CITY harmless from all acts in connection with use or misuse of the premises, and from any/all accidents on the premises. LICENSEE shall procure a policy of insurance also naming the CITY as additional insured to protect the CITY from all damages to person or property on the premises resulting from accidents on the premises. Said policy or certificate of same shall be deposited with the CITY and shall remain in force or be replaced with one in force prior to the effective date of any cancellation notice.

LICENSEE shall be the primary insured.

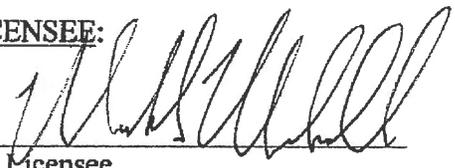
LICENSEE shall have the duty and responsibility to maintain the premises in a safe and neat condition, as determined by the CITY.

Upon termination of the Licensing Agreement, LICENSEE shall restore the premises to its condition prior to issuance of Licensing Agreement, or at City's sole and exclusive option, said property on the premises shall become the property of the CITY – at the CITY's option.

Construction on the premises shall be done under the direction of the CITY. The CITY and its authorized agents shall have the right to enter upon the premises for municipal purposes.

LICENSEE:

By: _____



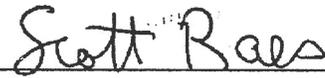
Licensee

Date: _____

22 NOVEMBER 2013

CITY OF MOLINE, ILLINOIS:

By: _____



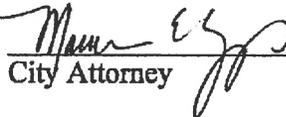
Mayor

Attest: _____



City Clerk

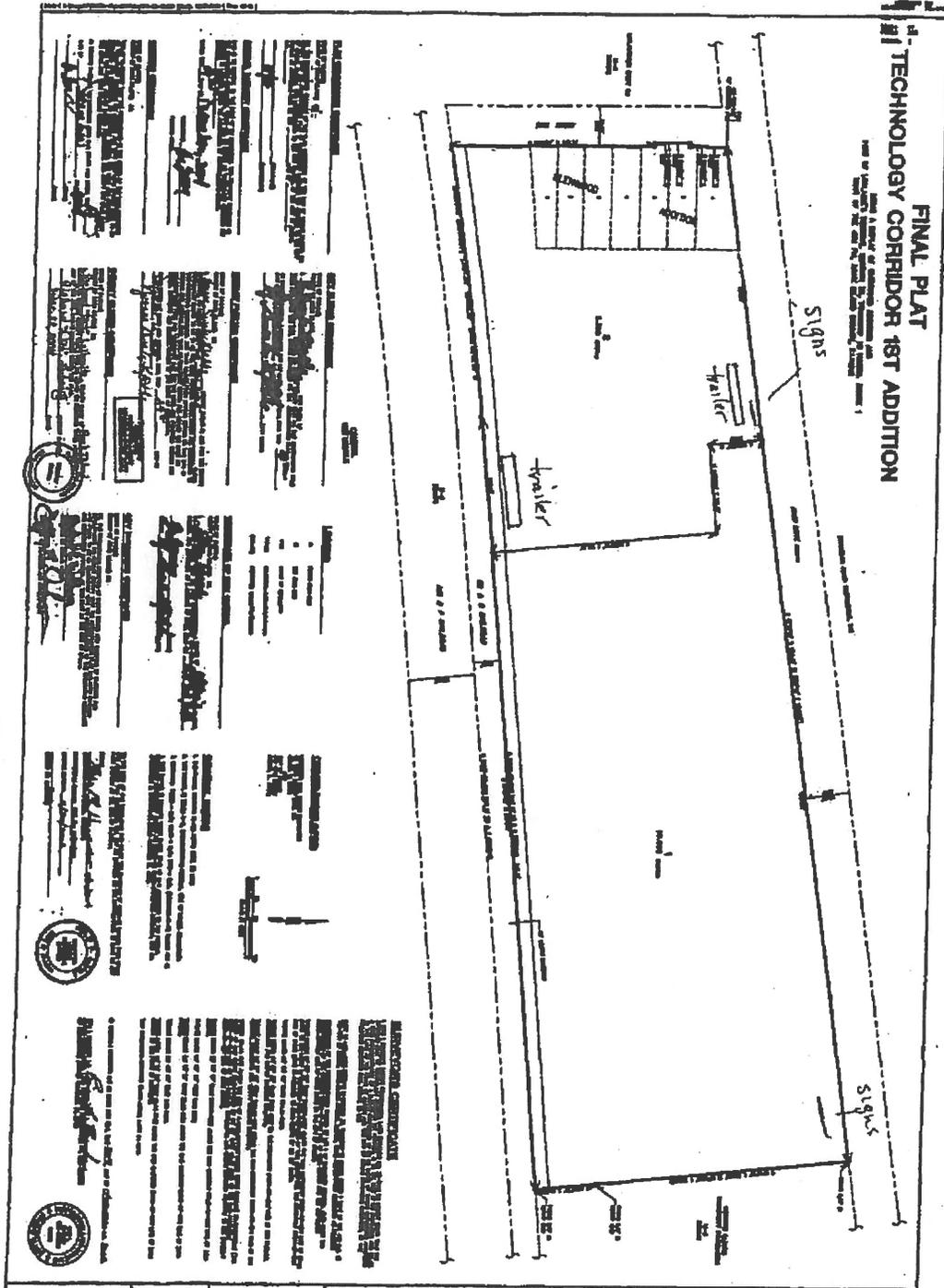
Approved as to Form:



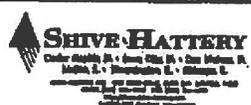
City Attorney

2004-36995
PB 47 Page 360

FINAL PLAT
TECHNOLOGY CORRIDOR 1ST ADDITION



TECHNOLOGY CORRIDOR 1ST ADD
FINAL PLAT
MOUNE, ELLIOTT



**REDUCED
COPY**

B21

PLAT

DATE

SCALE

PROJECT

OWNER

DESIGNER

REVISIONS

A RESOLUTION

AUTHORIZING the Finance Director to establish a Taxable Term Loan for the City of Moline in the amount of \$1,600,000.00 to use toward funding the City's capital contribution towards The Mills at Riverbend Commons project with the Financial Institute that has provided the proposal most advantageous to the City.

WHEREAS, that the purpose of this Resolution is to establish a taxable term loan for the City of Moline in an amount of \$1,600,000 with the Financial Institute that has provided the proposal most advantageous to the City; and

WHEREAS, the City of Moline, Illinois is establishing this taxable term loan to finance a portion of the City's capital contribution towards The Mills at Riverbend Commons project; and

WHEREAS, that the terms of the taxable term loan is as follows:

Borrower:	City of Moline, Illinois
Amount:	\$1,600,000
Type:	Taxable Term Loan
Payment	
Requirements:	Monthly interest payments and balloon payment at end of term
Loan Term:	5 year fixed rate with a 15 year amortization

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

That the Finance Director is hereby authorized to establish this taxable term loan described herein and that this resolution shall be operative and effective upon its passage.

CITY OF MOLINE, ILLINOIS

Scott Raes
Mayor

December 10, 2013
Date

Passed: December 10, 2013

Approved: December 17, 2013

Attest: Tracy Koranda
City Clerk

Approved as to Form:

By: Ma E J
City Attorney

STATE OF ILLINOIS)
) SS
ROCK ISLAND COUNTY)

I, Tracy A. Koranda, City Clerk for the City of Moline, County of Rock Island, State of Illinois, do hereby certify that the foregoing Resolution, Resolution 1186-2013, is a true and correct copy of the original Resolution passed by the City Council of the City of Moline, Illinois, at a meeting duly convened and held on the 10th day of December, 2013.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the corporate seal of the City of Moline, Illinois, this 11th day of December, 2013.



Tracy A. Koranda
City Clerk

(Seal)

Council Bill/Special Ordinance No. 4059-2013

Sponsor: _____

A SPECIAL ORDINANCE

AUTHORIZING the Mayor and City Clerk to execute a Development Agreement between the City of Moline and The Mills at Riverbend Commons, LLC for development of the Riverbend Commons project and to execute any necessary agreements referenced therein, and authorizing all appropriate City officers and staff to do all things necessary to complete each of the City's responsibilities pursuant to said agreement.

WHEREAS, The Mills at Riverbend Commons, LLC ("Developer") seeks to enter into a Development Agreement with the City to facilitate redevelopment of property located at River Drive and 29th Street, Moline, adjacent to the Western Illinois University-Quad Cities riverfront campus, for the Riverbend Commons project ("Project"); and

WHEREAS, the Project will consist of Phase 1 redevelopment to include a mixed-use facility of student housing and retail space and future Phase 2 redevelopment to include approximately 150 market-rate residential dwelling units; and

WHEREAS, to make the project feasible and fill a financial gap, Developer requests from the City, and the City agrees to make, a \$3.3 million contribution of capital to Developer, which the City may recoup through reimbursement of TIF eligible expenses pursuant to the Tax Increment Allocation Redevelopment Act, found generally at 65 ILCS 5/11-74.4-1 et. seq. (the "Act" or the "TIF Act"); and

WHEREAS, to secure its contribution, the City will hold a subordinate mortgage on the property until a certificate of completion is issued for the Phase I redevelopment, and Developer agrees not to request additional municipal incentives for future phases until at which time the contribution amount is fully repaid to the City through increased property tax, sales and other revenues; and

WHEREAS, all aspects of the Development Agreement are designed and intended to expand economic development in the area through housing and retail opportunities, and to enhance the public health, safety, morals, and welfare, as related to the City of Moline and its citizens.

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

Section 1 - That the Mayor and City Clerk are hereby authorized to execute a Development Agreement between the City of Moline and The Mills at Riverbend Commons, LLC for the Riverbend Commons project and to execute any necessary agreements referenced therein, and authorizing all appropriate City officers and staff to do all things necessary to complete each of the City's responsibilities pursuant to said agreement; provided, however, that said agreement is in substantially similar form and content to that attached hereto and

Council Bill/Special Ordinance No. 4059-2013

Sponsor: _____

Page 2 of 2

incorporated herein by this reference thereto as Exhibit "A," and has been approved as to form by the City Attorney.

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

CITY OF MOLINE, ILLINOIS

Scott Raes

Mayor

11.05.2013

Date

Passed: 11.05.2013

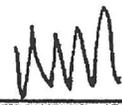
Approved: 11.12.2013

Attest: Tracy Hernandez
City Clerk

Approved as to Form:

Maura E H
City Attorney

TERM SHEET
Riverbend Commons
October 29, 2013
(FINAL DRAFT)



1. Developer:

Three Corners Development, Inc. will form a single purpose development entity (the "Developer"), to facilitate construction and leasing of the Project (as hereinafter defined). The Developer intends to develop the Phase I of the Riverbend Commons redevelopment ("the Project"), which is defined in Section 3 below.

2. Developer Address:

Three Corners Development, Inc.
15426 S 70th Court
Orland Park, IL 60462
Attn: Christopher Woods and Mark Marshall

3. Project:

The Developer will construct a mixed use project consisting of a 107,990 square foot student housing facility that will be known as the Mills at Riverbend Commons and a 20,087 retail use in the same building.

There will be 240 beds in the student housing facility consisting of approximately 15 two-bed studio units, 45 two bed, two bedroom units, and 30 four bed, four bedroom units.

The retail portion is anticipated to include such uses as food, lifestyle, fitness and healthcare.

The site is located just east of downtown Moline on a 15.5 acre site at the intersection of River Drive and 29th Street that is adjacent to the Western Illinois University-Quad Cities campus.

Hereinafter defined as (the "Project").

4. City Financing:

The City intends to negotiate a redevelopment agreement (the "Redevelopment Agreement" or "RDA") with the Developer for a \$3.3 million contribution of capital as follows:

The City will deposit the \$3.3 million into a construction escrow (the "City Construction Escrow") at which time all developer equity and senior construction debt is also placed into escrow in an amount that will facilitate construction of the entire project. The Developer will make construction draws against the City Construction Escrow as it incurs project costs, following submission of City-approved requests for payment, on a monthly basis. To the extent possible, the City Construction Escrow will reimburse for eligible costs under the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et. seq.) (the "Act"). However, should there not be enough eligible costs to draw \$3.3 million; the City will release these funds for general project costs. The construction escrow agreements will determine the order of the release of the funds. It is anticipated that the order of spending of the funds will be the Developer's equity first, the City's equity second, and the senior debt construction funds last. However, this may vary if TIF eligible costs are being reimbursed. In such a case, the Developer will submit to the City a request for certification of the TIF eligible cost and to the extent deemed TIF eligible, the City may approve the draw request out of the City's fund at that time. The Developer will submit all appropriate documentation, as is reasonable and requested by the City, to determine TIF eligibility.

Upon approval of this Term Sheet, Developer will undertake fill activities at the Project site as required to meet flood protection standards. These costs will be reimbursed by the City to the Developer in an amount not to exceed \$150,000.

5. Land Conveyance

Upon closing, the Developer will purchase the eastern most 5 acres or such size necessary to complete the project as indicated in Attachment A (Phase I Schematic) which is a portion of *Lot 1 Technology Corridor 1st Addition* (Attachment B) (the "Phase I Project Land"). As an attachment to the Redevelopment Agreement, the City will provide a survey legally describing the exact lot dimensions of the Phase 1 Project Land.

The Developer will pay \$1.7 million for the land. The City will convey fee simple title to the land with all necessary environmental representations and warranties for the Developer to immediately commence construction.

6. City's Right to Purchase the Land After Conveyance

A first right to purchase provision shall be placed in the RDA requiring the individual deeds to contain a first right to purchase clause providing that in the event the Developer terminates this Agreement prior to the issuance of a Certificate of Completion, or in the event the Developer is found to be in default under the RDA, based on at least thirty (30) days' notice from the City, with all applicable cure periods having expired subsequent to the conveyance of any of the parcels, then the Developer, at the request of the City, shall convey title to the Property back to the City, upon written demand to do so by the City, with said conveyance to the City to be pursuant to a real estate sales contract attached to the RDA as an Exhibit. If the Developer is found in default under this agreement, the City will have the right to purchase the land back from the Developer for the amount paid for it (\$1.7 million). Should the City exercise its right to repurchase the land and, after construction and other liens are placed on the property, the City may exercise its right to repurchase the land after at which time all construction liens are satisfied or mutually settled. The City may, at its sole discretion, negotiate with the construction lender and all lien holders a mutual settlement. Should the City exercise its right to repurchase, it will be City's obligation to mutually settle the lien holders. The City recognizes that the encumbrances on the land must be mutually settled before a reconveyance of land could occur. The City has 120 days from the time of default to exercise this right, except that this period shall be extended for any delays due to settlement discussions with lienholders. This right to repurchase the land will expire upon issuance of the Certificate of Completion. This right to repurchase will be secured by a covenant that will run with the land.

7. Other Project Financing and Development Fee

The Developer will contribute the sufficient debt and equity capital to finance the Project in entirety. Additionally, the Developer agrees to defer \$500,000 of its development fee from the Project until the sooner of the commencement of Phase 2, which construction shall commence by June of 2016, or 18 months after commencement of construction of the Project.

8. Certificate of Completion:

The Completion Certificate for this development shall be issued upon the following conditions being met:

- Completion of construction for all structures and all public infrastructure improvements required.
- Issuance of all Certificates of Occupancy for buildings in that phase of the Project by the City, not to be unreasonably withheld.
- The retail portion of the individual phase of the Project is at least 65 % leased.
- The student housing portion is at least 90% leased and occupied.

9. City Approvals:

The City must approve initial plans and specifications, a survey, and certain to be determined changes in Project scope.

10. DBMT Process:

The City and the Developer will follow the City's Design Build Management Process ("DBMT") process through Renew Moline.

11. Exclusivity

Until at which time a Certificate of Completion issued, the City agrees not to financially assist any other development that includes student housing without the Developer consent not to be unreasonably withheld.

12. Future Phases:

The Developer agrees to execute a design services contract with its architectural firm for Phase 2A within ten days of execution of the RDA, to begin design of the Phase 2A 150 unit market rate apartment building along with preparation of a design, budget, and construction timetable for Phase 2A, and agrees to initiate the DBMT process through Renew Moline for Phase 2A by December 1, 2013. Developer commits to provide the City with schematic plans for Phase 2A of this development by June 30, 2014, and to commence construction of Phase 2A within two years thereafter by June of 2016. . The Developer will also make every good faith effort to develop all future phases. The Developer will agree not to request additional municipal incentives for future phases until at which time the \$3.3 million is fully repaid through increased property, sales and other revenues.

13. Subordinate Mortgage:

Until a Certificate of Completion is issued, the City will have a subordinate mortgage on the property to secure its \$3.3 million contribution. This mortgage will automatically subordinate to any private debt and equity financing necessary for the project. This subordinate mortgage will be released upon the Certificate of Completion.

14. Developer Requirements for Closing of Land:

Full funding of developer equity, lender financing and City financing to be put into construction escrow, copy of owner title policy, UCC, tax and judgment searches, and opinion of counsel as to the Developer's ability to enter into the agreement.

15. Performance Bonds:

Payment and performance bonds are required for any work in the public way in an amount to be in compliance with City ordinance and state statute.

16. Bid Requirement and Prevailing Wages:

There are no public bid requirements associated with this Project, except for work performed in the public right -of-way. The Developer will also commit to pay prevailing wages as required by the Prevailing Wage Act since public funds are being used.

TO DEVELOPER: The Mills at Riverbend Commons, LLC
c/o Three Corners Developer, Inc.
15426 S. 70th Court
Orland Park, IL 60462
Attn: Christopher Woods and Mark Marshall

WITH A COPY TO: DLA Piper LLP (US)
203 N. LaSalle Street
Suite 1900
Chicago, IL 60601
Attn: David L. Reifman, Esq.
Mariah F. DiGrino, Esq.

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

XVIII. COUNTERPARTS.

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

XIX. HEADINGS.

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

XX. RECITALS AND EXHIBITS.

The recitals set forth above and the exhibits attached hereto are an integral part of this Agreement and are incorporated herein by this reference and made a part of this Agreement.

XXI. 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.

XXII. 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.

XXIII. 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.

XXIV. 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.

XXV. 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; provided, however, that neither and none of such intentions, affirmations, authorizations, or agreements may be relied upon by any third person or entity, to such entity's or person's detriment, or for any reason whatsoever. 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.

XXVI. UNAVOIDABLE DELAYS.

The times for performance set forth in this Agreement shall be automatically extended by and for the duration of any of the following ("Unavoidable Delays"): Act of God, casualties, war, embargo, riots, strikes, unavailability of materials (but not failure of a party to pay for such materials), litigation commenced by third persons (including litigation seeking to enjoin the ability of a party to act), and all other acts or omissions, causes or events which are with respect to the performing party beyond that party's control.

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

(Signature provisions on following page)

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

Lots One (1) and Two (2) of Technology Corridor First Addition situated in the City of Moline, County of Rock Island, and State of Illinois.

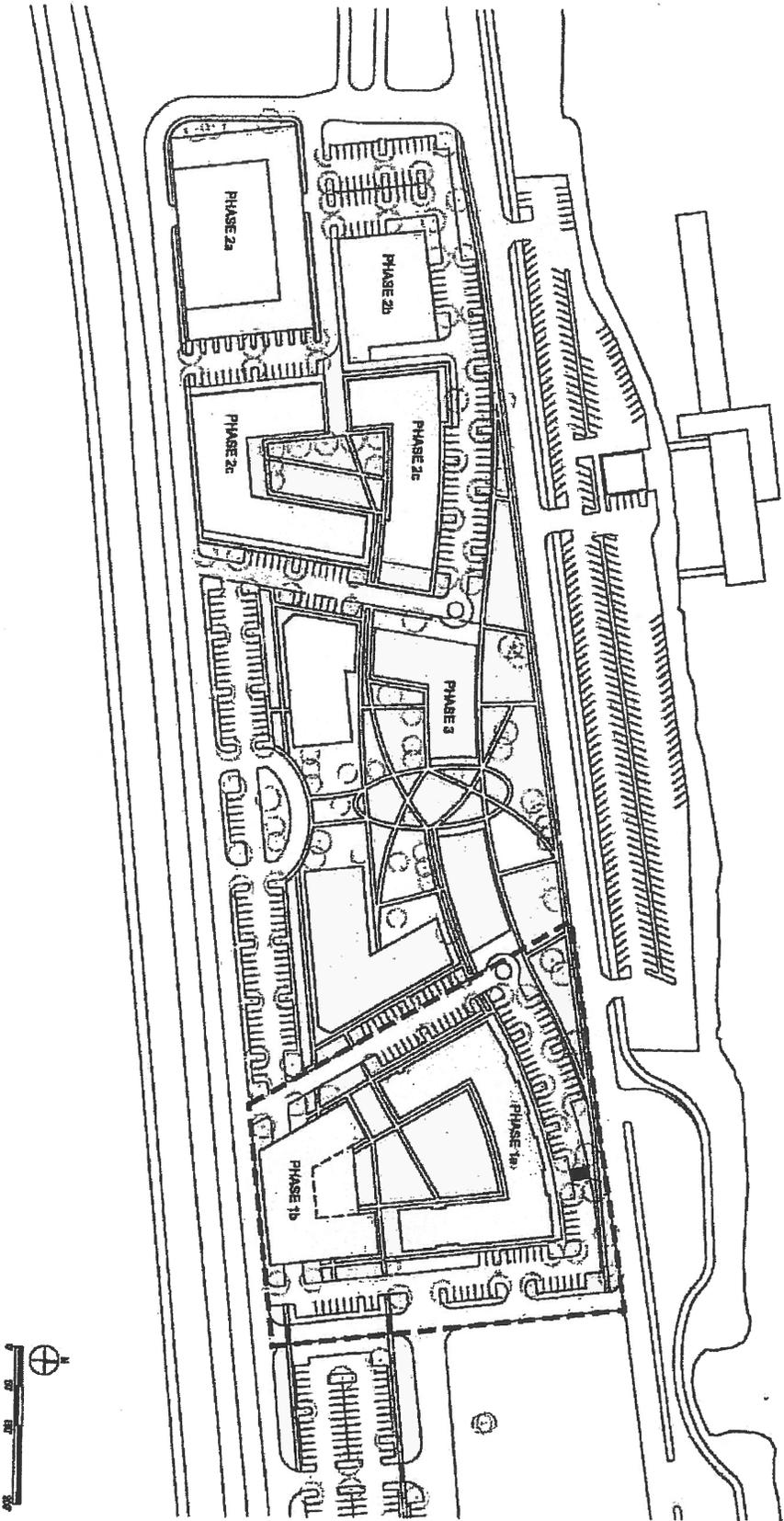
EXHIBIT B

DEVELOPMENT TIMETABLE

Complete the Pre-Closing Work:	December 15, 2013
Purchase the Phase 1 Project Land:	December 30, 2013
Complete construction of the Mixed-Use Facility:	September 30, 2014
Execute a design services contract for the design of Phase 2A:	November 15, 2013
Initiate DBMT process for Phase 2A:	December 1, 2013
Deliver schematic plans for Phase 2A:	June 30, 2014
Commence construction of Phase 2A:	June 30, 2016

Developer will comply with all City Ordinances and Requirements for Building Permits. In addition all required DBMT and City Approvals will be complied with and the Schedule may be altered accordingly.

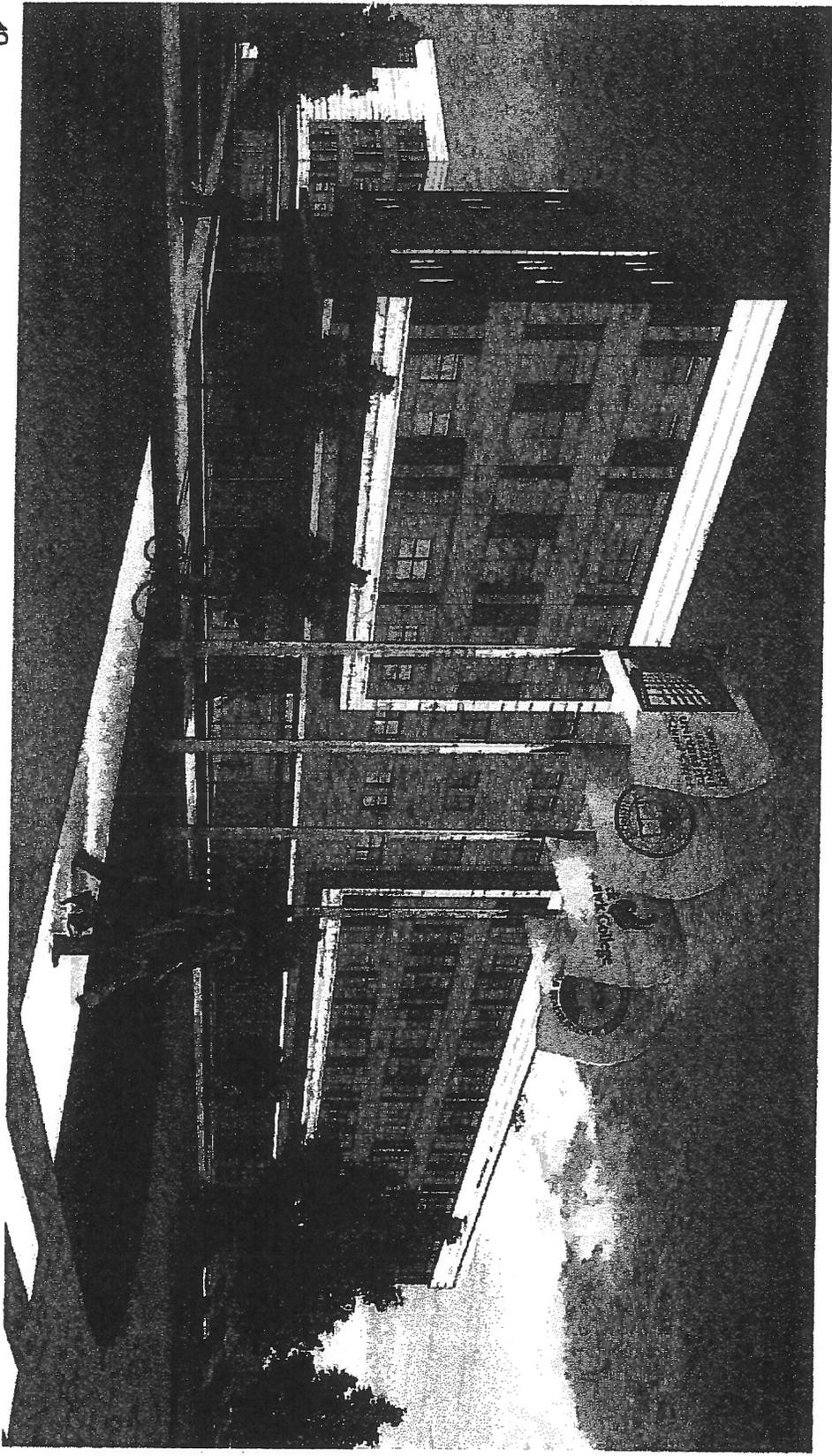
EXHIBIT C
SCHEMATIC DESIGN DOCUMENTS





HOLABIRD & ROOT

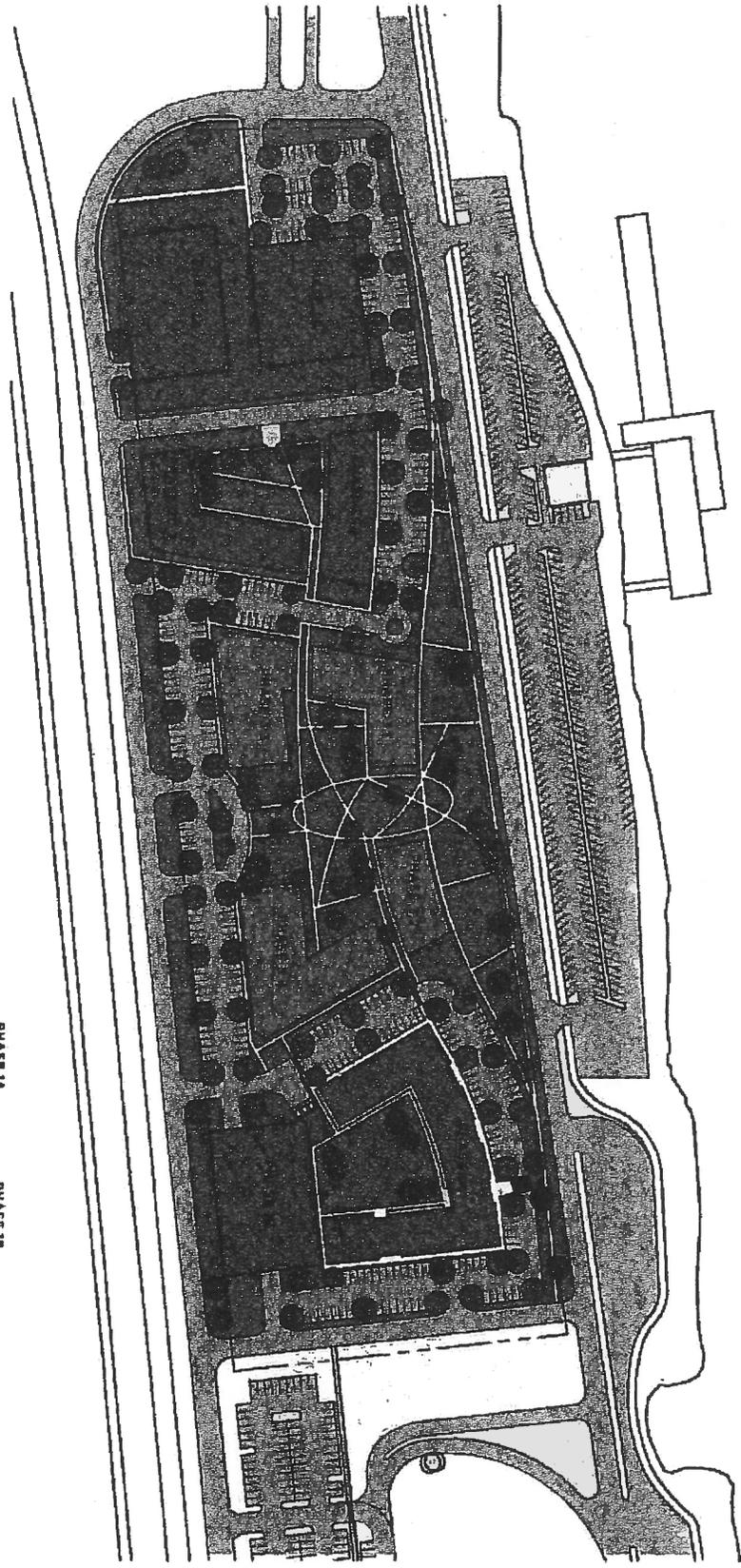
RIVER BEND COMMONS / PERSPECTIVE WITH FLAGS





HOLABIRD & ROOT

RIVER BEND COMMONS / MASTER PLAN



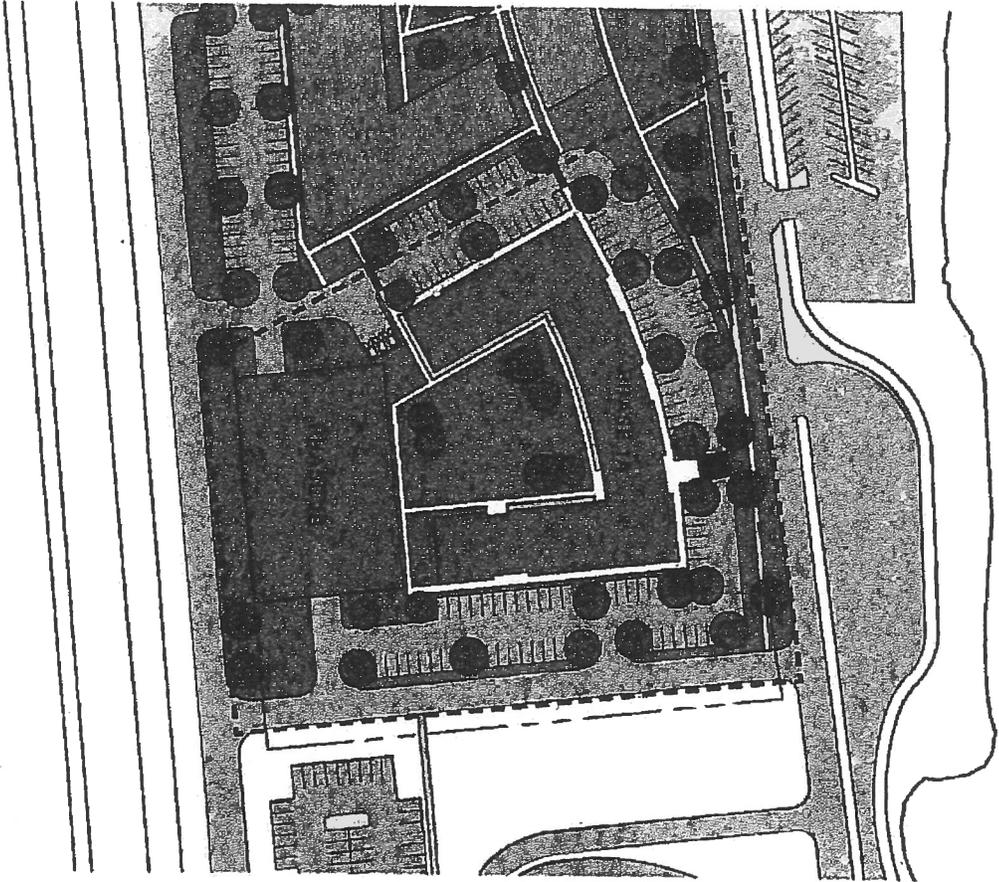
- PHASE 1A
3 story Residential
1 story Retail
107,890 SF
- PHASE 1B
2 story Parking
2 story Residential
76,000 SF
- PHASE 2A
1 story Retail
2 story Residential
3 story Parking
141,000 SF
- PHASE 2B
1 story Retail
18,500 SF
- PHASE 2C.1
3 story Residential
1 story Retail
46,800 SF
- PHASE 2C.2
2 story Parking
2 story Residential
87,700 SF
- PHASE 3.1
1 story Retail
18,100 SF
- PHASE 3.2
1 story Retail
6,550 SF
- PHASE 3.3
2 story Retail
26,200 SF
- PHASE 3.4
2 story Retail
41,650 SF



HOLABIRD & ROOT

RIVER BEND COMMONS

PHASE 1 SITE PLAN



PHASE 1A

- Floor 1 - 5,343 SF Residential
20,087 SF Retail
- Floor 2 - 27,520 SF Residential
- Floor 3 - 27,520 SF Residential
- Floor 4 - 27,520 SF Residential
- Total Building GSF - 107,990

PHASE 1B

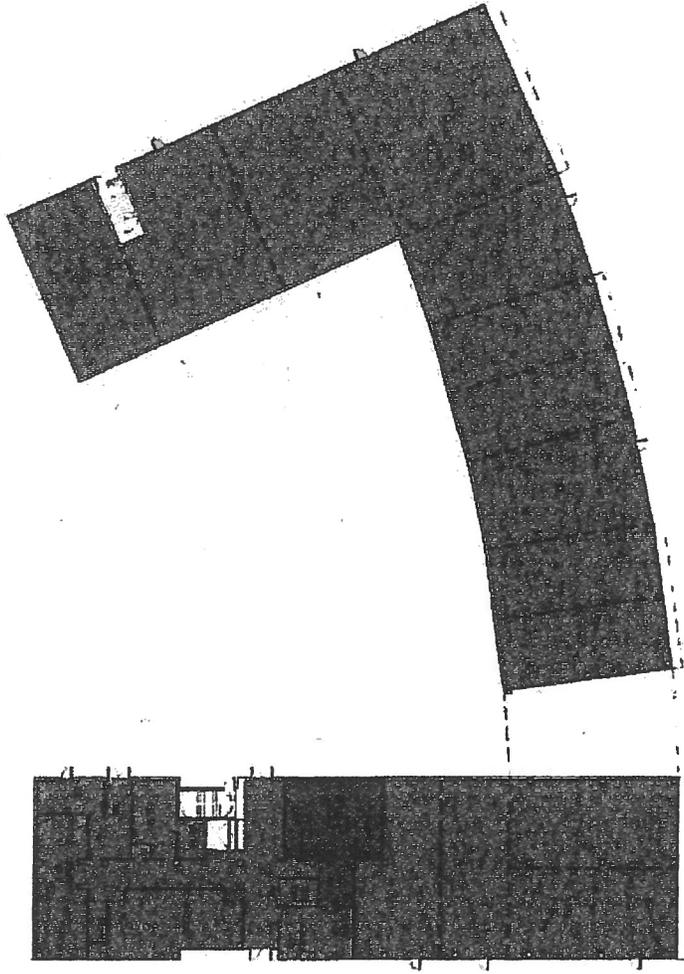
- Floor 1 - 21,600 SF Parking
- Floor 2 - 21,600 SF Parking
- Floor 3 - 16,000 SF Residential
- Floor 4 - 16,000 SF Residential
- Total Building GSF - 75,000





HOLABIRD & ROOT

RIVER BEND COMMONS / FIRST FLOOR PLAN

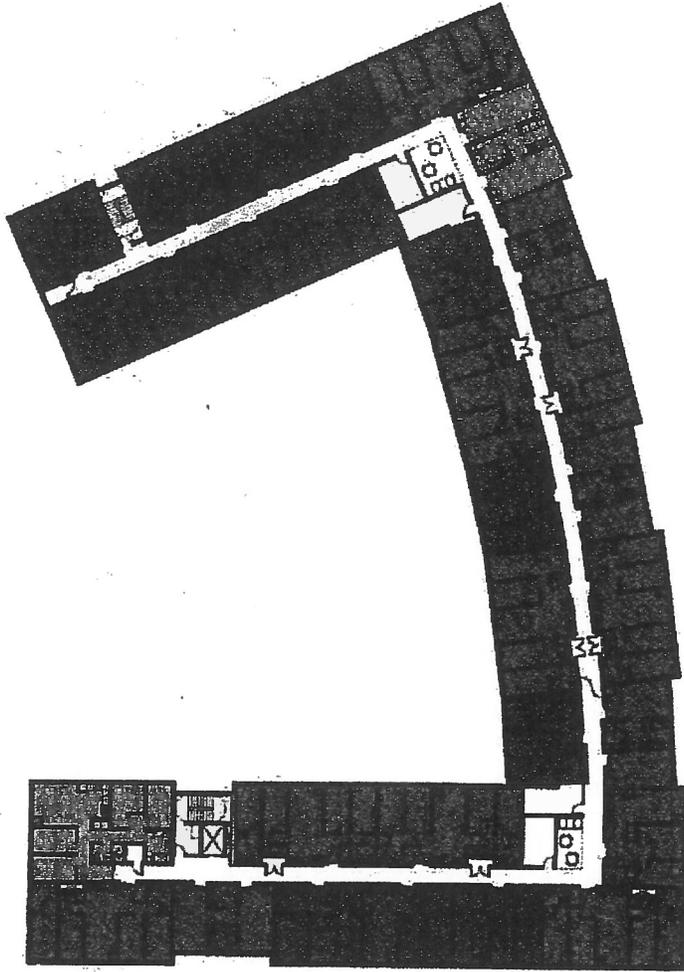


- AMENITY SPACE
 - BUILDING MANAGEMENT
 - RETAIL
- GRAND SQUARE FOOTAGE - 28,500
TOTAL BUILDING GFA - 107,500



HOLABIRD & ROOT

RIVER BEND COMMONS / SECOND FLOOR PLAN

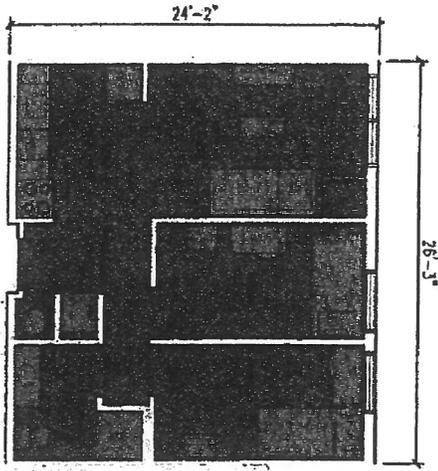


- TYPE A - 42 UNITS
 - TYPE A ADA - 3 UNITS (1 FULLY ACCESSIBLE)
 - TYPE B - 12 UNITS
 - TYPE B ADA - 9 UNITS (1 FULLY ACCESSIBLE)
 - TYPE C - 27 UNITS
 - TYPE C ADA - 3 UNITS (1 FULLY ACCESSIBLE)
- TOTAL # OF UNITS - 84
 GROSS SQUARE FOOTAGE - 27,259
 TOTAL BUILDING SQF - 107,877

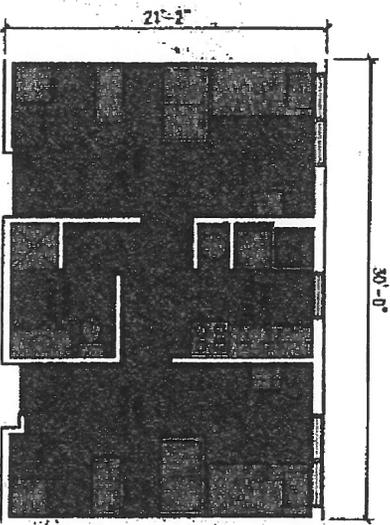


HOLABIRD & ROOT

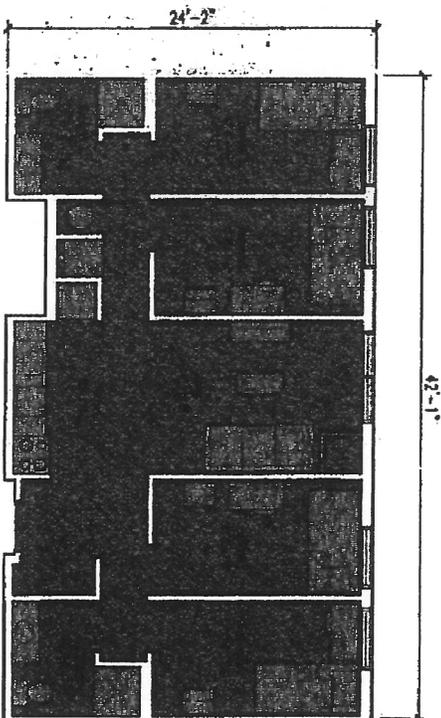
RIVER BEND COMMONS / UNIT PLANS



UNIT A / Bed, 1 Bath Double Occupancy
637 sqft, 316 sf per bed



UNIT B / 2 Bed, 1 Bath Studio Pkg
625 sqft, 313 sf per bed



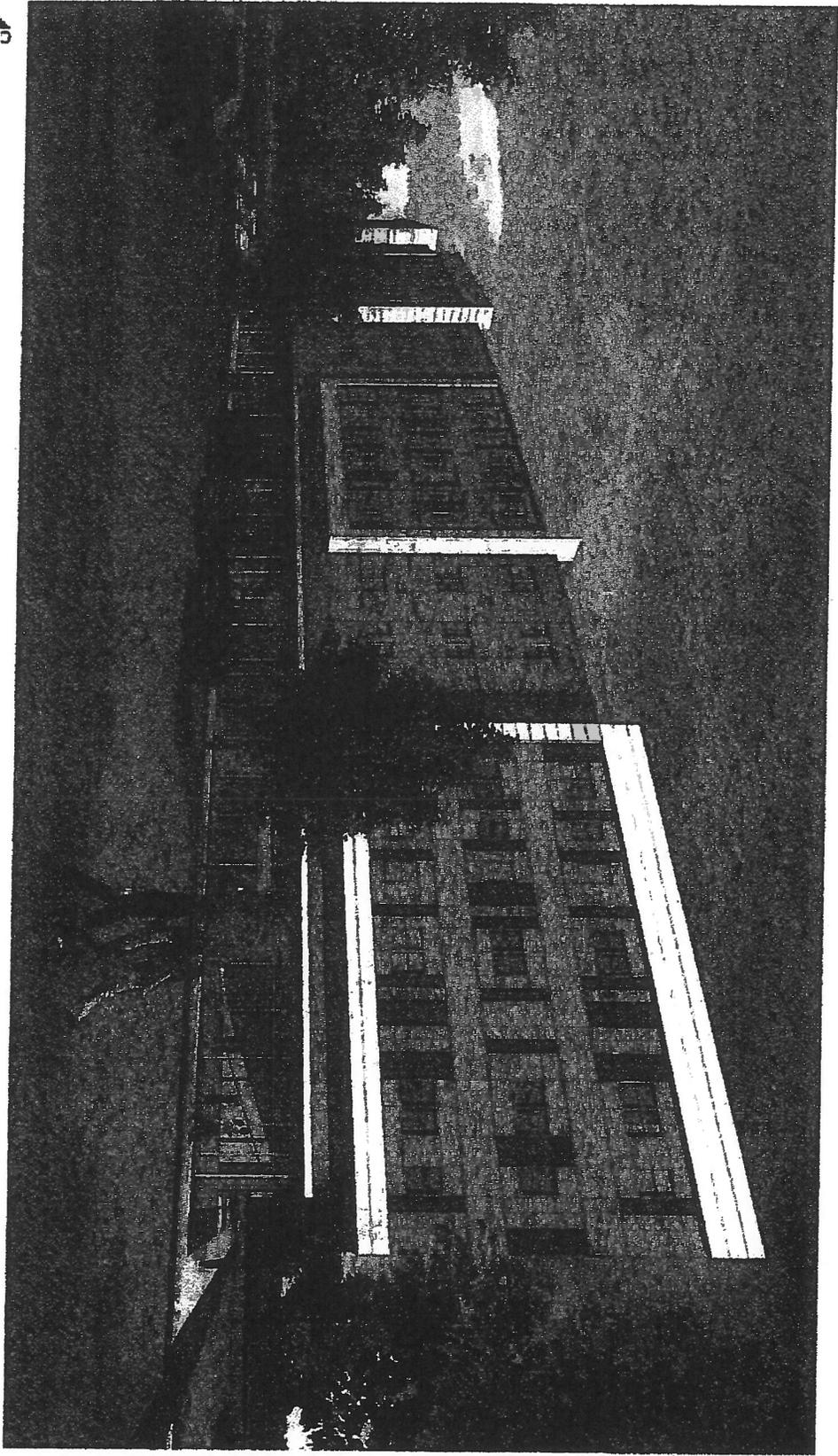
UNIT C / 4 Bed, 2 Bath Quad Occupancy
994 sqft, 249 sf per bed



HOLABIRD & ROOT

RIVER BEND COMMONS

PERSPECTIVE

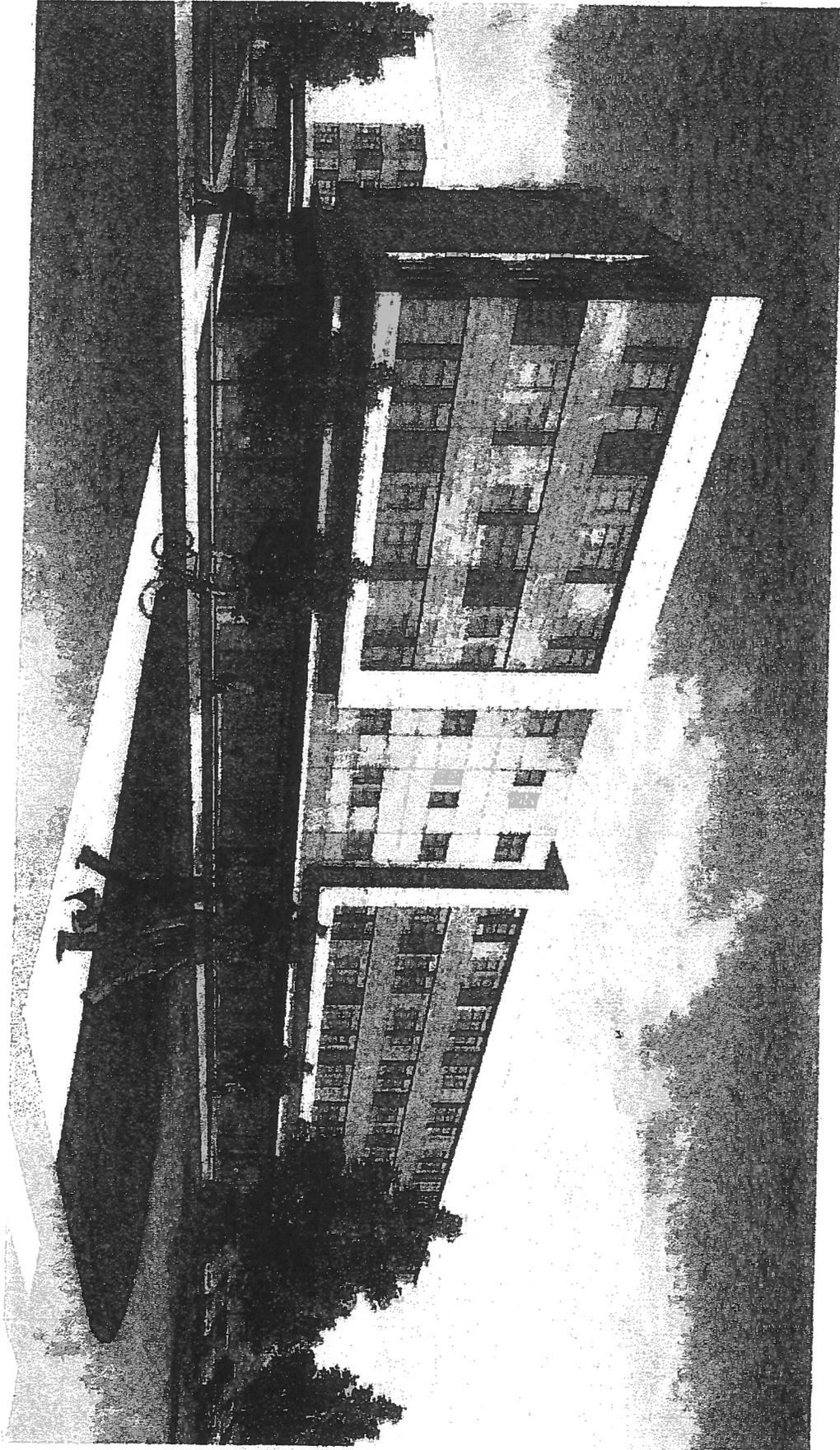


HOLMQUIST & ROOT

NYLA BEND COMMONS

EXTERIOR RENDERING

August 20th, 2013



HOLABIRD & ROOT

RIVER BEND COMMONS

EXTERIOR RENDERING

August 20th, 2013

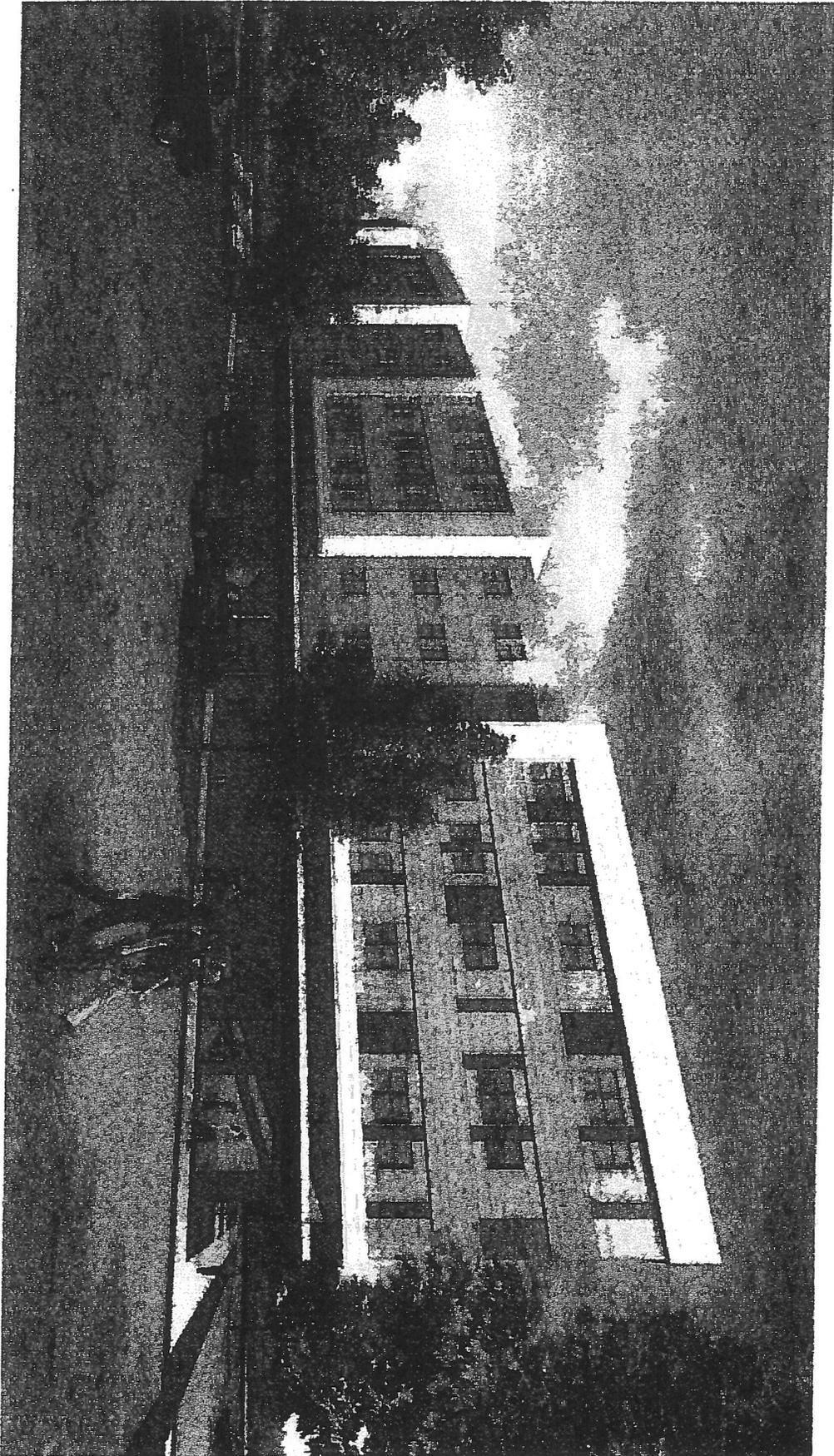


EXHIBIT D
FORM PURCHASE AGREEMENT

AGREEMENT, by and between, **THE MILLS AT RIVERBEND COMMONS, LLC** an Illinois limited liability company (hereinafter "**Buyer**"), located at _____, Illinois, and **THE CITY OF MOLINE**, an Illinois municipal corporation, (hereinafter "**Seller**"), located in Moline, Illinois.

WITNESSETH:

WHEREAS, the Buyer has offered to buy and the Seller is willing to sell the real property more particularly described in **Schedule A** attached hereto and incorporated herein (hereinafter "**Property**"), and commonly known as _____, Moline, Illinois;

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

Sec. 1. PURCHASE PRICE

Subject to all terms, covenants and conditions of the Agreement, the Buyer will purchase the Property from the Seller, and the Seller will sell the Property to the Buyer and pay therefore the amount of One Million Seven Hundred Thousand and 00/100 Dollars (\$1,700,000.00) (the "**Purchase Price**"), payable by certified funds to Seller at closing.

Sec. 2. CLOSING AND POSSESSION

Closing shall be on or before the ___ day of _____, 2014, or on such other date as the parties hereto may mutually agree to in writing. Closing shall take place at the office of the closing agent mutually acceptable to Buyer and Sellers, and Buyer shall accept the conveyance at such time and place. Possession shall be given at closing.

Sec. 3. CONVEYANCE OF PROPERTY

(a) Form of Deed. The Seller shall convey title to the Property by Special Warranty Deed ("**Deed**"). Seller represents that Seller knows of no conditions, faults or defects, whether environmental or otherwise. At closing, and upon delivery of the Deed to Buyer, whatever occupancy rights Seller has in and to the property will become Buyer's rights. The conveyance and title of the Property shall, in addition to other conditions, covenants and restrictions set forth or referred to elsewhere in the Agreement, be subject to:

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

building, and land subdivision laws and regulations; and

2. All easements of record including but not limited to easements and lease agreements for cell tower equipment; and
3. Matters that would be revealed by an ALTA survey of the Property.

(b) Proration of Taxes and Adjustments.

1. Seller shall be current on all tax payments and shall pro-rate general real estate taxes for the current tax year at time of closing; and
2. There are no leases for the subject Property requiring a credit for deposits or proration of rents.

(c) Expenses of Transfer. Buyer shall pay: (1) Recording fees for Deed and mortgage, if any; (2) Cost of Buyer's abstracting or mortgage title insurance policy as required. Seller shall, at its sole cost and expense and prior to closing, deliver to Buyer a title commitment for an Owner's title policy issued by a title company showing good and indefeasible title to the Property vested solely in Seller. On the closing date, Seller shall cause the title company to issue an Owner's Policy of Title Insurance covering the Property in the amount of the Purchase Price, showing fee simple title vested in Buyer. Each party shall be responsible for his or her own attorney fees and customary closing costs. Closing costs do not ordinarily include charges incident to the Buyer's financing, and such charges shall be paid by Buyer.

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

(e) Affidavit of Foreign Status. Sellers will sign an affidavit that Sellers are not a "foreign person" under the Internal Revenue Act of 1862, as amended.

(f) Special Assessments. Seller will be responsible for all special assessments levied as of the date the City Council of the City of Moline approves this sale. Buyer is responsible for all special assessments levied after that date.

(g) Unrecorded Liens, Assessments, Security Interests. Seller represent that there will be no unrecorded liens, assessments, or Uniform Commercial Code Security Interests against any of the Property which will not be satisfied out of the sale price. If any representation above is untrue on the closing date, the Agreement may be terminated by Buyer.

**Sec. 4. PROPERTY CONDITION AND CERTAIN
OTHER ACTION BY BUYER**

(a) Property Condition.

1. Buyer acknowledges that the Buyer has visually inspected the real estate and the improvements thereof, the Buyer is acquainted with the condition thereof and the Buyer shall accept the Property in "As Is" condition.

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

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

(a) Notwithstanding section (b), it is intended and agreed that any covenants provided in this Agreement shall be covenants running with the land binding to the fullest extent permitted by law and equity for the benefit and in favor of and enforceable by, the Buyer, its successors and assigns, the Buyer, and any successor in interest to the Property, or any part thereof.

(b) Buyer and Seller executed a Development Agreement on _____, 2013, for the redevelopment of the property subject to this Purchase Agreement. In the event that Buyer terminates the Development Agreement prior to the issuance of a Certificate of Completion, or in the event the Developer is found to be in default of the Development Agreement in accordance with the terms of default therein, then the Seller shall have the right, upon written demand to Buyer to purchase the Phase 1 Project Land back from the Developer for the purchase price of One Million Seven Hundred Thousand Dollars (\$1,700,000) subject to the terms in the Development Agreement. The City's right to repurchase the Phase 1 Project Land shall expire (i) upon issuance of the Certificate of Completion; or (ii) one hundred twenty (120) days after the Buyer's termination of this Agreement or the date on which Buyer is found to be in default, as the case may be; provided, however, that this period shall be tolled for any periods during which the City is actively engaged in settlement discussions with lienholders. This covenant shall be recorded with the Rock Island County Recorder of Deeds upon the closing of Seller's sale and the Buyer's purchase of the property subject to this Agreement. The City shall record a release of this right to repurchase promptly upon expiration of this covenant.

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

No member, official or employee of the City shall have any personal interest, direct or indirect in this Agreement nor shall any such member, official or employee participate in any decision relating to this Agreement which affects his or her personal interests or interest of any corporation, partnership or association in which he is directly, indirectly, interested. No member, official or employee of the City shall be personally liable to the City or any successor in interest

in the event of any default or breach by the City or for any amount which may become due to the City or successor or on any obligations under the terms of this Agreement.

Sec. 7. PROVISIONS NOT MERGED WITH DEED

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

Sec. 8. ENTIRE AGREEMENT

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

Sec. 9. APPLICABLE LAW

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

Sec. 10. SEVERABILITY

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

Sec. 11. ASSURANCE OF FURTHER ACTION

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

IN WITNESS WHEREOF, the **CITY OF MOLINE, Seller**, has caused this Agreement for Sale of Real Estate to be duly executed in its name and on behalf by Scott Raes, its Mayor, this _____ day of _____, 201_.

City of Moline (Seller)

Attest:

Scott Raes, Mayor

Tracy A. Koranda, City Clerk

STATE OF ILLINOIS)
)
COUNTY OF ROCK ISLAND)

ss:

On this _____ day of _____, 201_, before me, the undersigned, a Notary Public in and for the State of Illinois, personally appeared SCOTT RAES and TRACY A. KORANDA, to me personally known, who, being by me duly sworn, did say that they are the Mayor and City Clerk, respectively, of the City of Moline, executing the within and foregoing instrument to which this is attached; that said instrument was signed (and sealed) on behalf of (the seal affixed thereto is the seal of said corporation) as such officers acknowledged the execution of said instrument to be the voluntary act and deed of said corporation, by it and by them voluntarily executed.

(seal)

NOTARY PUBLIC

Approved as to form:

Maureen E. Riggs, City Attorney

Prepared by:

Maureen E. Riggs
City Attorney
City of Moline
619 16th Street
Moline, IL 61265
Phone: (309) 524-2021
Fax: (309) 524-2020

SCHEDULE A
Legal Description



EXHIBIT E

FORM OF JUNIOR MORTGAGE

**Prepared by and after
recording return to:**

**Maureen Riggs
City of Moline
619 16th Street
Moline, IL 61265**

This space reserved for Recorder's use only.

JUNIOR CONSTRUCTION MORTGAGE

THIS JUNIOR CONSTRUCTION MORTGAGE ("Mortgage") is made and given as of _____ day of _____, 20____, by The Mills at Riverbend Commons, LLC, an Illinois limited liability company, having an address at c/o Three Corners Development, Inc., 15426 S. 70th Court, Orland Park, Illinois 60462 ("Mortgagor"), to the CITY OF MOLINE, an Illinois municipal corporation, having its principal office at 619 16th Street, Moline, Illinois 61265 ("City" or "Mortgagee").

RECITALS

WHEREAS, the City Council of the City, by Resolution No. _____ adopted _____ (the "Resolution"), authorized the execution by Mortgagor and the City of that certain Development Agreement dated as of _____, 2013, a copy of which has been recorded prior to the recording of this Mortgage (such agreement, as amended, supplemented or modified, the "Development Agreement"); and

WHEREAS, all terms, unless defined herein, shall have the meaning given to them in the Development Agreement; and

WHEREAS, the Development Agreement provides, among other things, for the Mortgagor to construct a mixed-use student housing and retail facility (the "Redevelopment Project") center on property in the City of Moline, Illinois located in the vicinity of the Western

Illinois University-Quad Cities campus and legally described on Exhibit A attached hereto (the "Land"); and

WHEREAS, the Redevelopment Project will be financed in part with City Funds, up to a maximum aggregate amount of \$3,300,000, plus up to \$150,000 for reimbursement of certain Pre-Closing Work (the "City Funds"), to pay for or reimburse the Mortgagor for Redevelopment Project costs, as further described in the Development Agreement; and

WHEREAS, as consideration for the use of the City Funds, as well as the receipt of other benefits from the City as are described in the Development Agreement, the Mortgagor has agreed to construct the Redevelopment Project in accordance with the terms and conditions of the Development Agreement; and

WHEREAS, prior to the issuance of a Certificate of Completion under the Development Agreement, the City's obligation of the Mortgagor to pay the City the City Funds pursuant to the Development Agreement, all Protective Advances (as hereinafter defined) and other amounts payable under this Mortgage whether now owing or hereafter accruing (the "Reimbursement Obligation"); and

WHEREAS, the parties intend that this Mortgage secure the Developer's obligation under the Development Agreement to construct the Redevelopment Project and, in the event of Developer's default under the Development Agreement, to secure repayment of the City Funds disbursed to Developer, the payment of all Protective Advances (as hereinafter defined) and other amounts payable under this Mortgage whether now owing or hereafter accruing (the "Reimbursement Obligation");

NOW, THEREFORE, in order to charge the properties, interests and rights hereinafter described with such mortgage lien, Mortgagor has executed and delivered the Mortgage and does hereby grant, convey, assign, mortgage, warrant, grant a security interest in, and confirm unto, Mortgagee and its successors and assigns forever, all of the following rights, interests, claims and property (collectively, the "Mortgaged Property"), subject to the title matters, liens and encumbrances set forth in Exhibit B attached hereto:

(A) The Land, together with all easements, water rights, hereditaments, mineral rights and other claims, rights and interests appurtenant thereto;

(B) All buildings, structures and other improvements of every nature whatsoever now or hereafter situated on the Land, including, without limitation, the Redevelopment Project, all fixtures or attachments of every kind and nature whatsoever now or hereafter owned by Mortgagor which are or shall be attached to, located in or on, forming a part of, used or intended to be used in connection with or incorporated in the Land or such buildings, structures and other improvements, including all extensions, additions, improvements, betterments, renewals and replacements of any of the foregoing ("Improvements");

(C) All tenements, easements, rights-of-way and rights used as a means of access to the Land and Improvements and appurtenances thereto now or hereafter belonging or pertaining thereto;

(D) All rents and issues of the Land and Improvements from time to time and all of the estate, right, title, interest, property, possession, claim and demand at law, as well as in equity of Mortgagor, in and to the same;

(E) all right, title and interest of Mortgagor in and to all fixtures, personal property of any kind or character now or hereafter attached to, contained in and used or useful in connection with the Land or the Improvements, together with all furniture, floor covering, fittings, furnishings, apparatus, goods, systems, fixtures and other items of personal property of every kind and nature, now or hereafter located in, upon or affixed to the Land or the Improvements, or used or useful in connection with any present or future operation of the Land or the Improvements, including, but not limited to, all apparatus and equipment used to supply heat, gas, air conditioning, water, light, power, refrigeration, electricity, plumbing and ventilation, including all renewals, additions and accessories to and replacements of and substitutions for each and all of the foregoing, and all proceeds therefrom (the "Equipment");

(F) all of the estate, interest, right, title or other claim or demand which Mortgagor now has or may acquire with respect to (i) proceeds of insurance in effect with respect to the Land, the Improvements or the Equipment, and (ii) any and all awards, claims for damages, judgments, settlements and other compensation made for or consequent upon the taking by condemnation, eminent domain or any like proceeding of all or any portion of the Land, the Improvements or the Equipment;

(G) all intangible personal property, accounts, licenses, permits, instruments, contract rights, and chattel paper of Mortgagor, including, but not limited to cash, accounts receivable, bank accounts, certificates of deposit, rights (if any) to amounts held in escrow, deposits, judgments, liens and causes of action, warranties and guarantees, relating to the Land, the Equipment or the Improvements;

(H) all other property rights of Mortgagor of any kind or character related to all or any portion of the Land, the Improvements or the Equipment; and

(I) the proceeds from the sale, transfer, pledge or other disposition of any or all of the property described in the preceding clauses.

All of the Land, Improvements, estate and property hereinabove described, real, personal and mixed, whether or not affixed or annexed, and all rights hereby conveyed and mortgaged are intended so to be as a unit and are hereby understood, agreed and declared, to the maximum extent permitted by law, to form a part and parcel of the Land and Improvements and to be appropriated to the use thereof, and shall for the purposes of the Mortgage deemed to be conveyed and mortgaged hereby; provided, however, as to any property, aforesaid which does not so form a part and parcel of the Land and Improvements, the Mortgage is hereby deemed also to be a Security Agreement under the Uniform Commercial Code of the State of Illinois (the "Code") for the purposes of granting a security interest in such property, which Mortgagor hereby grants to Mortgagee as secured party (as defined in the Code) and as also contemplated and provided for in Section 6.10 hereof.

TO HAVE AND TO HOLD the Mortgaged Property and all parts thereof unto Mortgagee, its successors and assigns, to its own proper use, benefit and advantage forever, subject, however, to the terms, covenants and conditions herein;

WITHOUT limitation of the foregoing, Mortgagor hereby further grants unto Mortgagee, pursuant to the provisions of the Code, a security interest in all of the above-described property which are or are to become fixtures.

THIS MORTGAGE IS GIVEN TO SECURE: (b) the repayment of the Reimbursement Obligation.

SECTION I

INCORPORATION OF RECITALS

The Mortgagor acknowledges and agrees that the recitals set forth above constitute an integral part of the Mortgage and are hereby incorporated herein by this reference.

SECTION II

INCORPORATION OF REDEVELOPMENT AGREEMENT PROVISIONS

The Mortgagor acknowledges and agrees that all of the sections of the Development Agreement cited in the Recitals to this Mortgage, along with all defined terms used in such sections and all other defined terms from the Development Agreement that are used in this Mortgage, together with such other provisions of the Development Agreement as may be necessary to reasonably construe such sections and defined terms, are incorporated herein by reference as if fully written out and included as definitions and independent covenants in this Mortgage.

SECTION III

COVENANTS

The Mortgagor covenants, represents and warrants to Mortgagee that:

3.1 Development Agreement Covenants. Mortgagor shall comply with obligations set forth in the Development Agreement.

3.2 Maintenance of the Mortgaged Property. (a) Mortgagor shall preserve and maintain the Mortgaged Property in good condition and repair, shall not commit or suffer any waste thereof, and shall keep the same in a clean, orderly and attractive condition. Mortgagor shall not do or suffer to be done anything which will increase the risk of fire or other hazard to the Mortgaged Property or any part thereof.

(b) If the Mortgaged Property or any part thereof is damaged by fire or any other cause, Mortgagor will immediately give written notice of the same to Mortgagee.

(c) Mortgagee or its representatives shall have the right to inspect the Mortgaged Property upon reasonable prior notice at reasonable times to assure compliance with the terms of the Mortgage.

(d) Mortgagor shall comply with, and cause the Mortgaged Property to comply with, all present and future laws, ordinances, orders, rules, regulations and requirements of any governmental authority applicable to the Mortgaged Property, or any part thereof, and with all recorded restrictions and encumbrances affecting the Mortgaged Property, or any part thereof.

3.3 Taxes and Assessments. (a) Mortgagor will pay when due all general taxes and assessments, special assessments, water charges and all of the charges against the Mortgaged Property and shall, upon written request, furnish to Mortgagee receipts evidencing payment thereof, provided that Mortgagor, in good faith and with reasonable diligence, may contest the validity or amount of any such taxes, assessments or charges, provided that during any such contest the enforcement of the lien of such taxes, assessments or charges is stayed or is otherwise in compliance with the applicable provisions of the Development Agreement with respect thereto.

(b) Mortgagor will not suffer (unless bonded or insured over) any mechanic's, laborer's, materialmen's, or statutory lien to remain outstanding upon any of the Mortgaged Property. Mortgagor may contest such lien, provided that Mortgagor shall first post a bond in the amount of the contested lien, or provide title insurance over such contested lien, and further provided that Mortgagor shall diligently prosecute the contested lien and cause the removal of the same.

3.4 Insurance. Mortgagor shall keep the Mortgaged Property continuously insured in such amounts and against such risks as are required of Mortgagor by the Development Agreement, paying the premiums for said insurance as they become due. Policies of insurance shall name Mortgagee as an additional insured. All policies for insurance shall provide that the same shall not be canceled, except upon sixty (60) days prior written notice to Mortgagee.

3.5 Subordination and Standstill.

(a) Mortgagee by acceptance of this Mortgage acknowledges that the Mortgage shall be subject and subordinate in all respects to any mortgage from Mortgagor (the "First Mortgage") in favor of a lender providing lender financing for the Redevelopment Project ("Senior Lender"), and shall also be subordinate to any mortgage(s) (all such mortgages, a "Permanent Mortgage") that replace the First Mortgage (or any Permanent Mortgage). The agreement by the Mortgagee to be the subordinate to a Permanent Mortgage on the terms hereunder shall be reflected by a subordination agreement between the Mortgagee and the Senior Lender named as the mortgagee under such Permanent Mortgage, at the request of such Senior Lender.

(b) Notwithstanding anything to the contrary contained in this Mortgage, Mortgagee agrees that until all of the terms and provisions of any First Mortgage or Permanent Mortgage, as applicable, shall no longer be in effect, Mortgagee will not exercise any right under the

Mortgage without the prior written consent of the Senior Lender, to be given or withheld in the sole discretion of the Senior Lender.

(c) Senior Lender has the right to settle any and all insurance claims and condemnation actions and the right to distribute insurance and condemnation awards and proceeds of any other disposition of the Redevelopment Project, and rents and other income generated from the Phase 1 Project Land, in accordance with any senior loan documents entered into with respect to any First Mortgage or Permanent Mortgage without the consent of Mortgagee.

SECTION IV

REIMBURSEMENT OBLIGATION

4.1 Generally. The maximum aggregate amount of the Reimbursement Obligation secured by the Mortgage shall be limited to the amount of City Funds actually received by the Developer under the Development Agreement, all Protective Advances (as hereinafter defined) and other amounts payable under this Mortgage whether now owing or hereafter accruing. Pursuant to the terms of the Development Agreement, Mortgagor shall complete the Redevelopment Project in accordance with the terms and conditions of the Development Agreement, which completion shall be evidenced by the City's issuance of a Certificate of Completion

4.2 Recapture. If Mortgagor fails to complete the Redevelopment Project in accordance with the terms and conditions of the Development Agreement, and after the delivery of written notice and the expiration of any applicable cure period, the City shall be entitled to recapture, and Mortgagor shall be obligated to pay the City, an amount equal to the funds then subject to recapture (as described in Section 4.1 above). The Mortgagee may proceed to foreclose this Mortgage and to exercise any other rights and remedies available to Mortgagee under this Mortgage and the Development Agreement and at law, in equity or otherwise.

4.3 Release of Mortgage. Upon the issuance of a Certificate of Completion by the City, Mortgagor shall be deemed to have fully complied with the provisions contained in the Mortgage, and Mortgagor shall be under no further obligation to Mortgagee. In addition, if Mortgagor has paid to the City the entire amount of the Reimbursement Obligation which would then be due (calculated as if there had been a failure by Mortgagor to comply with the Covenants) as described in Section 4.1 then Mortgagor shall be under no further obligation to Mortgagee hereunder. In either event, within thirty (30) days of receipt of a written request from Mortgagor, Mortgagee shall execute a release of the Mortgage. Said release shall be in recordable form.

SECTION V

DEFAULT

5.1 Events of Default. The terms "Event of Default" or "Events of Default", wherever used in the Mortgage, shall mean the failure by Mortgagor to duly observe or perform any

material term, covenant, condition, or agreement of the Mortgage or, prior to issuance of the Certificate of Completion, the Development Agreement, after the expiration of all cure periods, if any, as provided herein or in the Development Agreement.

5.2 Mortgagee's Options; Subrogation; Acceleration; Cure. In case of an Event of Default, Mortgagee may make any payment or perform any act required of Mortgagor and may make full or partial payments of principal or interest on any lender providing financing to Developer to facilitate construction of the Redevelopment Project or prior encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem the Mortgaged Property from any tax sale or forfeiture affecting the Mortgaged Property or contest any tax or assessment thereon. All monies paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including attorneys' fees, and any other monies advanced by Mortgagee to protect the Mortgaged Property and the lien hereof, shall be deemed additional indebtedness secured hereby. Inaction of Mortgagee shall never be considered as a waiver of any right accruing to it on account of any default on the part of Mortgagor.

(b) To the extent that Mortgagee, on or after the date hereof, pays any sum under any provision of law or any instrument or document creating any lien or other interest prior or superior to the lien of this Mortgage, or Mortgagor or any other person or entity pays any such sum with the proceeds of the indebtedness secured hereby, Mortgagee shall have and be entitled to a lien or other interest on the Mortgaged Property equal in priority to the lien or other interest discharged and Mortgagee shall be subrogated to, and receive and enjoy all rights and liens possessed, held or enjoyed by, the holder of such lien, which shall remain in existence and benefit Mortgagee in securing the indebtedness secured hereby; provided however Mortgagee shall not be entitled to a lien or other interest in the Mortgaged Property pursuant to any lien created by the documents pertaining to Developer's lender financing for the Redevelopment Project.

(c) If an Event of Default shall have occurred under the Development Agreement (prior to issuance of a Certificate of Completion) or the Mortgage, and shall have continued for thirty (30) days following the receipt of notice thereof from Mortgagee to Mortgagor, the amount of the Reimbursement Obligation for which Mortgagor is then liable (as determined by Section 4.1 above) and secured hereby, at Mortgagee's sole option, shall immediately become due and payable without further notice or demand; provided, however, that in the event such default cannot reasonably be cured within such thirty (30) day period and if Mortgagor has commenced efforts to cure, then, the time to cure shall be extended so long as said party diligently continues to cure such default; provided, further, that no such notice and cure provisions described above shall apply with respect to an Event of Default arising from the failure by Mortgagor to perform the Covenants, as the notice and cure periods, if any, of the Development Agreement shall apply to such Event of Default.

(d) Except as otherwise permitted by the terms of the Development Agreement or by Mortgagee's written consent, any sale, partial sale, refinancing, syndication or other disposition of all or substantially all of the Mortgaged Property (other than in the ordinary course of the Mortgagor's business) shall entitle the Mortgagee to declare the Reimbursement Obligation for which Mortgagor is then liable (as determined by Section 4.1 above) and secured hereby

immediately due and payable without further notice or demand; provided, however, the replacement or substitution of any machinery, equipment or fixtures, now owned or hereafter acquired by Mortgagor, with machinery or equipment of like kind and value, whether or not such machinery or equipment is deemed a fixture under applicable provisions of the Code, will not be an Event of Default under the Mortgage, provided Mortgagor, if requested to do so by Mortgagee, executes such documents as may be necessary or deemed appropriate to assure Mortgagee of a continuing perfected secured interest in such replacement or substituted machinery, equipment or fixtures.

5.3 Remedies. Mortgagee's remedies as provided in this Mortgage and the Development Agreement shall be cumulative and concurrent and may be pursued singularly, successively or together, at the sole discretion of Mortgagee and may be exercised as often as occasion therefor shall arise, and shall not be exclusive but shall be in addition to every other remedy now or hereafter existing at law, in equity or by statute.

5.4 Additional Indebtedness. In the event that the Mortgagee retains an attorney to: (a) assist in collecting amounts owed or enforcing the Mortgagee's rights under this Mortgage or the Development Agreement; (b) represent Mortgagee in any bankruptcy, reorganization, receivership or other proceedings affecting creditors' rights and involving a claim under this Mortgage or the Agreement; (c) protect or enforce the lien of this Mortgage; or (d) represent Mortgagee in any other proceedings whatsoever in connection with this Mortgage, the Development Agreement or the Mortgaged Property, then Mortgagor shall pay to Mortgagee all reasonable attorneys' fees, and all costs and expenses incurred in connection therewith.

5.5 No Waiver. Failure of Mortgagee, for any period of time or on more than one occasion, to exercise any such remedy shall not constitute a waiver of the right to exercise the same at any time thereafter or in the event of any subsequent Event of Default. No act of omission or commission of Mortgagee, including specifically any failure to exercise any right or remedy, shall be deemed to be a waiver or release of the same; any such waiver or release is to be effected only through a written document executed by Mortgagee and then only to the extent specifically recited therein. A waiver or release with reference to any one event shall not be construed as a waiver or release of any subsequent event or as a bar to any subsequent exercise of Mortgagee's rights or remedies hereunder. Except as otherwise specifically required herein, notice of the exercise of any right or remedy granted to Mortgagee is not required to be given.

5.6 Right of Possession. To the extent permitted by law, in any case in which, under the provisions of this Mortgage, Mortgagee has a right to institute foreclosure proceedings, whether before or after the institution of such proceedings or before or after sale thereunder, Mortgagor shall, at the option of Mortgagee, surrender to Mortgagee, and Mortgagee shall be entitled to take, actual possession of all or any portion of the Mortgaged Property personally or by its agents or attorneys, and Mortgagee, in its sole discretion, may enter upon, take and maintain possession of all or any portion of the Mortgaged Property.

Upon taking possession of the Mortgaged Property, Mortgagee may make all necessary or proper repairs, decoration, renewals, replacements, alterations, additions, betterments and improvements in connection with the Mortgaged Property as it may deem judicious to insure,

protect and maintain the Mortgaged Property against all risks incidental to Mortgagee's possession, operation and management thereof, and may receive all rents, issues and profits therefrom.

5.7 Foreclosure Sale. The Mortgaged Property or any interest or estate therein sold pursuant to any court order or decree obtained under this Mortgage shall be sold in one parcel, as an entirety, or in such parcels and in such manner or order as Mortgagee, in its sole discretion, may elect, to the maximum extent permitted by Illinois law. At any such sale, Mortgagee may bid for and acquire, as purchaser, all or any portion of the Mortgaged Property and, in lieu of paying cash therefor, may make settlement for the purchase price by crediting upon the indebtedness due the amount of Mortgagee's bid.

5.8 Application of Proceeds from Foreclosure Sale. Proceeds of any foreclosure sale of the Mortgaged Property shall be distributed and applied in the following order of priority: (i) on account of all costs and expenses incident to the foreclosure proceedings, (ii) the amounts owed pursuant to Section 4.1 of this Mortgage, and otherwise due and payable under this Mortgage, with interest thereon at the rate of fifteen percent (15%) per annum (the "Interest Rate"), and (iii) any surplus or remaining funds to Mortgagor, its successors or assigns, as their rights may appear.

5.9 Insurance Upon Foreclosure. Wherever provision is made in the Development Agreement for insurance policies to bear mortgage clauses or other loss payable clauses or endorsements in favor of Mortgagee, or to confer authority upon Mortgagee to settle or participate in the settlement of losses under policies of insurance or to hold and disburse or otherwise control use of insurance proceeds, from and after the entry of judgment of foreclosure all such rights and powers of Mortgagee shall continue in Mortgagee as judgment creditor or mortgagee until confirmation of sale. Upon confirmation of sale, Mortgagee shall be empowered to assign all policies of insurance to the purchaser at the sale. In case of an insured loss after foreclosure proceedings have been instituted, the proceeds of any insurance policy or policies, if not applied in restoring the Mortgaged Property, shall be used to pay the amount due in accordance with any foreclosure decree that may be entered in any such proceedings, and the balance, if any, shall be paid as the court may direct.

5.10 Waiver of Statutory Rights. To the extent permitted by law, Mortgagor shall not apply for or avail itself of any appraisal, valuation, redemption, reinstatement, stay, extension or exemption laws or any so-called "Moratorium Laws" now existing or hereafter enacted, in order to prevent or hinder the enforcement of foreclosure of this Mortgage and hereby waives the benefit of such laws. Mortgagor, for itself and all who may claim through or under it, waives any and all right to have the property and estates comprising the Mortgaged Property marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Mortgaged Property sold as an entirety. To the extent permitted by law, Mortgagor hereby expressly waives any and all rights of redemption and rein-statement, on its own behalf and on behalf of each and every person having a beneficial interest in Mortgagor, it being the intent hereof that any and all such rights of redemption or rein-statement of Mortgagor and of all other persons are and shall be deemed to be hereby waived. Mortgagor acknowledges that the Mortgaged Property do not constitute agricultural real estate, as said term is defined in Section 5/15-1201 of the Illinois Mortgage

Foreclosure Law, 735 ILCS 5/15-1101, et seq. (the "Act") or residential real estate as defined in Section 5/15-1219 of the Act.

5.11 Partial Payments. Acceptance by Mortgagee of any payment which is less than payment in full of all amounts due and payable at the time of such payment shall not constitute a waiver of Mortgagee's right to exercise its option to declare the whole of the sum then remaining unpaid, together with all interest thereon at the Interest Rate, immediately due and payable without notice, or any other rights of Mortgagee at that time or any subsequent time, without its express written consent, except and to the extent otherwise provided by law.

5.12 Rescission of Election. The obligation to make immediate payment of the City Funds, once such payment becomes due under the terms of this Mortgage, may at the option of Mortgagee be rescinded, and any proceedings brought to enforce any rights or remedies hereunder may, at Mortgagee's option, be discontinued or dismissed. In either of such events, Mortgagor and Mortgagee shall be restored to their former positions, and the rights, remedies and powers of Mortgagee shall continue as if such obligation to make immediate payment had not been made or such proceedings had not been commenced, as the case may be.

5.13 Protective Advances; Maximum Amount of Indebtedness. All advances, disbursements and expenditures made by Mortgagee before and during a foreclosure, and before and after judgment of foreclosure, and at any time prior to sale, and, where applicable, after sale, and during the pendency of any related proceedings, for the following purposes, in addition to those otherwise authorized by this Mortgage or by the Act (collectively "Protective Advances"), shall have the benefit of all applicable provisions of the Act, including those provisions of the Act hereinbelow referred to:

(a) all advances by Mortgagee to: (i) preserve or maintain, repair, restore or rebuild the improvements upon the Mortgaged Property; (ii) preserve the lien of this Mortgage or the priority thereof; or (iii) enforce this Mortgage, as referred to in Subsection (b)(5) of Section 5/15-1302 of the Act;

(b) payments by Mortgagee of: (i) when due, installments of principal, interest or other obligations in accordance with the terms of the documents evidencing and securing the Lender Financing, if any, or other prior lien or encumbrance; (ii) when due, installments of real estate taxes and assessments, general and special and all other taxes and assessments of any kind or nature whatsoever which are assessed or imposed upon the Mortgaged Property or any part thereof; (iii) other obligations authorized by this Mortgage; or (iv) with court approval, any other amounts in connection with other liens, encumbrances or interests reasonably necessary to preserve the status of title, as referred to in Section 5/15-1505 of the Act;

(c) advances by Mortgagee in settlement or compromise of any claims asserted by claimants under any mortgages or any other prior liens;

(d) attorneys' fees and other costs incurred: (i) in connection with the foreclosure of this Mortgage as referred to in Sections 5/15-1504(d)(2) and 5/15-1510 of the Act; (ii) in connection with any action, suit or proceeding brought by or against Mortgagee for the enforcement of this Mortgage or arising from the interest of Mortgagee hereunder; or (iii) in the

preparation for the commencement or defense of any such foreclosure or other action;

(e) Mortgagee's fees and costs, including attorneys' fees, arising between the entry of judgment of foreclosure and the confirmation hearing as referred to in Subsection (b)(1) of Section 5/15-1508 of the Act;

(f) advances of any amount required to make up a deficiency in deposits for or payments of installments of taxes and assessments and insurance premiums;

(g) expenses deductible from proceeds of sale as referred to in Subsections (a) and (b) of Section 5/15-1512 of the Act;

(h) expenses incurred and expenditures made by Mortgagee for any one or more of the following: (i) if the Mortgaged Property or any portion thereof constitutes one or more units under a condominium declaration, assessments imposed upon the unit owner thereof; (ii) if any interest in the Mortgaged Property is a leasehold estate under a lease or sublease, rentals or other payments required to be made by the lessee under the terms of the lease or sublease; (iii) premiums for casualty and liability insurance paid by Mortgagee whether or not Mortgagee or a receiver is in possession, if reasonably required, in reasonable amounts, and all renewals thereof, without regard to the limitation to maintaining of existing insurance in effect at the time any receiver or mortgagee takes possession of the Mortgaged Property imposed by Subsection (c)(1) of Section 5/15-1704 of the Act; (iv) repair or restoration of damage or destruction in excess of available insurance proceeds or condemnation awards; (v) payments required or deemed by Mortgagee to be for the benefit of the Mortgaged Property or required to be made by the owner of the Mortgaged Property under any grant or declaration of easement, easement agreement, agreement with any adjoining land owners or instruments creating covenants or restrictions for the benefit of or affecting the Mortgaged Property; (vi) shared or common expense assessments payable to any association or corporation in which the owner of the Mortgaged Property is a member in any way affecting the Mortgaged Property; (vii) if the loan secured hereby is a construction loan, costs incurred by Mortgagee for demolition, preparation for and completion of construction, as may be authorized by the applicable commitment or loan agreement; (viii) pursuant to any lease or other agreement for occupancy of the Mortgaged Property; and (ix) if this Mortgage is insured, payments of FHA or private mortgage insurance.

All Protective Advances shall be so much additional indebtedness secured by this Mortgage.

This Mortgage shall be a lien for all Protective Advances as to subsequent purchasers and judgment creditors from the time this Mortgage is recorded pursuant to Subsection (b)(1) of Section 5/15-1302 of the Act.

All Protective Advances shall, except to the extent, if any, that any of the same is clearly contrary to or inconsistent with the provisions of the Act, apply to and be included in:

(1) the determination of the amount of indebtedness secured by this Mortgage at any time;

(2) the indebtedness found due and owing to Mortgagee in the judgment of foreclosure and any subsequent supplemental judgments, orders, adjudications or findings by the court of any additional indebtedness becoming due after such entry of judgment, it being agreed that in any foreclosure judgment, the court may reserve jurisdiction for such purpose;

(3) if the right of redemption has not been waived by this Mortgage, computation of amount required to redeem, pursuant to Subsections (d)(2) and (e) of Section 5/15-1603 of the Act;

(4) the determination of amounts deductible from sale proceeds pursuant to Section 5/15-1512 of the Act;

(5) the application of income in the hands of any receiver or mortgagee in possession; and

(6) the computation of any deficiency judgment pursuant to Subsections (b)(2) and (e) of Sections 5/15-1508 and Section 5/15-1511 of the Act.

The maximum principal amount of indebtedness secured by this Mortgage shall be the amount of City Funds actually received by the Developer under the Development Agreement, plus any Protective Advances, with interest on such sum at the Interest Rate.

SECTION VI

MISCELLANEOUS PROVISIONS

6.1 Notice. Unless otherwise specified, any notice, demand or request required hereunder shall be given in the same manner as in the Development Agreement.

6.2 Time. Time is of the essence with respect to this Mortgage and the performance of the covenants contained herein.

6.3 Modifications. This Mortgage may not be altered, amended, modified, canceled, changed or discharged except by written instrument signed by Mortgagor and Mortgagee or their respective permitted successors and permitted assigns.

6.4 Headings. The headings of articles, sections, paragraphs and subparagraphs in this Mortgage are for convenience of reference only and shall not be construed in any way to limit or define the content, scope or intent of the provisions hereof.

6.5 Governing Law; Venue; Jurisdiction. This Mortgage shall be construed and enforced according to the internal laws of the State of Illinois without regard to its conflict of laws principles. If there is a lawsuit under this Mortgage, each party agrees to submit to the jurisdiction of the courts of Cook County, the State of Illinois, or the United States District Court for the Northern District of Illinois.

6.6 Severability. If any provision of this Mortgage, or any paragraph, sentence, clause, phrase or word, or the application thereof, in any circumstance, is held invalid, the remainder of this Mortgage shall be construed as if such invalid part were never included herein and this Mortgage shall be and remain valid and enforceable to the fullest extent permitted by law.

6.7 Grammar. As used in this Mortgage, the singular shall include the plural, and masculine, feminine and neuter pronouns shall be fully interchangeable, where the context so requires.

6.8 Successors and Assigns. This Mortgage and each and every covenant, agreement and other provision hereof shall be binding upon Mortgagor and its successors and assigns (including, without limitation, each and every record owner of the Mortgaged Property or any other person having an interest therein), and shall inure to the benefit of Mortgagee and its successors and assigns. Nothing in this Section 6.8 shall be construed to modify the transfer and assignment limitations set forth in the Development Agreement.

6.9 Further Assurances. Mortgagor will perform, execute, acknowledge and deliver every act, deed, conveyance, transfer and assurance necessary or proper, in the sole judgment of Mortgagee, for assuring, conveying, mortgaging, assigning and confirming to Mortgagee all property mortgaged hereby or property intended so to be, whether now owned or hereafter acquired by Mortgagor, and for creating, maintaining and preserving the lien and security interest created hereby on the Mortgaged Property. Upon any failure by Mortgagor to do so, Mortgagee may make, execute and record any and all such documents for and in the name of Mortgagor, and Mortgagor hereby irrevocably appoints Mortgagee and its agents as attorney-in-fact for that purpose. Mortgagor will reimburse Mortgagee for any sums expended by Mortgagee in making, executing and recording such documents including attorneys' fees and court costs.

6.10 Security Agreement. This Mortgage shall be construed as a "security agreement" within the meaning of and shall create a security interest under the Uniform Commercial Code as adopted by the State of Illinois with respect to any part of the Mortgaged Property which constitutes fixtures or personal property. Mortgagee shall have all the rights with respect to such fixtures or personal property afforded to it by said Uniform Commercial Code in addition to, but not in limitation of, the other rights afforded Mortgagee by this Mortgage or any other agreement. Upon the recording hereof, this Mortgage shall constitute a financing statement under the Uniform Commercial Code, with Mortgagor being the Debtor, Mortgagee being the Secured Party, and the parties having the addresses set forth in the recitals. This Mortgage is a "construction mortgage" as that term is defined in Section 9-313(1)(c) of said Uniform Commercial Code.

6.11 No Merger. It being the desire and intention of the parties hereto that this Mortgage and the lien thereof do not merge in fee simple title, it is hereby understood and agreed that should Mortgagee acquire any additional or other interests in or to the Mortgaged Property or the ownership thereof, then, unless a contrary interest is manifested by Mortgagee, as evidenced by an appropriate document duly recorded, this Mortgage and the lien thereof shall not merge in the fee simple title, toward the end that this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

[Signatures Appear On Next Page]

IN WITNESS WHEREOF, the undersigned have caused this Mortgage to be executed as of the day and year first above written.

MORTGAGOR:

THE MILLS AT RIVERBEND COMMONS, LLC, an
Illinois limited liability company

By: _____

Its: _____

Exhibit A
Legal Description

EXHIBIT B

Those matters set forth as Title Exceptions on Schedule B in the Mortgagee's lender's title insurance policy issued by _____ to the City of Moline as of the date hereof, but only so long as applicable title endorsements issued in conjunction therewith on the date hereof, if any, continue to remain in full force and effect.

STATE OF ILLINOIS

)
) SS
)

COUNTY OF _____

I, _____, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY THAT _____, the _____ of The Mills at Riverbend Commons, LLC, an Illinois limited liability company, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed and delivered said instrument, pursuant to the authority given to him by said company, as his free and voluntary act and as the free and voluntary act of said company, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this ____ day of _____, 20__.

Notary Public

My Commission Expires
(SEAL)

TIF 1-12

JOINT REVIEW BOARD

The Joint Review Board met on June 17, 2014 to discuss the 2013 Annual TIF Reports. Minutes from the meeting to follow.

Joint Review Board
June 17, 2014
10:00 am
Moline City Hall
Committee-of-the-Whole Room
619 – 16th Street

MINUTES

Joint Review Board (JRB) Representatives Present:

Lew Steinbrecher, City of Moline
David McDermott, Moline School District
Kim Lazenby, South Moline Township
Steve Meersman, Rock Island County
Phil Banaszek, Rock Island County
David Hendrickx, Moline Township

Interested Parties Registry Members Present:

Sandy O'Neil

City of Moline Staff Present:

Mayor Scott Raes
Maureen Riggs, City Attorney
Ray Forsythe, Planning & Development Director
Annaka Whiting, Housing Grant Compliance Analyst
Holly K. Jackson, Administrative Secretary

Mayor Scott Raes called the meeting to order at 10:00 a.m. and asked Ray Forsythe, Planning & Development Director, to provide a summary of the 2013 Annual TIF Report.

Ray Forsythe noted that the report was sent to Joint Review Board members and individuals on the Interested Parties Registry prior to the meeting. The report was also available online at the City's website. He indicated that the reports were completed by Annaka Whiting, Housing Grant Compliance Analyst, reviewed by Kathy Carr, Finance Director, and by Maureen Riggs, City Attorney.

A spreadsheet summarizing each TIF was provided to those present. In Addition, Ms. Whiting provided an update to TIF #1 which included Attachment A, changes to the redevelopment project area. Mr. Forsythe summarized each TIF District by providing the name, date established, expiration date, base EAV, current EAV, prior year EAV increase/decrease, beginning balance, deposits, expenditures, and ending balance. Mr. Forsythe discussed specific information related to each TIF including bond proceeds, large expenditures and changes in EAVs due to decrease in property values. It was also noted that there was a difference in the way the TIFs were numbered last year compared to this year due to the order in which the TIFs were approved.

Mr. Forsythe highlighted the following:

TIF #1

- Substantial amendment to boundary to establish TIF #11 – Multi-Modal Area and TIF #12 – Riverbend Commons

TIF #3

- Positive ending balance; it is the City's desire to end TIF when bonds have been paid

TIF #4

- Public infrastructure improvements
- Termination of Development Agreement due to developer's failure to complete project

TIF #5

- Positive ending balance
- Kone building 59% occupied

TIF #6

- Discussion on previous developer and future of property
- Russell Construction currently completing market feasibility study – favorable to begin construction

TIF #7

- Increase in EAV
- Bond issuance
- Sanitary/Sewer project ongoing

TIF #8

- Negative balance mainly due to TIF Study
- Development Agreement with Macerich; Redevelopment of mall, John Deere Road entrance, and signage. Agreement does not include office, retail oriented only
- Update of construction at SouthPark Mall; demolition

TIF #9

- Increase in EAV due to leasing of area farmland
- No new negotiations

TIF #10

- EAV will come online next year
- Taxes will be paid next year
- Discussion on future development

TIF #11

- Negative balance due to TIF Study
- TIF area's focus is on transportation and parking, i.e. Amtrak

TIF #12

- Occupancy of Student Housing by WIU is expected in Mid August

Kim Lazenby asked about the default by the developer for TIF #4. Mr. Forsythe explained that the developer was in default and there currently was no remedy because the developer filed bankruptcy. Ms. Riggs mentioned the Development Agreement has been terminated. She also mentioned the City hopes the bank forecloses and obtains the property and will sell to a new developer to finish out the development.

Mr. Forsythe gave an update on TIF #5 and provided information on a tenant who is leasing space on the parking deck. The same tenant is expected to open a restaurant on the first floor. Dave McDermott

asked about cost and if the units were fully occupied. Mr. Forsythe explained the occupancy was at 59% and that new signed leases will help property tax.

Ms. Lazenby asked if TIF #8 SouthPark Mall will offer any office space. Mr. Forsythe explained Macerich will be doing the demolition, remodel, parking lot, and signage. There is no office space contained in the agreement with Macerich. Mr. Forsythe explained the City has hired an advisory firm which will be focused on retail recruitment.

Ms. Lazenby indicated that East Moline has a spreadsheet similar to that presented by the City of Moline. Ms. Lazenby noted that the East Moline's spreadsheet also included financial projections. Mr. Forsythe and Lew Steinbrecher explained that it would be too difficult to provide projections due to a number of variables.

Ms. Lazenby asked the City to look into the timing of the lights on 41st Street at the new Genesis development. Mr. Forsythe said he would ask Engineering to look into the matter.

Mr. McDermott asked if the information on the spreadsheet could be included with the agenda when mailed.

Mr. Forsythe gave an update on current TIF activities, specifically TIF #11 and the progress of the Amtrak accommodations. He mentioned that market rate apartments near WIU were on track for development and noted the continued growth and improvements in TIF #1.

Mr. Steinbrecher mentioned the progress with the airport infrastructure, including water and sewer, and development should be underway next year.

Mayor Raes asked for an update on the recycling center near Routes 6 & 150. Mr. Forsythe stated there wasn't anything new.

Mr. Forsythe briefly discussed the changes the state has made to floodways and the impact it could have on marketing properties near Routes 6 & 150 and the airport.

Mr. Forsythe concluded by stating the bottom line is that the TIF's have positive deposits vs. expenditures and the City is being fiscally responsible overall.

Mayor Raes Adjourned the Meeting at 10:49 am.