

CITY OF LINCOLN

ORDINANCE NO. 2014-814

ADOPTED BY THE
CITY COUNCIL
OF THE

CITY OF LINCOLN, ILLINOIS

THIS 15TH DAY OF JULY, 2014

Published in pamphlet form by authority of the City Council of the
City of Lincoln, Illinois this 16th day of July, 2014.

STATE OF ILLINOIS)
)
COUNTY OF LOGAN)

CERTIFICATE OF PUBLICATION IN PAMPHLET FORM

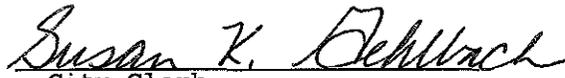
I, the undersigned, do hereby certify that I am the duly qualified and elected City Clerk of the City of Lincoln, Logan County, Illinois (the "City"), and as such official I am the keeper of the official journal of proceeding, books, records, minutes and files of the City and of the City Council thereof (the "Council").

I do further certify that on the 16th day of July, 2014, there was published in pamphlet form, by authority of the City Council, a true, correct and complete copy of Ordinance No. 2014-814 of the City termed

ORDINANCE APPROVING A REDEVELOPMENT AGREEMENT WITH MMIL
ENTERTAINMENT, LLC

and that said ordinance as so published was on said date readily available for public inspection and distribution, in sufficient number, at the office of the City Clerk located in the City.

IN WITNESS WHEREOF, I hereunto affix my official signature and seal of the City, this 16th day of July, 2014.


City Clerk

(SEAL)

**AN ORDINANCE APPROVING A REDEVELOPMENT AGREEMENT
WITH MMIL ENTERTAINMENT, LLC**

*BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LINCOLN, LOGAN
COUNTY, ILLINOIS, AS FOLLOWS:*

SECTION 1: The City Council of the City of Lincoln hereby approves that certain a Redevelopment Agreement by and Between City Of Lincoln and MMIL Entertainment, LLC, a copy of which is attached. The Mayor and other proper officers of the City shall carry out the Agreement according to its terms.

SECTION 2: This ordinance shall be effective upon its passage and approval.

The vote on the adoption of this Ordinance was as follows:

Alderswoman Anderson	<u>AYE</u>	Alderswoman Bauer	<u>AYE</u>
Alderman Cooper	<u>AYE</u>	Alderman Hoinacki	<u>ABSENT</u>
Alderswoman Horn	<u>AYE</u>	Alderman O'Donohue	<u>AYE</u>
Alderswoman Neitzel	<u>AYE</u>	Alderswoman Tibbs	<u>ABSENT</u>

Ayes 6-Alderswomen Anderson, Horn, Neitzel & Bauer Aldermen Cooper & O'Donohue
 Nays 0
 Absent: 2-Alderman Hoinacki & Alderswoman Tibbs

Abstentions: 0

Passed and approved this 15th day of July, 2014.

CITY OF LINCOLN, ILLINOIS

BY: Keith Snyder
Keith Snyder, Mayor,
City of Lincoln, Logan County, Illinois

ATTEST: Susan K. DeWitt
City Clerk,
City of Lincoln, Logan County, Illinois

ORDINANCE CERTIFICATE

STATE OF ILLINOIS)
) SS.
COUNTY OF LOGAN)

I, the undersigned, do hereby certify that I am the duly qualified and acting Clerk of the City of Lincoln, Logan County, Illinois.

I do further certify that the ordinance attached hereto is a full, true, and exact copy of Ordinance No. 2014-814 adopted by the City Council of said City on the 15th day of July, 2014, said Ordinance being entitled:

**AN ORDINANCE APPROVING A REDEVELOPMENT AGREEMENT
WITH MMIL ENTERTAINMENT, LLC**

I do further certify that prior to the making of this certificate, the said Ordinance was spread at length upon the permanent records of said City where it now appears and remains.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said City this 15th day of July, 2014.



Clerk

**TAX INCREMENT FINANCING DISTRICT
REDEVELOPMENT AGREEMENT**

by and between

CITY OF LINCOLN, LOGAN COUNTY, ILLINOIS

and

**MMIL ENTERTAINMENT, LLC
(LINCOLN THEATER GRAND 8 PROJECT)**

**LINCOLN CENTRAL BUSINESS TAX INCREMENT FINANCING
DISTRICT**

JULY 2014

REDEVELOPMENT AGREEMENT

**by and between
CITY OF LINCOLN
and**

MMIL ENTERTAINMENT, LLC

LINCOLN CENTRAL BUSINESS TIF DISTRICT

THIS REDEVELOPMENT AGREEMENT (including Exhibits) is entered into this ___th day of July, 2014, by the City of Lincoln (the “City”), an Illinois Municipal Corporation, Logan County, Illinois, and MMIL Entertainment, LLC (the “Developer”).

PREAMBLE

WHEREAS, the City has the authority to promote the health, safety and welfare of the City and its citizens, and to prevent the spread of blight and deterioration and inadequate public facilities, including sanitary sewer, by promoting the development of private investment in the marketability of property thereby increasing the tax base of the City and providing employment for its citizens; and

WHEREAS, pursuant to 65 ILCS 5/8-1-2.5, a municipality may appropriate and expend funds for economic development purposes, including without limitation for commercial enterprises that are deemed necessary or desirable for the promotion of economic development within the community; and

WHEREAS, pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4 et seq., as amended (the “Act”), the City has the authority to provide incentives to owners or prospective owners of real property to redevelop, rehabilitate and/or upgrade such property by reimbursing the owner for certain costs from resulting increases in real estate tax revenues (“real estate tax increment”) or from other City revenues; and

WHEREAS, on March 4, 2013, recognizing the need to foster the development, expansion and revitalization of certain properties which are vacant, underutilized or obsolete or a combination thereof, the City approved a Tax Increment Financing Redevelopment Plan and Projects, designated a Redevelopment Area and adopted Tax Increment Financing as provided under the Act for the Lincoln Central Business TIF District (“TIF District ”); and

WHEREAS, properties located at 207, 217, 219 and 221 S. Kickapoo St., Lincoln, Illinois (current PIN #'s 08-210-223-00, 08-210-222-00, 08-210-221-00 and 08-210-220-00) and 310 and 318 Clinton St., Lincoln, Illinois (current PIN #'s 08-210-218-00 and 08-210-219-20) are located within the Redevelopment Project Area (the "Property"); and

WHEREAS, the Developer is acquiring said Property and is proceeding with plans to repair and renovate the existing movie theaters and add new movie theaters as part of the "Project", and is doing so based on the availability of TIF incentives offered by the City; and

WHEREAS, it is the intent of the City to encourage economic development in its Central Business Redevelopment Project Area which will increase the real estate tax base of the City, which increased incremental taxes will be used to finance incentives to assist development within the Tax Increment Financing District; and

WHEREAS, the Developer's proposed Project is consistent with the TIF District Redevelopment Plan and Projects for the Redevelopment Project Area and further conforms to the land uses of the City as adopted; and

WHEREAS, pursuant to Section 5/11-74.4-4(b) of the Act, the City may make and enter into all contracts with property owners, developers, tenants, overlapping taxing bodies, and others necessary or incidental to the implementation and furtherance of the Redevelopment Plans; and

WHEREAS, pursuant to Section 5/11-74.4-4(j) of the Act, the City may incur project redevelopment costs and reimburse developers who incur redevelopment project costs authorized by a redevelopment agreement and further defined in Section 5/11-74.4-3(q) of the Act, including those Estimated TIF Eligible Project Costs as herein listed in the attached *Exhibit "1"* of this Redevelopment Agreement; and

WHEREAS, the Developer requested that incentives for the development be provided by the City from incremental increases in real estate taxes of the City generated from its Project and other properties or development within the TIF District, and the City agreed to such incentives; and

WHEREAS, the City has determined that this Project requires the incentives requested as set forth herein and that said Project will, as a part of the Plan, promote the health, safety and welfare of the City and its citizens by attracting private investment to prevent blight and deterioration and to generally enhance the economy of the City; and

WHEREAS, the City has reviewed the conditions of the Property and has reason to believe that the costs of the necessary public and private improvements to be incurred by the Developer in furtherance of the Project as set forth in *Exhibit "1"* are eligible project costs under the Act and are consistent with the Redevelopment Plan of the City; and

WHEREAS, the Parties have agreed that the City shall issue Alternate TIF Revenue Bonds with the General Obligation of the City in an amount not less than Two Million Three Hundred Thousand and 00/100 Dollars (\$2,300,000.00) plus costs of issuance to fund a portion of the Developer's Estimated TIF Eligible Project Costs as set forth in *Exhibit "1"* attached hereto (excluding the Interest Rate Buy-Down); and

WHEREAS, the Parties agree that in no event shall the total cumulative reimbursement for Eligible Project Costs paid by the City to the Developer exceed Two Million Three Hundred Thousand and 00/100 Dollars (\$2,300,000.00), Three Hundred Thousand and 00/100 Dollars (\$300,000.00) of which shall be used for public infrastructure (sidewalk/streetscape) improvements; and

WHEREAS, in consideration of the execution of this Agreement, the Developer will use its best efforts to complete the Project as set forth in *Exhibit "1"*; and

WHEREAS, the City is entering into this Agreement having encouraged and induced the Developer to proceed with the Project located on said Property.

DEFINITIONS

"Bond Issue": Bond(s) shall be issued by the City as provided in *Section C(1)* below. Pro Forma terms of the Bond Issue are substantially set forth on *Exhibit "2"* attached hereto.

"Eligible Expense(s)": The sum total of any and all reasonable or necessary costs, fees, expenses or other amounts that may be reimbursed as part of the Project pursuant to this Redevelopment Agreement including, but not limited to, those costs and categories listed on *Exhibit "1"*. For purposes of clarity, the reimbursement of TIF Eligible Project Costs by the City to the Developer shall not exceed **\$2,300,000.00**, including \$300,000.00 for public infrastructure improvements, but not including the Interest Rate Buy-Down.

"Project": shall be the Lincoln Theater Grand 8 development.

"TIF Bond Project Fund": shall mean the account described in *Section C(1)* for the Project.

AGREEMENTS

NOW, THEREFORE, the Parties, for good and valuable consideration, the receipt of which is acknowledged, agree as follows:

A. PRELIMINARY STATEMENTS

1. The Parties agree that the matters set forth in the recitals above are true and correct and form a part of this Agreement.
2. Any terms which are not defined in this Agreement shall have the same meaning as they do in the Act, unless indicated to the contrary.
3. Each of the Parties represents that it has taken all actions necessary to authorize its representatives to execute this Agreement.
4. The Developer and the City agree that the City's Engineer has reviewed the engineering plans for the Project and that they are reasonably satisfactory to the City Engineer.

B. ADOPTION OF TAX INCREMENT FINANCING

The City has created a Tax Increment Financing District known as the "Lincoln Central Business TIF District" which includes the Developer's Property. The City has approved certain Redevelopment Project Costs, including, but not limited to, those described in *Exhibit "1"* for the Developer's Project which shall be hereafter known as the "**Lincoln Theater Grand 8 Project.**"

C. INCENTIVES

In consideration for the Developer purchasing the Property and substantially completing the Lincoln Theater Grand 8 Project as set forth herein, the City agrees to extend to the Developer the following incentives to assist the Developer's Project:

1. REIMBURSEMENT FROM BOND ISSUE PROCEEDS

The City shall issue tax exempt Alternate TIF Revenue Bonds with support of the City's General Obligation in an amount to be determined by the City but not less than Two Million Three Hundred Thousand and 00/100 Dollars (\$2,300,000.00) in original principal amount to

finance repair, renovation and construction of the Project and pay the Developer's TIF Eligible Expenses up to that amount (which includes \$300,000.00 for public infrastructure improvements). In addition, the Bond Issue shall include any amounts necessary to pay the costs of issuance of the Bond Issue and amounts necessary to pay capitalized interest, if necessary. From the proceeds from such Bond Issue, the amount of Two Million Three Hundred Thousand and 00/100 Dollars (\$2,300,000.00) shall be deposited into an account designated as the "**Lincoln Central Business TIF Bond Project Fund**" (the "TIF Bond Project Fund") for payment of the Developer's TIF Eligible Project Costs.

- a. The City is responsible for all costs related to and involving the issuance of the Bonds to be paid from the Bond proceeds.
- b. The City shall pay capitalized interest on the Bonds, if necessary, from the Bond proceeds.
- c. The Bond Issue shall close as soon as possible to perform hereunder, and subject to *Section T(5)*, the parties agree to use good faith efforts to issue the Bonds and close on or before September 1, 2014.
- d. Pro Forma terms of the Bonds which are the subject of the Bond Issue are as set forth on *Exhibit "2"* attached hereto.
- e. The parties agree to modify this Agreement as reasonably required by bond counsel, for the issuance of the Bond Issue consistent with the intention of the parties as set forth in this Agreement.
- f. The Parties hereby expressly agree and recognize that security for the Bonds and payments of debt service on the Bonds are limited to (A) taxes of general applicability and the full faith and credit of the City and (B) the amounts on deposit in the funds and accounts created with respect to the Bonds. The Parties recognize that impermissible agreements with taxpayers may cause tax receipts to be classified as private payments under the Internal Revenue Code. Accordingly, the City covenants not to enter into or enforce any agreements with any taxpayers, including, specifically, the Developer and any other nongovernmental user of the Project, that would modify the obligations of such taxpayers under general law without an opinion of bond counsel that such agreement or enforcement will not adversely affect the tax-exempt status of interest on any Bonds or other financing instruments issued on a tax-exempt basis for federal income tax purposes.

2. **TIF DISTRICT REAL ESTATE INCREMENT**

The City shall pledge real estate tax increment from the TIF District to the payment of principal and interest on the Bonds. The City is not required to apply such real estate tax increment to payment of the bonds when there are sufficient funds from other lawfully available sources for such payment.

D. USE OF BOND ISSUE PROCEEDS

The City and the Developer agree that proceeds of the Bond Issue shall be paid and used in the order of preference of payment as follows:

1. The City shall pay from the proceeds of the Bond Issue the costs of issuance of the Bond Issue, in the amounts set forth in *Exhibit "2"*.
2. The City shall deposit from the proceeds of the Bond Issue the amount of capitalized interest, if any, into a separate account designated as the **"TIF Bond Capitalized Interest Account."**
3. The City shall deposit from the proceeds of the Bond Issue into the TIF Bond Project Fund an amount not less than Two Million Three Hundred Thousand and 00/100 Dollars (\$2,300,000.00) to be distributed to the Developer for reimbursement of the Three Hundred Thousand and 00/100 Dollars (\$300,000.00) public infrastructure and the Developer's private TIF Eligible Project Costs as set forth in *Exhibit "1" (excluding the Interest Rate Buy-Down)*.

E. PAYMENT OF ELIGIBLE PROJECT COSTS FROM THE TIF BOND PROJECT FUND

1. Payment to the Developer for TIF Eligible Project Costs as set forth by the Act, shall be made by a Requisition for Payment of Private Development Redevelopment Costs (*Exhibit "3"*, "Requisition") submitted from time to time by the Developer to the City.
2. All Requisitions must be accompanied by verified bills or statements of suppliers, contractors, or professionals together with mechanic's lien waivers (whether partial or full) from each of the parties entitled to a payment that is the subject of the Requisition as required by the City.

3. Any real estate increment not required to make the Bond payments under the terms of *Section C* above shall be available to the City for any purpose set forth in the TIF Plan and allowed by the Act.
4. The Developer shall use such sums as reimbursement for Eligible Project Costs only to the extent permitted by law and the Act and may allocate such funds among those items set forth in **Exhibit "1"** for the terms of this Agreement or the term of the TIF District whichever is longer.
5. The City shall approve or disapprove a Requisition by written receipt to the Developer within ten (10) business days after receipt of the Requisition. Approval of the Requisition will not be unreasonably withheld. If a Requisition is disapproved by the City, the reasons for disallowance will be set forth in writing and the Developer may resubmit the Requisition with such additional information as may be required and the same procedures set forth herein shall apply to such re-submittals.
6. All TIF Eligible Project Costs approved shall then be paid by the City from the TIF Bond Project Fund.
7. The Developer may submit for prior approval by the City as Eligible Project Costs under the Act estimates of costs before they are incurred subject to later confirmation by actual bills.

F. LIMITATION OF INCENTIVES TO DEVELOPER

1. The Developer shall be reimbursed by the City for all Eligible Project Costs permitted by the Act by the Bond proceeds deposited into the TIF Bond Project Fund, but only for the term of the Plan. The parties may add additional phases and eligible project costs in excess of the amount authorized by this Agreement upon mutual agreement as permitted by the Act.

The Developer agrees to substantially complete the Project, subject to Force Majeure, as defined below.

G. VERIFICATION OF TAX INCREMENT

It shall be the sole responsibility of the Developer or its designee to provide to the City, as requested in writing, copies of all PAID real estate tax bills, annually, for the Property.

H. LIMITED OBLIGATION

The City's obligation hereunder to pay the Developer for Eligible Project Costs is a limited obligation to be paid solely from the TIF Bond Project Fund.

I. LIMITED LIABILITY OF CITY TO OTHERS FOR DEVELOPER'S EXPENSES

There shall be no obligation by the City to make any payments to any person other than the Developer, nor shall the City be obligated to make direct payments to any other contractor, subcontractor, mechanic or materialman providing services or materials to the Developer for the Developer's Project.

J. COOPERATION OF THE PARTIES

1. The City and the Developer agree to cooperate fully with each other when requested to do so concerning the development of the Developer's Redevelopment Project. This includes without limitation cooperation in construction of the City's public infrastructure portion of the redevelopment project and the City assisting or sponsoring the Developer, or agreeing to jointly apply with the Developer, for any grant, award, subsidy or additional funding which may be available from other governmental sources as the result of the Developer's or City's activities.
2. The Parties agree to take such actions, including the execution and delivery of such documents, instruments, petitions, and certifications (and, in the City's case, the adoption of such ordinances and resolutions and the establishment of a TIF Bond Project Fund as set forth herein), as may be necessary or appropriate, from time to time, to carry out the terms, provisions, and intent of this Agreement and to aid and assist each other in carrying out said terms, provisions, and intent.

The Parties shall cooperate fully with each other in seeking from any or all appropriate governmental bodies all approvals (whether federal, state, county or local) required or useful for the construction or improvement of property and facilities in and on the Property or for the provision of services to the Property, including, without limitation, natural gas lines, telephone, and electric utility services, rights-of-way, water lines and sanitary sewer.

K. DEFAULT; CURE; REMEDIES

In the event of a default under this Agreement by any Party hereto (the “Defaulting Party”), which default is not cured within the cure period provided for below, then the other Party (the “Non-defaulting Party”) shall have an action for specific performance or other equitable relief. Neither party shall have an action against the other for damages except to the extent of the Bond Issue Proceeds payable under the terms of this Agreement.

In the event a Defaulting Party shall fail to perform a monetary covenant which it is required to perform under this Agreement, it shall not be deemed to be in default under this Agreement unless it shall have failed to perform such monetary covenant within thirty (30) days of its receipt of a notice from a Non-defaulting Party specifying that it has failed to perform such monetary covenant. In the event a Defaulting Party fails to perform any non-monetary covenant as and when it is required to under this Agreement, it shall not be deemed to be in default if it shall have cured such default within thirty (30) days of its receipt of a notice from a Non-defaulting Party specifying the nature of the default, provided, however, with respect to those non-monetary defaults which are not capable of being cured within such thirty (30) day period, it shall not be deemed to be in default if it commences curing within such thirty (30) days period, and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured.

L. TIME; FORCE MAJEURE

For this Agreement, time is of the essence; provided however, the Developer and the City shall not be deemed in default with respect to any obligations of this Agreement on its part to be performed if the Developer or City fails to timely perform the same and such failure is due in whole, or in part, to any strike, lock-out, labor trouble (whether legal or illegal), civil disorder, inability to procure materials, weather conditions wet soil conditions, failure or interruptions of power, restrictive governmental laws and regulations, condemnation, riots, insurrections, war, fuel shortages, accidents, casualties, Acts of God, acts caused directly or indirectly by the City (or the City’s agents, employees or invitees) when applicable to Developer or third parties, or any other cause beyond the reasonable control of Developer or the City.

M. ASSIGNMENT

The rights (including, but not limited to, the right to payments contemplated by *Section C* of this Agreement) and obligations (or either of them) of the Developer under this Agreement shall be fully assignable by the Developer provided written notice is provided to the City and the City’s consent is obtained prior to such assignment. City approval shall not be required for the granting of any

Mortgage(s) on the Property by the Developer. The City's consent shall not be unreasonably withheld provided that the nature of the Project is not substantially changed, and further provided that the assignee is financially capable of fulfilling the obligations of the assignor. Further, no such assignment shall be deemed to release the assignor of its obligations to the City under this Agreement unless the consent of the City to the release of the assignor's obligations is first obtained.

N. NOTICES

All notices, demands, requests, consents, approvals or other instruments required or permitted by this Agreement shall be in writing and shall be executed by the party or an officer, agent or attorney of the party, and shall be deemed to have been effective as of the date of actual delivery, if delivered personally, or as of the third (3rd) day from and including the date of posting, if mailed by registered or certified mail, return receipt requested, with postage prepaid addressed as follows:

TO CITY:

City Clerk, City of Lincoln
700 Broadway Street
Lincoln, IL 62656
Telephone: (217) 732-6318

TO DEVELOPER:

MMIL Entertainment, LLC
Attn: David Lanterman
115 S. Kickapoo
Lincoln, IL 62656
Telephone: (217) 741-1491

With Copy to:

Jacob & Klein, Ltd.
1701 Clearwater Avenue
Bloomington, IL 61704
Telephone: (309) 664-7777
Fax: (309) 664-7878

O. SUCCESSORS IN INTEREST

Subject to the provisions of *Section M*, above, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

P. 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.

Q. PREVAILING WAGE

Developer acknowledges that it is responsible for compliance with the Illinois Prevailing Wage Act and shall not pay less than the prevailing rate of wages as found by the City or Department of Labor to all laborers, workers and mechanics performing work under this Agreement.

R. WARRANTY OF SIGNATORIES

The signatories of Developer warrant full authority to both execute this Agreement and to bind the entity in which they are signing on behalf of.

S. TERM OF THE AGREEMENT

This Agreement shall expire upon the current expiration of the Lincoln Central Business TIF District, tax year 2036 payable 2037, or sooner if the Developer has received all incentives included herein. The Agreement shall continue if the term of the TIF District is extended, however the City has no obligation to attempt to extend the term of the TIF District.

T. MISCELLANEOUS

1. **Severability**: If any section, subsection, term or provision of this Agreement or the application thereof to any party or circumstance shall, to any extent, be invalid or unenforceable, the remainder of said section, subsection, term or provision of this Agreement or the application of the same to parties or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby.
2. **Waiver**: Any party to this Agreement may elect to waive any remedy it may enjoy hereunder, provided that no such waiver shall be deemed to exist unless the party waiving such right of remedy does so in writing. No such waiver shall obligate such party to waive any right of remedy hereunder, or shall be deemed to constitute a waiver of other rights and remedies provided said party pursuant to this Agreement.
3. **Entire Agreement**: The terms and conditions set forth in this Agreement and exhibits attached hereto supersede all prior oral and written understandings and constitute the entire agreement between the City and the Developer with respect to the subject matter hereof.

4. **Titles of Paragraphs:** Titles of the several parts, paragraphs, sections or articles of this Agreement are inserted for convenience of reference only, and shall be disregarded in construing or interpreting any provision hereof.

5. **Backdoor Referendum:** In the event the legal prerequisites for a backdoor referendum are met, the parties' performance under this Agreement shall be delayed until after the referendum. In the event a backdoor referendum is adverse to the issuance of the bonds, either party may terminate this agreement with written notice to the other.

[The balance of this page is intentionally blank.]

IN WITNESS WHEREOF the Parties hereto have caused this Agreement to be executed by their duly authorized officers on the above date at Lincoln, Illinois.

CITY

Lincoln, Illinois, Municipal Corporation

BY:

Keith Smyke
Mayor

ATTEST:

Susan K. Beckwith
City Clerk

DEVELOPER

MMIL Entertainment, an Illinois Limited Liability Company.

BY: David G. Lanterman

NAME: David G. LANTERMAN

TITLE: President

EXHIBIT 1
SUMMARY OF ESTIMATED TIF ELIGIBLE PROJECT COSTS

Lincoln Theater Grand 8 Rehab/Renovation Project.
 Lincoln Central Business TIF District, City of Lincoln, Logan County, Illinois

Project Description: Developer is acquiring existing Lincoln Theater 4 and plans to add six (6) additional screens for a total complex of eight (8) screens.

Est. Project Value: \$7 Million.

Location: 207, 217, 219, and 221 S. Kickapoo St. (Parcel Identification Numbers 08-210-223-00, -222-00, -221-00, -220-00), and 310 and 318 Clinton St. (Parcel Identification Numbers 08-210-218-00 and -219-20)

Estimated Eligible Project Costs:

Land and Building Acquisition	\$218,000.00
Facade Improvement	\$400,000.00
Demolition	\$238,000.00
Site Preparation.....	\$328,321.00
(1) Site preparation, clearing and grading (\$279,000.00)	
(2) Misc. - Phase II ESA, UST Removal, Asbestos Survey & Abatement (\$44,021.00)	
(3) Geotechnical Testing (\$4,500.00)	
(4) EPA Permit fees (\$800.00)	
Building Rehab/Renovation	\$4,019,564.00
(1) Remaining estimated balance of subtotal on Project Cost Planning Worksheet (\$3,516,548.00)	
(2) HVAC, elevator, sprinklers (\$460,000.00)	
(3) New access from current theater to new theater (\$30,000.00)	
(4) Building Permit (\$13,016.00)	
Equipment/Fixtures/Furnishings.....	\$861,056.00
Professional Fees.....	\$460,550.00
(1) Planning, engineering, architectural (\$359,600.00)	
(2) Project Management (\$88,000.00)	
(3) Legal (\$7,500.00)	
(4) Misc. - Printing, bidding, mailing, etc. (5,000.00)	
(5) City Plan Review/Zoning (\$450.00)	
Public Infrastructure Improvements	\$383,000.00
(1) Sidewalk (\$300,000.00)	
(2) Water, sewer, drainage, etc. (\$83,000.00)	
Interest Rate Buy-Down (30% of total Interest Costs / <i>Shall not be reimbursed with Bond proceeds</i>)	\$825,497.16
Total Estimated Eligible Project Costs	\$7,733,988.16
<i>[Note: Reimbursement of TIF Eligible Project Costs to Developer is capped at \$2,300,000.00]</i>	

EXHIBIT 2

TERMS OF THE BOND ISSUE¹

The Bonds shall be issued in an aggregate principal amount not to exceed \$2,500,000, are anticipated to be dated September 1, 2014, and shall become due and payable (subject to redemption prior to maturity as described in the Official Statement) on December 1 of the years, in the amounts, bearing interest at the rates per annum and reoffered at the yields per annum of as follows: (the Estimated Principal Amount below assumes a bond issue of \$2,300,000)

MATURITY (DECEMBER 1) YEAR	ESTIMATED PRINCIPAL AMOUNT ²	INTEREST RATE ²	YIELD ²
2016	\$ 75,000		
2017	90,000		
2018	95,000		
2019	100,000		
2020	100,000		
2021	105,000		
2022	110,000		
2023	115,000		
2024	115,000		
2025	120,000		
2026	125,000		
2027	130,000		
2028	135,000		
2029	135,000		
2030	140,000		
2031	145,000		
2032	150,000		
2033	155,000		
2034	160,000		

The first interest payment date on the Bonds shall be December 1, 2015.

¹ Preliminary, subject to change

² Exact Principal Amount, Interest Rate, and Yield can be added once the bonds are issued.

EXHIBIT 3

**CITY OF LINCOLN, ILLINOIS
LINCOLN CENTRAL BUSINESS TAX INCREMENT FINANCING DISTRICT
PRIVATE PROJECT REQUEST FOR REIMBURSEMENT
BY
MMIL ENTERTAINMENT, LLC**

Date _____

Attention: City TIF Administrator, City of Lincoln, Illinois

Re: TIF Redevelopment Agreement, dated June _____, 2014
by and between the City of Lincoln, Illinois, and
MMIL Entertainment, LLC (the "Developer")

The City of Lincoln is hereby requested to disburse funds from the TIF Bond Project Fund and the Special Tax Allocation Fund pursuant to the Redevelopment Agreement described above in the following amount(s), to MMIL Entertainment, LLC and for the purpose(s) set forth in this Request for Reimbursement. The terms used in this Request for Reimbursement shall have the meanings given to those terms in the Redevelopment Agreement.

1. REQUEST FOR REIMBURSEMENT NO. _____
2. PAYMENT DUE TO: MMIL Entertainment, LLC
3. AMOUNTS REQUESTED TO BE DISBURSED:

Description of TIF Eligible Project Cost	Amount
Total	

4. The amount requested to be disbursed pursuant to this Request for Reimbursement will be used to reimburse the Developer for Redevelopment Project Costs for the Project detailed in *Exhibit "1"* of the Redevelopment Agreement (excluding the Interest Rate Buy-Down).
5. The undersigned certifies that:
 - (i) the amounts included in (3) above were made or incurred or financed and were necessary for the Project and were made or incurred in accordance with the construction contracts, plans and specifications heretofore in effect; and

- (ii) the amounts paid or to be paid, as set forth in this Request for Reimbursement, represent a part of the funds due and payable for TIF Eligible Redevelopment Project Costs; and
 - (iii) the expenditures for which amounts are requested represent proper Redevelopment Project Costs as identified in the "Limitation of Incentives to Developer" described in *Section "F"* of the Redevelopment Agreement, have not been included in any previous Request for Reimbursement, have been properly recorded on the Developer's books and are set forth with invoices attached for all sums for which reimbursement is requested, and proof of payment of the invoices; and
 - (iv) the amounts requested are not greater than those necessary to meet obligations due and payable or to reimburse the Developer for its funds actually advanced for Redevelopment Project Costs; and
 - (v) the Developer is not in default under the Redevelopment Agreement and nothing has occurred to the knowledge of the Developer that would prevent the performance of its obligations under the Redevelopment Agreement.
6. Attached to this Request for Reimbursement is *Exhibit "1"* of the Redevelopment Agreement, together with copies of invoices, proof of payment of the invoices, and Mechanic's Lien Waivers relating to all items for which reimbursement is being requested.

BY: _____ (Developer)

TITLE: _____

APPROVED: CITY OF LINCOLN, ILLINOIS

BY: _____

TITLE: _____ DATE: _____