

BETT PLEX



August 28, 2017

Enhance Iowa Program Manager
Iowa Economic Development Authority
200 East Grand Avenue
Des Moines, Iowa 50309-1819

On behalf of The BettPlex, LLC ("The BettPlex") please accept our baseball and softball complex sales tax rebate application. The BettPlex management team is working to bring a one of a kind, state-of-the-art sports complex to Iowa. The BettPlex will be located in Bettendorf, Iowa, and will feature an indoor sports complex, 2-story family entertainment center and an outdoor sports complex. Every week, The BettPlex will draw hundreds of out-of-town sports teams/athletes and their families to Iowa to participate in large scale tournaments. In addition to these regional tournaments, The BettPlex also intends to host national sporting events which will draw visitors from all over the country.

In traveling the Midwest and Europe to watch my grandchildren compete in youth sports, I found most facilities lacking as to their comprehensive planning. Whether it be a shortage of parking, a lack of nearby hotels and restaurants, or simply having poorly managed and/or maintained facilities, I found myself continually asking why is there no top level facility in Iowa for our kids and families to enjoy? Time, energy and more importantly, resources are being expended in other communities nationwide that could be expended in our own back yard. I also realized that actions speak louder than words, and the time had come for me to invest in a project that could truly place Iowa and more specifically, Bettendorf, on the competitive sports map. Thus, I engaged the City of Bettendorf in a series of talks with regard to bringing a comprehensive sports facility to Bettendorf in 2018. I was aware that it was a priority for the current City Council to have a privately-held sports complex and with its support, a fantastic outcome for the City, State of Iowa and Midwest region could be achieved.

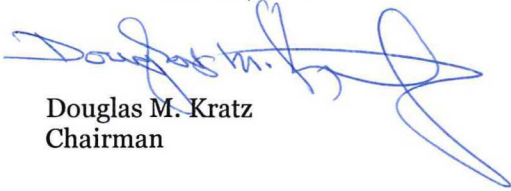
Initially, I thought that a 2018 completion date for the project might be somewhat aggressive, but with the proper project manager, permanent financing and personal investment, this timeline became more realistic. Today, after numerous discussions/negotiations with the City of Bettendorf, all the pieces are in place and not only has ground been broken, but the vertical infrastructure is starting to be constructed. The BettPlex is currently on pace for the outdoor fields to be playable next spring and completion of the indoor facilities shortly thereafter.

In conjunction with the sports complex, The BettPlex is also constructing a 64,515 square foot family entertainment center called High 5 Lanes & Games. Incorporating High 5 Lanes & Games into the complex furthers the intent of making The BettPlex truly one of a kind and hopefully, best in class!

The sports complex, family entertainment center and proposed adjacent commercial development will make this particular corridor along Interstate 80 come alive with visitors from all over the country realizing that Iowa is a hotbed for youth sports as well as high level competition for all ages. I thank you for your time in reviewing this application, and we at The BettPlex look forward to working with the Enhance Iowa Board to bring this premier facility to Iowa.

Respectfully,

THE BETTPLEX, LLC


Douglas M. Kratz
Chairman

ENHANCE IOWA

COMMUNITY ATTRACTION AND TOURISM

Sales Tax Rebate for Baseball & Softball Complexes Application



CAT – BASEBALL & SOFTBALL COMPLEX SALES TAX REBATE

APPLICATION COVER SHEET

Complex Name: The BettPlex, LLC Date Submitted: 8/28/2017

Address: 4850 BettPlex Drive

City: Bettendorf State: IA Zip Code: 52722

Contact Person: Michael L. Sampson Title: Chief Financial Officer

Telephone: 563/349-6914 or 563/514-1632 Email: _____

Federal Identification Number (FEIN): [REDACTED]

Date complex opens/opened: On or before June 1, 2018 Total Construction Costs: \$10 Million

Sales Tax Rebate Request: \$2,500,000

Project Description

In a single paragraph, briefly describe the baseball and softball complex. Include the number of fields, a description of the complex amenities, details about tournaments, and attendance numbers.

The BettPlex is a multi-function, multi-sport complex that will cover approximately 76 acres at the corner of Interstate 80 and Middle Road in Bettendorf, Iowa. This state of the art facility will boast both indoor and outdoor facilities, featuring a 281,274 square foot indoor sports facility, offering a wealth of turf and court surfaces to accommodate indoor sports such as soccer, basketball, volleyball, pickleball, wrestling and sand volleyball. Additionally, the indoor facility will have pitching mounds and batting cages for year round baseball/softball training for all ages. The facility will also house a physical therapy center and personal training area; thus providing year-round physical therapy and strength training which will be offered by degreed licensed professionals. The physical therapy center will also provide medical treatment for sports injuries that may arise at competitive tournaments taking place at The BettPlex. Guests will also find restaurant/food service options within the indoor facility. In addition to competitive sports, The BettPlex has engaged the principal owners/management of High 5 Lanes & Games, Austin, Texas, to manage a 64,515 square foot family entertainment center which will be adjacent to the indoor sports facility. High 5 Lanes & Games will feature unique entertainment and gaming experiences for all ages as well as top quality bowling lanes for leisure and competitive bowlers. Although High 5 will cater to the leisure bowling element, it will also pursue competitive bowling via (local) adult leagues and high school and college competitions.

The outdoor facilities at The BettPlex will truly be one of a kind in their design and will focus on offering a competitive sports atmosphere for all ages. For example, there will be four outdoor 11v11 soccer fields (two turfed and two grass). There will also be six fully turfed baseball/softball fields that will accommodate young boys and girls of all ages. These fields will offer an environment designed to attract the highest level of competition and showcase events for high school players. From what we can tell there is no facility in the Midwest that has six full sized fields like The BettPlex with regards to accommodating older age groups. This should give The BettPlex a competitive edge over other markets within a 500 mile radius. For the younger ages, four of the six full sized fields break down into eight youth sized baseball/softball fields for tournament play. This is possible due to installation of a high-end portable outfield fence. These fully turfed fields will be able to accommodate larger tournaments. To that end, it is anticipated that such events as the boys and girls USSSA baseball and softball tournaments will play at The BettPlex in addition to events such as the Global World Series. With a well-known and respected Midwest baseball/softball tournament director (JP Sports) already contracted to facilitate tournaments in 2018, the baseball and softball tournaments should flourish at The BettPlex. JP Sports' extensive database of teams and coaches exceeds 35,000 from across the nation which should help to guarantee long term success for The BettPlex.

It is anticipated that tournament events will attract 350,000 – 400,000 athletes and their families annually. Of that number, approximately 40%-50% will travel from distances in excess of 60 miles.

Every primary sporting activity at The BettPlex will have its own “activity head”...please see Tab E, Management Section of the application. The activity heads will assist as to organizing, managing and promoting sporting events, leagues and tournaments year round. At The BettPlex, guests will find ample parking in the form of 1,571 stalls. Such is important as it is currently anticipated that between 750,000 – 1,000,000 visitors per year will be visiting The BettPlex.

It should be noted that prior to finalization of the Sports Complex, there could be changes as to what venues go on not only inside the facilities but also outside. For example, management of The BettPlex is currently contemplating not only the square footage of its Tiki Bar but also the number of outside sand volleyball courts.

The BettPlex has endured significant cost overruns on soil stabilization at the site. Additionally, due to the expeditious timeline and complex drainage required for artificial baseball/softball fields, the City of Bettendorf received larger than anticipated bids to complete the necessary sewer work at the site. The

CAT – BASEBALL & SOFTBALL COMPLEX SALES TAX REBATE

factors have led to a cooperative agreement between The BettPlex, LLC and the City of Bettendorf which states that, if in fact a sales tax credit is awarded to The BettPlex, LLC, certain proceeds would be reimbursed to the City of Bettendorf to support the necessary sewer work that took place to support the artificial turf fields.

As The BettPlex's website is currently under construction, please visit its Splash Page at www.thebettplex.com to better comprehend the proposed sports complex and family entertainment center.

Acknowledgment, Release of Information, & Certification

We acknowledge that we have read and understand the application materials and administrative rules including the provisions relating to security and contracts as noted above. Further, we give permission to the Enhance Iowa Board or the Iowa Economic Development Authority (IEDA) to perform due diligence, perform credit checks, contact the organization's financial institutions, and perform other related activities necessary for reasonable evaluation of this proposal. We understand that all information submitted relating to this application is a public record. We certify that all representations, warranties, or statements made or furnished in connection with this application are true and correct in all material respects. We understand that it is a criminal violation under Iowa law to engage in deception and knowingly make, or cause to be made, directly or indirectly, a false statement in writing for procuring economic development assistance from a state agency or subdivision.

Signature of applicant certifying officer or individual (DO NOT SIGN IN BLACK INK):


The BettPlex, LLC
By: Douglas M. Kratz, Chairman

Date: 8-28-17


The BettPlex, LLC
By: Michael L. Sampson, Chief Financial Officer

Date: 8/28/2017


City of Bettendorf
By: Jeffrey L. Reiter, Economic Development Director

Date: 8/28/17

Tab A – Applicant Eligibility

Provide proof of eligibility. Include a list of all board members and their home addresses. If a nonprofit organization, also provide copies of the Articles of Incorporation, Bylaws, and IRS Determination letter.

Director: Douglas M. Kratz
3 Highland Green Court
Bettendorf, IA 52722
Owner, Chairman and Chief Executive Officer.

Scott County Parcel Records

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Assessment Summary

Scott County,
IA

Parcel Number: 840439215
Property Location: 3 HIGHLAND GREEN CT
BETTENDORF, IA
Legal Description: HIGHLAND GREEN Lot: 015 HIGHLAND GREEN ATCROW VALLEY
Classification: R Residential

Deed Holder: KRATZ DOUGLAS M
KRATZ SANDRA K
3 HIGHLAND GREEN CT
BETTENDORF IA 52722



AddNum / Sect: -
Block / Twp: -
Lot / Rng: 015

Lot Information

Lot Area: 0.60 Acres
FF Lot 1 Dimensions(FT): [Multiple](#) (Click for dimensions)

*Dimensions used for assessment purposes only. Not a survey of the property.

Sketch (click to enlarge)



Residential Dwelling

Occupancy: Single-Family / Owner Occupied
Style: 1 Story Frame
Year Built: 2001
Exterior Material: EIFS
Above-Grade Living Area: 4,948 SF
Number Rooms: 11 above, 0 below
Number Bedrooms: 4 above, 0 below
Total Basement Area: Full



**ARTICLES OF ORGANIZATION
OF
THE BETTPLEX, LLC**

The undersigned, of full age, for the purpose of forming a limited liability company under and pursuant to the provisions of Chapter 322C, Minnesota Statutes and all amendments thereto (the "Act"), hereby adopts the following Articles of Organization:

**ARTICLE I.
NAME**

The name of the Company shall be: The BettPlex, LLC (the "Company").

**ARTICLE II.
REGISTERED OFFICE**

The location and post office address of the Company's registered office in the State of Minnesota shall be 225 South Sixth Street, Suite 3500, Minneapolis, Minnesota, 55402.

**ARTICLE III.
ORGANIZER**

The name and address of the organizer of the Company are as follows:

Mark T. Johnson
Winthrop & Weinstine, P.A.
Suite 3500
225 South Sixth Street
Minneapolis, MN 55402

IN WITNESS WHEREOF, the undersigned has executed these Articles as of March 9, 2017.


Mark T. Johnson, Organizer



Work Item 939491600039
Original File Number 939491600039

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
FILED
03/09/2017 11:59 PM

A handwritten signature in black ink that reads "Steve Simon". The signature is written in a cursive, flowing style.

Steve Simon
Secretary of State

OPERATING AGREEMENT

OF

THE BETTPLEX, LLC

A MINNESOTA LIMITED LIABILITY COMPANY

Dated as of March 9, 2017

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OPERATING AGREEMENT OF THE BETTPLEX, LLC

THIS OPERATING AGREEMENT (this "Agreement") of The BettPlex, LLC, a Minnesota limited liability company (the "Company"), dated effective as of March 9, 2017, is entered into by and among the Company and those persons that have executed this Agreement as a member of the Company, as identified on the schedule of Members attached hereto as EXHIBIT A (each, a "Member," and collectively the "Members"), and each person that has subsequently become a Member and signed a Joinder Agreement, in the form attached hereto as EXHIBIT B.

RECITALS:

A. Pursuant to the filing of the Articles of Organization of the Company with the office of the Minnesota Secretary of State, the Company was formed as a limited liability company in accordance with the Minnesota Revised Uniform Limited Liability Company Act, codified in Chapter 322C of the Minnesota Statutes, as the same may be amended from time to time (the "Act").

B. The Members desire to enter into a written operating agreement for the purpose of governing the affairs of the Company and the conduct of its business.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Members and the Company agree as follows:

ARTICLE I DEFINED TERMS

The terms used in this Agreement with their initial letters capitalized shall, unless the context otherwise requires, have the meanings specified in this ARTICLE I. The singular shall include the plural and the masculine gender shall include the feminine and neuter, and vice versa, as the context requires. Wherever used in this Agreement, unless another meaning is explicitly indicated by the context:

"Act" means the Minnesota Revised Uniform Limited Liability Company Act, as it is defined in the recitals to this Agreement.

"Affiliate" means, when used with reference to any Person, (i) any Person that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with, or owns greater than fifty percent (50%) of the voting power in the specified Person (the term "control" for this purpose, shall mean the ability, whether by the ownership of shares or other equity interest, by contract or otherwise, to elect a majority of the directors of a corporation, independently to select the managing partner of a partnership or the manager or managers of a limited liability company, or otherwise to have the power independently to remove and then select a majority of those Persons exercising governing authority over an entity, and control shall be conclusively presumed in the case of the direct or indirect ownership of fifty

percent (50%) or more of the equity interests in the specified Person); and (ii) a spouse, parent, sibling or issue of such Person.

“Agreement” means this Operating Agreement, as it may be amended or restated from time to time, including all exhibits hereto.

“Articles of Organization” means the Articles of Organization of the Company filed in the Office of the Secretary of State of Minnesota, as amended from time to time in accordance with the terms hereof and the Act.

“Bankruptcy” of a Person shall be deemed to have occurred when (i) the Person commences a voluntary proceeding seeking liquidation, reorganization or other relief under any bankruptcy, insolvency or other similar law now or hereafter in effect, (ii) the Person is adjudged as bankrupt or insolvent, or a final and nonappealable order for relief under any bankruptcy, insolvency or similar law now or hereafter in effect has been entered against the Person, (iii) the Person executes and delivers a general assignment for the benefit of the Person’s creditors, (iv) the Person files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Person in any proceeding of the nature described in clause (ii) above, (v) the Person seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator for the Person or for all or any substantial part of the Person’s property, (vi) any proceeding seeking liquidation, reorganization or other relief under any bankruptcy, insolvency or other similar law now or hereafter in effect has not been dismissed within one hundred twenty (120) days after the commencement thereof, (vii) the appointment without the Person’s consent or acquiescence of a trustee, receiver or liquidator has not been vacated or stayed within ninety (90) days of such appointment, (viii) an appointment referred to in clause (vii) is not vacated within ninety (90) days after the expiration of any such stay or (ix) the Person admits in writing its inability to pay its debts generally as they become due or admits that it is otherwise insolvent.

“BBA” has the meaning given in SECTION 4.6(a).

“Board,” “Board of Governors” and “Governors” have the meaning set forth in SECTION 6.1(a) hereof.

“Business Day” means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the laws of, or are in fact closed in, the State of Minnesota.

“Capital Account” has the meaning given in SECTION 3.1(b).

“Capital Event” means: (i) a sale or disposition of all, or a substantial part of, the assets of the Company; or (ii) the refinancing of any loans to the Company to the extent all or a portion of such loan proceeds are distributed to the Members as a partial or complete return of capital. The Board of Governors shall determine in its sole and absolute discretion whether a given event qualifies as a Capital Event.

“Capital Value” means, for any Class A Unit or Class B Unit, initially the amount of cash paid to the Company for such Unit or the agreed fair market value (as set forth on the attached

EXHIBIT A) of the assets contributed to the Company in exchange for such Unit, increased by any subsequent Capital Contributions made with respect to such Unit. Capital Value shall not be affected by any Transfer of Units or by any increase or decrease in the Capital Account of a Member from time to time. The Capital Value of each Unit will be set forth on EXHIBIT A as the same may be amended from time to time.

“Class A Member” means a Member of the Company owning Class A Units as set forth on EXHIBIT A hereto.

“Class A Unit” means a Unit in the Company having those rights and subject to those obligations set forth in this Agreement.

“Class B Member” means a Member of the Company owning Class B Units as set forth on EXHIBIT A hereto.

“Class B Unit” means a Unit in the Company having those rights and subject to those obligations set forth in this Agreement.

“Code” means the Internal Revenue Code of 1986, as amended and in effect from time to time, as interpreted by the applicable regulations promulgated thereunder. Any reference herein to a specific section or sections of the Code shall be deemed to include a reference to any corresponding provision of the Code, as the same may be adopted.

“Company” means The BettPlex, LLC, a Minnesota limited liability company formed under the Act and governed by the terms of this Agreement.

“Company Minimum Gain” has the meaning set forth in Regulations Section 1.704-2(b)(2) for the phrase “partnership minimum gain.” The amount of Company Minimum Gain, as well as any net increase or decrease in Company Minimum Gain, for a Fiscal Year shall be determined in accordance with the rules of Regulations Section 1.704-2(d).

“Competitive Business” has the meaning given in SECTION 3.7.

“Controlling Person” means any single natural Person who, directly or beneficially, owns or controls (as defined above) or is otherwise an Affiliate of any Member.

“Deceased Member” means a Member who, or whose Controlling Person, is deceased.

“Disposition” means and includes, but is not limited to, disposition by sale, delivery, assignment, gift, exchange, Transfer, distribution by an executor, administrator, or personal representative, encumbrance or pledge.

“Fiscal Year” has the meaning given in SECTION 4.5.

“Gross Asset Value” with respect to any asset, the asset’s adjusted basis for U.S. federal income tax purposes, except that the initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset, as determined by the Board of Governors; the Gross Asset Value of any property of the Company distributed to any

Member shall be adjusted to equal the gross fair market value of such property on the date of distribution as determined by the Board of Governors; and the Gross Asset Values of assets of the Company shall be increased (or decreased) to the extent the Board of Governors determines that such adjustment is necessary or appropriate to comply with the requirements of Treasury Regulations Section 1.704-1(b)(2)(iv). The Board of Governors shall, in its sole and absolute discretion, use such method as it deems reasonable and appropriate to allocate the aggregate of the Gross Asset Value of assets contributed in a single or integrated transaction among each separate property on a basis proportional to their fair market values.

“Indemnitee” has the meaning given in SECTION 7.1(b).

“Interest” means a Member’s “Transferable interest,” as such term is defined in Section 322C.0102, Subd. 28 of the Act, as well as the voting rights of a Member, if any, as provided in this Agreement. A Member’s Interest includes any and all additional benefits to which the holder of such a membership interest may be entitled as provided in this Agreement, together with all obligations of such Person to comply with the terms and provisions of this Agreement. The Interest of each Member shall be expressed as a percentage of the total Units owned by all Members. All Interests shall be calculated to the nearest ten thousandth of one percent (0.0001%), with amounts equal to or greater than 0.00005% being rounded up to the next ten thousandth of one percent (1%), and with amounts less than 0.00005% being rounded down to the next ten thousandth of one percent. The combined Interests of all holders of Units shall at all times equal one hundred percent (100%).

“Investment Anniversary Date” has the meaning given in SECTION 8.8.

“Involuntary Transfer” means the following: (i) the filing by or against a Member (where not dismissed within sixty (60) days of the date of filing), of a petition in Bankruptcy, a petition in insolvency, or a creditor’s arrangement pursuant to the provisions of any state or federal insolvency or Bankruptcy law; (ii) the appointment of a receiver or trustee of the property of a Member by reason of said Member’s insolvency or inability to pay debts; (iii) the assignment for the benefit of creditors of any portion of a Member’s Units in the Company; (iv) the Disposition of all or any portion of a Member’s Units pursuant to a divorce decree, divorce settlement agreement, child support decree, child support settlement agreement, or any other marital dissolution proceeding; (v) any other taking of all or any portion of a Member’s Units pursuant to any judgment, order, writ, execution, levy, foreclosure, attachment, garnishment, or any other legal process; and/or (vi) the dissolution of a Member if such Member is an entity.

“Liquidating Event(s)” means those events described in SECTION 10.1 hereof which, upon their occurrence, will cause the Company to dissolve and its affairs to be wound up.

“Liquidator” means that Person (either the Board of Governors or, in the event there are no remaining Governors, any Person elected by the Members owning a majority of the voting power of the Class A Units) described in SECTION 10.2 hereof responsible for overseeing the winding up and dissolution of the Company.

“Member” means each Person executing this Agreement and any other Person who properly acquires one or more Units in the Company and is admitted as a Member in accordance with the terms of this Agreement.

“Member Nonrecourse Debt” has the meaning of “partner nonrecourse debt” that is set forth in Treasury Regulations Section 1.704-2(b)(4).

“Member Nonrecourse Debt Minimum Gain” has the meaning of “partner nonrecourse debt minimum gain” that is set forth in Treasury Regulations Section 1.704-2(i)(2).

“Member Nonrecourse Deductions” has the meaning of “partner nonrecourse deductions” that is set forth in Treasury Regulations Section 1.704-2(i)(1).

“Net Income” means the net income that the Company generates with respect to a Fiscal Year, as determined for federal income tax purposes; provided, however, that such income (i) shall be increased by the amount of all income during such period that is exempt from federal income tax, (ii) shall be decreased by the amount of all expenditures that the Company makes (including the Company’s share of any such expenditure made by the Members) during such period that are not deductible for federal income tax purposes and that do not constitute capital expenditures, and (iii) shall not include any items that are specially allocated pursuant to SECTION 4.2. If the Gross Asset Value of an asset that is contributed to the Company (or, if the Gross Asset Value is adjusted pursuant to Treasury Regulations Section 1.704 1(b)(2)(iv)(f), such adjusted Gross Asset Value) differs from its adjusted basis for federal, state, or local income tax purposes, the amount of depreciation, amortization, and other costs recovery deductions shall be determined in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(g), and the amount of gain or loss from a disposition of such asset shall be computed by reference to such Gross Asset Value or such adjusted Gross Asset Value. If the Gross Asset Value of an asset is adjusted pursuant to Treasury Regulations Section 1.704 1(b)(2)(iv)(f), the adjustment amount shall be treated as gain or loss from the disposition of the asset.

“Net Loss” means the net loss the Company generates with respect to a Fiscal Year, as determined for federal income tax purposes; provided, however, that such loss (i) shall be decreased by the amount of all income during such period that is exempt from federal income tax, (ii) shall be increased by the amount of all expenditures that the Company makes (including the Company’s share of any such expenditure made by the Members) during such period that are not deductible for federal income tax purposes and that do not constitute capital expenditures, and (iii) shall not include any items that are specially allocated pursuant to SECTION 4.2. If the Gross Asset Value of an asset that is contributed to the Company (or, if the Gross Asset Value is adjusted pursuant to Treasury Regulations Section 1.704 1(b)(2)(iv)(f), such adjusted Gross Asset Value) differs from its adjusted basis for federal, state, or local income tax purposes, the amount of depreciation, amortization, and other cost recovery deductions shall be determined in accordance with Treasury Regulations Section 1.704 1(b)(2)(iv)(g), and the amount of gain or loss from a disposition of such asset shall be computed by reference to such Gross Asset Value or such adjusted Gross Asset Value. If the Gross Asset Value of an asset is adjusted pursuant to Treasury Regulations Section 1.704 1(b)(2)(iv)(f), the adjustment amount shall be treated as gain or loss from the disposition of the asset.

“Non-Competition Period” has the meaning set forth in SECTION 3.7.

“Nonrecourse Deductions” has the meaning set forth in Treasury Regulations Section 1.704 2(b)(1).

“Other Members” has the meaning set forth in SECTION 8.6.

“Partnership Representative” has the meaning given in SECTION 4.6(a).

“Permitted Transferee” has the meaning given in SECTION 8.2(b).

“Permitted Transfers” has the meaning given in SECTION 8.2.

“Person” means and includes any individual, partnership, joint venture, corporation, estate, trust, or other entity.

“Purchase Option Event” means the occurrence of a Voluntary Transfer, an Involuntary Transfer, or the death of a Member.

“Put Option” has the meaning given in SECTION 8.8

“Remaining Member” means a Class A Member who is not a Transferring Member.

“Reviewed Year Member” has the meaning given in SECTION 4.6(a).

“Tax Distributions” has the meaning given in SECTION 5.1(b).

“Transfer” means any act by a Member (or the Member’s executor, administrator, or personal representative) to sell, assign, transfer, offer to transfer, convey or otherwise dispose of, encumber, pledge, convey or hypothecate all or any part of his, her or its Interest.

“Transfer Notice” has the meaning given in SECTION 8.3(a).

“Transfer Units” means (i) in the case of a Voluntary Transfer, the Units which are subject to the Voluntary Transfer, (ii) in the case of an Involuntary Transfer, the Units which are subject to the Involuntary Transfer, and (iii) in the case of the death of a Member, the Units held by the Deceased Member and any Units held by any Permitted Transferees of the Deceased Member.

“Transferring Member” means a Member whose Units are sold or Transferred, or proposed to be sold or Transferred, to one or more Persons in the case of a Purchase Option Event.

“Treasury Regulations” means the Income Tax Regulations promulgated under the Code, as such regulations may be amended from time-to-time, and any successor provisions.

“Unit” has the meaning given in SECTION 3.3.

“Unreturned Capital Value” means, for any Class A Unit or Class B Unit, the Capital Value for such Unit reduced by all distributions of proceeds resulting from a Capital Event made by the Company with respect to such Unit, pursuant to SECTIONS 5.1(b)(i) or 5.1(b)(ii), as applicable (including distributions pursuant to SECTION 10.2(a) in accordance with SECTION 5.2(c) and SECTIONS 5.1(b)(i) or 5.1(b)(ii), as applicable).

“Voluntary Transfer” means the voluntary Transfer by a Member of all or any portion of the Units of the Member.

ARTICLE II ORGANIZATIONAL MATTERS

SECTION 2.1. Formation; Name. The Company was formed upon the execution and filing with the Secretary of State of the State of Minnesota of the Articles of Organization. This Agreement shall be effective as of the date hereof. The name of the Company shall be The BettPlex, LLC, or such other name as the Board of Governors may from time to time hereafter designate in accordance herewith and the Act. The Board shall cause to be executed and filed such further certificates, notices, statements or other instruments required by law for the operation of a limited liability company in all jurisdictions where the Company is required to or in which the Board desires that the Company qualify or be authorized to do business as a foreign limited liability company, or as otherwise necessary to carry out the purpose of this Agreement and the business of the Company.

SECTION 2.2. Purpose of the Company. The purpose of the Company shall be to engage in any lawful business, act or activity permitted by the Act. The Company shall possess and may exercise all of the powers and privileges granted by the Act, by any other law or by this Agreement (if not prohibited by the Act), together with any powers incidental thereto, so far as such powers and privileges are necessary or convenient to the conduct, promotion or attainment of the business purposes or activities of the Company.

SECTION 2.3. Offices; Registered Agent. The principal office of the Company, and such additional offices as the Company may determine to establish, shall be located at such place or places inside or outside the State of Minnesota as the Board of Governors may designate from time to time. The registered office of the Company in the State of Minnesota is located at 225 South 6th Street, Suite 3500, Minneapolis, MN 55402. The Board of Governors may, but is not required to, appoint a registered agent for the service of process at the Company’s registered office.

SECTION 2.4. Term. The term of the Company commenced on the date its Articles of Organization were filed with the office of the Secretary of State of the State of Minnesota and shall continue until terminated in accordance with the terms of this Agreement or the Act.

SECTION 2.5. Liability to Third Parties. The debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Member, Governor or officer of the Company shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member or acting as a Governor or officer of the Company. Notwithstanding any

provision of this Agreement to the contrary, any Member, at its sole and absolute discretion, may guarantee all or any portion of any debt, obligation or liability of the Company; provided, however, that unless set forth herein to the contrary, such guaranty(ies) shall not be deemed a capital contribution to the Company.

SECTION 2.6. Other Ventures; Time and Attention. Subject to the covenants in Article III, the Members, Governors, and officers may, during the term of the Company, engage in and possess an interest for their respective accounts in other business ventures of every nature and description, independently or with others, and neither the Company nor any Member shall have any right in or to said independent ventures or any income or profits derived from said independent ventures. No Member, Governor, or officer shall be required to devote his, her, or its full business time and attention to the affairs of the Company, unless such Person expressly agrees otherwise in this Agreement or another written agreement.

ARTICLE III CAPITAL; UNITS; COVENANTS

SECTION 3.1. Capital.

(a) Initial Capital Contributions. Each Member has contributed to the Company (or will contribute no later than within seven (7) days after written request from the Board) the monies or property set forth opposite the Member's name on attached EXHIBIT A as such Member's initial capital contribution to the Company.

(b) Capital Accounts. A separate capital account ("Capital Account") shall be maintained for each Member in accordance with Section 704(b) of the Code, and the Treasury Regulations promulgated thereunder, including, without limitation, Treasury Regulations Section 1.704-1(b)(2)(iv).

(c) Changes to Capital Accounts. The Capital Account for each Member shall consist of the Member's initial capital contribution, increased by any additional capital contributions made by the Member, by the Member's share of Company profits and by the amount of any Company liabilities which the Member is deemed to assume or which are secured by any Company property distributed to the Member, and decreased by the Member's share of Company losses, by any distributions to the Member and by the amount of any liabilities of the Member which the Company is deemed to assume or which are secured by property contributed by the Member to the Company. For purposes of this Agreement, as indicated above, the initial capital contribution of each Member shall be the dollar value set forth opposite the Member's name on attached EXHIBIT A. A transferee shall succeed to the Capital Account of the transferor to the extent that it relates to the transferred Units.

(d) No Interest on Capital Contributions. No interest shall be paid on the initial capital contributions or on any subsequent capital contributions. Any amount distributed pursuant to ARTICLE V of this Agreement shall not constitute a guaranteed payment within the meaning of Code Section 707(c).

(e) No Capital Calls. No additional capital contributions shall be required over and above those specifically referred to in SECTIONS 3.1(a) through 3.1(c) above unless unanimously agreed upon by all Members at a meeting of the Members called for such purpose and unless all Members unanimously participate in and make such additional contributions in accordance with their respective percentage Interests.

(f) Creditors. A creditor who makes a nonrecourse loan to the Company shall not have or acquire, at any time as a result of making the loan, any direct or indirect interest in the profits, capital or property of the Company other than as a creditor.

SECTION 3.2. Return of Capital. No Member shall be entitled to have any Capital Contribution returned to it or to receive any distribution from the Company upon withdrawal or otherwise, except in accordance with the express provisions of this Agreement. No unreturned Capital Contribution shall be deemed or considered to be a liability of the Company or any Member. No Member shall be required to contribute any cash or property to the Company to enable the Company to return any Member's Capital Contribution.

SECTION 3.3. Units. Interests in the Company held by the Members shall be represented by "Units," which shall be divided into two classes, "Class A Units," and "Class B Units." Except as specifically provided herein or otherwise required by applicable law, for all purposes hereunder, including for purposes of Article III hereof, each Member shall be entitled to one vote per Class A Unit by such Member as further set forth in SECTION 6.3(i) hereof, which shall always vote as a single class, and the Class B Units shall not be entitled to vote on any matter or for any purpose.

SECTION 3.4. Issuance of Additional Units. Additional members may be admitted to the Company as Members, and Units, whether Class A or Class B Units, may be created and issued to those persons, upon the majority vote of the Board of Governors. Any admission of an additional member is effective only after such new member has executed a counterpart to or an agreement to be bound unconditionally by this Agreement. Further, the Board of Governors may accept capital contributions from current members in such amounts, and in consideration for the issuance of such additional Units, as the Board of Governors in its discretion may determine appropriate, subject to compliance with all requirements under the Act relating to the acceptance of capital contributions and the issuance of additional Units in the Company. Upon receipt of such undertaking by the Company and receipt by the Company of payment for the issuance of the applicable Units, such Person shall be admitted as a Member and listed as such on the books and records of the Company and thereupon shall be issued its Units. Upon the issuance of Units to any Member, the Board of Governors shall adjust EXHIBIT A to reflect the issuance of Units to such Members, and the percentage Interests of all other Members shall be reduced on a proportionate basis in an aggregate amount equal to the percentage Interest of such additional Member.

SECTION 3.5. Member Representations and Warranties. Each Member hereby represents and warrants that (a) such Member has all requisite power and authority to execute, deliver and perform his, her or its obligations under this Agreement; (b) the execution and delivery of this Agreement by such Member, the performance of his, her or its obligations hereunder and the consummation by him, her or it of the transactions contemplated hereby have

been duly authorized by all requisite action in accordance with applicable law; (c) this Agreement has been duly executed and delivered by such Member and constitutes the legal, valid and binding obligation of such Member enforceable against him, her or it in accordance with its terms, except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and the availability of equitable remedies; and (d) no consent, approval, order or authorization of, or registration, declaration or filing with, or notice to, any Person is required to be made or obtained in connection with the authorization, execution, delivery and performance by such Member of this Agreement or the consummation of the transactions contemplated hereby. Each Member hereby agrees to indemnify the Company and the other Members for any breach of the foregoing representations and warranties by such Member.

SECTION 3.6. Confidentiality. Each Member agrees to keep in strictest confidence all product information, pricing information, marketing plans and information and all financial information regarding the Company and/or its Affiliates and all other information identified as secret or confidential or which, from the circumstances, in good faith and good conscience ought to be treated as confidential, relating to the financial condition, marketing plans, advertising, strategy, trade secrets, products, product offerings, customers, customer contacts, vendors, vendor contacts or other information of the business or affairs of the Company and/or its Affiliates (collectively, the “Confidential Information”); provided, however, that this covenant shall not apply to information (i) which the Member can establish is already in the public domain or (ii) which subsequently becomes publicly known, other than as a direct or indirect result of the breach of this Agreement or (iii) is disclosed with the prior written approval of the Company. In the event that the Member is required, pursuant to the order or requirement of a court, administrative agency, or other governmental body, to disclose Confidential Information, such disclosure shall not be deemed a breach of this Agreement; provided, however, such Member shall provide prompt notice of such court order or requirement to the Company to enable the Company to seek a protective order or otherwise prevent or restrict such disclosure.

SECTION 3.7. Covenant Not to Compete. For as long as a Person is a Member of the Company, and for a period of two (2) years thereafter (the “Non-Competition Period”), such Person shall not anywhere within a one-hundred-fifty (150) mile radius of Bettendorf, Iowa, directly or indirectly, engage in any Competitive Business in any manner or capacity (e.g. as owner, manager, operator, principal, agent, investor, partner, consultant, advisor or associate), or participate in the ownership, management, operation, or control of, or be connected in any capacity with, any Competitive Business, or give advice either directly or indirectly to any Person engaged or engaging in any said Competitive Business. Notwithstanding the foregoing, nothing in this Agreement shall prevent any Member from (i) owning, as a passive investor with no involvement in the operations of the business, not more than five percent (5%) of the capital stock of a Competitive Business whose shares of capital stock or other equity interests are publicly traded on a national securities exchange, the NASDAQ Stock Market or over-the-counter. “Competitive Business” shall mean any business that is, directly or indirectly, engaged in the financing, development, construction, management, and/or operation (or any similar or related activities) of one or more family entertainment centers or sports complexes similar in any significant way to those in which the Company is or will be involved.

SECTION 3.8. Non-Solicitation. During the Non-Competition Period, each Member agrees that it shall not, directly or indirectly, in any manner or capacity (e.g., as owner, operator, principal, agent, investor, manager, director, governor, partner, consultant, advisor or associate) (i) induce or attempt to induce any employee of or consultant to the Company (or its Affiliates that are engaged in a Competitive Business) to engage in any conduct that the Member is restricted from doing pursuant to SECTION 3.7 above or to discontinue such person's association with the Company (or its Affiliates that are engaged in a Competitive Business), or (ii) solicit or hire or attempt to solicit or hire (other than solicitations not directed at employees of the Company (or its Affiliates that are engaged in a Competitive Business) pursuant to a general solicitation, provided any hiring of persons who respond to such general solicitation is prohibited as provided herein) any person who is then or was within the past six (6) months an employee of the Company (or its Affiliates that are engaged in a Competitive Business).

SECTION 3.9. Reasonable Restrictions; Blue Pencil Doctrine. The Members agree that the restrictions set forth in SECTIONS 3.7 and 3.8, and the duration, geographic area, and scope thereof, are, under all circumstances, reasonable and necessary to safeguard the interests of the Company. If the duration or geographical extent of, or business activities covered by, the covenants in SECTIONS 3.7 and 3.8 are in excess of what is valid and enforceable under applicable law, then such provisions shall be construed to cover only that duration, geographical extent, or activities that are valid and enforceable. Each Member acknowledges the uncertainty of the law in this respect and expressly stipulates that this Agreement be given the construction which renders its provisions valid and enforceable to the maximum extent (not exceeding its express terms) possible under applicable law.

SECTION 3.10. Waiver of Restrictive Covenants. The Board of Governors, in its sole discretion, shall have authority to waive compliance with the restrictive covenants set forth in this ARTICLE III.

ARTICLE IV ALLOCATION OF NET INCOME AND NET LOSSES

SECTION 4.1. General.

(a) Except as otherwise provided in SECTION 4.2, and after making the adjustments described in SECTION 4.1(b), all Net Income or Net Losses of the Company, and, to the extent that it is necessary, individual items of Company income, gain, loss, or deduction, with respect to a Fiscal Year shall be allocated to the Members in a manner so that the Capital Account of each Member, immediately after making such allocations, equals, as nearly as possible, the amount of the hypothetical distribution (if any) that the Member would receive (and, if the Capital Account balances are not equal to the amounts of the hypothetical distributions (if any) to the Members, the shortfall or the excess shall be allocated between, or among, all Members in proportion to the differences) if, on the last day of the Fiscal Year:

(i) all Company assets, including cash, were sold for cash equal to their Gross Asset Values, taking into account any adjustments thereto for such Fiscal Year,

(ii) all Company liabilities were satisfied in cash according to their terms (limited with respect to each nonrecourse liability to the Gross Asset Values of the Company assets securing the liability), and

(iii) the net proceeds thereof (after satisfaction of the Company liabilities) were distributed in full in a hypothetical liquidation pursuant to SECTION 10.2(a).

(b) For purposes of determining Capital Account balances and making allocations under SECTION 4.1(a) (but prior to making such allocations):

(i) each Member's Capital Account shall be increased by any capital contributions made by the Member during the Fiscal Year, and shall be reduced by any distributions made to the Member during the Fiscal Year,

(ii) each Member's Capital Account shall be deemed to be increased by the Member's share, if any, of Company Minimum Gain and Member Nonrecourse Debt Minimum Gain (as computed immediately prior to the hypothetical sale of the Company assets), and

(iii) each Member's Capital Account shall be adjusted for any special allocations that are made to the Member's Capital Account pursuant to SECTION 4.2 for the Fiscal Year and all previous Fiscal Years.

SECTION 4.2. Special Allocations. Notwithstanding anything to the contrary in SECTION 4.1, the following special allocations will apply:

(a) Member Minimum Gain Chargeback. Except as otherwise provided in Treasury Regulations Section 1.704-2(i)(4), notwithstanding any other provision of this SECTION 4.2(b), if there is a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt during any Fiscal Year, each Member who has a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Treasury Regulations Section 1.704-2(i)(5), shall be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount that equals such Member's share of the net decrease in Member Nonrecourse Debt Minimum Gain that is attributable to such Member Nonrecourse Debt, determined in accordance with Treasury Regulations Section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant to that sentence. The items to be allocated shall be determined in accordance with Treasury Regulations Sections 1.704-2(i)(4) and 1.704(j)(2). This SECTION 4.2(b) is intended to comply with the minimum gain chargeback requirement in Treasury Regulations Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

(b) Qualified Income Offset. If any Member unexpectedly receives any adjustments, allocations or distributions described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6), items

of Company income and gain shall be specially allocated to such Member in an amount and manner sufficient to eliminate a deficit in the Member's capital account created by such adjustments, allocations, or distributions as quickly as possible. This SECTION 4.2(c) is intended to constitute a "qualified income offset" within the meaning of Treasury Regulations Section 1.704-1(b)(2)(ii)(d)(3).

(c) Gross Income Allocation. In the event any Member has a deficit balance in such Member's Capital Account (as determined after all other allocations provided for in this ARTICLE IV (other than SECTION 4.2(c)) have been tentatively made and after crediting such Capital Account for any amounts that such Member is obligated to restore or is deemed obligated to restore pursuant to the penultimate sentences of Treasury Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5), items of Company gross income and gross gain shall be specially allocated to such Member in an amount and manner to eliminate such deficit (as so determined) as quickly as possible.

(d) Nonrecourse Deductions. In accordance with Treasury Regulations Section 1.704-2, any Nonrecourse Deductions for any Fiscal Year shall be specially allocated among the Members in accordance with the Members' respective percentage Interests.

(e) Member Nonrecourse Deductions. Any Member Nonrecourse Deductions for any Fiscal Year shall be specially allocated to the Member who bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Treasury Regulations Section 1.704-2(i)(1).

(f) Recapture Income. Any recapture income resulting from the sale or other taxable disposition of any Company asset shall be allocated, to the extent possible, among the Members in the same proportion that the deductions that directly or indirectly resulted in such recapture income were allocated and in a manner that is consistent with Treasury Regulations Sections 1.1245-1(e) and 1.1250-1(f).

(g) Limitation on Member's Loss Allocations. Company losses shall not be allocated to a Member if the allocation of losses would cause the Member to have a negative balance in the Member's Capital Account in excess of the sum of (i) the amount, if any, that the Member is obligated to restore to the Company under this Agreement and (ii) the amount that the Member is deemed to be obligated to restore to the Company pursuant to the penultimate sentences of Treasury Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5). Company losses that cannot be allocated to a Member shall be allocated to the other Members; provided, however, that, if no Member may be allocated Company losses due to the limitations of this SECTION 4.2(h), Company losses will be allocated to all Members in accordance with this Agreement (without regard to this SECTION 4.2(h)).

(h) Code Section 754 Adjustments. Pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m), to the extent an adjustment to the adjusted tax basis of any Company asset under Code Section 734(b) or 743(b) is required to be taken into account

in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis), and such gain or loss shall be specially allocated to the Members in a manner that is consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such Treasury Regulations.

SECTION 4.3. Tax Allocations.

(a) General. Except as otherwise provided in SECTION 4.3(b), as of the end of each Fiscal Year, items of Company income, gain, loss, deduction and expense shall be allocated for federal, state and local income tax purposes among the Members in the same manner as the income, gain, loss, deduction and expense of which such items were allocated to Capital Accounts pursuant to this ARTICLE IV.

(b) Code Section 704(c) Allocations. In accordance with Code Sections 704(b) and 704(c) and the Treasury Regulations promulgated thereunder, Company income, gains, deductions, and losses with respect to any property contributed to the capital of the Company shall be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its fair market value at that time (to be computed in accordance with the Treasury Regulations). If Company property is revalued in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv) at any time, subsequent allocations of Company income, gains, deductions and losses with respect to such property shall take into consideration any variation between such property's revaluation and its adjusted basis for federal income tax purposes in the same manner as the variation is taken into consideration under Code Section 704(c) and the Treasury Regulations thereunder. Any elections or other decisions relating to such allocations shall be made by the Board of Governors in a manner that reasonably reflects the purpose and intention of this Agreement.

SECTION 4.4. Books of Account. The Company shall keep complete and accurate records and accounts necessary or convenient to record the Company's business and affairs and sufficient to record the determination and allocation of all items of income, gain, loss, deduction and credit, distributions and other amounts as may be provided for herein, including records and accounts of all Company revenues and expenditures and of the acquisition, ownership and disposition of all assets of the Company.

SECTION 4.5. Fiscal Year. The fiscal year of the Company shall end on the 31st day of December of each year (the "Fiscal Year").

SECTION 4.6. Tax Returns and Information.

(a) Partnership Representative. The Members holding a majority of the Class A Units shall designate a Member to act as (i) the "tax matters partner" for purposes of Section 6231(a)(7) of the Code with respect to a taxable year of the Company that begins before January 1, 2018 (unless an election that is described in the following clause (ii) is made with respect to any such taxable year) and any analogous provision of

state, local, or foreign law for a taxable year of the Company to which such analogous provision applies and (ii) the “partnership representative” for purposes of Section 6223 of the Code (as in effect, in general, with respect to taxable years beginning after December 31, 2017) with respect to a taxable year of the Company that begins after December 31, 2017 (or, if the Company elects to have such Section 6223 of the Code apply to one or more, earlier taxable years, each such earlier taxable year) and any analogous provision of state, local, or foreign law for a taxable year of the Company to which such analogous provision applies (collectively as to both clause (i) and clause (ii), the “Partnership Representative”). For taxable years of the Company for which the provisions of the BBA do not apply to the Company, the Partnership Representative shall have all of the rights, duties, powers, and obligations provided for in Sections 6221 through 6232 of the Code (as in effect before amendment by the BBA) with respect to the Company. For taxable years for which the provisions of the BBA apply to the Company, the Partnership Representative shall have all of the rights, duties, powers, and obligations provided for in Sections 6221 through 6241 of the Code (as in effect after amendment by the BBA) with respect to the Company, including all decisions regarding elections under Section 6221(b) or Section 6226 of the Code, as amended by the BBA. If (a) the Company becomes liable for any taxes, interest or penalties under Section 6225 of the Code, as amended by the BBA, or under any analogous provision of state, local, or foreign law and (b) the amount of such tax liability that is allocable to a Person that was a Member of the Company for all or a portion of the taxable year to which such liability relates (a “Reviewed Year Member”), including any associated interest and penalties, as reasonably determined by the Board, taking into account (i) the Reviewed Year Member’s share of the Profits or Losses, of specially allocated, individual items of Company income, gain, deduction, and loss, and of credits to which such adjustment and imputed underpayment relate and (ii) other relevant information (for example, the Reviewed Year Member’s obligation (if any) to indemnify, defend, or hold harmless the Company or any other Member for some or all of such adjustment and imputed underpayment (and any associated interest and penalties) or the Reviewed Year Member’s obligations and liabilities (if any) arising from or related to the Reviewed Year Member’s representations, warranties, and covenants pursuant to this Agreement), exceeds the amount of Company funds that otherwise would be then-distributable to the Reviewed Year Member, notwithstanding any other provision of this Agreement, the Reviewed Year Member will contribute to the Company at least three (3) business days prior to the due date of the Company’s payment the amount of funds required (*i.e.*, the full amount of the payment with respect to the Reviewed Year Member if no Company funds would be then-distributable to the Reviewed Year Member or the amount by which the amount of the payment with respect to the Reviewed Year Member exceeds the amount of Company funds that otherwise would be then-distributable to the Reviewed Year Member) to allow the Company to satisfy fully and timely its obligation to pay such taxes, interest, or penalties under Section 6225 of the Code, as amended by the BBA, or under any analogous provision of state, local, or foreign law. In addition, each of the Partnership Representative and the Board is authorized to withhold from distributions, if any, then otherwise to be made to one or more of the Reviewed Year Members and to pay to any such taxes, interest, or penalties under Section 6225 of the Code, as amended by the BBA, or under any analogous provision of state, local, or foreign law. Any amount

withheld or paid with respect to a Reviewed Year Member pursuant to this Section 4.6(a) shall be treated as an amount distributed to such Reviewed Year Member for all purposes under this Agreement. Each Reviewed Year Member shall furnish the Partnership Representative with such information as the Partnership Representative may reasonably request to permit the Partnership Representative to perform the Partnership Representative's duties under the Code. This Section 4.6(a) shall survive (i) the termination, liquidation, or dissolution of the Company and (ii) the transfer, redemption, or liquidation of a Membership Interest. The Partnership Representative shall not be liable to the Company, any Member, or any Reviewed Year Member for any act or omission of the Partnership Representative that was in good faith and in the belief that such act or omission was in, or was not opposed to, the best interests of the Company. The Partnership Representative shall be indemnified by the Company in respect of any claim based upon such act or omission, provided that such act or omission does not violate this Agreement and does not constitute gross negligence, fraud, or a willful violation of law. The Partnership Representative shall inform all Members and Reviewed Year Members of all material tax matters of which the Partnership Representative becomes informed by giving the Members and the Reviewed Year Members notice thereof within thirty (30) days after the Partnership Representative's becoming so informed. The Company shall bear all expenses and costs of the Partnership Representative except to the extent that the Partnership Representative incurred the expense or cost in connection with an act or omission by the Partnership Representative that violates this Agreement or constitutes gross negligence, fraud, or a willful violation of law. The Company's initial Partnership Representative shall be Douglas M. Kratz.

(b) Tax Returns. The Company shall cause income and other required federal, state and local tax returns for the Company to be prepared. The Company shall make such other elections as it shall deem to be in the best interests of the Company and the Members. The cost of preparation of such returns by outside preparers, if any, shall be borne by the Company. In the event of a transfer of an interest in the Company permitted under this Agreement, the Company shall, at the request of the transferring Member, file an election under Code Section 754 to adjust the bases of the assets of the Company in accordance with the provisions of Code Section 743. Any costs associated with such election (such as accounting fees) shall be borne by the transferring Member.

(c) Form K-1. The Company shall furnish to each Member (i) as soon as reasonably possible after the close of each Fiscal Year such information concerning the Company as is reasonably required for the preparation of such Member's income tax returns (provided, however, that if the Company is unable to deliver a Form K-1 by March 1 following the close of the Fiscal Year, the Company shall use its best efforts to provide a requesting Member with a good faith estimate of such information) and (ii) as soon as reasonably possible after the close of each of the Company's first three fiscal quarters of each Fiscal Year such information concerning the Company as is reasonably required to enable the Member to pay estimated taxes.

ARTICLE V DISTRIBUTIONS

SECTION 5.1. Nonliquidating Distributions.

(a) General. All nonliquidating distributions of cash and other property shall be made to the Members of the Company, pro rata, in accordance with their percentage Interests. All nonliquidating distributions shall be made in such amounts and at such times as may be determined by the Board of Governors. The Board may establish reasonable reserves as determined necessary to provide funds for improvements, contingencies or working capital of the Company. No distribution shall be made if the distribution would leave the Company unable to pay its debts as they become due in the ordinary course of business. Subject to the above limitations, the Company shall distribute pro rata to all Members, in accordance with the Members' percentage Interests, on an as-needed basis (including quarterly distributions, if required) funds necessary to cover any income tax liability of the Members resulting from allocations of Company income to its Members, and the Board shall establish, from time to time as appropriate, the assumed taxable rate (which shall be the same for all Members) to be used to calculate the amount of these distributions.

(b) Capital Event Distributions. Upon the occurrence of a Capital Event, any nonliquidating distributions of proceeds resulting from such Capital Event shall be made in the following order of priority:

(i) First, to the Class B Members, pro rata, in proportion to the aggregate Unreturned Capital Value of each Class B Member's Class B Units until the Unreturned Capital Value with respect to each Class B Unit of Class B Member is reduced to zero;

(ii) Second, to the Class A Members, pro rata, in proportion to the aggregate Unreturned Capital Value of each Class A Member's Class A Units until the Unreturned Capital Value with respect to each Class A Unit of Class A Member is reduced to zero; and

(iii) The balance, if any, to the Members, pro rata, in accordance with their percentage Interests.

Attached EXHIBIT C contains examples demonstrating the application of this SECTION 5.1(b) and SECTION 5.2(c).

SECTION 5.2. Liquidating Distributions. Whether the distribution by the Company shall constitute a "liquidating distribution" shall be determined by the Board of Governors, in its sole and absolute discretion. In the event that a distribution is a liquidating distribution, the distribution shall be made and allocated among the Members as follows:

(a) Third Party Debts. To the extent available, proceeds shall be applied to the payment of debts and liabilities of the Company (including all expenses of the

Company incident to its liquidation and all other debts and liabilities that the Company owes to the Members or any Affiliates of a Member).

(b) Reserves. To the extent available, proceeds shall be applied to the setting up of any reserves which are reasonably necessary for contingent, unmatured or unforeseen liabilities or obligations of the Company.

(c) Remaining Amounts. Distributions, if any, shall next be made pursuant to SECTION 5.1(b).

SECTION 5.3. Restoration of Deficit Capital Accounts. A Member with a deficit balance in his, her or its Capital Account after all the allocations and distributions pursuant to ARTICLES IV and V of this Agreement have been made upon liquidation of the Company or the Member's percentage Interest shall not be obligated to contribute property or cash to the Company in order to restore such deficit Capital Account balance.

SECTION 5.4. Amounts Withheld. The chief executive officer is authorized to withhold from distributions made to the Members and to pay over to any federal, state, local or foreign government any amounts required to be so withheld pursuant to the Code or any provisions of any other federal, state, local or foreign law.

ARTICLE VI MANAGEMENT AND OPERATION OF THE COMPANY

SECTION 6.1. Board of Governors

(a) General. Subject to the provisions of the Articles of Organization and this Agreement relating to actions required to be approved by the Members, the business and affairs of the Company shall be managed by or under the direction of the Board of Governors of the Company (the "Board of Governors" or "Board" and each member thereof shall be referred to as a "Governor"). The members of the Board of Governors are hereby designated as "Governors" within the meaning of Section 322C.0102, Subd. 11 of the Act. The Board of Governors may delegate the day-to-day operations of the business of the Company to officers appointed pursuant to SECTION 6.2; provided, however, that the business and affairs of the Company shall be managed and all Company power shall be exercised under the ultimate direction of the Board.

(b) Authority of Board of Governors. Except as otherwise provided in this Agreement, the business and affairs of the Company shall be managed by or under the direction of the Board of Governors.

(c) Number; Qualification; Term of Office; Vote. The Company's Board of Governors shall consist of the number of persons, and shall be elected, as provided below:

(i) Number of Governors. The Board shall consist of one (1) Governor unless or until this number is increased or decreased by the affirmative

vote of the Members holding a majority of the Class A Units. The Board's initial Governor shall be Douglas M. Kratz.

(ii) Election of Governors. The Members shall elect the Governor(s) by the affirmative vote of the Members holding a majority of the Class A Units.

(iii) Vacancies. All vacancies on the Board shall be filled by the affirmative vote of the Members holding a majority of the Class A Units.

(iv) Action of the Board. Any action of the Board shall require the majority OR unanimous consent of the Governors unless otherwise specified herein, and such consent may be provided by written action of the applicable proportion of the Board in lieu of voting at a meeting thereof.

(d) Regular and Annual Meetings; Notice. Regular meetings of the Board of Governors shall be held at such time and at such place as the Board may from time to time prescribe. Notice of any regular meeting shall be provided to each Governor in the manner consistent with the notice requirements set forth in SECTION 6.1(e). The materials to be acted upon at the meeting shall be distributed to each Governor no later than two (2) days in advance of each meeting.

(e) Special Meetings; Notice. Special meetings of the Board of Governors may be called by any Governor specifying the matter or matters appropriate for action at such a meeting that are proposed to be presented at the meeting. Any such meeting shall be held at such time and at such place, within or without the State of Minnesota. Notice of such meeting stating the date, time and place thereof and the principal purpose or purposes of the meeting shall be given by mail, telephone, other electronic transmission, or personally. If by mail, such notice shall be given not less than five (5) days before the meeting; and if by telephone, other electronic transmission or personally, not less than two (2) days before the meeting. Notice of any meeting of the Board need not be given to a Governor, however, if waived by the Governor in writing before or after such meeting or if the Governor shall be present at the meeting, except when the Governor attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not called or convened in accordance with this Agreement.

(f) Conference Communications. The Governors may participate in and hold meetings by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in any such meeting will constitute presence in person at such meeting, except where a person participates in such meeting for the express purpose of objecting to the transaction of any business on the ground that such meeting is not called or convened in accordance with this Agreement.

SECTION 6.2. Officers.

(a) General. The Board of Governors may, but need not, appoint one or more officers of the Company which may include, but shall not be limited to, chief executive

officer, chief operating officer, president, one or more executive vice presidents or vice presidents, secretary, treasurer or chief financial officer, and such other officers as deemed necessary or appropriate by the Board of Governors. The Board of Governors may delegate its day-to-day management responsibilities to any such officers, and such officers shall have the authority to contract for, negotiate on behalf of and otherwise represent the interests of the Company as authorized by the Board of Governors. Each officer shall perform such duties and have such powers as the Board of Governors shall designate from time to time. Each officer shall hold office at the pleasure of the Board of Governors and until his or her successor shall have been duly elected and qualified, unless sooner removed. Any individual may hold any number of offices.

(b) Chairman. The Chairman, if one has been elected, shall preside at all meetings of the Board of Governors and at all meetings of the stockholders and shall have such other powers and perform such other duties as may be prescribed by the Board of Governors or as provided in this Agreement. Whenever the chief executive officer or the president is unable to serve, by reason of sickness, absence or otherwise, the chairman of the board shall perform all the duties and responsibilities and exercise all the powers of the chief executive officer or the president (as the case may be). The initial Chairman shall be Douglas M. Kratz.

(c) Duties and Powers of the Chief Executive Officer. Subject to the control of the Board of Governors, the chief executive officer shall have general and active management authority over the business of the Company and shall see that all orders and resolutions of the Members and Board of Governors are carried into effect. He or she shall have the general powers and duties of management usually vested in the chief executive officer of a corporation, and shall have such other powers and duties as may be prescribed by the Board of Governors or this Agreement. The chief executive officer may execute bonds, mortgages and other contracts, except where required or permitted by law to be otherwise signed and executed, and except where the signing and execution thereof shall be expressly delegated by the Board of Governors to some other officer or agent of the Company. The initial chief executive officer shall be Douglas M. Kratz.

(d) Duties and Powers of the President. Unless otherwise provided by resolution of the Board of Governors, the president shall be responsible for the administrative and financial operations of the Company as directed by the chief executive officer. The president also shall have the power to execute bonds, mortgages and other contracts binding the Company, except where the signing and execution thereof shall be expressly delegated by the Board of Governors to some other officer or agent of the Company.

(e) Duties and Powers of the Vice-President. The vice-president or executive vice-president, or if there shall be more than one, the vice-presidents or executive vice-presidents in the order determined by a resolution of the Board of Governors, shall, in the absence or disability of the president, perform the duties and exercise the powers of the president and shall perform such other duties and have such other powers as the Board of Governors by resolution may from time to time prescribe.

(f) Duties and Powers of the Secretary and Assistant Secretary. The secretary shall attend all meetings of the Members and Board of Governors and any committee thereof, and shall record all acts and proceedings thereof in the minute book of the Company, which may be maintained in either paper or electronic form. The secretary shall have the general duties, powers and responsibilities of a secretary of a corporation. The secretary shall perform such other duties and have such other powers as the Board of Governors shall designate from time to time. If the Board of Governors chooses to appoint an assistant secretary or assistant secretaries, the assistant secretaries, in the order of their seniority, in the absence, disability or inability to act as the secretary, shall perform the duties and exercise the powers of the secretary, and shall perform such other duties as the Board of Governors may from time to time prescribe. The initial secretary shall be Michael L. Sampson. Patricia A. Zimmer shall serve as initial Assistant Secretary of the Company in the absence of and/or at the direction of the Secretary.

(g) Duties and Powers of the Chief Financial Officer/Treasurer. The chief financial officer/treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the Company, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, and interests in the Company. The books of account shall at all reasonable times be open to inspection by the Board of Governors. The chief financial officer/treasurer shall perform such other duties and shall have such other responsibility and authority as may be prescribed elsewhere in this Agreement or from time to time by the Board of Governors. The chief financial officer/treasurer shall have the general duties, powers and responsibility of a chief financial officer of a corporation, and shall be the chief financial and accounting officer of the Company. If the Board of Governors chooses to elect an assistant treasurer or assistant treasurers, the assistant treasurers in the order of their seniority shall, in the absence, disability or inability to act of the chief financial officer, perform the duties and exercise the powers of the chief financial officer, and shall perform such other duties as the Board of Governors shall from time to time prescribe. The initial chief financial officer/treasurer shall be Michael L. Sampson.

SECTION 6.3. Member Powers and Meetings.

(a) Authority of the Members. Except as otherwise expressly provided in this Agreement, no Member shall have any authority to act for, or to assume any obligations or responsibility on behalf of, or to bind any other Member or the Company. Each of the Members agrees that it shall not represent to any third party with whom such Member is in contact concerning the affairs or the business of the Company that such Member has any authority to act for, or to assume any obligations or responsibilities on behalf of, the Company unless expressly authorized by the Board of Governors.

(b) Place and Time of Meetings. Meetings of the Members may be held at such place and at such time as may be designated by the Board of Governors. In the absence of a designation of place, meetings shall be held at the Company's principal office. In the absence of a designation of time, meetings shall be held at 10:00 a.m.

(c) Regular Meetings. Regular meetings of Members may be held on an annual or other less frequent periodic basis as may be determined by the Board of Governors.

(d) Special Meetings. Special meetings of the Members for any purpose or purposes shall be called by the Board of Governors at the written demand of any Member holding Class A Units. Such demand shall state the purpose or purposes of the proposed meeting. Within ten (10) days after receiving a proper demand to call a meeting, the Board of Governors shall cause a meeting to be duly called on a Business Day determined by the Board of Governors within fifteen (15) days after the date of receipt of such request. Business transacted at any special meeting shall be limited to the purpose or purposes stated in the demand.

(e) Notices of Meetings. A written notice of each regular and/or special meeting of Members shall be given not less than five (5) nor more than sixty (60) days before the date of such meeting to each Member. Every notice of a meeting of Members shall state the place, date and hour of the meeting and the purpose or purposes for which the meeting is called.

(f) Waiver of Notice. Notice of any regular or special meeting may be waived either before, at or after such meeting in writing signed by the Member entitled to the notice. Attendance by a Member at a meeting shall constitute a waiver of notice of such meeting, unless the Member objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened.

(g) Quorum; Adjourned Meetings. The presence, in person or by proxy, of the Members who hold a majority of the Class A Units held by the Members entitled to vote shall constitute a quorum for the transaction of business at any regular or special meeting of the Members. If a quorum is not present at a meeting, the Members present shall adjourn to such day as they shall agree upon by a vote of the Members present who hold a majority of the Class A Units held by the Members who are then present. Notice of any adjourned meeting need not be given if the date, time and place thereof are announced at the meeting at which the adjournment is taken. At adjourned meetings at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally noticed. If a quorum is present, the Members may continue to transact business until adjournment notwithstanding the withdrawal of enough Members to leave less than a quorum.

(h) Conference Communications. To the fullest extent permitted under the Act, one or more Member(s) may participate in a meeting by any means of communication through which all Members participating in the meeting may simultaneously hear each other during the meeting. For the purposes of establishing a quorum and taking any action at the meeting, Members participating pursuant to this SECTION 6.3(h) shall be deemed present in person at the meeting, and the place of the meeting shall be the place of origination of the conference telephone conversation or other comparable communication technique.

(i) Voting. Each Member shall have one (1) vote for each Class A Unit having voting rights registered in his, her or its name on the books of the Company. All questions at a meeting shall be decided by a majority vote of the number of Class A Units represented at the meeting at the time of the vote except where otherwise required by the Act or this Agreement. No Member shall have any cumulative voting rights.

(j) Written Action. Any action that may be taken at a meeting of the Members may be taken without a meeting if done in writing and signed by Members holding a majority or other proportion required under this Agreement of the Class A Units.

ARTICLE VII INDEMNIFICATION

SECTION 7.1. General.

(a) Limitation of Liability. In accordance with Section 322C.0110 Subd. 7 of the Act, no Person will be liable to the Company or any of its Members for any loss, damage, liability, or expense on account of any action taken or omitted to be taken by such Person as a Governor or Member, other than for: (i) breach of the duty of loyalty in contravention of this Agreement; (ii) a financial benefit received by a Member or Governor to which such Member or Governor is not entitled; (iii) a breach of a duty under Section 322C.0406 of the Act; (iv) intentional infliction of harm on the Company or a Member; or (v) an intentional violation of criminal law. If the Act is hereafter amended to authorize the further elimination or limitation of the liability of the Board and/or the Members then, without requiring any action by the Members, the liability of the Board and/or the Members (as applicable) shall be further limited to the fullest extent permitted by the amended Act. Any repeal of this provision as a matter of law or any modification of this subpart by the Members shall be prospective only, and shall not adversely affect any limitation on the personal liability of the Members or Governors existing at the time of such repeal or modification.

(b) Right to Indemnification and Advancement. The Company shall indemnify and advance expenses to Governors, officers, and other Persons acting in their "official capacity" (as defined in Section 322C.0408 of the Act) with respect to "proceedings" or threatened "proceedings" (as defined in Section 322C.0408 of the Act) to the fullest extent required by Section 322C.0408 of the Act, provided that (a) such Person(s) (each an "Indemnitee") shall not have been indemnified by another organization for the same proceedings or threatened proceedings; and (b) the Indemnitee(s) acted in good faith (as defined in subparagraph (c) below).

(c) Conduct of Indemnitees. An Indemnitee shall be deemed to have acted in "good faith" within the meaning of the Act if such person acted in reliance upon the records of the Company and upon such information, opinions, reports, or statements (including financial statements and information, opinions, reports, or statements as to the value or amount of the assets, liabilities, Net Income, or Losses of the Company or any facts pertinent to the existence and amount of assets from which distributions might

properly be paid) of the following Persons or groups: (i) the Board; (ii) another Member; (iii) one or more officers or employees of the Company; (iv) any attorney, independent accountant, appraiser, or other expert or professional employed or engaged by or on behalf of the Company; or (v) any other Person selected in good faith by or on behalf of the Company, in each case as to matters that such relying Person reasonably believes to be within such other Person's professional or expert competence.

(d) Additional Limitation on Indemnification. Except as otherwise determined by the Board, the Company shall not be required to indemnify a Person or advance expenses in connection with a proceeding (or part thereof) covered by Section 322C.0408 of the Act if such proceeding (or part thereof) was commenced by such Person.

ARTICLE VIII TRANSFER OF A MEMBER'S INTEREST

SECTION 8.1. General. Except as otherwise expressly provided or permitted by this Agreement, no Member may Transfer or suffer a Disposition of any number of the Units of the Member. Any Disposition which is not made pursuant to and in accordance with the terms and conditions of this Agreement shall be void and of no effect and shall vest no right, title or interest in the transferee. Each Member acknowledges that any Disposition of any portion of his, her, or its Units may be subject to additional terms and restrictions imposed by the Company's lender(s), and each Member agrees to abide by all such terms and restrictions and to reimburse the Company for (or pay directly to the lender(s)) any costs or fees charged by such lender(s) in connection with a Disposition. If a Transfer occurs by operation of law notwithstanding and in violation of this Agreement, the transferee shall only be entitled to the financial rights associated with the respective Units, and shall have no other rights associated with a member of the Company, unless required by the Act. Where any provision of this Article VIII grants the Company the option to purchase Units and such Transferring Member or its appointee is then serving as a member of the Board, such Governor shall not be entitled to vote on or consent to the Company's exercise of its purchase option or determination of the purchase price with respect to the Transfer Units. Such Governor shall nevertheless be counted for the purposes of establishing a quorum.

SECTION 8.2. Requirements for an Effective Transfer. No Transfer or Disposition shall be effective unless the following is provided to the Board of Governors: (i) an executed Joinder Agreement in the form attached hereto as EXHIBIT B and any and all other documents that the Board of Governors may deem necessary or appropriate to effect and evidence such Transfer or Disposition; and (ii) if requested by the Chief Executive Officer of the Company, an opinion of counsel, satisfactory in form and substance to the Board of Governors, that the Transfer will not terminate the Company or impair its ability to be taxed as a partnership, and that the Transfer constitutes an exempt transaction and does not require registration under applicable securities laws.

SECTION 8.3. Permitted Transfers. Notwithstanding anything in this Agreement to the contrary and subject to the satisfaction of the additional conditions specified in SECTION 8.2, the following Transfers are hereby specifically permitted, will not require the

advance written consent of the Members or the Board of Governors, and will not trigger or create purchase options or other options or obligations under this Agreement (collectively, “Permitted Transfers”):

(a) Pledges. The pledge of Units by a Member is permitted, provided that, in addition to the other requirements specified herein: (i) the pledgor provides prompt written notice to the Board of the pledge; and (ii) the Board receives an acknowledgment in writing from the pledgee that the pledged Units (including any rights or interest the pledgee may have or may acquire with respect to the Units) are subject to all terms and provisions of this Agreement, including the provisions relating to “Purchase Option Events” under SECTION 8.5 hereof.

(b) Permitted Transferees. Transfers of some or all of a Member’s Units by such Member to or from their respective “Permitted Transferees” (as such term is defined below), between or among their respective Permitted Transferees, between Members or between Members and the Company are hereby specifically permitted, will not require the advance written consent of the Members or the Board of Governors and will not trigger or create any purchase options or other options or obligations under this Agreement, provided such Transfers comply with SECTION 8.2. For purposes of this Agreement, “Permitted Transferee” means, with respect to any Member: (1) his or her spouse, (2) his or her children, stepchildren, grandchildren, step-grandchildren or other issue, and (3) any entity controlled by the Member, with “control” constituting the ability to control at least eighty percent (80%) of the voting power of such entity, directly or indirectly (including, but not limited to, trusts where the beneficiaries of the trust consist of his or her spouse, children, stepchildren, grandchildren or step-grandchildren).

SECTION 8.4. Purchase Options Upon Transfer.

(a) Voluntary Transfers. A Member proposing to Transfer all or a number of the Units of such Member, except as set forth in SECTION 8.3, shall be required to provide written notice to the Remaining Members and the Board of Governors (the “Transfer Notice”) specifying and certifying the Transfer Units proposed to be Transferred, the name and address of the proposed transferee, the price and payment terms, and any other terms and conditions of the Transfer, together with a representation, covenant and warranty that the proposed transferee’s offer to purchase the Transfer Units is genuine. A voluntary transfer proposed in any such Transfer Notice shall only be permitted upon the written consent of the Board of Governors. In addition, if the Voluntary Transfer involves a transaction or series of related transactions that, in the aggregate, result in the transfer greater than fifty percent (50%) of the aggregate voting rights held by all Members of the Company (such voting rights to be determined prior to the proposed Voluntary Transfer), the “Tag-Along” and “Drag-Along” provisions of SECTION 8.6 and SECTION 8.7 shall apply.

(b) Involuntary Transfers. In the event of an Involuntary Transfer, the Member whose Units are subject to such Involuntary Transfer and any involuntary transferee shall be required to send written notice to the Board of Governors and the Remaining Members describing in reasonable detail such Involuntary Transfer, including

the identity of the transferee and the circumstances of the Involuntary Transfer (for example, foreclosure of pledge, divorce decree, . . .). Upon the occurrence of an Involuntary Transfer, the Remaining Members and the Company shall have the option, exercisable by written notice to the Transferring Member or to his, her or its successor or legal representative, as appropriate, to purchase all or any portion of the Transfer Units of the Transferring Member in accordance with SECTION 8.5. The purchase price to be paid to the Transferring Member shall be as set forth in SECTION 9.1 herein, and the payment terms shall be as set forth in SECTION 9.2 herein.

(c) Death. Within the earlier of ninety (90) days of the death of a Member or its Controlling Person, or thirty (30) days after the appointment of the personal representative of the Deceased Member or its Controlling Person, such personal representative shall be required to send written notice of the death of such person to the Board of Governors and the Remaining Members. The Remaining Members and the Company shall have the option, exercisable by written notice to the Transferring Member or to his, her or its successor or legal representative, as appropriate, to purchase all or any portion of the Transfer Units of the Transferring Member in accordance with SECTION 8.5. The purchase price to be paid to the Transferring Member shall be as set forth in SECTION 9.1 herein, and the payment terms shall be as set forth in SECTION 9.2 herein.

SECTION 8.5. Purchase Options.

(a) First Option in Favor of the Remaining Members. The Remaining Members shall have the option, exercisable by written notice to the Transferring Member (or to his, her or its successor or legal representative, as appropriate) and to the Board of Governors, to purchase all or any number of the Transfer Units of the Transferring Member. The option shall be exercisable with respect to all or any number of the Transfer Units at any time prior to thirty (30) days after the determination of the purchase price. Unless otherwise agreed among the Remaining Members, each Remaining Member may purchase that percentage of the Transfer Units which bears the same ratio as the Units of such Remaining Member bears to the Class A Units of all Remaining Members. In the event that a Remaining Member does not purchase the full amount of the Transfer Units that such Remaining Member is entitled to purchase, the other Remaining Members may purchase the excess on a pro rata basis, and the 30-day period specified above shall be extended as necessary to accommodate this process. In the case of a death of a Member (or its Controlling Person), each Remaining Member must accept such offer to the extent of any life insurance proceeds received by the Remaining Member on the life of the Deceased Member (or its Controlling Person, as the case may be) which were obtained for the purpose of funding the purchase of the Transfer Units of the Deceased Member upon the death of the Deceased Member (or its Controlling Person).

(b) Second Option in Favor of the Company. There shall be a second option created in favor of the Company, which shall have a period of thirty (30) days from the expiration of the option described in SECTION 8.5(a) above, within which to elect to acquire all or any number of the Units not purchased by the Remaining Members under

SECTION 8.5(a) above. Exercise of the option shall be made by written notice delivered to the Transferring Member (or to his, her, or its successor or legal representative, as appropriate). In the case of a death of a Member (or its Controlling Person), the Company must accept such offer to the extent of any life insurance proceeds received by the Company on the life of the Deceased Member (or the its Controlling Person, as the case may be) which were obtained for the purpose of funding the purchase of the Transfer Units of the Deceased Member upon the death of the Deceased Member (or its Controlling Person).

(c) Failure to Exercise Option.

(i) Involuntary Transfer. Upon the expiration of the option period provided to the Company under SECTION 8.5(b) above, if the Purchase Option Event involved an Involuntary Transfer, an Involuntary Transfer of that number of the Transfer Units not elected to be purchased by the Remaining Members and the Company will occur, and such Interest shall be Transferred in accordance with the provisions set forth in the Act.

(ii) Death. Upon the expiration of the option period provided to the Company under SECTION 8.5(b) above: (i) if the Purchase Option Event involved the death of a Member, then the successors, heirs, devisees, legal representatives, guardians or assigns, as the case may be, of the Deceased Member shall succeed to that number of the Deceased Member's Units not purchased by the Remaining Members and the Company; and (ii) if the Purchase Option Event involved the death of a Member's Controlling Person, then such Member shall continue to thereafter own that number of the Deceased Member's Units not purchased by the Remaining Members and the Company.

SECTION 8.6. Tag-Along Option. At the option of each Member other than the Transferring Member (collectively, the "Other Members"), the Transferring Member agrees to condition his, her or its sale to the proposed transferee upon acquisition by the proposed transferee of a "proportionate share" of the Units of each such Other Member, at the same per unit price and under the same terms and conditions involved in the sale of the Transfer Units by the Transferring Member. For purposes of this provision, a "proportionate share" shall be the percentage equal to the ratio of (i) the number of Units to be sold by the Transferring Member to the proposed transferee, divided by (ii) the total number of Units owned by the Transferring Member prior to such sale. As to each Other Member, this option must be exercised, if at all, by the Other Member providing the Transferring Member with written notice thereof within thirty (30) days from receipt of the Transfer Notice. In the event that a Transfer is affected pursuant to this SECTION 8.6 and all of the Units in the Company are Transferred in a single transaction or series of related transactions, this Agreement shall thereafter terminate.

SECTION 8.7. Drag-Along Option. The Transferring Member shall have the option to require that one or more Other Members sell a "proportionate share" of the Units of the Other Members to the proposed transferee, at the same per unit price and under the same terms and conditions involved in the sale of the Transfer Units by the Transferring Member. For purpose of this provision, a "proportionate share" shall be the percentage equal to the ratio of (i) the

number of Units to be sold by the Transferring Member to the proposed transferee, divided by (ii) the total number of Units owned by the Transferring Member prior to such sale. If exercised, written notice must be provided to the affected Other Members within thirty (30) days from receipt of the Transfer Notice. Each Other Member hereby grants the Transferring Member a limited power of attorney exclusively for the purpose of transferring the Units pursuant to this SECTION 8.7. In the event that a Transfer is affected pursuant to this SECTION 8.7 and all of the Units in the Company are Transferred in a single transaction or series of related transactions, this Agreement shall thereafter terminate.

SECTION 8.8. Put Option on Class B Units. Upon the seven (7) year anniversary of the date when a Class B Member makes its initial capital contribution, signs a counterpart to this Agreement, and receives its Class B Units, thereby becoming a Member of the Company (the "Investment Anniversary Date"), such Class B Member shall have the right to thereafter require the Company to purchase all, but not less than all, of such Class B Member's Class B Units (the "Put Option"), subject to the terms and conditions described below:

(a) Time and Manner of Exercise. In order for a Class B Member to exercise its Put Option, on or after the Class B Member's Investment Anniversary Date, such Member must send written notice to the Company of its exercise of the Put Option.

(b) Exercise Price. The purchase price the Company must pay to the Class B Member exercising its Put Option shall be determined in accordance with SECTION 9.1 below; provided, however, that if (i) the Class B Member exercising its Put Option and the Company cannot mutually agree on the fair market value of the Class B Units to be purchased pursuant to the Put Option, (ii) the purchase price is then determined by appraisal pursuant to SECTION 9.1(b) and (iii) the Company disagrees with the fair market value of the Units as determined by appraisal, then the Company shall have the right to elect to not purchase such Class B Member's Class B Units and instead proceed to dissolve and liquidate the Company in accordance with the provisions of SECTION 10.2. In such event, the Company shall be obligated to use commercially reasonable efforts to effect and complete such liquidation and dissolution in a timely manner.

(c) Payment Terms. The payment terms for the Company's purchase of a Class B Member's Class B Units, pursuant to the exercise of such Member's Put Option, shall be as specified in SECTION 9.2.

SECTION 8.9. Closing Procedures. The closing of any purchase or sale of Units pursuant to this ARTICLE VIII shall take place within thirty (30) days following the last to expire applicable option period. The closing shall take place at the principal business office of the Company. At the closing, the selling party shall deliver to the purchasing party, in exchange for payment of the purchase price, a full and complete assignment of the Units to be purchased and sold, together with any other documents as may be reasonably required to Transfer full and complete title to the Units to the purchasing party, in form satisfactory to the purchasing party. The selling party shall warrant that the selling party has good title to, the right to possession of and the right to sell the Units and that the Units are transferred to the purchasing party free and clear of all pledges, liens, encumbrances, charges, proxies, restrictions, options, transfers, and

other adverse claims, except those as have been imposed by this Agreement. Each selling party shall further warrant that the selling party will indemnify and hold harmless the purchasing party for all costs, expenses and fees incurred in defending the title to and/or the right to possession of such Units

SECTION 8.10. Sale of All Units. Any Member who makes a Disposition of all of the Units of such Member in accordance with the terms of this Agreement, or otherwise, shall no longer be a party to this Agreement and shall have no further rights or interests under this Agreement; provided, however, that a Member who makes a Disposition other than in compliance with the terms of this Agreement shall remain liable to the Company and the other Members for any damages resulting from such Transfer.

ARTICLE IX PURCHASE PRICE; PAYMENT TERMS

SECTION 9.1. Purchase Price. Where any provision of this Agreement provides that the purchase price shall be determined by this SECTION 9.1, the purchase price shall be equal to the fair market value of the Units to be sold, determined in accordance with the process set forth below. Decisions to be made by the Company under this SECTION 9.1 shall be made by the Board of Governors.

(a) Mutual Agreement. The selling party and the Company shall, for a period of fifteen (15) days after the occurrence of the event or notice which triggered the purchase option (except in the case of death, where such 15 day period shall commence upon the later to occur of (i) the appointment of the personal representative of the Deceased Member (or its Controlling Person, as the case may be), or (ii) sixty (60) days after the death of the Deceased Member (or its Controlling Person, as the case may be), attempt to mutually agree upon the fair market value of the Units to be sold. If the selling party and the Company are not able to agree within this fifteen (15) day period, fair market value shall be determined by appraisal.

(b) Appraisal. For a period of seven (7) days following expiration of the 15 day period specified in SECTION 9.1(a) above, the selling party and the Company shall attempt to mutually agree upon an appraiser. If the parties agree upon the identity of the appraiser, the appraiser shall determine the fair market value of the Units to be sold, and the value determined by such appraiser shall be the purchase price. If the parties are not able to reach agreement within such 7 day period, each shall within seven (7) days thereafter identify an appraiser. If one party fails to identify an appraiser within such 7 day period, the appraiser identified by the other party shall determine the fair market value of the Units to be sold, and the value determined by such appraiser shall be the purchase price. If both parties identify an appraiser within such 7 day period, the two appraisers shall select a third appraiser and the third appraiser shall determine the fair market value of the Units to be sold. The value determined by such third appraiser shall be the purchase price. In determining the purchase price, the appraiser(s) shall value the Company by estimating the fairest price in terms of money which the Company could obtain for all assets owned by the Company if such assets were sold in the open market allowing a reasonable time to find an arms-length purchaser who purchases with

knowledge of the uses for which such assets are capable of being used as of the appraisal date, minus all indebtedness and expenses of the Company (including costs that would reasonably be expected to be incurred in connection with any such asset sale). The costs and expense of the appraiser(s) shall be paid one-half by the selling party and one-half by the purchasing party (if there is more than one purchasing party, allocation of costs among the purchasing parties shall be on a pro-rata basis according to the number of Units purchased by them).

(c) Determination of Fair Market Value. The fair market value of the Units shall be determined without application of minority share discounts or control premiums.

SECTION 9.2. Payment Terms. Unless otherwise agreed to by the parties, where any provision of this Agreement provides that the payment terms shall be as specified this SECTION 9.2, the purchase price shall be paid at closing in full in cash or cash equivalent to the Transferring Member or his, her, or its successor or legal representative.

ARTICLE X DISSOLUTION AND LIQUIDATION

SECTION 10.1. Dissolution. The Company shall be dissolved upon the happening of any of the following events (each, a "Liquidating Event"):

- (a) upon the election of the Board of Governors;
- (b) upon the election by the Company in the event of a Class B Member exercising its Put Right pursuant to and as provided in SECTION 8.8; or
- (c) upon the occurrence of any event which, under the laws of the State of Minnesota and in spite of the terms of this Agreement, shall cause the dissolution of the Company.

No other event, including the retirement, withdrawal, insolvency, liquidation, dissolution, insanity, resignation, expulsion, bankruptcy, death, incapacity, or adjudication of incompetency of a Member shall cause the dissolution of the Company.

SECTION 10.2. Winding Up.

- (a) Upon the occurrence of a Liquidating Event, the Company shall continue solely for the purposes of winding up its affairs in an orderly manner, liquidating its assets (subject to the provisions of SECTION 10.2(b) below), and satisfying the claims of its creditors and Members. No Member shall take any action that is inconsistent with, or not necessary to or appropriate for, the winding up of the Company's business and affairs. Any Person elected by the Members owning a majority-in-interest of the total Class A Units (the "Liquidator") shall be responsible for overseeing the winding up and dissolution of the Company and shall take full account of the Company's liabilities and assets and the Company assets shall be liquidated as promptly as is consistent with obtaining the fair market value thereof, and the proceeds therefrom shall be applied and distributed in accordance with SECTION 5.2 hereof.

(b) Notwithstanding the provisions of SECTION 10.2(a) hereof which require liquidation of the assets of the Company, but subject to the order of priorities set forth therein, if prior to or upon dissolution of the Company the Liquidator determines that an immediate sale of part or all of the Company's assets would be impractical or would cause undue loss to the Members, the Liquidator may, in its sole and absolute discretion, defer for a reasonable time the liquidation of any assets except those necessary to satisfy liabilities of the Company (including to those Members as creditors) and/or distribute to the Members, in lieu of cash, as tenants in common and in accordance with the provisions of SECTION 10.2(a) hereof, undivided interests in such Company assets as the Liquidator deems not suitable for liquidation. Any such distributions in kind shall be made only if, in the good faith judgment of the Liquidator, such distributions in kind are in the best interest of the Members, and shall be subject to such conditions relating to the disposition and management of such assets as the Liquidator deems reasonable and equitable and to any agreements governing the operation of such assets at such time. The Liquidator shall determine the fair market value of any asset distributed in kind using such reasonable method of valuation as it may adopt.

(c) As part of the liquidation and winding-up of the Company, the Liquidator may sell Company assets only with the consent of the Board of Governors, and solely on an "arm's-length" basis, at the best price and on the best terms and conditions as the Liquidator in good faith believes are reasonably available at the time.

(d) The Board of Governors shall not receive any additional compensation for any services performed pursuant to this ARTICLE X, but shall be reimbursed for any expenses incurred on behalf of the Company.

SECTION 10.3. Compliance with Timing Requirements of Regulations. In the event the Company is "liquidated" within the meaning of Treasury Regulations Section 1.704-1(b)(2)(ii)(g), distributions shall be made pursuant to this ARTICLE X to the Members who have positive Capital Accounts in compliance with Regulations Section 1.704-1(b)(2)(ii)(b)(2).

SECTION 10.4. Indebtedness of Members. Notwithstanding the foregoing, if any Member shall be indebted to the Company, then until payment of such amount by him, her, or it, the Liquidator shall retain such Member's distributive share of the assets and apply such assets or the income therefrom to the liquidation of such indebtedness and the cost of holding such assets during the period of such liquidation. If such amount has not been paid or otherwise liquidated at the expiration of six (6) months after the date of dissolution of the Company, the Liquidator may sell the Units of such Member at a public or private sale at the best price immediately obtainable which shall be determined in the sole judgment of the Liquidator. The proceeds of such sale shall be applied to the liquidation of the amount then due under this ARTICLE X, and the balance of such proceeds, if any, shall be delivered to such Member.

SECTION 10.5. Rights of Members. Except as otherwise provided in this Agreement, each Member shall look solely to the assets of the Company for the return of its Capital Contribution and shall have no right or power to demand or receive assets other than cash from the Company. Except as provided herein, no Member shall have priority over any other Member

as to the return of its Capital Contributions, distributions, or allocations, except as expressly provided in this Agreement.

SECTION 10.6. Documentation of Liquidation. Upon the completion of the liquidation of the Company cash and assets as provided in SECTION 10.2 hereof, the Company shall be terminated and the Articles of Organization and all qualifications of the Company as a foreign limited liability company in other jurisdictions shall be canceled and such other actions as may be necessary to terminate the Company shall be taken. The Liquidator shall have the authority to execute and record any and all documents or instruments required to effect the dissolution, liquidation and termination of the Company.

SECTION 10.7. Reasonable Time for Winding-Up. A reasonable time shall be allowed for the orderly winding-up of the business and affairs of the Company and the liquidation of its assets pursuant to SECTION 10.2 hereof, in order to minimize any losses otherwise attendant upon such winding-up, and the provisions of this Agreement shall remain in effect between the Members during the period of liquidation.

SECTION 10.8. Liability of the Liquidator. The Liquidator shall be indemnified and held harmless by the Company from and against any and all claims, demands, liabilities, costs, damages and causes of action of any nature whatsoever arising out of or incidental to the Liquidator's taking of any action authorized under or within the scope of this Agreement; provided, however, that the Liquidator shall not be entitled to indemnification, and shall not be held harmless, where the claim, demand, liability, cost, damage, or cause of action at issue arises out of:

- (i) a matter entirely unrelated to the Liquidator's action or conduct pursuant to the provisions of this Agreement; or
- (ii) the proven willful misconduct or gross negligence of the Liquidator.

SECTION 10.9. Waiver of Partition. Each Member hereby waives any right to partition of the Company property.

SECTION 10.10. Limitation of Judicial Remedies. In the event a proceeding is brought under Minn. Stat. § 322C.0701, Subd. 1(5), each member hereby agrees to limit the court's use of "alternative remedies" under Minn. Stat. § 322C.0701, Subd. 2. The only remedy that shall be available in such a proceeding is a decree of dissolution of the Company.

ARTICLE XI MISCELLANEOUS

SECTION 11.1. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Minnesota, without regard to the principles of conflicts of law. The laws of the State of Minnesota shall be applied in construing the Agreement.

SECTION 11.2. Waiver of Jury Trial. THE COMPANY AND EACH MEMBER HEREBY IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

SECTION 11.3. Amendments and Waivers. This Agreement may not be modified, altered, supplemented or amended (by merger, repeal, or otherwise) except pursuant to a written agreement executed and delivered by the holders of the majority of the Class A Units. Notwithstanding the foregoing, the Board of Governors, without the consent or approval at any time of any Member (each Member, by acquiring his Unit(s), being deemed to consent to any such amendment), may amend any provision of this Agreement or the Articles of Organization of the Company, and may execute, swear to, acknowledge, deliver, file, and record all documents required or desirable in connection therewith, to reflect:

(i) A change in the name of the Company or the location of the principal place of business of the Company;

(ii) The admission, dilution, substitution, termination, or withdrawal of any Member in accordance with the provisions of this Agreement;

(iii) A change that is necessary to qualify the Company as a limited liability company or a Company in which the Members have limited liability; and/or

(iv) A change that is:

(A) Of an inconsequential nature and does not adversely affect any Member in any material respect;

(B) Necessary or desirable to cure any ambiguity or to correct or supplement any provisions of this Agreement; or

(C) Required or specifically contemplated by this Agreement.

By an instrument in writing, the Company and the Members may waive compliance by the Company and any other Member with any provision of this Agreement; provided, however, that such waiver shall not operate as a waiver of, or estoppel with respect to, any other or subsequent failure or with respect to the Company or a Member that has not executed and delivered any such waiver. No failure to exercise and no delay in exercising any right, remedy, or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, or power hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, or power provided herein or by law or at equity.

SECTION 11.4. Notices. All notices required or permitted to be given hereunder shall be in writing and may be delivered by hand, by facsimile, by private courier, or by United States mail. Notices delivered by mail shall be deemed delivered five (5) business days after being deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested. Notices delivered by hand, by facsimile, or by private carrier shall be deemed given

on the business day following receipt (unless such day is a Saturday, Sunday, or national holiday, in which case such notice shall be deemed given on the next business day); provided, however, that a notice delivered by facsimile shall only be effective if such notice is also delivered by hand, or deposited in the United States mail, postage prepaid, registered or certified mail, on or before two (2) business days after its delivery by facsimile. All notices to the Company shall be delivered to the following address and all notices to Members shall be delivered to the addresses set forth on EXHIBIT A (or at such other address for a party as shall be specified by like notice, except that notices after giving of which there is a designated period within which to perform an act and notices of changes of address shall be effective only upon receipt):

THE BETTPLEX, LLC
P.O. Box 394
Bettendorf, Iowa, 52722
Attention: Douglas M. Kratz
Telephone: (563) 349-3760
Facsimile: (563) 823-3335

Notice of change of address shall be effective only when given in accordance with this SECTION 11.4.

SECTION 11.5. Entire Agreement. This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter hereof and thereof and supersedes all prior agreements and undertakings, both written and oral, between the parties with respect to the subject matter hereof and thereof, except for contracts and agreements referred herein.

SECTION 11.6. No Agency. Except to the extent expressly provided herein, this Agreement shall not constitute an appointment of any of the Members as the legal representative or agent of any other Member, nor shall any Member have any right or authority to assume, create, or incur in any manner any obligation or other liability of any kind, express or implied, against, or in the name or on behalf of, any other party.

SECTION 11.7. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible within a reasonable period of time.

SECTION 11.8. Counterparts. This Agreement may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

SECTION 11.9. Headings; Exhibits. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. All exhibits and annexes attached hereto are incorporated in and made a part of this Agreement as if set forth in full herein.

SECTION 11.10. Further Assurances. The Company and each Member shall execute and deliver such instruments and take such other actions as may be reasonably required in order to carry out the intent of this Agreement.

SECTION 11.11. Specific Performance. The Company and each of the Members acknowledges and agrees that in the event of any breach of this Agreement the non-breaching party would be irreparably harmed and could not be made whole by monetary damages. It is accordingly agreed that the parties hereto will waive the defense in any action for specific performance that a remedy at law would be adequate and that the Company and the Members hereto, in addition to any other remedy to which they may be entitled at law or in equity, shall be entitled to compel specific performance of this Agreement.

SECTION 11.12. Successors and Assigns. This Agreement shall be binding upon the transferees, successors, assigns and legal representatives of the parties to this Agreement.

SECTION 11.13. Preparation of Agreement. This Agreement was prepared by Winthrop & Weinstine, P.A. as legal counsel for the Company, who does not represent any of the Members individually. Each party has consulted with and has been represented by legal counsel of its own choice in connection with the meaning, interpretation, negotiation, drafting, and effect of this Agreement. The normal rule of construction that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any exhibits or amendments hereto.

SECTION 11.14. Pronouns and Plurals. Whenever the context may require, any pronoun used in this Agreement shall include the corresponding masculine, feminine, or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa. Any references in this Agreement to "including" shall be deemed to mean "including without limitation."

SECTION 11.15. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their heirs, executors, administrators, successors, legal representatives, and permitted assigns.

SECTION 11.16. Creditors. None of the provisions of this Agreement shall be for the benefit of, or shall be enforceable by, any creditor of the Company.


SECTION 11.17. Invalidity of Provisions. If any provision of this Agreement is or becomes invalid, illegal, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein shall not be affected thereby.

[SIGNATURE PAGE TO FOLLOW]

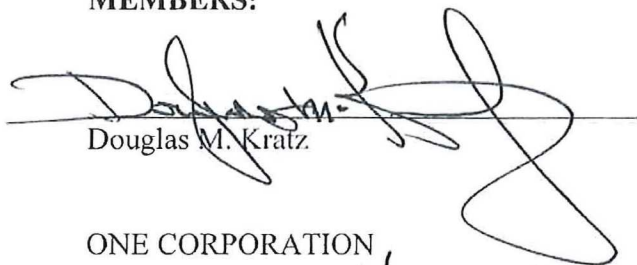
IN WITNESS WHEREOF, the Company and each of the Members have caused this Operating Agreement to be executed by their duly authorized representatives as of the day and year first written above.

COMPANY:

THE BETTPLEX, LLC

Signed: 
By: Douglas M. Kratz
Its: Chairman and Chief Executive Officer

MEMBERS:


Douglas M. Kratz

ONE CORPORATION

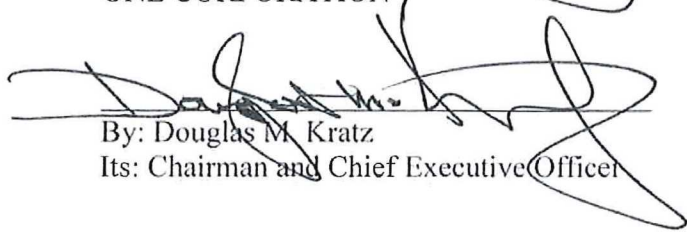

By: Douglas M. Kratz
Its: Chairman and Chief Executive Officer

EXHIBIT A
SCHEDULE OF MEMBERS
(As of 3/9/2017)

<u>Name and Address</u>	<u>Initial Capital Contribution</u>	<u>Additional Capital Contribution</u>	<u>Class A Units</u>	<u>Capital Value of each Class A Unit</u>	<u>Class B Units</u>	<u>Capital Value of each Class B Unit</u>	<u>Percentage</u>
Douglas M. Kratz P.O. Box 394 Bettendorf, Iowa, 52722 Telephone: (563) 349 3760 Facsimile: (563) 823 3335	\$3,960,000.00	\$0.00	3,960,000	\$1.00	-0-	-	99.00%
One Corporation P.O. Box 394 Bettendorf, Iowa, 52722 Attention: Douglas M. Kratz Telephone: (563) 349 3760 Facsimile: (563) 823 3335	\$40,000.00	\$0.00	40,000	\$1.00	-0-	-	1.00%
TOTAL:	<u>\$4,000,000.00</u>	<u>\$0.00</u>	<u>4,000,000</u>		<u>-0-</u>	<u>=</u>	<u>100.00%</u>

**EXHIBIT B
JOINDER AGREEMENT**

The undersigned hereby joins in and agrees to be bound by the terms and conditions of that certain Operating Agreement of The BettPlex, LLC (the "Company"), originally executed effective March 9, 2017 and agrees to be bound by the terms and conditions thereof. The undersigned shall be accepted as a member of the Company upon the admittance of the same by the Board of Governors of the Company and the execution of this Joinder Agreement by a duly authorized officer of the Company.

Effective date: [-], 20__

[Individual]

MEMBER:

[Entity]

MEMBER:

Signed: _____

By: _____

Its: _____

Address:

Fax No.: () ____ - _____

Effective as of the [-] day of [-], 20__, the above named Member is hereby admitted as a Member of the Company.

COMPANY:

Signed: _____

By: _____

Its: _____

EXHIBIT C
CAPITAL EVENT DISTRIBUTIONS

Example 1: Assume Class A Members with an aggregate Capital Value of \$4,000,000, and Class B Members with an aggregate Capital Value of \$4,000,000, with no previous Capital Event distributions. If the Company is liquidated and a net \$6,000,000 is available for distribution to the Members, pursuant to SECTION 10.2(a) in accordance with SECTIONS 5.2(c) and 5.1(b) such \$6,000,000 shall be distributed \$4,000,000 to the Class B Members and \$2,000,000 to the Class A Members.

Example 2: Assume Class A Members with an aggregate Capital Value of \$4,000,000, and Class B Members with an aggregate Capital Value of \$4,000,000, with no previous Capital Event distributions. If a portion of the assets of the Company are sold and \$2,000,000 is to be distributed to the Members pursuant to SECTION 5.1(b), all \$2,000,000 would be distributed to the Class B Members. Thereafter, if the remaining assets of the Company are sold and the Company is liquidated, resulting in \$10,000,000 being available for distribution to the Members, such \$10,000,000 shall be distributed to the Members pursuant to SECTION 10.2(a), (i) first, \$2,000,000 to the Class B Members in accordance with SECTIONS 5.2(c) and 5.1(b)(i), (ii) second, \$4,000,000 to the Class A Members, in accordance SECTIONS 5.2(c) and 5.1(b)(ii), and (iii) third, the remaining \$4,000,000 to all Members in accordance with SECTIONS 5.2(c) and 5.1(b)(iii).

Example 3: Assume Class A Members with an aggregate Capital Value of \$4,000,000, and Class B Members with an aggregate Capital Value of \$4,000,000, and that a prior Capital Event distribution has been made to the Class B Members in the amount of \$1,000,000 pursuant to SECTION 5.1(b)(i). If all remaining assets of the Company are then sold and the Company is liquidated, resulting in \$5,000,000 being available for distribution to the Members, such \$5,000,000 shall be distributed to the Members pursuant to SECTION 10.2(a) (i) first, \$3,000,000 to the Class B Members in accordance SECTIONS 5.2(c) and 5.1(b)(i), and (ii) second, \$2,000,000 to the Class A Members, in accordance with SECTIONS 5.2(c) and 5.1(b)(ii).

Tab B – Retailers

Provide a list of vendors and retailers that will or may be collecting sales tax at the baseball and softball complex. Include a list of taxable items that will and/or might be sold at the complex.

Within The BettPlex grounds:

- Concession stands
- Bowling, arcade games and 2-story laser tag
- Sports bar/restaurant
- Tiki bar
- Sporting goods/clothing

Tab C – Local Support

Provide letters and other documentation of support for the baseball and softball complex from governing boards and local governments. Include letters from local civic organizations and testimonials from tournament hosts that have or will likely use the complex.

On May 2, 2017, the City Council of Bettendorf, Iowa held a Public Hearing to discuss the approval of a Development Agreement to support BettPlex, LLC and the creation of a comprehensive indoor/outdoor sports complex at I-80 and Middle Road. Over 100 constituents and interested parties attended the public hearing. City Council was pleasantly greeted by members of the community who were in full support of the project, and what it meant for the local economy. Full video documentation and coverage of that Public Hearing is found on the City of Bettendorf's website at <http://www.bettendorf.org/egov/apps/document/center.egov?view=item;id=8279>.

Endorsements were made at that Public Hearing by Rene Gellerman, Senior Vice President of the Quad Cities Chamber of Commerce, and Joe Taylor, President and CEO of the Quad Cities Convention and Visitors Bureau. Furthermore, at a public presentation to the Scott County Board of Supervisors, Board Chair, Carol Earnhardt, fully endorsed the BettPlex project.

Enclosed please find letters of endorsement and other documents from area individuals, agencies and organizations in support of The BettPlex, including but not limited to:

- Quad Cities Convention and Visitors Bureau
- Quad Cities Chamber of Commerce
- Scott County Board of Supervisors
- Constituents
- Bettendorf City Council (Actions and Development Agreement)

QUAD CITIES CVB AND QUAD CITIES SPORTS COMMISSION REMARKS ON BETTPLEX

April 18, 2017

I am Joe Taylor, President/CEO of the Quad Cities Convention and Visitors Bureau and chair of the Quad Cities Sports Commission.

Like the meetings and conventions market, the sports tournament market is currently growing and being served by a number of public and private facilities throughout the Quad Cities. And our destination has seen some significant successes in the sports tournament market in recent years – Amateur Softball Association, International Softball Association, Missouri Valley Conference women's basketball tournament and others.

Of course, the Quad Cities cannot rest on its laurels and must continue to grow new facilities and make enhancements to all of its existing facilities in order to stave off nearby destination competitors that are developing, newer state of the art facilities – such as Rockford's Reclaiming Number One initiative and the proposed sports arena at the Iowa River Landing in Coralville.

Although BettPlex incorporates hotels in future phases, this indoor/outdoor sports complex can immediately capitalize on the existing hotel room blocks in the Quad Cities particularly available weekends November through April. Hoteliers generally report strong summer weekend business which may make it more difficult to secure room blocks for larger summer tournaments. Building indoor/outdoor, year-round sports facilities that will serve tournaments (when hotel room demand is lightest) would appear to be a smart strategy.

The Quad Cities currently has more than 5,000 hotel rooms compared to Rockford's 1,700 rooms. I hear regularly that parents, spectators and players are driving an hour from a venue in Rockford to available hotel

rooms in the Chicago suburbs, a challenge those visiting BettPlex in the Quad Cities would not have.

One of the particular sports challenges the Quad Cities faces is hosting large basketball tournaments. Nearly all basketball courts are controlled by an entity larger for the use of its teams for practice and games. A tournament that requires six or eight or twelve basketball courts at one time is nearly if not totally impossible to find in the Quad Cities. Even if that number of courts are found, they will be considerable distance from each other, adding to scheduling and transportation challenges. The eight courts planned at BettPlex will attract basketball tournaments that currently cannot be accommodated here in the Quad Cities.

Additionally, local residents want sports facilities too...and tournaments attracting visitors can help pay for them. Residents can use the facilities weekdays while tournaments can use the facilities weekends.

The location of BettPlex puts it very near the western Chicago suburbs making an easy drive of about two hours via Interstate 88 for teams, players, coaches, fans, families and spectators to reach the Middle Road exit.

And one final thing – youth sports is an area where cost is usually not a consideration. A family taking youth to a sports competition will take the largest SUV it can find so grandma and grandpa and aunts and uncles can all fit it, fill it with full with gasoline, drive several hours to a hotel to spend the weekend, where shopping, dining and recreating will occur in addition to the sports competition.

Thank you for giving BettPlex careful consideration as we build a stronger Quad Cities.

Reiter, Jeff

From: Reiter, Jeff
Sent: Tuesday, August 08, 2017 11:56 AM
To: Reiter, Jeff
Subject: FW: Thank You!

From: Rene Gellerman [<mailto:rgellerman@quadcitieschamber.com>]
Sent: Thursday, May 04, 2017 1:28 PM
To: Reiter, Jeff
Subject: RE: Thank You!

Thank you, Jeff. I appreciate you thinking of and taking the time to send me a note. You guys are a class act. I was really impressed with the preparation, the deep understanding of all involved – staff and council – and the negotiated private/public partnership. It instills a lot of confidence and pride knowing your community leaders are so professional, passionate, thoughtful and visionary. You guys are a class act.

I was honored and grateful to be able to support the project publically. I look forward to being involved in furthering the public enthusiasm and using this project as an example of real transformative work that will move us toward achieving the goals set forth in Q2030.

Thank you for your great work. Clearly your leadership set this project on the right path and your preparedness contributed to the confidence seen in the council and citizens.

Rene M. Gellerman, IOM
Senior Vice President
Quad Cities Chamber
Loaned Executive, Q2030 Regional Action Plan
331 W. 3rd St. Davenport, IA 52801
1601 River Dr. Moline IL 61265
P. 563.823.2662
C. 563.370.2727
QuadCitiesChamber.com

From: Reiter, Jeff [<mailto:jreiter@bettendorf.org>]
Sent: Thursday, May 04, 2017 1:06 PM
To: Rene Gellerman
Subject: Thank You!

Good Afternoon Rene,

Just a quick thank you for coming Tuesday night and endorsing the BettPlex.

Thanks again ☺

Jeff Reiter
Economic Development Director

City of Bettendorf, Iowa
1609 State Street
Bettendorf, IA 52722
(563) 344-4060
www.bettendorf.org

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BOARD OF SUPERVISORS

600 West Fourth Street
Davenport, Iowa 52801-1030

Office: (563) 326-8749

E-Mail: board@scottcountyia.com



CAROL EARNHARDT, Chair
TONY KNOBBE, Vice-Chair
KEN BECK
DIANE HOLST
BRINSON L. KINZER

May 18, 2017

Mayor Robert Gallagher, Jr.
Bettendorf City Council Members
Bettendorf City Hall
1609 State Street
Bettendorf, IA 52722

RE: City of Bettendorf's proposed Tax Increment Financing (TIF) Plan and Development Agreement for BettPlex, a regional indoor/outdoor sports facility and adjacent commercial development at the Middle Road and I-80 interchange.

Dear Mayor Gallagher and Council Members:

Thank you for the opportunity to comment on the proposed creation of the tax increment financing (TIF) plan for the development of BettPlex, a regional indoor/outdoor sports facility and adjacent commercial development. The Scott County Board of Supervisors has reviewed the information provided to our TIF Review Committee by Jeff Reiter, Bettendorf Director of Economic Development. The Board supports the use of TIF as an economic development incentive to make such a regional attraction feasible. Such a facility would attract sporting events and visitors to the Quad Cities area and help grow our tourism economy. However the Board has concerns with the uncapped nature of the TIF Plan that would continue to rebate the TIF revenue from the sports complex after the debt for the Economic Development grant was retired.

The Board does not support the use of TIF as an economic development incentive for hotel, retail, or commercial service sector businesses that compete with other existing businesses for the same Quad Cities Area markets. The Board would also note that the proposed rebate of TIF revenues generated from the 33-acre commercial development is uncapped and open-ended as to the amount of revenue to be rebated. It is only limited by the 20 year maximum lifetime of the TIF. The Board has always encouraged TIF rebates to be for the least amount and the shortest length of time necessary to make a project feasible.

The Scott County Board of Supervisors appreciates its opportunity to comment on this TIF Plan and is excited by the prospect of this new sports complex development along a highly visible entrance to the Quad City area. Such a venue as the proposed BettPlex sports complex has been identified for many years as an unmet need in the Quad Cities and the Board is delighted to have this facility located in Scott County. The Board hopes to continue the spirit of cooperation with the City of Bettendorf on economic development projects and we look forward to working with you in the future.

Sincerely,

Carol Earnhardt, Chair
Scott County Board of Supervisors

cc: Scott County Board of Supervisors
Mahesh Sharma, Scott County Administrator
Decker Ploehn, Bettendorf City Administrator

August 17, 2017

Doug,

I wanted to let you know how much of a positive The BettPlex is already for us. We just finished our tryout process and have added 5 new teams, which is 55 players. This is over 41% growth for our club and is due in large part because we decided to move our club to The BettPlex for practices and games for next season. Since we advertised ahead of tryouts that all of our teams would be playing at The BettPlex next season, the response was overwhelmingly positive.

There are two main reasons The BettPlex has been a positive for us. Number one is it gives us the capacity to grow. As you know, Bettendorf has grown at an aggressive pace for years. Pleasant Valley School systems built a new school a few years ago and have already added on to that school. Both the Junior and Senior High Schools are expanding as I write this note. As a club, we have turned away players in the past because we did not have enough fields to serve new teams, usually one or two teams per year. You have fixed that problem for us. Second is the fact that it will be a state of the art multiple sport facility. Our players will be able to practice on a field with the proper size base paths and pitching mounds each time they step on the field. The fact that it is artificial turf will mean that we will lose less days to weather in the spring. This will be a huge benefit for our players. Our families will not need to leave the area to play as often as they have in the past. Not to mention that we will also have the ability to do more player development during the winter months once the building is complete.

Thanks again for investing in the youth of the community. The BettPlex will be a big part of the lives of our families for years to come.

Sincerely,

Todd Larsen

A handwritten signature in black ink, appearing to read 'Todd Larsen', with a long, sweeping horizontal line extending to the right.

President

Barnstormer Baseball Club

Reiter, Jeff

From: Gallagher, Bob
Sent: Friday, April 28, 2017 2:51 PM
To: Adamson, Greg; Lamar, Debe; Naumann, Scott; Sechser, Jerry; Baden, Frank; Webster, Scott; Brown, Lisa
Cc: Ploehn, Decker; Reiter, Jeff; Spencer, Michelle
Subject: FW: BettPlex 📧

FYI.

From: bulldogwrestling1@gmail.com [bulldogwrestling1@gmail.com]
Sent: Thursday, April 27, 2017 7:59 PM
To: Gallagher, Bob
Subject: BettPlex 📧

Mr Mayor,

I can't tell you how excited I am with the thought that this could become a reality for our community. The opportunities a facility like this would bring to Bettendorf are endless. I have reviewed the City Incentive package and the overall benefit to the city and our region and as a teacher and Head Wrestling Coach at BHS I support this project as proposed.

Thanks,
Dan Knight

Reiter, Jeff

From: Wade Greiman <wagreiman@snyder-associates.com>
Sent: Wednesday, April 19, 2017 1:15 PM
To: Morlok, Brent; Fries, Brian; Reiter, Jeff
Subject: BettPlex

Congratulations on the plan to hopefully move forward with the BettPlex! The plan looks solid, and having it right off of I-80 will be a huge benefit for users.

We got to work on the Ankeny Prairie Ridge Youth Sports Complex over a decade ago. My family lives approximately ½ mile east of it and I used to coach a lot of different softball teams locally. We used to travel all over, including the Quad Cities (East Moline mostly) to play in weekend tournaments. I sat on the softball board for a number of years too, which meant I was exposed to a fraction of the revenue generated by such facilities. The Hotel/Motel tax benefits associated with these facilities is real. And significant. Not to mention the \$s spent shopping, dining, etc.

Congratulations again! I hope the financing comes together and it's completed on time. A great feather for Bettendorf!

Wade

Wade A. Greiman, P.E.
Transportation Business Unit Leader

SNYDER & ASSOCIATES, INC.
P: 515.964.2020 x2537 | C: 515.669.0356
2727 SW SNYDER BLVD, P.O. BOX 1159, ANKENY, IA 50023



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Patricia Zimmer

Subject: FW: BettPlex Welcome Packet

From: Maugh, Martha A <Martha.A.Maugh@morganstanley.com>

Date: Friday, Aug 25, 2017, 7:50 AM

To: Douglas M. Kratz <Douglas.Kratz@triumphcb.com>

Subject: Re: BettPlex Welcome Packet

WOW!!! Totally cool! Good idea for sure. With St. Louis, Chicago, Indianapolis and Minneapolis within driving distance I could definitely see events at the Bettplex as it is centrally located. All the outdoor sports have indoor teams in the winter so you won't be lacking in sporting events. I am very impressed. Given your love for sports and the QCs this make complete sense. I have liked your FB page and look forward to sharing in the progress. WOW!

From: "Douglas M. Kratz" <Douglas.Kratz@triumphcb.com>

Date: Thursday, August 24, 2017 at 11:34:43 PM

To: "Maugh, Martha A (Wealth Mgmt MS)" <Martha.A.Maugh@morganstanley.com>

Subject: FW: BettPlex Welcome Packet

Although The BettPlex website is still under construction, my earlier email sent you to its splash page. Maybe the enclosed does a better job of explaining.

DMK

Bettendorf City Council Members-

We would like to voice our support for the City of Bettendorf to support the completion of the BettPlex sports facility. We are a family that is heavily involved in youth sports, having two boys aged 10 and 13 who participate in multiple sports. We feel the addition of the sports complex is something that is definitive need within the Quad Cities area. We spend numerous days and weekends throughout the year traveling with our kids to cities across the Midwest to play in tournaments and games as the opportunities in the Quad Cities are limited, mainly due to a lack of sports facilities to hold events. The teams and clubs that our kids are a part of often determine where they are going to play based on the competition level and the quality of the facilities that are holding the events. With a top level complex, it would attract teams, clubs, and players from across the country.

Another reason that we are in support of the completion of the Bettplex is from a financial purposes. As we mentioned, our family travels due to sports related reasons to other cities over 20+ weekends a year. As a family, we spend a considerable amount of money in those cities at restaurants and in hotel costs. The same would hold true for teams, clubs, and players that would travel to Bettendorf to participate in events held at the sports plex.

In summary, we strongly support the completion of the BettPlex as we feel the facility would be a great use of our tax dollars. From our vantage point, there is little down side to creating athletic opportunities for the kids and residents in the Bettendorf area which the BettPlex would afford.

Thank you,

Chad and Emily Micek
3264 Crow Lake Drive, Bettendorf

Reiter, Jeff

From: Reiter, Jeff
Sent: Monday, May 01, 2017 7:47 AM
To: Reiter, Jeff
Subject: FW: The BettPlex, LLC

From: Dan Molyneaux [<mailto:neaux1@aol.com>]
Sent: Sunday, April 30, 2017 2:43 PM
To: Reiter, Jeff
Subject: The BettPlex, LLC

I am writing in support of the BettPlex project. I am not know for my brevity, but in this case, I think the arguments for this project are straightforward, obvious and simple.

- 1) As I understand it, this will be the finest facility of its kind within 150 miles (or more) of the Quad Cities. It will be an awesome attraction to bring people and dollars to our community and be something that we can be proud to have in our community.
- 2) The increase in the opportunities for youth sports is not a trend that will slow down. On one hand, this facility will increase the our community's ability to train athletes to compete at a higher level. On the other hand, having a local facility of this caliber will decrease the amount of travel that our local youth and their families will have to undertake.
- 3) The possibilities for increased adult participation in sports like volleyball, basketball, baseball, softball and soccer will be beneficial to the physical health of our community.
- 4) Even for people simply driving by on Interstate 80, this facility will raise the profile of our community.
- 5) This facility is probably not much more than a half a mile from my front yard. It is true that the increased traffic, noise and light are not ideal. But the increased profile, revenue and opportunities this facility will bring to our community are worth any minor personal inconvenience many times over.

I could not be more excited and supportive for this facility to come to the city of Bettendorf. The benefits to the city and its citizens will be realized for generations.

Dan M. Molyneaux
Neaux1@aol.com
563 508-7153

Reiter, Jeff

From: Gallagher, Bob
Sent: Sunday, April 23, 2017 8:05 PM
To: Ploehn, Decker; Reiter, Jeff; Spencer, Michelle; 21 City Council
Subject: FW: BETTPLEX

FYI

From: Brian Morris [brian.morris1968@gmail.com]
Sent: Tuesday, April 11, 2017 9:38 AM
To: Gallagher, Bob
Subject: BETTPLEX

I'm in support of the BETTPLEX! Long over due, can't wait! Brian Morris

21 August 2017

Mr. Kratz,

On behalf of JP Sports we would like to offer our congratulations on breaking ground for the BettPlex. As a youth tournament provider, what you're providing for the community is unparalleled. As a business owner, I applaud you for your investment in the community, the youth, and for increasing the quality of life for all Quad City residents.

As a tournament provider we are always seeking out the best facilities to host our tournaments and the BettPlex not only meets all of our requirements, it exceeds them overwhelmingly. We look forward to hosting weekly tournaments at the BettPlex that will attract people from all over the region.

Sincerely,
John

John Pieritz
JP Sports
309-236-8322
John@jpsportz.com
www.playjpsports.com

Reiter, Jeff

From: Gallagher, Bob
Sent: Tuesday, May 02, 2017 9:04 AM
To: Adamson, Greg; Lamar, Debe; Naumann, Scott; Baden, Frank; Sechser, Jerry; Webster, Scott; Brown, Lisa
Cc: Ploehn, Decker; Reiter, Jeff
Subject: FW: Support Sports Complex

FYI

From: Gmail Ratigan [lknjratigan@gmail.com]
Sent: Monday, May 01, 2017 8:14 PM
To: Gallagher, Bob
Subject: Support Sports Complex

Mayor Gallagher:

We have reviewed the City Incentive package of the sports complex and its overall benefit to the city and the entire Quad City region. We support the project as proposed. This would be a great benefit to our youth and area's development.

Sincerely,

Larry & Kris Ratigan

From: Skillett, Kevin [mailto:kskillett@bettendorf.k12.ia.us]

Sent: Friday, April 28, 2017 2:25 PM

To: Robert S. Gallagher

Subject: Re: BettPlex at I-80 and Middle Road

Hi Bob,

I will not be able to make the meeting but I have reviewed the City Incentive package and the overall benefit to the city and our region and I support the project as proposed. As a H.S. Athletic Director I see tremendous value in this project for our school and community.

Let me know if and how I can help.

Thanks

Kevin Skillett

Associate Principal/Activities Director

Bettendorf High School

Reiter, Jeff

From: Gallagher, Bob
Sent: Sunday, April 23, 2017 8:05 PM
To: Ploehn, Decker; Reiter, Jeff; 21 City Council; Spencer, Michelle
Subject: FW: Bettplex

FYI

From: dave schmidt [schmidtdave20@hotmail.com]
Sent: Tuesday, April 11, 2017 12:48 PM
To: Gallagher, Bob
Subject: Bettplex

Good luck with the vote tonight for approval of Bettplex. I visit Sheels overland park soccer complex in Kansas usually four times per year. To see what a well run premier sporting complex can do for an economy is impressive. As a largely soccer specific complex they host massive tournaments every three weeks that pull from six states on average. With an average tournament hosting 64 teams. Now expand that to several other sports and you achieve near constant use.

Quite awhile ago the city was nervous about building the public works building on devil's Glen but had the vision that it was for the future of bettendorf and would ultimately save the city money. Investing in Bettplex is for future development of our city, one that produces money and brings it in from outside of our area. Those dollars in sales tax revenues will put money into Bettendorf coffers. Good choice Bettendorf. You make me proud to have come home. Dave Schmidt.

ORDINANCE NO. _____

AN ORDINANCE PROVIDING THAT GENERAL PROPERTY TAXES LEVIED AND COLLECTED EACH YEAR ON **CERTAIN PROPERTY** LOCATED WITHIN THE I-80 URBAN RENEWAL AREA, IN THE CITY OF BETTENDORF, COUNTY OF SCOTT, STATE OF IOWA, BY AND FOR THE BENEFIT OF THE STATE OF IOWA, CITY OF BETTENDORF, COUNTY OF SCOTT, PLEASANT VALLEY COMMUNITY SCHOOL DISTRICT AND OTHER TAXING DISTRICTS, BE PAID TO A SPECIAL FUND FOR PAYMENT OF PRINCIPAL AND INTEREST ON LOANS, MONIES ADVANCED TO AND INDEBTEDNESS, INCLUDING BONDS ISSUED OR TO BE ISSUED, INCURRED BY THE CITY IN CONNECTION WITH THE I-80 URBAN RENEWAL AREA (**BETTPLEX PROPERTY**)

WHEREAS, the City Council of the City of Bettendorf, State of Iowa, after public notice and hearing as prescribed by law and pursuant to Resolution No. 85-17, passed and approved on the 4th day of April, 2017, adopted the Urban Renewal Plan (the "Plan") for an urban renewal area known as the I-80 Urban Renewal Area (the "Urban Renewal Area"); and

WHEREAS, the Urban Renewal Area, includes the lots and parcels located within the Area legally described as follows ("**BettPlex Property**"):

Parcel 1:

The East Half of the Northwest Quarter of Section 2, Township 78 North, Range 4 East of the 5th P.M., in Scott County, Iowa, excepting 10 acres lying along the East side of said ½ Quarter section extending the whole length thereof, and excepting public road.

Excepting that portion thereof conveyed to Marvin F.P. Springer and Mary A. Springer, husband and wife, by Warranty Deeds dated July 16, 1962, July 21, 1962 and July 22, 1962, and recorded respectively in Book 264 of Deeds at pages 26, 27 and 28, records of the Office of the Recorder of Scott County, Iowa.

Also excepting therefrom that portion thereof conveyed to the State of Iowa by Warranty Deed dated July 20, 1962, and recorded in Book 266 of Deeds at page 325, records of the Office of the Recorder of Scott County, Iowa.

Parcel 2:

The West one-half of the Northeast Quarter of Section 2, Township 78 North, Range 4 East of the 5th P.M., Scott County, Iowa, and also 10 acres having an

equal width and extending the whole length along the East side of the East one-half of the Northwest Quarter of Section 2, Township 78 North, Range 4 East of the 5th P.M., Scott County, Iowa, subject to existing highways and further subject to existing highways and road easements.

WHEREAS, expenditures and indebtedness are anticipated to be incurred by the City of Bettendorf, State of Iowa, to finance urban renewal project activities carried out in furtherance of the objectives of the Urban Renewal Plan; and

WHEREAS, the City Council of the City of Bettendorf, State of Iowa, desires to provide for the division of revenue from taxation on the **BettPlex Property** in the Urban Renewal Area, as above described, in accordance with the provisions of Section 403.19 of the Code of Iowa, as amended. [Note: The **BettPlex Property** is the only portion of the Urban Renewal Area that will be included in this TIF Ordinance. The City anticipates that as other parcels develop (increase in value) in the future, the City will adopt a separate TIF ordinance(s) on other parcels/areas within the Urban Renewal Area. Therefore, it is likely that the various TIF ordinances in this Urban Renewal Area will have different frozen bases and different expiration dates.]

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BETTENDORF, STATE OF IOWA:

Section 1. That the taxes levied on the taxable property in the **BettPlex Property** of the Urban Renewal Area legally described in the preamble hereof, by and for the benefit of the State of Iowa, City of Bettendorf, County of Scott, North Scott Community School District, Pleasant Valley Community School District and all other taxing districts from and after the effective date of this Ordinance shall be divided as hereinafter in this Ordinance provided.

Section 2. That portion of the taxes which would be produced by the rate at which the tax is levied each year by or for each of the taxing districts upon the total sum of the assessed value of the taxable property in the **BettPlex Property** of the Urban Renewal Area, as shown on the assessment roll as of January 1 of the calendar year preceding the first calendar year in which the City of Bettendorf, State of Iowa, certifies to the Auditor of Scott County, Iowa the amount of loans, advances, indebtedness, or bonds payable from the division of property tax revenue described herein, shall be allocated to and when collected be paid into the fund for the respective taxing district as taxes by or for the taxing district into which all other property taxes are paid.

Section 3. That portion of the taxes each year in excess of the base period taxes determined as provided in Section 2 of this Ordinance shall be allocated to and when collected be paid into a special tax increment fund of the City of Bettendorf, State of Iowa, hereby established, to pay the principal of and interest on loans, monies advanced to, indebtedness, whether funded, refunded, assumed or otherwise, including bonds or obligations issued under the authority of Section 403.9 or 403.12 of the Code of Iowa, as amended, incurred by the City of Bettendorf, State of Iowa, to finance or refinance, in whole or in part, urban renewal projects undertaken anywhere within the Urban Renewal Area pursuant to the Urban Renewal Plan, except that (i) taxes for the regular and voter-approved physical plant and equipment levy of a school district imposed pursuant to Iowa Code Section 298.2 and taxes for the instructional

support program of a school district imposed pursuant to Iowa Code Section 257.19 (but in each case only to the extent required under Iowa Code Section 403.19(2)); (ii) taxes for the payment of bonds and interest of each taxing district; (iii) taxes imposed under Iowa Code Section 346.27(22) related to joint county-city buildings; and (iv) any other exceptions in effect under Iowa Code Section 403.19 as of the adoption date of this Ordinance shall be collected against all taxable property within the **BettPlex Property** of the Urban Renewal Area without any limitation as hereinabove provided.

Section 4. Unless or until the total assessed valuation of the taxable property in the **BettPlex Property** of the Urban Renewal Area exceeds the total assessed value of the taxable property in the **BettPlex Property** of the Urban Renewal Area as shown by the assessment roll referred to in Section 2 of this Ordinance, all of the taxes levied and collected upon the taxable property in the **BettPlex Property** of the Urban Renewal Area shall be paid into the funds for the respective taxing districts as taxes by or for the taxing districts in the same manner as all other property taxes.

Section 5. At such time as the loans, advances, indebtedness, bonds and interest thereon of the City of Bettendorf, State of Iowa, referred to in Section 3 hereof have been paid, all monies thereafter received from taxes upon the taxable property in the **BettPlex Property** of the Urban Renewal Area shall be paid into the funds for the respective taxing districts in the same manner as taxes on all other property.

Section 6. All ordinances or parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed. The provisions of this Ordinance are intended and shall be construed so as to fully implement the provisions of Section 403.19 of the Code of Iowa, as amended, with respect to the division of taxes from property within the **BettPlex Property** of the Urban Renewal Area as described above. In the event that any provision of this Ordinance shall be determined to be contrary to law, it shall not affect other provisions or application of this Ordinance which shall at all times be construed to fully invoke the provisions of Section 403.19 of the Code of Iowa with reference to the **BettPlex Property** of the Urban Renewal Area and the territory contained therein.

Section 7. This Ordinance shall be in effect after its final passage, approval and publication as provided by law.

PASSED AND APPROVED this _____ day of _____, 2017.

Mayor

ATTEST:

City Clerk

Read First Time: _____, 2017

Read Second Time: _____, 2017

Read Third Time: _____, 2017

PASSED AND APPROVED: _____, 2017.

I, _____, City Clerk of the City of Bettendorf, State of Iowa, hereby certify that the above and foregoing is a true copy of Ordinance No. _____ passed and approved by the City Council of the City at a meeting held _____, 2017, signed by the Mayor on _____, 2017, and published in the Quad-City Times on _____, 2017.

City Clerk, City of Bettendorf, State of Iowa

(SEAL)

01352346-1\10216-072



MEETING DATE: May 2, 2017

COUNCIL LETTER

REQUESTED BY: Barnes/Ploehn

ITEM TITLE: (Please use same title as it will appear on your resolution.)

- Public Hearing on the issuance of not to exceed \$3,250,000 General Obligation Urban Renewal Bonds (for Essential Corporate Urban Renewal Purposes). The bonds will be issued to provide funds to pay the costs of public infrastructure and related site improvements pursuant to a development agreement related to the BettPlex Spots Complex and Family Entertainment Facility.
- Resolution instituting proceedings to take additional action for the issuance of not to exceed \$3,250,000 General Obligation Urban Renewal Bonds.
- Public Hearing on the issuance of not to exceed \$2,250,000 Taxable Urban Renewal Tax Increment Revenue Annual Appropriation Bonds (for Essential Corporate Urban Renewal Purposes). The bonds will be issued to provide for land acquisition and developer incentives pursuant to a development agreement related to the BettPlex Sports Complex and Family Entertainment Facility.
- Resolution instituting proceedings to take additional action for the issuance of not to exceed \$2,250,000 Taxable General Obligation Urban Renewal Annual Appropriation Bonds.
- Public Hearing on the authorization of a Loan Agreement and the issuance of Notes to evidence the obligation of the City thereunder, of not to exceed \$4,900,000 Taxable Urban Renewal Tax Increment Revenue Annual Appropriation Capital Loan Notes. The Capital Loan Notes will be used to fund an economic development grant pursuant to a development agreement related to the BettPlex Sports Complex and Family Entertainment Facility.
- Resolution instituting proceedings to take additional action for the authorization of a Loan Agreement and the issuance of not to exceed \$4,900,000 Taxable Urban Renewal Tax Increment Revenue Annual Appropriation Capital Loan Notes.
- Resolution declaring an official intent under Treasury Regulation 1.150-2 to issue debt to reimburse the City for certain original expenditures paid in connection with specified Projects for the issuance of \$3,180,000* General Obligation Urban Renewal Bonds, Series 2017A.
- Resolution directing the advertisement for sale of \$3,180,000* General Obligation Urban Renewal Bonds, Series 2017A, and approving electronic bidding procedures and Official Statement.
- Resolution directing the advertisement for sale of \$2,195,000* Taxable General Obligation Urban Renewal Annual Appropriation Bonds, Series 2017B, and approving electronic bidding procedures and Official Statement.

Explanation (Background & How it Responds to Vision, Mission or Goals)

To honor the City's obligations in the Development Agreement among the City of Bettendorf, Iowa; THE BETTPLEX, LLC, a Minnesota limited liability company; and MIDDLE & 80, LLC, an Iowa limited liability company, the City is issuing the following bond issues:

Not to Exceed \$3,250,000 General Obligation Urban Renewal Bonds, Series 2017A: The proceeds of the bonds will be used in aiding in the planning, undertaking and carrying out of urban renewal projects under the authority of Iowa Code chapter 403 and the Urban Renewal Plan for the I-80 Urban Renewal Area, including public infrastructure and related site improvements pursuant to a development agreement related to the BettPlex sports complex and family entertainment facility. The true interest cost (TIC) on these bonds is projected to be 2.784% with a 19 year maturity.

Not to Exceed \$2,250,000 Taxable General Obligation Urban Renewal Annual Appropriation Bonds, Series 2017B: The proceeds of the bonds will be used in aiding in the planning, undertaking and carrying out of urban renewal projects under the authority of Iowa Code chapter 403 and the Urban Renewal Plan for the I-80 Urban Renewal Area, including land acquisition and developer incentives pursuant to a development agreement related to the BettPlex sports complex and family entertainment facility. The true interest cost (TIC) on these bonds is projected to be 3.482% with a 19 year maturity.

\$4,900,000 Taxable Urban Renewal Tax Increment Revenue Annual Appropriation Capital Loan Notes: The proceeds of these Capital Loan Notes includes aiding in the planning, undertaking and carrying out of urban renewal projects under the authority of Iowa Code chapter 403 and the Urban Renewal Plan for the I-80 Urban Renewal Area, including funding an economic development grant pursuant to a development agreement related to the BettPlex sports complex and family entertainment facility. The interest rate on the notes include an initial rate of 5%, with 5 Year rate adjustments. Resets would be set at the 5 year T-bill + 3.5% and with a lifetime cap of 12%. The notes have a 20 year term.

Public Hearings will be held for all issues on May 2, 2017 at 7:00 p.m. At the Public Hearings we will review the composition and terms of the two proposed bond issues as described in the attached "Recommendations" from SPRINGSTED, Inc. as well as, the Commitment Letter from Triumph Bank on the TIF Capital Loan Notes. The bond schedules and amortization schedules have all been structured to ensure the City continues to have level debt service payments and adequate future bonding capacity. The bonds will be sold through a competitive bidding process and in the interest of obtaining as many bids as possible, underwriters may now submit their bids electronically, in addition to physical bids by phone or fax. The TIF Capital Loan Notes will be privately placed with Triumph Bank, Bettendorf, Iowa.

The City will apply to Moody's Investors Service for a rating on the bonds during the week of May 22, 2017, prior to the sale. The enabling resolutions prepared by Ahlers & Cooney institute proceedings to take additional action to proceed with the sale of the bonds and capital loan notes. The sale date on the two bond issues is scheduled for the morning of June 6, 2017 with award by the City Council at 7:00 pm that same day.

BUDGET CONSIDERATION:

The issuance of the bonds, as structured by SPRINGSTED, Inc., will require the City's Debt Service levy to remain at \$5.00 per \$1,000 assessed valuation, as adopted in the City's FY 2017-18 budget.

ATTACHMENTS:

- Resolutions prepared by Ahlers & Conney, P.C.
- "Recommendations" prepared by Springsted, Inc.
- Commitment Letter from Triumph Bank and Amortization Schedule on Capital Loan Notes

ITEMS TO INCLUDE ON AGENDA

CITY OF BETTENDORF, IOWA

Not to exceed \$3,250,000 General Obligation Urban Renewal Bonds

- Public hearing on the issuance.
- Resolution instituting proceedings to take additional action.

NOTICE MUST BE GIVEN PURSUANT TO IOWA CODE
CHAPTER 21 AND THE LOCAL RULES OF THE CITY.

May 2, 2017

The City Council of the City of Bettendorf, State of Iowa, met in _____ session, in the Council Chambers, City Hall, 1609 State Street, Bettendorf, Iowa, at _____ .M., on the above date. There were present Mayor _____, in the chair, and the following named Council Members:

Absent: _____

Vacant: _____

* * * * *

The Mayor announced that this was the time and place for the public hearing and meeting on the matter of the issuance of not to exceed \$3,250,000 General Obligation Urban Renewal Bonds, of the City of Bettendorf, State of Iowa, in order to provide funds to pay the costs of aiding in the planning, undertaking and carrying out of urban renewal projects under the authority of Iowa Code chapter 403 and the Urban Renewal Plan for the I-80 Urban Renewal Area, including public infrastructure and related site improvements pursuant to a development agreement related to the BettPlex sports complex and family entertainment facility, for essential corporate urban renewal purposes, and that notice of the proposal to issue the Bonds and the right to petition for an election had been published as provided by Sections 384.24(3)(q), 384.25 and 403.12 of the Code of Iowa, and the Mayor then asked the City Clerk whether any petition had been filed in the Clerk's Office, as contemplated in Section 362.4 of the Code of Iowa, and the Clerk reported that no such petition had been filed, requesting that the question of issuing the Bonds be submitted to the qualified electors of the City.

The Mayor then asked the Clerk whether any written objections had been filed by any resident or property owner of the City to the issuance of the Bonds. The Clerk advised the Mayor and the Council that _____ written objections had been filed. The Mayor then called for oral objections to the issuance of the Bonds and _____ were made. Whereupon, the Mayor declared the time for receiving oral and written objections to be closed.

(Attach here a summary of objections received or made, if any)

Whereupon, the Mayor declared the hearing on the issuance of the Bonds to be closed.

The Council then considered the proposed action and the extent of objections thereto.

Whereupon, Council Member _____ introduced and delivered to the Clerk the Resolution hereinafter set out entitled "RESOLUTION INSTITUTING PROCEEDINGS TO TAKE ADDITIONAL ACTION FOR THE ISSUANCE OF NOT TO EXCEED \$3,250,000 GENERAL OBLIGATION URBAN RENEWAL BONDS", and moved:

- ☐ that the Resolution be adopted.
- ☐ to ADJOURN and defer action on the Resolution and the proposal to institute proceedings for the issuance of bonds to the meeting to be held at _____ .M. on the _____ day of _____, 2017, at this place.

Council Member _____ seconded the motion. The roll was called and the vote was,

AYES: _____

NAYS: _____

Whereupon, the Mayor declared the measure duly adopted.

RESOLUTION INSTITUTING PROCEEDINGS TO TAKE
ADDITIONAL ACTION FOR THE ISSUANCE OF NOT TO
EXCEED \$3,250,000 GENERAL OBLIGATION URBAN
RENEWAL BONDS

WHEREAS, pursuant to notice published as required by law, the City Council has held a public meeting and hearing upon the proposal to institute proceedings for the issuance of not to exceed \$3,250,000 General Obligation Urban Renewal Bonds, for the essential corporate urban renewal purposes, in order to provide funds to pay the costs of aiding in the planning, undertaking and carrying out of urban renewal projects under the authority of Iowa Code chapter 403 and the Urban Renewal Plan for the I-80 Urban Renewal Area, including public infrastructure and related site improvements pursuant to a development agreement related to the BettPlex sports complex and family entertainment facility, and has considered the extent of objections received from residents or property owners as to the proposed issuance of Bonds; and no petition was filed calling for a referendum thereon. The following action is now considered to be in the best interests of the City and residents thereof.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BETTENDORF, STATE OF IOWA:

Section 1. That this Council does hereby institute proceedings and take additional action for the authorization and issuance in the manner required by law of not to exceed \$3,250,000 General Obligation Urban Renewal Bonds, for the foregoing essential corporate urban renewal purposes.

Section 2. This Resolution shall serve as a declaration of official intent under Treasury Regulation 1.150-2 and shall be maintained on file as a public record of such intent. It is reasonably expected that the general fund moneys may be advanced from time to time for capital expenditures which are to be paid from the proceeds of the above Bonds. The amounts so advanced shall be reimbursed from the proceeds of the Bonds not later than eighteen months after the initial payment of the capital expenditures or eighteen months after the property is placed in service. Such advancements shall not exceed the amount authorized in this Resolution unless the same are for preliminary expenditures or unless another declaration of intention is adopted.

PASSED AND APPROVED this 2nd day of May, 2017.

Mayor

ATTEST:

City Clerk

CERTIFICATE

STATE OF IOWA

)

) SS

COUNTY OF SCOTT

)

I, the undersigned City Clerk of the City of Bettendorf, State of Iowa, do hereby certify that attached is a true and complete copy of the portion of the records of the City showing proceedings of the Council, and the same is a true and complete copy of the action taken by the Council with respect to the matter at the meeting held on the date indicated in the attachment, which proceedings remain in full force and effect, and have not been amended or rescinded in any way; that meeting and all action thereat was duly and publicly held in accordance with a notice of meeting and tentative agenda, a copy of which was timely served on each member of the Council and posted on a bulletin board or other prominent place easily accessible to the public and clearly designated for that purpose at the principal office of the Council pursuant to the local rules of the Council and the provisions of Chapter 21, Code of Iowa, upon reasonable advance notice to the public and media at least twenty-four hours prior to the commencement of the meeting as required by law and with members of the public present in attendance; I further certify that the individuals named therein were on the date thereof duly and lawfully possessed of their respective City offices as indicated therein, that no Council vacancy existed except as may be stated in the proceedings, and that no controversy or litigation is pending, prayed or threatened involving the incorporation, organization, existence or boundaries of the City or the right of the individuals named therein as officers to their respective positions.

WITNESS my hand and the seal of the Council hereto affixed this _____ day of _____, 2017.

City Clerk, City of Bettendorf, State of Iowa

(SEAL)

01355380-1\10216-074

ITEMS TO INCLUDE ON AGENDA

CITY OF BETTENDORF, IOWA

Not to exceed \$2,250,000 Taxable General Obligation Urban Renewal Annual Appropriation Bonds

- Public hearing on the issuance.
- Resolution instituting proceedings to take additional action.

NOTICE MUST BE GIVEN PURSUANT TO IOWA CODE
CHAPTER 21 AND THE LOCAL RULES OF THE CITY.

May 2, 2017

The City Council of the City of Bettendorf, State of Iowa, met in _____
session, in the Council Chambers, City Hall, 1609 State Street, Bettendorf, Iowa, at _____
_____.M., on the above date. There were present Mayor _____, in the chair, and the
following named Council Members:

Absent: _____

Vacant: _____

* * * * *

The Mayor announced that this was the time and place for the public hearing and meeting on the matter of the issuance of not to exceed \$2,250,000 Taxable General Obligation Urban Renewal Annual Appropriation Bonds, of the City of Bettendorf, State of Iowa, in order to provide funds to pay the costs of aiding in the planning, undertaking and carrying out of urban renewal projects under the authority of Iowa Code chapter 403 and the Urban Renewal Plan for the I-80 Urban Renewal Area, including land acquisition and developer incentives pursuant to a development agreement related to the BettPlex sports complex and family entertainment facility, for essential corporate urban renewal purposes, and that notice of the proposal to issue the Bonds and the right to petition for an election had been published as provided by Sections 384.24(3)(q), 384.25 and 403.12 of the Code of Iowa, and the Mayor then asked the City Clerk whether any petition had been filed in the Clerk's Office, as contemplated in Section 362.4 of the Code of Iowa, and the Clerk reported that no such petition had been filed, requesting that the question of issuing the Bonds be submitted to the qualified electors of the City.

The Mayor then asked the Clerk whether any written objections had been filed by any resident or property owner of the City to the issuance of the Bonds. The Clerk advised the Mayor and the Council that _____ written objections had been filed. The Mayor then called for oral objections to the issuance of the Bonds and _____ were made. Whereupon, the Mayor declared the time for receiving oral and written objections to be closed.

(Attach here a summary of objections received or made, if any)

Whereupon, the Mayor declared the hearing on the issuance of the Bonds to be closed.

The Council then considered the proposed action and the extent of objections thereto.

Whereupon, Council Member _____ introduced and delivered to the Clerk the Resolution hereinafter set out entitled "RESOLUTION INSTITUTING PROCEEDINGS TO TAKE ADDITIONAL ACTION FOR THE ISSUANCE OF NOT TO EXCEED \$2,250,000 TAXABLE GENERAL OBLIGATION URBAN RENEWAL ANNUAL APPROPRIATION BONDS", and moved:

- ☐ that the Resolution be adopted.
- ☐ to ADJOURN and defer action on the Resolution and the proposal to institute proceedings for the issuance of bonds to the meeting to be held at _____ .M. on the _____ day of _____, 2017, at this place.

Council Member _____ seconded the motion. The roll was called and the vote was,

AYES: _____

NAYS: _____

Whereupon, the Mayor declared the measure duly adopted.

RESOLUTION INSTITUTING PROCEEDINGS TO TAKE
ADDITIONAL ACTION FOR THE ISSUANCE OF NOT TO
EXCEED \$2,250,000 TAXABLE GENERAL OBLIGATION
URBAN RENEWAL ANNUAL APPROPRIATION BONDS

WHEREAS, pursuant to notice published as required by law, the City Council has held a public meeting and hearing upon the proposal to institute proceedings for the issuance of not to exceed \$2,250,000 Taxable General Obligation Urban Renewal Annual Appropriation Bonds, for the essential corporate urban renewal purposes, in order to provide funds to pay the costs of aiding in the planning, undertaking and carrying out of urban renewal projects under the authority of Iowa Code chapter 403 and the Urban Renewal Plan for the I-80 Urban Renewal Area, including land acquisition and developer incentives pursuant to a development agreement related to the BettPlex sports complex and family entertainment facility, and has considered the extent of objections received from residents or property owners as to the proposed issuance of Bonds; and no petition was filed calling for a referendum thereon. The following action is now considered to be in the best interests of the City and residents thereof.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BETTENDORF, STATE OF IOWA:

Section 1. That this Council does hereby institute proceedings and take additional action for the authorization and issuance in the manner required by law of not to exceed \$2,250,000 General Obligation Urban Renewal Annual Appropriation Bonds, for the foregoing essential corporate urban renewal purposes.

Section 2. This Resolution shall serve as a declaration of official intent under Treasury Regulation 1.150-2 and shall be maintained on file as a public record of such intent. It is reasonably expected that the general fund moneys may be advanced from time to time for capital expenditures which are to be paid from the proceeds of the above Bonds. The amounts so advanced shall be reimbursed from the proceeds of the Bonds not later than eighteen months after the initial payment of the capital expenditures or eighteen months after the property is placed in service. Such advancements shall not exceed the amount authorized in this Resolution unless the same are for preliminary expenditures or unless another declaration of intention is adopted.

PASSED AND APPROVED this 2nd day of May, 2017.

Mayor

ATTEST:

City Clerk

CERTIFICATE

STATE OF IOWA

)

) SS

COUNTY OF SCOTT

)

I, the undersigned City Clerk of the City of Bettendorf, State of Iowa, do hereby certify that attached is a true and complete copy of the portion of the records of the City showing proceedings of the Council, and the same is a true and complete copy of the action taken by the Council with respect to the matter at the meeting held on the date indicated in the attachment, which proceedings remain in full force and effect, and have not been amended or rescinded in any way; that meeting and all action thereat was duly and publicly held in accordance with a notice of meeting and tentative agenda, a copy of which was timely served on each member of the Council and posted on a bulletin board or other prominent place easily accessible to the public and clearly designated for that purpose at the principal office of the Council pursuant to the local rules of the Council and the provisions of Chapter 21, Code of Iowa, upon reasonable advance notice to the public and media at least twenty-four hours prior to the commencement of the meeting as required by law and with members of the public present in attendance; I further certify that the individuals named therein were on the date thereof duly and lawfully possessed of their respective City offices as indicated therein, that no Council vacancy existed except as may be stated in the proceedings, and that no controversy or litigation is pending, prayed or threatened involving the incorporation, organization, existence or boundaries of the City or the right of the individuals named therein as officers to their respective positions.

WITNESS my hand and the seal of the Council hereto affixed this _____ day of _____, 2017.

City Clerk, City of Bettendorf, State of Iowa

(SEAL)

ITEMS TO INCLUDE ON AGENDA

CITY OF BETTENDORF, IOWA

Not to exceed \$4,900,000 Taxable Urban Renewal Tax Increment Revenue Annual
Appropriation Capital Loan Notes

- Public hearing on the authorization of a Loan Agreement and the issuance of Notes to evidence the obligation of the City thereunder.
- Resolution instituting proceedings to take additional action.

NOTICE MUST BE GIVEN PURSUANT TO IOWA CODE
CHAPTER 21 AND THE LOCAL RULES OF THE CITY.

May 2, 2017

The City Council of the City of Bettendorf, State of Iowa, met in _____ session, in the Council Chambers, City Hall, 1609 State Street, Bettendorf, Iowa, at _____ o'clock _____.M., on the above date. There were present Mayor _____, in the chair, and the following named Council Members:

Absent: _____

* * * * *

The Mayor announced that this was the time and place for the public hearing and meeting on the matter of the authorization of a Loan Agreement and the issuance of not to exceed \$4,900,000 Taxable Urban Renewal Tax Increment Revenue Annual Appropriation Capital Loan Notes, in order to provide funds to pay costs of aiding in the planning, undertaking and carrying out of urban renewal projects under the authority of Iowa Code chapter 403 and the Urban Renewal Plan for the I-80 Urban Renewal Area, including funding an economic development grant pursuant to a development agreement related to the BettPlex sports complex and family entertainment facility, and that notice of the proposed action by the Council to institute proceedings for the authorization of the Loan Agreement and the issuance of the Notes, had been published pursuant to the provisions of Chapter 403 of the Code of Iowa, as amended.

The Mayor then asked the Clerk whether any written objections had been filed by any city resident or property owner to the proposal. The Clerk advised the Mayor and the Council that _____ written objections had been filed. The Mayor then called for oral objections to the proposal and _____ were made. Whereupon, the Mayor declared the time for receiving oral and written objections to be closed.

(Attach here a summary of objections received or made, if any)

The Council then considered the proposed action and the extent of objections thereto.

Whereupon, Council Member _____ introduced and delivered to the Clerk the Resolution hereinafter set out entitled "RESOLUTION INSTITUTING PROCEEDINGS TO TAKE ADDITIONAL ACTION FOR THE AUTHORIZATION OF A LOAN AGREEMENT AND THE ISSUANCE OF TAXABLE URBAN RENEWAL TAX INCREMENT REVENUE ANNUAL APPROPRIATION CAPITAL LOAN NOTES", and moved:

- ☐ that the Resolution be adopted.
- ☐ to ADJOURN and defer action on the Resolution and the proposal to institute proceedings for the issuance of bonds to the meeting to be held at _____ o'clock _____.M. on the _____ day of _____, 2017, at this place.

Council Member _____ seconded the motion. The roll was called and the vote was,

AYES: _____

NAYS: _____

Whereupon, the Mayor declared the measure duly adopted.

RESOLUTION INSTITUTING PROCEEDINGS TO TAKE
ADDITIONAL ACTION FOR THE AUTHORIZATION OF A
LOAN AGREEMENT AND THE ISSUANCE OF NOT TO
EXCEED \$4,900,000 TAXABLE URBAN RENEWAL TAX
INCREMENT REVENUE ANNUAL APPROPRIATION
CAPITAL LOAN NOTES

WHEREAS, pursuant to notice published as required by law, this Council has held a public meeting and hearing upon the proposal to institute proceedings for the authorization of a Loan Agreement and the issuance of not to exceed \$4,900,000 Taxable Urban Renewal Tax Increment Revenue Annual Appropriation Capital Loan Notes, for the purpose of paying costs of aiding in the planning, undertaking and carrying out of urban renewal projects under the authority of Iowa Code chapter 403 and the Urban Renewal Plan for the I-80 Urban Renewal Area, including funding an economic development grant pursuant to a development agreement related to the BettPlex sports complex and family entertainment facility, and has considered the extent of objections received from residents or property owners as to the proposal and,

accordingly the following action is now considered to be in the best interests of the City and residents thereof:

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BETTENDORF, STATE OF IOWA:

Section 1. That this Council does hereby institute proceedings and take additional action for the authorization of a Loan Agreement and issuance in the manner required by law of not to exceed \$4,900,000 Taxable Urban Renewal Tax Increment Revenue Annual Appropriation Capital Loan Notes, for the foregoing purpose.

Section 2. This Resolution shall serve as a declaration of official intent under Treasury Regulation 1.150-2 and shall be maintained on file as a public record of such intent. It is reasonably expected that the general fund moneys may be advanced from time to time for capital expenditures which are to be paid from the proceeds of the above loan agreement. The amounts so advanced shall be reimbursed from the proceeds of the Loan Agreement not later than eighteen months after the initial payment of the capital expenditures or eighteen months after the property is placed in service. Such advancements shall not exceed the loan amount authorized in this Resolution unless the same are for preliminary expenditures or unless another declaration of intention is adopted.

PASSED AND APPROVED this 2nd day of May, 2017.

Mayor

ATTEST:

City Clerk

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_____, 2017.

City Clerk, City of Bettendorf, State of Iowa

(SEAL)

ITEMS TO INCLUDE ON AGENDA

CITY OF BETTENDORF, IOWA

\$3,180,000* General Obligation Urban Renewal Bonds, Series 2017A

- Resolution declaring an official intent under Treasury Regulation 1.150-2 to issue debt to reimburse the City for certain original expenditures paid in connection with specified Projects.

NOTICE MUST BE GIVEN PURSUANT TO IOWA CODE
CHAPTER 21 AND THE LOCAL RULES OF THE CITY.

May 2, 2017

The City Council of the City of Bettendorf, State of Iowa, met in _____ session, in the Council Chambers, City Hall, 1609 State Street, Bettendorf, Iowa, at _____ .M., on the above date. There were present Mayor _____, in the chair, and the following named Council Members:

Absent: _____

Vacant: _____

* * * * *

Council Member _____ introduced the following Resolution entitled "RESOLUTION DECLARING AN OFFICIAL INTENT UNDER TREASURY REGULATION 1.150-2 TO ISSUE DEBT TO REIMBURSE THE CITY FOR CERTAIN ORIGINAL EXPENDITURES PAID IN CONNECTION WITH SPECIFIED PROJECTS" and moved that it be adopted. Council Member _____ seconded the motion to adopt, and the roll being called thereon, the vote was as follows:

AYES: _____

NAYS: _____

Whereupon, the Mayor declared the Resolution duly adopted as follows:

RESOLUTION DECLARING AN OFFICIAL INTENT UNDER
TREASURY REGULATION 1.150-2 TO ISSUE DEBT TO
REIMBURSE THE CITY FOR CERTAIN ORIGINAL
EXPENDITURES PAID IN CONNECTION WITH SPECIFIED
PROJECTS

WHEREAS, the City anticipates making cash expenditures for one or more capital improvement projects, generally described below (each of which shall hereinafter be referred to as a "Project"); and

WHEREAS, the City reasonably expects to issue debt to reimburse the costs of a Project;
and

WHEREAS, the Council believes it is consistent with the City's budgetary and financial circumstances to issue this declaration of official intent.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BETTENDORF, STATE OF IOWA:

Section 1. That this Resolution be and does hereby serve as a declaration of official intent under Treasury Regulation 1.150-2.

Section 2. That it is reasonably expected that capital expenditures will be made in respect of the following Project(s), from time to time and in such amounts as this Council determines to be necessary or desirable under the circumstances then and there existing.

Section 3. That the City reasonably expects to reimburse all or a portion of the following expenditures with the proceeds of bonds, notes or other indebtedness to be issued or incurred by the City in the future.

Section 4. That the total estimated costs of the Project(s), the maximum principal amount of the bonds, notes or other indebtedness to be issued for the foregoing Project(s) and the estimated dates of completion of the Project(s) are reasonably expected to be as follows:

<u>Project</u>	<u>Fund from which original expenditures are to be Advanced</u>	<u>Total Estimated Cost</u>	<u>Amount of Borrowing Anticipated</u>	<u>Estimated Date of Completion</u>
<u>BettPlex Infrastruct. Project</u>	General Fund	\$2,500,000	\$3,180,000	August, 2018

Section 5. That the City reasonably expects to reimburse the above-mentioned Project costs not later than the later of eighteen months after the capital expenditures are paid or eighteen months after the property is placed in service, but in no event more than three (3) years after the original expenditure is paid.

Section 6. That this Resolution be maintained by the City Clerk in an Official Intent File maintained in the office of the Clerk and available at all times for public inspection, subject to such revisions as may be necessary.

PASSED AND APPROVED this 2nd day of May, 2017.

Mayor

ATTEST:

City Clerk

CERTIFICATE

STATE OF IOWA

)

) SS

COUNTY OF SCOTT

)

I, the undersigned City Clerk of the City of Bettendorf, State of Iowa, do hereby certify that attached is a true and complete copy of the portion of the records of the City showing proceedings of the Council, and the same is a true and complete copy of the action taken by the Council with respect to the matter at the meeting held on the date indicated in the attachment, which proceedings remain in full force and effect, and have not been amended or rescinded in any way; that meeting and all action thereat was duly and publicly held in accordance with a notice of meeting and tentative agenda, a copy of which was timely served on each member of the Council and posted on a bulletin board or other prominent place easily accessible to the public and clearly designated for that purpose at the principal office of the Council pursuant to the local rules of the Council and the provisions of Chapter 21, Code of Iowa, upon reasonable advance notice to the public and media at least twenty-four hours prior to the commencement of the meeting as required by law and with members of the public present in attendance; I further certify that the individuals named therein were on the date thereof duly and lawfully possessed of their respective City offices as indicated therein, that no Council vacancy existed except as may be stated in the proceedings, and that no controversy or litigation is pending, prayed or threatened involving the incorporation, organization, existence or boundaries of the City or the right of the individuals named therein as officers to their respective positions.

WITNESS my hand and the seal of the Council hereto affixed this _____ day of _____, 2017.

City Clerk, City of Bettendorf, State of Iowa

(SEAL)

ITEMS TO INCLUDE ON AGENDA

CITY OF BETTENDORF, IOWA

\$3,180,000* General Obligation Urban Renewal Bonds, Series 2017A

- Resolution directing the advertisement for sale and approving electronic bidding procedures and Official Statement.

NOTICE MUST BE GIVEN PURSUANT TO IOWA CODE
CHAPTER 21 AND THE LOCAL RULES OF THE CITY.

May 2, 2017

The City Council of the City of Bettendorf, State of Iowa, met in _____
session, in the Council Chambers, City Hall, 1609 State Street, Bettendorf, Iowa, at _____
_____.M., on the above date. There were present Mayor _____, in the chair, and the
following named Council Members:

Absent: _____

Vacant: _____

* * * * *

Council Member _____ introduced the following Resolution entitled "RESOLUTION DIRECTING THE ADVERTISEMENT FOR SALE OF \$3,180,000* GENERAL OBLIGATION URBAN RENEWAL BONDS, SERIES 2017A, AND APPROVING ELECTRONIC BIDDING PROCEDURES AND OFFICIAL STATEMENT" and moved its adoption. Council Member _____ seconded the Resolution to adopt. The roll was called and the vote was,

AYES: _____

NAYS: _____

Whereupon, the Mayor declared the resolution duly adopted as follows:

RESOLUTION DIRECTING THE ADVERTISEMENT FOR
SALE OF \$3,180,000* GENERAL OBLIGATION URBAN
RENEWAL BONDS, SERIES 2017A, AND APPROVING
ELECTRONIC BIDDING PROCEDURES AND OFFICIAL
STATEMENT

WHEREAS, by Resolution No. _____, adopted April 4, 2017, this Council found and determined that certain areas located within the City are eligible and should be designated as an urban renewal area under Iowa law, and approved and adopted the Urban Renewal Plan (the "Plan") for the I-80 Urban Renewal Plan Area (the "Area" or "Urban Renewal Area"), which Plan is on file in the office of the Recorder of Scott County, Iowa; and

WHEREAS, the Issuer is in need of funds to pay costs of aiding in the planning, undertaking and carrying out of urban renewal projects under the authority of Iowa Code chapter 403 and the Urban Renewal Plan for the I-80 Urban Renewal Area, including public infrastructure and related site improvements pursuant to a development agreement related to the BettPlex sports complex and family entertainment facility, essential corporate urban renewal purpose project(s), and it is deemed necessary and advisable that the City issue General Obligation Urban Renewal Bonds, for such purpose(s) to the amount of not to exceed \$3,250,000 as authorized by Sections 384.25 and 403.12 of the Code of Iowa; and

WHEREAS, pursuant to notice published as required by Sections 384.25 and 403.12 this Council has held a public meeting and hearing upon the proposal to institute proceedings for the issuance of said Bonds, and all objections, if any, to such Council action made by any resident or property owner of the City were received and considered by the Council; and no petition having been filed, it is the decision of the Council that additional action be taken for the issuance of said Bonds for such purpose(s), and that such action is considered to be in the best interests of the City and the residents thereof; and

WHEREAS, in conjunction with its Municipal Advisor, Springsted Incorporated, the City has caused a Preliminary Official Statement to be prepared outlining the details of the proposed sale of the Bonds; and

WHEREAS, the Council has received information from its Municipal Advisor evaluating and recommending the procedure hereinafter described for electronic, facsimile and internet bidding to maintain the integrity and security of the competitive bidding process and to facilitate the delivery of bids by interested parties; and

WHEREAS, the Council deems it in the best interests of the City and the residents thereof to receive bids to purchase such Bonds by means of both sealed and electronic internet communication.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BETTENDORF, STATE OF IOWA:

Section 1. That the receipt of electronic bids by facsimile machine and through the Parity Competitive Bidding System described in the Notice of Sale and Official Statement are hereby found and determined to provide reasonable security and to maintain the integrity of the competitive bidding process, and to facilitate the delivery of bids by interested parties in connection with the offering at public sale.

Section 2. That General Obligation Urban Renewal Bonds, Series 2017A, of City of Bettendorf, State of Iowa, in the amount of \$3,180,000*, to be issued as referred to in the preamble of this Resolution, to be dated June 28, 2017, be offered for sale pursuant to the published advertisement.

Section 3. That the preliminary Official Statement in the form presented to this meeting be and the same hereby is approved as to form and deemed final for purposes of Rule 15c2-12 of the Securities and Exchange Commission, subject to such revisions, corrections or modifications as the Mayor and City Clerk, upon the advice of bond counsel and the City's Financial Advisor, shall determine to be appropriate, and is authorized to be distributed in connection with the offering of the Bonds for sale.

Section 4. That the Clerk is hereby directed to publish notice of sale of the Bonds at least once, the last one of which shall be not less than four clear days nor more than twenty days before the date of the sale. Publication shall be made in the "Bettendorf News", a legal newspaper, printed wholly in the English language, published within the county in which the Bonds are to be offered for sale or an adjacent county. The notice is given pursuant to Chapter 75 of the Code of Iowa, and shall state that this Council, on the 6th day of June, 2017, at 7:00 P.M., will hold a meeting to receive and act upon bids for said Bonds, which bids were previously received and opened by City Officials at 10:00 A.M. on said date. The notice shall be in substantially the following form:

(To be published on or before June 1, 2017)

NOTICE OF BOND SALE

Time and Place of Sealed Bids: Bids for the sale of Bonds of the City of Bettendorf, State of Iowa, hereafter described, must be received at the office of the City Clerk, City Hall, 1609 State Street, Bettendorf, Iowa 52722; Telephone: 563-344-4000 (the "Issuer") before 10:00 A.M., on the 6th day of June, 2017. The bids will then be publicly opened and referred for action to the meeting of the City Council in conformity with the TERMS OF OFFERING.

The Bonds: The Bonds to be offered are the following:

GENERAL OBLIGATION URBAN RENEWAL BONDS,
SERIES 2017A, in the amount of \$3,180,000*, to be dated June
28, 2017

TAXABLE GENERAL OBLIGATION URBAN RENEWAL
ANNUAL APPROPRIATION BONDS, SERIES 2017B, in the
amount of \$2,195,000*, to be dated June 28, 2017

(collectively the "Bonds")

*Subject to principal adjustment pursuant to official Terms of Offering.

Manner of Bidding: Open bids will not be received. Bids will be received in any of the following methods:

- Sealed Bidding: Sealed bids may be submitted and will be received at the office of the City Clerk at City Hall, 1609 State Street, Bettendorf, Iowa 52722.
- Electronic Internet Bidding: Electronic internet bids will be received at the office of the City Clerk at City Hall, 1609 State Street, Bettendorf, Iowa 52722. The bids must be submitted through the PARITY® competitive bidding system.
- Electronic Facsimile Bidding: Electronic facsimile bids will be received at the office of the City Clerk at City Hall, 1609 State Street, Bettendorf, Iowa 52722 (facsimile number: 563-344-4012) and/or the City's Municipal Advisor, Springsted Incorporated, Saint Paul, Minnesota (facsimile number: 651-223-3046). Electronic facsimile bids will be treated as sealed bids.

Consideration of Bids: After the time for receipt of bids has passed, the close of sealed bids will be announced. Sealed bids will then be publicly opened and announced. Finally, electronic internet bids will be accessed and announced.

Sale and Award: The sale and award of the Bonds will be held at the Council Chambers, City Hall, 1609 State Street, Bettendorf, Iowa at a meeting of the City Council on the above date at 7:00 P.M.

Official Statement: The Issuer has issued an Official Statement of information pertaining to the Bonds to be offered, including a statement of the Terms of Offering and an Official Bid Form, which is incorporated by reference as a part of this notice. The Official Statement may be obtained by request addressed to the City Clerk, City Hall, 1609 State Street, Bettendorf, Iowa 52722; Telephone: 563-344-4000 or the Issuer's Municipal Advisor, Springsted Incorporated, 380 Jackson Street, Suite 300, Saint Paul, Minnesota, 55101, Telephone: 651-223-3000.

Terms of Offering: All bids shall be in conformity with and the sale shall be in accordance with the Terms of Offering as set forth in the Official Statement.

Legal Opinion: The Bonds will be sold subject to the opinion of Ahlers & Cooney, P.C., Attorneys of Des Moines, Iowa, as to the legality and their opinion will be furnished together with the printed Bonds without cost to the purchaser and all bids will be so conditioned. Except to the extent necessary to issue their opinion as to the legality of the Bonds, the attorneys will not examine or review or express any opinion with respect to the accuracy or completeness of documents, materials or statements made or furnished in connection with the sale, issuance or marketing of the Bonds.

Rights Reserved: The right is reserved to reject any or all bids, and to waive any irregularities as deemed to be in the best interests of the public.

By order of the City Council of the City of Bettendorf, State of Iowa.

City Clerk, City of Bettendorf, State of
Iowa

(End of Notice)

PASSED AND APPROVED this 2nd day of May, 2017.

Mayor

ATTEST:

City Clerk

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) SS

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City: _____ Club: _____ City: _____ f B: _____ f S: _____ f I: _____

(SEAL)

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ITEMS TO INCLUDE ON AGENDA

CITY OF BETTENDORF, IOWA

\$2,195,000* Taxable General Obligation Urban Renewal Annual Appropriation Bonds, Series 2017B

- Resolution directing the advertisement for sale and approving electronic bidding procedures and Official Statement.

NOTICE MUST BE GIVEN PURSUANT TO IOWA CODE
CHAPTER 21 AND THE LOCAL RULES OF THE CITY.

May 2, 2017

The City Council of the City of Bettendorf, State of Iowa, met in _____
session, in the Council Chambers, City Hall, 1609 State Street, Bettendorf, Iowa, at _____
_____.M., on the above date. There were present Mayor _____, in the chair, and the
following named Council Members:

Absent: _____

Vacant: _____

* * * * *

Council Member _____ introduced the following Resolution entitled "RESOLUTION DIRECTING THE ADVERTISEMENT FOR SALE OF \$2,195,000* TAXABLE GENERAL OBLIGATION URBAN RENEWAL ANNUAL APPROPRIATION BONDS, SERIES 2017B, AND APPROVING ELECTRONIC BIDDING PROCEDURES AND OFFICIAL STATEMENT" and moved its adoption. Council Member _____ seconded the Resolution to adopt. The roll was called and the vote was,

AYES: _____

NAYS: _____

Whereupon, the Mayor declared the resolution duly adopted as follows:

RESOLUTION DIRECTING THE ADVERTISEMENT FOR
SALE OF \$2,195,000* TAXABLE GENERAL OBLIGATION
URBAN RENEWAL ANNUAL APPROPRIATION BONDS,
SERIES 2017B, AND APPROVING ELECTRONIC BIDDING
PROCEDURES AND OFFICIAL STATEMENT

WHEREAS, by Resolution No. _____, adopted April 4, 2017, this Council found and determined that certain areas located within the City are eligible and should be designated as an urban renewal area under Iowa law, and approved and adopted the Urban Renewal Plan (the "Plan") for the I-80 Urban Renewal Plan Area (the "Area" or "Urban Renewal Area"), which Plan is on file in the office of the Recorder of Scott County, Iowa; and

WHEREAS, the Issuer is in need of funds to pay costs of aiding in the planning, undertaking and carrying out of urban renewal projects under the authority of Iowa Code chapter 403 and the Urban Renewal Plan for the I-80 Urban Renewal Area, including land acquisition and developer incentives pursuant to a development agreement related to the BettPlex sports complex and family entertainment facility, essential corporate urban renewal purpose project(s), and it is deemed necessary and advisable that the City issue Taxable General Obligation Urban Renewal Annual Appropriation Bonds, for such purpose(s) to the amount of not to exceed \$2,250,000 as authorized by Sections 384.25 and 403.12 of the Code of Iowa; and

WHEREAS, pursuant to notice published as required by Sections 384.25 and 403.12 this Council has held a public meeting and hearing upon the proposal to institute proceedings for the issuance of said Bonds, and all objections, if any, to such Council action made by any resident or property owner of the City were received and considered by the Council; and no petition having been filed, it is the decision of the Council that additional action be taken for the issuance of said Bonds for such purpose(s), and that such action is considered to be in the best interests of the City and the residents thereof; and

WHEREAS, in conjunction with its Municipal Advisor, Springsted Incorporated, the City has caused a Preliminary Official Statement to be prepared outlining the details of the proposed sale of the Bonds; and

WHEREAS, the Council has received information from its Municipal Advisor evaluating and recommending the procedure hereinafter described for electronic, facsimile and internet bidding to maintain the integrity and security of the competitive bidding process and to facilitate the delivery of bids by interested parties; and

WHEREAS, the Council deems it in the best interests of the City and the residents thereof to receive bids to purchase such Bonds by means of both sealed and electronic internet communication.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BETTENDORF, STATE OF IOWA:

Section 1. That the receipt of electronic bids by facsimile machine and through the Parity Competitive Bidding System described in the Notice of Sale and Official Statement are hereby found and determined to provide reasonable security and to maintain the integrity of the competitive bidding process, and to facilitate the delivery of bids by interested parties in connection with the offering at public sale.

Section 2. That Taxable General Obligation Urban Renewal Annual Appropriation Bonds, Series 2017B, of City of Bettendorf, State of Iowa, in the amount of \$2,195,000*, to be issued as referred to in the preamble of this Resolution, to be dated June 28, 2017, be offered for sale pursuant to the published advertisement.

Section 3. That the preliminary Official Statement in the form presented to this meeting be and the same hereby is approved as to form and deemed final for purposes of Rule 15c2-12 of the Securities and Exchange Commission, subject to such revisions, corrections or modifications as the Mayor and City Clerk, upon the advice of bond counsel and the City's Financial Advisor, shall determine to be appropriate, and is authorized to be distributed in connection with the offering of the Bonds for sale.

Section 4. That the Clerk is hereby directed to publish notice of sale of the Bonds at least once, the last one of which shall be not less than four clear days nor more than twenty days before the date of the sale. Publication shall be made in the "Bettendorf News", a legal newspaper, printed wholly in the English language, published within the county in which the Bonds are to be offered for sale or an adjacent county. The notice is given pursuant to Chapter 75 of the Code of Iowa, and shall state that this Council, on the 6th day of June, 2017, at 7:00 P.M., will hold a meeting to receive and act upon bids for said Bonds, which bids were previously received and opened by City Officials at 10:00 A.M. on said date. The notice shall be in substantially the following form:

(To be published on or before June 1, 2017)

NOTICE OF BOND SALE

Time and Place of Sealed Bids: Bids for the sale of Bonds of the City of Bettendorf, State of Iowa, hereafter described, must be received at the office of the City Clerk, City Hall, 1609 State Street, Bettendorf, Iowa 52722; Telephone: 563-344-4000 (the "Issuer") before 10:00 A.M., on the 6th day of June, 2017. The bids will then be publicly opened and referred for action to the meeting of the City Council in conformity with the TERMS OF OFFERING.

The Bonds: The Bonds to be offered are the following:

GENERAL OBLIGATION URBAN RENEWAL BONDS,
SERIES 2017A, in the amount of \$3,180,000*, to be dated June
28, 2017

TAXABLE GENERAL OBLIGATION URBAN RENEWAL
ANNUAL APPROPRIATION BONDS, SERIES 2017B, in the
amount of \$2,195,000*, to be dated June 28, 2017

(collectively the "Bonds")

*Subject to principal adjustment pursuant to official Terms of Offering.

Manner of Bidding: Open bids will not be received. Bids will be received in any of the following methods:

- Sealed Bidding: Sealed bids may be submitted and will be received at the office of the City Clerk at City Hall, 1609 State Street, Bettendorf, Iowa 52722.
- Electronic Internet Bidding: Electronic internet bids will be received at the office of the City Clerk at City Hall, 1609 State Street, Bettendorf, Iowa 52722. The bids must be submitted through the PARITY® competitive bidding system.
- Electronic Facsimile Bidding: Electronic facsimile bids will be received at the office of the City Clerk at City Hall, 1609 State Street, Bettendorf, Iowa 52722 (facsimile number: 563-344-4012) and/or the City's Municipal Advisor, Springsted Incorporated, Saint Paul, Minnesota (facsimile number: 651-223-3046). Electronic facsimile bids will be treated as sealed bids.

Consideration of Bids: After the time for receipt of bids has passed, the close of sealed bids will be announced. Sealed bids will then be publicly opened and announced. Finally, electronic internet bids will be accessed and announced.

Sale and Award: The sale and award of the Bonds will be held at the Council Chambers, City Hall, 1609 State Street, Bettendorf, Iowa at a meeting of the City Council on the above date at 7:00 P.M.

Official Statement: The Issuer has issued an Official Statement of information pertaining to the Bonds to be offered, including a statement of the Terms of Offering and an Official Bid Form, which is incorporated by reference as a part of this notice. The Official Statement may be obtained by request addressed to the City Clerk, City Hall, 1609 State Street, Bettendorf, Iowa 52722; Telephone: 563-344-4000 or the Issuer's Municipal Advisor, Springsted Incorporated, 380 Jackson Street, Suite 300, Saint Paul, Minnesota, 55101, Telephone: 651-223-3000.

Terms of Offering: All bids shall be in conformity with and the sale shall be in accordance with the Terms of Offering as set forth in the Official Statement.

Legal Opinion: The Bonds will be sold subject to the opinion of Ahlers & Cooney, P.C., Attorneys of Des Moines, Iowa, as to the legality and their opinion will be furnished together with the printed Bonds without cost to the purchaser and all bids will be so conditioned. Except to the extent necessary to issue their opinion as to the legality of the Bonds, the attorneys will not examine or review or express any opinion with respect to the accuracy or completeness of documents, materials or statements made or furnished in connection with the sale, issuance or marketing of the Bonds.

Rights Reserved: The right is reserved to reject any or all bids, and to waive any irregularities as deemed to be in the best interests of the public.

By order of the City Council of the City of Bettendorf, State of Iowa.

City Clerk, City of Bettendorf, State of
Iowa

(End of Notice)

PASSED AND APPROVED this 2nd day of May, 2017.

Mayor

ATTEST:

City Clerk

)

) SS

)

_____, 2017.

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of which the clipping annexed to the publisher's affidavit hereto attached is in words and figures a correct and complete copy, to be published as required by law in the "Bettendorf News", a legal newspaper published at least once weekly, printed wholly in the English language, published regularly and mailed through the post office of current entry for more than two years and which has had for more than two years a bona fide paid circulation recognized by the postal laws of the United States, and has a general circulation in the City, and that the Notice was published in all of the issues thereof published and circulated on the following date:

WITNESS my official signature this _____ day of _____, 2017.

(SEAL)

City of Bettendorf, Iowa

Recommendations for Issuance of Bonds

\$3,180,000 General Obligation Urban Renewal Bonds, Series 2017A

\$2,195,000 Taxable General Obligation Urban Renewal Annual Appropriation Bonds, Series 2017B

The Council has under consideration the issuance of two series of bonds to finance a portion of the BettPlex sports complex to be located in the City. This document provides information relative to the proposed issuance.

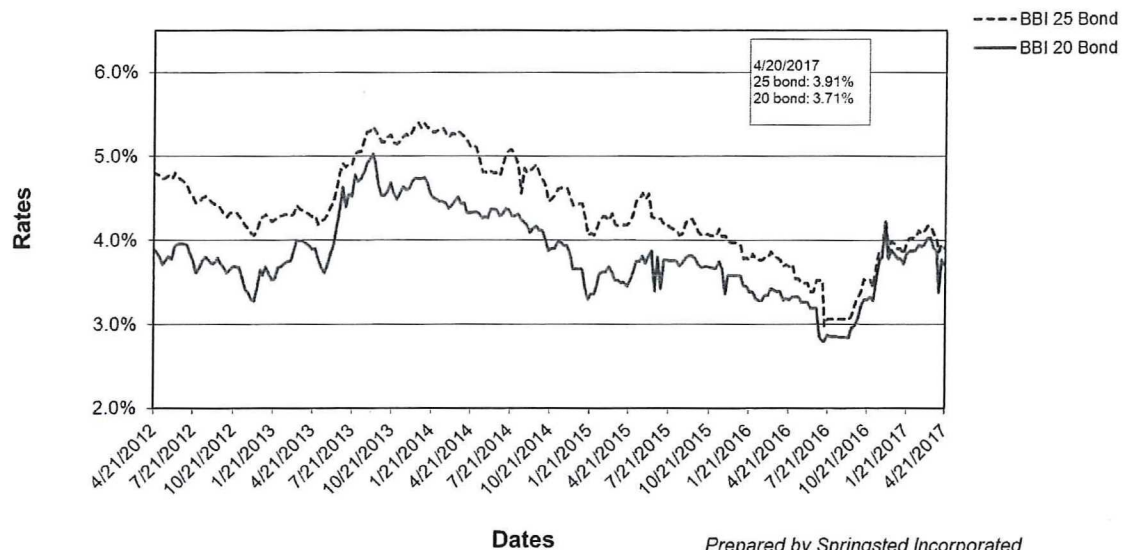
KEY EVENTS: The following summary schedule includes the timing of some of the key events that will occur relative to the bond issuance.

April 4, 2017	Council conducted Public Hearing on Urban Renewal Plan
May 2, 2017	Council conducts Public Hearing to adopt the Development Agreement and to issue the Bonds
Week of May 22, 2017	Rating conference is conducted
June 6, 2017, 10:00 a.m.	Competitive proposals are received
June 6, 2017, 7:00 p.m.	Council considers award of the Bonds
June 28, 2017	Proceeds are received

RATING: An application will be made to Moody's Investors Service (Moody's) for a rating on the Bonds. The City's general obligation debt is currently rated "Aa2" by Moody's.

THE MARKET: Performance of the tax-exempt market is often measured by the Bond Buyer's Index ("BBI") which measures the yield of high grade municipal bonds in the 20th year for general obligation bonds (the BBI 20 Bond Index) and the 30th year for revenue bonds (the BBI 25 Bond Index). The following chart illustrates these two indices over the past five years.

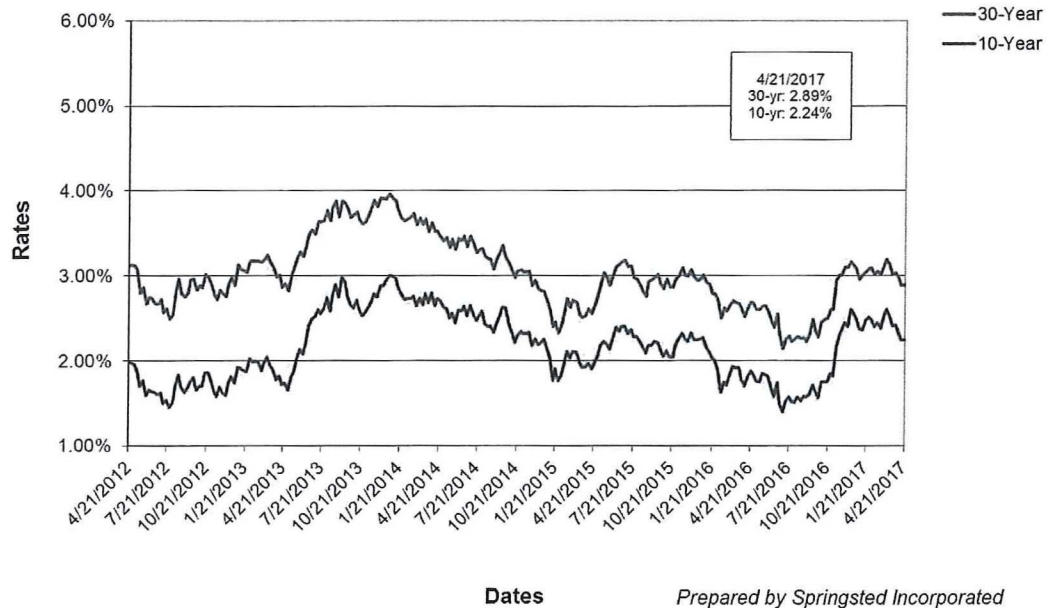
**BBI 25-bond (Revenue) and 20-bond (G.O.) Rates for 5 Years
Ending 4/21/2017**



Prepared by Springsted Incorporated

Interest rates for the taxable municipal market are quoted as a spread to U.S. Treasury Securities. To give you an indication of the relative position of that market, the chart below tracks the yield of the 10-year and 30-year U.S. Treasury over the last five years.

10-year and 30-year Treasury Rates for Five Years Ending April 21, 2017



POST ISSUANCE COMPLIANCE:

The issuance of the Bonds will result in post issuance compliance responsibilities. The Responsibilities are in two primary areas: i) compliance with federal arbitrage requirements and ii) compliance with secondary disclosure requirements.

Note: the Series 2017B Bonds are taxable and are therefore not subject to the federal arbitrage requirements.

Federal arbitrage requirements include a wide range of implications that have been taken into account as the Series 2017A Bonds have been structured. Post-issuance compliance responsibilities for your tax-exempt issue include both rebate and yield restriction provisions of the IRS Code. In general terms the arbitrage requirements control the earnings on unexpended bond proceeds, including investment earnings, moneys held for debt service payments (which are considered to be proceeds under the IRS regulations), and/or reserves. Under certain circumstances any "excess earnings" will need to be paid to the IRS to maintain the tax-exempt status of the Series 2017A Bonds. Any interest earnings on gross bond proceeds or debt service funds should not be spent until it has been determined based on actual facts that they are not "excess earnings" as defined by the IRS Code.

The arbitrage rules provide for spend-down exceptions for proceeds that are spent within either a 6-month, 18-month or 24-month period in accordance with certain spending criteria. Proceeds that qualify for an exception will be exempt from rebate. These exceptions are based on actual expenditures and not based on reasonable expectations, and expenditures, including any investment proceeds will have to meet the spending criteria to qualify for the exclusion. The City expects to meet the 18-month spending exception in regard to the Series 2017A Bonds.

Regardless of whether the issue qualifies for an exemption from the rebate provisions, yield restriction provisions will apply to the debt service fund and any project proceeds unspent after three years and the funds should be monitored on an ongoing basis.

Secondary disclosure requirements result from an SEC requirement that underwriters provide ongoing disclosure information to investors. To meet this requirement, any prospective underwriter will require the City to commit to providing the information needed to comply under a continuing disclosure agreement for each bond issue.

The City and Springsted have entered into an Agreement for Municipal Advisory Services under which Springsted will provide arbitrage and continuing disclosure services to the City.

**THE PROJECT AND
CONCURRENT
FINANCING:**

Pursuant to the adoption of a Development Agreement, the City plans to assist the development of a privately owned sports complex, the "BettPlex". The BettPlex will provide approximately 265,000 square feet of indoor space that will provide (i) turf field for soccer, lacrosse, baseball, softball, wrestling and volleyball (ii) indoor courts for basketball (iii) sand volleyball courts (iv) batting cages, pitching mounds, golf driving range, physical therapy and training rooms and office and conference rooms and (v) a two-story family entertainment center. The outdoor space will accommodate soccer fields, baseball and softball fields, volleyball courts, concession stands and 1,800 parking spaces.

The City's assistance with the BettPlex complex will be financed with the issuance of the Bonds and a 20-year tax increment financing note (the "2017 TIF Note") not to exceed \$4.9 million being issued concurrently.

**SUPPLEMENTAL
INFORMATION AND
BOND RECORD:**

Supplementary information will be available to staff including detailed terms and conditions of sale, comprehensive structuring schedules and information to assist in meeting post-issuance compliance responsibilities.

Upon completion of the financing, a bond record will be provided that contains pertinent documents and final debt service calculations for these transactions.

\$3,180,000 General Obligation Urban Renewal Bonds, Series 2017A

Description of Issue

PURPOSE:

Proceeds of the Series 2017A Bonds will be used to finance essential corporate urban renewal purposes including public infrastructure and related site improvements pursuant to a development agreement related to the BettPlex sports complex and family entertainment center.

AUTHORITY:	The Series 2017A Bonds are being issued pursuant to Chapters 384 and 403 of the Code of Iowa and the Resolution authorizing the issuance of the Series 2017A Bonds (the "Series 2017A Bond Resolution").
SECURITY AND SOURCE OF PAYMENT:	<p>The Series 2017A Bonds will be a general obligation of the City secured by its power to levy direct general ad valorem taxes against all taxable property in the City without limit to rate or amount to pay the debt service on the Series 2017A Bonds.</p> <p>The City will make its first levy for the Series 2017A Bonds in 2017 which will be applied to make the December 1, 2017 interest payment due and the June 1, 2018 principal and interest payment. This levy cycle will continue throughout the life of the Series 2017A Bonds.</p>
STRUCTURING SUMMARY:	In consultation with the City, the Series 2017A Bonds have been structured to provide approximately level annual payments of principal and interest over a term of 20 years with 19 years of principal.
SCHEDULES ATTACHED:	Schedules attached for the Series 2017A Bonds include sources and uses of funds and a semi-annual debt service schedule given the current interest rate environment.
RISKS/SPECIAL CONSIDERATIONS:	<p>The outcome of this financing will rely on the market conditions at the time of the sale. Any projections included herein are estimates based on current market conditions.</p> <p>On May 2, 2017, the City Council will be asked to adopt a Resolution authorizing a not to exceed issue size of \$3,250,000 for the Series 2017A Bonds.</p>
SALE TERMS AND MARKETING:	<p><u>Variability of Issue Size:</u> A specific provision in the sale terms permits modifications to the issue size and/or maturity structure to customize the issue once the price and interest rates are set on the day of sale.</p> <p><u>Prepayment Provisions:</u> Bonds maturing on or after June 1, 2027 may be prepaid at a price of par plus accrued interest on or after June 1, 2026.</p> <p><u>Bank Qualification:</u> The City does not expect to issue more than \$10 million in tax-exempt obligations that count against the \$10 million limit for 2017; therefore, the Series 2017A Bonds are designated as bank qualified.</p>

\$2,195,000 Taxable General Obligation Urban Renewal Annual Appropriation Bonds, Series 2017B

Description of Issue

PURPOSE:	Proceeds of the Series 2017B Bonds will be used to finance essential corporate urban renewal purposes including land acquisition and developer incentives pursuant to a development agreement related to the BettPlex sports complex and family entertainment center.
AUTHORITY:	The Series 2017B Bonds are being issued pursuant to Chapters 384 and 403 of the Code of Iowa and the Resolution authorizing the issuance of the Series 2017B Bonds (the "Series 2017B Bond Resolution").

**SECURITY AND
SOURCE OF
PAYMENT:**

The Series 2017B Bonds are payable, subject to the City's right of non-appropriation, from an unlimited ad-valorem property tax levied against all taxable property in the City. Other than the initial deposits to the Bond Fund on the closing date of the Series 2017B Bonds and the City's appropriation of sufficient funds to pay principal of and interest on the Series 2017B Bonds through the fiscal year ending June 30, 2018, all other sources for payment for the Series 2017B Bonds under the Series 2017B Bond Resolution are subject to the City's annual right of non-appropriation in accordance with the terms of the Series 2017B Bonds Resolution.

Capitalized interest has been included in the issue size of the Series 2017B Bonds in an estimated amount required to make the interest payments due through June 1, 2019.

**STRUCTURING
SUMMARY:**

In consultation with the City, the Series 2017B Bonds have been structured with two years of interest only payments to be paid from capitalized interest and to provide approximately level annual payments of principal and interest over a thereafter over a term of 20 years with 17 years of principal.

**SCHEDULES
ATTACHED:**

Schedules attached for the Series 2017B Bonds include sources and uses of funds and a semi-annual net debt service schedule given the current interest rate environment.

**RISKS/SPECIAL
CONSIDERATIONS:**

The outcome of this financing will rely on the market conditions at the time of the sale. Any projections included herein are estimates based on current market conditions.

On May 2, 2017, the City Council will be asked to adopt a Resolution authorizing a not to exceed issue size of \$2,250,000 for the Series 2017B Bonds.

**SALE TERMS AND
MARKETING:**

Variability of Issue Size: A specific provision in the sale terms permits modifications to the issue size and/or maturity structure to customize the issue once the price and interest rates are set on the day of sale.

Prepayment Provisions: Bonds maturing on or after June 1, 2027 may be prepaid at a price of par plus accrued interest on or after June 1, 2026.

Bank Qualification: Bank qualifications limits do not apply to taxable issues such as the Series 2017B Bonds.

\$3,180,000

City of Bettendorf, Iowa
General Obligation Urban Renewal Bonds, Series 2017A

Sources & Uses

Dated 06/28/2017 | Delivered 06/28/2017

Sources Of Funds

Par Amount of Bonds..... \$3,180,000.00

Total Sources..... \$3,180,000.00

Uses Of Funds

Deposit to Project Construction Fund..... 3,100,000.00

Costs of Issuance..... 38,436.00

Total Underwriter's Discount (1.200%)..... 38,160.00

Rounding Amount..... 3,404.00

Total Uses..... \$3,180,000.00

\$3,180,000

City of Bettendorf, Iowa
General Obligation Urban Renewal Bonds, Series 2017A

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
06/28/2017	-	-	-	-	-
12/01/2017	-	-	31,759.19	31,759.19	-
06/01/2018	145,000.00	1.100%	37,363.75	182,363.75	214,122.94
12/01/2018	-	-	36,566.25	36,566.25	-
06/01/2019	140,000.00	1.250%	36,566.25	176,566.25	213,132.50
12/01/2019	-	-	35,691.25	35,691.25	-
06/01/2020	145,000.00	1.400%	35,691.25	180,691.25	216,382.50
12/01/2020	-	-	34,676.25	34,676.25	-
06/01/2021	145,000.00	1.550%	34,676.25	179,676.25	214,352.50
12/01/2021	-	-	33,552.50	33,552.50	-
06/01/2022	150,000.00	1.750%	33,552.50	183,552.50	217,105.00
12/01/2022	-	-	32,240.00	32,240.00	-
06/01/2023	150,000.00	1.900%	32,240.00	182,240.00	214,480.00
12/01/2023	-	-	30,815.00	30,815.00	-
06/01/2024	155,000.00	2.050%	30,815.00	185,815.00	216,630.00
12/01/2024	-	-	29,226.25	29,226.25	-
06/01/2025	155,000.00	2.150%	29,226.25	184,226.25	213,452.50
12/01/2025	-	-	27,560.00	27,560.00	-
06/01/2026	160,000.00	2.200%	27,560.00	187,560.00	215,120.00
12/01/2026	-	-	25,800.00	25,800.00	-
06/01/2027	165,000.00	2.300%	25,800.00	190,800.00	216,600.00
12/01/2027	-	-	23,902.50	23,902.50	-
06/01/2028	165,000.00	2.400%	23,902.50	188,902.50	212,805.00
12/01/2028	-	-	21,922.50	21,922.50	-
06/01/2029	170,000.00	2.500%	21,922.50	191,922.50	213,845.00
12/01/2029	-	-	19,797.50	19,797.50	-
06/01/2030	175,000.00	2.650%	19,797.50	194,797.50	214,595.00
12/01/2030	-	-	17,478.75	17,478.75	-
06/01/2031	180,000.00	2.850%	17,478.75	197,478.75	214,957.50
12/01/2031	-	-	14,913.75	14,913.75	-
06/01/2032	185,000.00	2.900%	14,913.75	199,913.75	214,827.50
12/01/2032	-	-	12,231.25	12,231.25	-
06/01/2033	190,000.00	3.000%	12,231.25	202,231.25	214,462.50
12/01/2033	-	-	9,381.25	9,381.25	-
06/01/2034	195,000.00	3.050%	9,381.25	204,381.25	213,762.50
12/01/2034	-	-	6,407.50	6,407.50	-
06/01/2035	200,000.00	3.100%	6,407.50	206,407.50	212,815.00
12/01/2035	-	-	3,307.50	3,307.50	-
06/01/2036	210,000.00	3.150%	3,307.50	213,307.50	216,615.00
Total	\$3,180,000.00	-	\$900,062.94	\$4,080,062.94	-

SIGNIFICANT DATES

Dated Date..... 6/28/2017
Delivery Date..... 6/28/2017
First Coupon Date..... 12/01/2017

Yield Statistics

Bond Year Dollars..... \$33,636.50
Average Life..... 10.578 Years
Average Coupon..... 2.6758519%
Net Interest Cost (NIC)..... 2.7893001%
True Interest Cost (TIC)..... 2.7845665%
Bond Yield for Arbitrage Purposes..... 2.6494113%
All Inclusive Cost (AIC)..... 2.9230777%

IRS Form 8038

Net Interest Cost..... 2.6758519%
Weighted Average Maturity..... 10.578 Years

GO Bonds 2017A | SINGLE PURPOSE | 4/ 6/2017 | 2:44 PM

\$2,195,000

City of Bettendorf, Iowa

Taxable General Obligation Urban Renewal Annual Appropriation Bonds, Series 2017B

Sources & Uses

Dated 06/28/2017 | Delivered 06/28/2017

Sources Of Funds

Par Amount of Bonds..... \$2,195,000.00

Total Sources..... \$2,195,000.00

Uses Of Funds

Deposit to Project Construction Fund..... 2,000,000.00

Deposit to Capitalized Interest (CIF) Fund..... 131,532.92

Total Underwriter's Discount (1.400%)..... 30,730.00

Costs of Issuance..... 28,979.00

Rounding Amount..... 3,758.08

Total Uses..... \$2,195,000.00



\$2,195,000

City of Bettendorf, Iowa

Taxable General Obligation Urban Renewal Annual Appropriation Bonds, Series 2017B

NET DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I	CIF	Net New D/S	Fiscal Total
06/28/2017	-	-	-	-	-	-	-
12/01/2017	-	-	29,044.13	29,044.13	(29,044.13)	-	-
06/01/2018	-	-	34,161.08	34,161.08	(34,161.08)	-	-
12/01/2018	-	-	34,166.63	34,166.63	(34,166.63)	-	-
06/01/2019	-	-	34,161.08	34,161.08	(34,161.08)	-	-
12/01/2019	-	-	34,166.63	34,166.63	-	34,166.63	-
06/01/2020	105,000.00	1.900%	34,166.63	139,166.63	-	139,166.63	173,333.26
12/01/2020	-	-	33,152.50	33,152.50	-	33,152.50	-
06/01/2021	105,000.00	2.050%	33,152.50	138,152.50	-	138,152.50	171,305.00
12/01/2021	-	-	32,076.25	32,076.25	-	32,076.25	-
06/01/2022	105,000.00	2.250%	32,076.25	137,076.25	-	137,076.25	169,152.50
12/01/2022	-	-	30,895.00	30,895.00	-	30,895.00	-
06/01/2023	110,000.00	2.450%	30,895.00	140,895.00	-	140,895.00	171,790.00
12/01/2023	-	-	29,547.50	29,547.50	-	29,547.50	-
06/01/2024	110,000.00	2.550%	29,547.50	139,547.50	-	139,547.50	169,095.00
12/01/2024	-	-	28,145.00	28,145.00	-	28,145.00	-
06/01/2025	115,000.00	2.750%	28,145.00	143,145.00	-	143,145.00	171,290.00
12/01/2025	-	-	26,563.75	26,563.75	-	26,563.75	-
06/01/2026	120,000.00	2.800%	26,563.75	146,563.75	-	146,563.75	173,127.50
12/01/2026	-	-	24,883.75	24,883.75	-	24,883.75	-
06/01/2027	120,000.00	2.900%	24,883.75	144,883.75	-	144,883.75	169,767.50
12/01/2027	-	-	23,143.75	23,143.75	-	23,143.75	-
06/01/2028	125,000.00	3.000%	23,143.75	148,143.75	-	148,143.75	171,287.50
12/01/2028	-	-	21,268.75	21,268.75	-	21,268.75	-
06/01/2029	130,000.00	3.100%	21,268.75	151,268.75	-	151,268.75	172,537.50
12/01/2029	-	-	19,253.75	19,253.75	-	19,253.75	-
06/01/2030	135,000.00	3.350%	19,253.75	154,253.75	-	154,253.75	173,507.50
12/01/2030	-	-	16,992.50	16,992.50	-	16,992.50	-
06/01/2031	140,000.00	3.550%	16,992.50	156,992.50	-	156,992.50	173,985.00
12/01/2031	-	-	14,507.50	14,507.50	-	14,507.50	-
06/01/2032	145,000.00	3.600%	14,507.50	159,507.50	-	159,507.50	174,015.00
12/01/2032	-	-	11,897.50	11,897.50	-	11,897.50	-
06/01/2033	150,000.00	3.700%	11,897.50	161,897.50	-	161,897.50	173,795.00
12/01/2033	-	-	9,122.50	9,122.50	-	9,122.50	-
06/01/2034	155,000.00	3.750%	9,122.50	164,122.50	-	164,122.50	173,245.00
12/01/2034	-	-	6,216.25	6,216.25	-	6,216.25	-
06/01/2035	160,000.00	3.800%	6,216.25	166,216.25	-	166,216.25	172,432.50
12/01/2035	-	-	3,176.25	3,176.25	-	3,176.25	-
06/01/2036	165,000.00	3.850%	3,176.25	168,176.25	-	168,176.25	171,352.50
Total	\$2,195,000.00	-	\$861,551.18	\$3,056,551.18	(131,532.92)	\$2,925,018.26	-

SIGNIFICANT DATES

Dated Date.....	6/28/2017
Delivery Date.....	6/28/2017
First Coupon Date.....	12/01/2017

Yield Statistics

Bond Year Dollars.....	\$25,600.38
Average Life.....	11.663 Years
Average Coupon.....	3.3653850%
Net Interest Cost (NIC).....	3.4854223%
True Interest Cost (TIC).....	3.4827354%
Bond Yield for Arbitrage Purposes.....	3.3326086%
All Inclusive Cost (AIC).....	3.6269640%

IRS Form 8038

Net Interest Cost.....	3.3653850%
Weighted Average Maturity.....	11.663 Years

Taxable GO Urban Renewal | SINGLE PURPOSE | 4/ 6/2017 | 2:45 PM



P.O. Box 1030
Bettendorf, IA 52722
563.344.3935

COMMITMENT LETTER NO. 2017-611

April 25, 2017

Mr. Decker Ploehn
City of Bettendorf, Iowa
1609 State Street
Bettendorf Iowa 52722

Subject: Request for financing of a joint development project between the City of Bettendorf and The BettPlex, LLC (BettPlex Urban Renewal Area Project)

Dear Mr. Ploehn

TBK BANK, SSB, Bettendorf, Iowa (the "Bank"), is pleased to offer you this loan commitment per the following terms:

1. **BORROWER:** City of Bettendorf– Non Recourse
2. **AMOUNT:** \$4,900,000 Taxable Urban Renewal Tax Increment Revenue Annual Appropriation Capital Loan Notes
3. **RATE:** 5.0% initial rate with 5 Year rate adjustments. Resets would be set at the 5 year T-bill + 3.5%. Lifetime cap of 12%.
4. **TERM:** 3 years of interest only payments followed by 17 years of principal and interest payments, which will fully repay the loan (20 years total)
5. **PAYMENT:** To commensurate with the cash flow of the revenue streams securing the loan. Anticipate semi-annual payments in June and December.
6. **DOCUMENTATION & SECURITY:**
 - a. Pledged Revenues
 - Acceptable Minimum Assessment Agreement on the BettPlex Project
 - First Lien Pledge of Tax Increment Taxes
 - Subject to the City's annual right to not appropriate funds
 - b. Personal guarantee from Douglas Kratz to cover the first 3 years of interest only payments
 - c. Any other documentation deemed necessary by the Bank's attorney.
7. **BORROWING AUTHORIZATION:** The Borrower is to furnish satisfactory evidence that the borrower is duly organized, in existence, and is in good standing and all documents required to meet the terms of this commitment have been duly authorized and submitted to the Bank. The Borrower shall not be the subject of any bankruptcy, reorganization, or insolvency proceedings, nor shall there be any material change in their financial status at the time the loan is made and there are no suits, actions or proceedings



TBK Bank, SSB

- pending or to their knowledge threatened against them or any of their properties in any Court of any Federal, State, Municipal, or other governmental agency.
8. **FEEES:** The Borrower is responsible for all out of pocket costs including legal expenses incurred with the origination and maintenance of the loan.
 9. **FINANCIAL STATEMENTS:** The Borrower will provide the Bank with their audit report each year within 150 days of their year-end
 10. **PRE-PAYMENT PENALTY:** A 1% pre-payment penalty if refinanced with another financial institution.
 11. **ACCOUNTS:** Borrower will be required to maintain depository accounts at the Bank during the term of this loan.
 12. **DEVELOPMENT AGREEMENT:** The loan is subject to Bank approval of the final Development Agreement between the borrower and The BettPlex LLC for the development of the BettPlex Project. The Loan is to be injected into the BettPlex Project and will be controlled by the Bank.
 13. **BANK COUNSEL:** Borrower acknowledges that the Bank utilizes Lane & Waterman LLP as its attorneys. Should Borrower also utilize Lane & Waterman LLP as its attorneys, Borrower hereby waives any real or perceived conflict of interest created by such representation. Borrower acknowledges that the Bank may, in its discretion, waive any conflict of interest resulting from the Borrower's use of Lane & Waterman LLP, or request that Borrower obtain other legal counsel. In the event of default on the loan, the Borrower acknowledges and agrees that Lane & Waterman LLP may be retained to act as the Bank's counsel and the Borrower agrees to retain other counsel not affiliated with Lane & Waterman LLP should it be necessary. Borrower hereby waives any claim or cause of action against the Bank arising out of the Bank's retention of Lane & Waterman on the BettPlex Urban Renewal Area Project.

If the foregoing reflects your understanding of the transaction, please acknowledge your acceptance by your signature and return the accepted copy to the Bank prior to **June 7, 2017**. Upon acceptance, our commitment to make the loan will become effective and remain in force provided the loan closes prior to **July 14, 2017**. This letter supersedes any prior commitment letters, correspondence, or conversations. Thank you for allowing us to be of service to you.

Sincerely,

Triumph Community Bank

Tasha D. Keegan
Vice President- Commercial Loans
563-823-3354



Accepted hereunder on this _____ day of _____, 20____.

By

Name & Title:

By

Name & Title:

Amortization Schedule						
Date	Description	Total Payment	P&I Payment	Principal Payment	Interest Payment	Principal Balance
Jun 01, 2017	Beginning Balance					4,900,000.00
⊕ Dec 01, 2017	Interest Only Payment	124,541.67	124,541.67		124,541.67	4,900,000.00
⊕	2017 Totals	124,541.67	124,541.67		124,541.67	
⊕ Jun 01, 2018	Interest Only Payment	123,861.11	123,861.11		123,861.11	4,900,000.00
⊕ Dec 01, 2018	Interest Only Payment	124,541.67	124,541.67		124,541.67	4,900,000.00
⊕	2018 Totals	248,402.78	248,402.78		248,402.78	
⊕ Jun 01, 2019	Interest Only Payment	123,861.11	123,861.11		123,861.11	4,900,000.00
⊕ Dec 01, 2019	Interest Only Payment	124,541.67	124,541.67		124,541.67	4,900,000.00
⊕	2019 Totals	248,402.78	248,402.78		248,402.78	
⊕ Jun 01, 2020	Interest Only Payment Principal and Interest	124,541.67	124,541.67		124,541.67	4,900,000.00

Note Model Statement

Date Quoted: Apr 20, 2017
 Product: Product Not Defined
 Interest Method: [6] 365/360 Payments P&I

Note Date: Jun 01, 2020
 Maturity Date: Jun 01, 2037

Principal Advance: \$4,900,000.00

Amount Financed: \$4,900,000.00
 Finance Charge: \$2,470,921.06
 APR: 5.069444%

Total Principal: \$4,900,000.00
 Total Interest: \$2,470,921.06
 Total of Payments: \$7,370,921.06

Payment Schedule

Description	Date	Frequency	Number	Amount
Regular Payment	Dec 01, 2020	Semiannually	33	\$216,791.81
Regular Payment	Jun 01, 2037	Semiannually	1	\$216,791.33

Amortization Schedule						
Date	Description	Total Payment	P&I Payment	Principal Payment	Interest Payment	Principal Balance
Jun 01, 2020	Beginning Balance					4,900,000.00
Dec 01, 2020	Regular Payment	216,791.81	216,791.81	92,250.15	124,541.66	4,807,749.85
	2020 Totals	216,791.81	216,791.81	92,250.15	124,541.66	
Jun 01, 2021	Regular Payment	216,791.81	216,791.81	95,262.58	121,529.23	4,712,487.27
Dec 01, 2021	Regular Payment	216,791.81	216,791.81	97,016.10	119,775.71	4,615,471.17
	2021 Totals	433,583.62	433,583.62	192,278.68	241,304.94	
Jun 01, 2022	Regular Payment	216,791.81	216,791.81	100,122.96	116,668.85	4,515,348.21
Dec 01, 2022	Regular Payment	216,791.81	216,791.81	102,026.71	114,765.10	4,413,321.50
	2022 Totals	433,583.62	433,583.62	202,149.67	231,433.95	
Jun 01, 2023	Regular Payment	216,791.81	216,791.81	105,232.85	111,558.96	4,308,088.65
Dec 01, 2023	Regular Payment	216,791.81	216,791.81	107,294.56	109,497.25	4,200,794.09
	2023 Totals	433,583.62	433,583.62	212,527.41	221,056.21	
Jun 01, 2024	Regular Payment	216,791.81	216,791.81	110,021.63	106,770.18	4,090,772.46
Dec 01, 2024	Regular Payment	216,791.81	216,791.81	112,818.01	103,973.80	3,977,954.45
	2024 Totals	433,583.62	433,583.62	222,839.64	210,743.98	
Jun 01, 2025	Regular Payment	216,791.81	216,791.81	116,237.97	100,553.84	3,861,716.48
Dec 01, 2025	Regular Payment	216,791.81	216,791.81	118,639.85	98,151.96	3,743,076.63
	2025 Totals	433,583.62	433,583.62	234,877.82	198,705.80	
Jun 01, 2026	Regular Payment	216,791.81	216,791.81	122,175.16	94,616.65	3,620,901.47
Dec 01, 2026	Regular Payment	216,791.81	216,791.81	124,760.57	92,031.24	3,496,140.90
	2026 Totals	433,583.62	433,583.62	246,935.73	186,647.89	
Jun 01, 2027	Regular Payment	216,791.81	216,791.81	128,417.14	88,374.67	3,367,723.76
Dec 01, 2027	Regular Payment	216,791.81	216,791.81	131,195.50	85,596.31	3,236,528.26
	2027 Totals	433,583.62	433,583.62	259,612.64	173,970.98	
Jun 01, 2028	Regular Payment	216,791.81	216,791.81	134,530.06	82,261.75	3,101,998.20
Dec 01, 2028	Regular Payment	216,791.81	216,791.81	137,949.36	78,842.45	2,964,048.84
	2028 Totals	433,583.62	433,583.62	272,479.42	161,104.20	
Jun 01, 2029	Regular Payment	216,791.81	216,791.81	141,867.25	74,924.56	2,822,181.59
Dec 01, 2029	Regular Payment	216,791.81	216,791.81	145,061.37	71,730.44	2,677,120.22
	2029 Totals	433,583.62	433,583.62	286,928.62	146,655.00	
Jun 01, 2030	Regular Payment	216,791.81	216,791.81	149,120.16	67,671.65	2,528,000.06
Dec 01, 2030	Regular Payment	216,791.81	216,791.81	152,538.48	64,253.33	2,375,461.58
	2030 Totals	433,583.62	433,583.62	301,658.64	131,924.98	
Jun 01, 2031	Regular Payment	216,791.81	216,791.81	156,745.43	60,046.38	2,218,716.15
Dec 01, 2031	Regular Payment	216,791.81	216,791.81	160,399.45	56,392.36	2,058,316.70
	2031 Totals	433,583.62	433,583.62	317,144.88	116,438.74	
Jun 01, 2032	Regular Payment	216,791.81	216,791.81	164,476.27	52,315.54	1,893,840.43

Dec 01, 2032 Regular Payment	216,791.81	216,791.81	168,656.70	48,135.11	1,725,183.73
2032 Totals	433,583.62	433,583.62	333,132.97	100,450.65	
Jun 01, 2033 Regular Payment	216,791.81	216,791.81	173,183.00	43,608.81	1,552,000.73
Dec 01, 2033 Regular Payment	216,791.81	216,791.81	177,345.13	39,446.68	1,374,655.60
2033 Totals	433,583.62	433,583.62	350,528.13	83,055.49	
Jun 01, 2034 Regular Payment	216,791.81	216,791.81	182,043.58	34,748.23	1,192,612.02
Dec 01, 2034 Regular Payment	216,791.81	216,791.81	186,479.59	30,312.22	1,006,132.43
2034 Totals	433,583.62	433,583.62	368,523.17	65,060.45	
Jun 01, 2035 Regular Payment	216,791.81	216,791.81	191,359.02	25,432.79	814,773.41
Dec 01, 2035 Regular Payment	216,791.81	216,791.81	196,082.99	20,708.82	618,690.42
2035 Totals	433,583.62	433,583.62	387,442.01	46,141.61	
Jun 01, 2036 Regular Payment	216,791.81	216,791.81	201,066.77	15,725.04	417,623.65
Dec 01, 2036 Regular Payment	216,791.81	216,791.81	206,177.21	10,614.60	211,446.44
2036 Totals	433,583.62	433,583.62	407,243.98	26,339.64	
Jun 01, 2037 Regular Payment	216,791.33	216,791.33	211,446.44	5,344.89	
2037 Totals	216,791.33	216,791.33	211,446.44	5,344.89	
Grand Total	7,370,921.06	7,370,921.06	4,900,000.00	2,470,921.06	



COUNCIL LETTER

MEETING DATE: May 2, 2017

REQUESTED BY: Decker Ploehn, Jeff
Reiter, Kristine Stone, Carol Barnes

VISION:

THE CITY OF BETTENDORF IS A PREMIER PLACE IN WHICH TO LIVE. THE CITY OF BETTENDORF IS THE MOST LIVABLE COMMUNITY FOR FAMILIES WITH RICH EDUCATIONAL, CULTURAL, AND RECREATIONAL OPPORTUNITIES WHERE WE ENJOY A VIBRANT RIVERFRONT AND A GROWING COMPETITIVE BUSINESS ENVIRONMENT. WE TAKE PRIDE IN OUR GREAT COMMUNITY.

ITEM TITLE: (Please use same title as it will appear on your resolution.)

Public hearing regarding the approval of a Development Agreement between the City of Bettendorf and the BettPlex, LLC and Middle & 80, LLC & Resolution approving the Development Agreement.

Public Hearing regarding the approval of an Ordinance establishing the BettPlex Tax Increment Financing District & First reading of the Ordinance.

Explanation (Background & How it Responds to Vision, Mission or Goals)

One of the City of Bettendorf's top priorities in an effort to encourage economic development and increase regional tourism draw to the Quad Cities is "to encourage the development of a youth sports complex by a private sector developer". An opportunity to fully execute on this priority is now in front of us, with the development of The BettPlex, a regional sports complex development proposed at the interchange of Interstate 80 and Middle Road.

The project proposed at this time contemplates a regional sports complex, servicing such sports as baseball, softball, basketball, volleyball, soccer, wrestling, and others. Plus it includes physical therapy, athletic training, restaurants, retail, and an entertainment center. The indoor facility will be 265,000 square feet, all under one roof, while the outdoor facilities will feature fully turfed baseball/softball and soccer fields designed to attract regional competitions and events. The adjacent commercial development will include at least one hotel, convenient store and retail, all within the first phase. Additional phases of commercial development are expected follow.

If the matter is not budgeted in the current year, explain why funding is requested and the anticipation: The proposed incentive package has been accounted for in the budget.

List Attachments: Development Agreement, Resolution, Ordinance, other documents.

RESOLUTION _____-17

RESOLUTION APPROVING A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF BETTENDORF AND THE BETTPLEX, LLC AND MIDDLE & 80, LLC, FOR THE DEVELOPMENT OF A REGIONAL SPORTS COMPLEX AND COMMERCIAL DEVELOPMENT WITHIN THE I-80 URBAN RENEWAL AREA, IN THE CITY OF BETTENDORF, STATE OF IOWA.

WHEREAS, the City of Bettendorf has targeted certain areas within the City for development and growth, and

WHEREAS, the I-80 Urban Renewal Area has been identified as one to the top development locations within the City of Bettendorf, and

WHEREAS, the Bettendorf City Council has identified a Youth Sports Complex (privately owned and operated) as a high priority for 2017, and

WHEREAS, The BettPlex, LLC and Middle & 80, LLC (the developers) plan to develop a regional sports complex and adjacent commercial development within the I-80 Urban Renewal Area, and

WHEREAS, the developers have requested assistance from the City in support of the project, including the use of Tax Increment Financing, and

WHEREAS, a Development Agreement between the City of Bettendorf and the developers has been negotiated to identify the commitments and obligations of both parties with respect to the project, and

WHEREAS, the City of Bettendorf has determined said Development Agreement to be in the best interest of the City of Bettendorf.

NOW, THEREFORE IT BE RESOLVED BY THE CITY OF BETTENDORF, IOWA that the City of Bettendorf approves the Development Agreement between the City of Bettendorf and The BettPlex, LLC and Middle & 80, LLC.

Passed, Approved and Adopted this 2nd day of May, 2017.

Mayor Robert Gallagher, Jr.

Attest:

Decker P. Ploehn, City Clerk

DEVELOPMENT AGREEMENT

This Development Agreement ("Agreement") is entered into as of May ____, 2017 among the CITY OF BETTENDORF, IOWA, an Iowa Municipal Corporation ("City"); THE BETTPLEX, LLC, a Minnesota limited liability company ("BettPlex"); and MIDDLE & 80, LLC, an Iowa limited liability company ("Middle & 80") (BettPlex and Middle & 80 are collectively the "Developers").

RECITALS

WHEREAS, BettPlex owns certain property more specifically described on Exhibit "A" attached hereto (the "Property"), which is located within the I-80 Urban Renewal Area. BettPlex intends to construct an indoor/outdoor sports complex and family entertainment center on approximately 79 acres (the "BettPlex Project"), and Middle & 80 intends to develop an adjacent commercial development to be developed by Middle & 80 (the "Middle & 80 Project" and collectively with the BettPlex Project the "Projects"); and

WHEREAS, the Projects will provide jobs, serve as a quality of life amenity and will assist with job attraction and retention for the Quad Cities region; and

WHEREAS, the obligations to develop the Property as provided herein furthers the objectives of the Urban Renewal Plan to provide recreational, tourism, cultural, and educational opportunities and to achieve a diversified, well-balanced economy providing a desirable standard of living, creating job opportunities and strengthening the tax base within the Urban Renewal Project Area, and to preserve and create an environment which will protect the health, safety and general welfare of City residents; and

WHEREAS, the economic development incentives for the development of the improvements are provided by the City to Developers pursuant to the Urban Renewal Law and Chapter 15A of the Code of Iowa, and Developers' obligations under this Agreement to construct the improvements will generate the following public gains and benefits: (i) it will advance the improvement and development of the Project Area in accordance with the Urban Renewal Plan; (ii) it will encourage further private investment in the surrounding area; and, (iii) it will further the City's efforts to retain and create job opportunities within the Project Area which might otherwise be lost; and

WHEREAS, City believes that the development of the property pursuant to this Agreement, and the fulfillment generally of this Agreement, are in the vital and best interests of City and the health, safety, morals and welfare of its residents, and in accord with the public purposes and provisions of the applicable state and local laws and requirements under which the project has been undertaken, and warrants the provision of the economic assistance set forth in this Agreement.

NOW, THEREFORE, the parties hereto agree as follows:

I. BettPlex Obligations.

A. Sports Complex and Family Entertainment Center:

1. BettPlex agrees to construct the BettPlex Project at a cost of approximately \$45,000,000 on approximately 79 acres as shown on the preliminary site plan attached hereto as Exhibit "B" (the "Site Plan"). The BettPlex Project will include a six-acre indoor facility consisting of a full-size synthetic turf soccer field, hardwood basketball/volleyball courts, sand volleyball courts, batting cages, family entertainment center, personal training, physical therapy, food, beverage and retail space. The outdoor complex will include synthetic turf soccer and baseball/softballs fields with lighting for nighttime activities, walking paths and parking. Construction of the project shall commence on or about June 1, 2017. The BettPlex Project shall be completed and operational by August 1, 2018.

B. Commercial Development Sites:

1. Middle & 80 or its affiliate(s) and/or assignee(s) shall develop and construct the Middle & 80 Project immediately to the east of the BettPlex Project to support the BettPlex Project. The Middle & 80 Project shall be located on approximately 33 acres of commercial land as shown on the Site Plan. Middle & 80 will commence the first phase of commercial construction on or before July 1, 2018. The first phase of construction is anticipated to include a commercial strip center, convenience store, and hotel.

2. In exchange for the incentives being provided by the City, Middle & 80 agrees to impose a \$5.00 per room per night fee to be charged on each sold hotel room to be assessed in the same manner as the existing hotel/motel tax. Proceeds from this fee shall be paid to the City on a quarterly basis. The City agrees that this \$5.00 charge shall also be required of any additional hotel properties that are developed within the I-80 Urban Renewal Area that receive incentives from the City.

3. Additional commercial projects are anticipated within the overall Middle & 80 Project area. These improvements shall be included in the tax increment available for rebate to Middle & 80.

II. City Obligations.

A. Infrastructure Improvements:

1. City agrees to construct certain Infrastructure Improvements to support the BettPlex Project. The City's contribution towards the Infrastructure Improvements shall not exceed \$3,870,000 overall, with expenses being initially estimated as follows:

a. Entry roads to sports complex (grading, gravel base, concrete curb & gutter, asphalt paving & lighting): the City shall provide the engineering, let the project and manage the

construction of the four entry roads from Middle Road and Forest Grove Road into the complex facility. The cost of this work is estimated to be \$500,000.

b. Asphalt access walk: the City shall provide the engineering, let the project and manage the construction of an asphalt access walk anticipated to connect multiple areas of the complex. The cost of this work is estimated to be \$310,000.

c. Middle Road and Forest Grove Drive improvements (widening, turn lanes, potential traffic signals): the City shall provide the engineering, let the project and manage the construction of the roadway improvements that are determined to be necessary to accommodate the projected traffic for the site. The cost of this work is estimated to be \$1,150,000.

d. Off-site sanitary sewer main and manholes: the City shall provide the engineering, let the project and manage the construction of the off-site sanitary sewer improvements that are necessary to provide sanitary sewer to the site. The cost of this work is estimated to be \$700,000.

e. On-site sanitary sewer gravity main, manholes and laterals: the City shall provide the engineering, let the project and manage the construction of the on-site sanitary sewer improvements needed to support the sports complex facility. The cost of this work is estimated to be \$210,000.

f. On-site storm sewer improvements: the City shall provide the engineering of the on-site storm sewer improvements needed to support the sports complex facility. The cost of this work is estimated to be \$1,000,000.

2. In the event the individual components of the Infrastructure Improvements, identified above, result in total expenses greater than or less than the estimated amounts, such estimates and work to be performed may be adjusted within the overall cap of \$3,870,000. City and Developers agree that the Developers may work out an acceptable scope of work and have input on materials and construction methods with the assistance of the Project's engineer to bring the overall Infrastructure Improvements within the allotted budget and to allow for the maximum scope of work to be completed with the allotted budget. The improvements shall be constructed during the 2017 construction season, with an anticipated project completion date of December 31, 2017. Construction timelines are estimated and weather dependent.

B. \$4,900,000 TIF-Supported Economic Development Grant:

1. City agrees to make an economic development grant to BettPlex in support of the BettPlex Project in the amount of \$4,900,000 (the "TIF Supported Grant"). This TIF Supported Grant shall be made after BettPlex has closed on the Property and has received building permits for the BettPlex Project.

2. This grant shall be in the form of Taxable Urban Renewal Tax Increment Revenue Annual Appropriation Capital Loan Notes ("Notes") of sufficient amount to meet the applicable obligations contained herein. Interest for said Notes shall be as established at competitive bid or

pursuant to a loan agreement and private negotiated sale. Interest and principal shall be paid from the incremental property tax generated solely by the BettPlex Project.

3. BettPlex agrees that a minimum assessment agreement on the BettPlex Project 79-acre site shall be in effect for the life of such Notes which produces sufficient increment to cover the principal and interest payments on said Notes. Should the interest on the Notes be adjusted periodically, the minimum assessment agreement shall likewise be adjusted to cover the revised payments on the Notes. BettPlex shall make a payment in lieu of taxes or adjust the minimal assessment, or both if there is a shortfall of the incremental property taxes.

C. Land Purchase:

1. The City agrees to purchase a ten-acre parcel from Developer as shown on the Site Plan. The land shall be purchased at a per acre price of \$60,000 for a total acquisition cost of \$600,000. The land purchase shall occur on or before June 30, 2017. Developer shall be responsible for the prorated property taxes for the property up to and including the date of sale as is standard in Scott County. Developer shall provide City with a Warranty Deed and abstract of title for the property.

2. At Closing, the City shall provide the Developer with a right of first refusal to repurchase the 10-acre parcel sold to the City hereunder, if the City desires to sell all or a portion of the property to a third party. This right of first refusal shall expire on December 31, 2020. In addition, the City shall provide the Developer with an option to repurchase all of the 10-acre parcel sold to the City hereunder upon the same terms and conditions as the sale to the City. The option to repurchase shall expire on December 31, 2027. Alternatively, the right of first refusal and option to repurchase shall expire at such time as the City proceeds with plans to develop the property for its own use.

3. At Closing, the City and BettPlex shall enter into a cross-parking agreement providing for cross-parking easements. The cross-parking agreement would terminate in the event the City sells its property to a third party or proceeds with plans to develop the property for its own use. Any easement grants made by the City shall be subject to public notice and hearing as required by Iowa Code Section 364.7.

D. \$1,900,000 Economic Development Grant:

1. City agrees to make an economic development grant to BettPlex in support of the BettPlex Project in the amount of \$1,900,000. This grant shall be made in two installments. First, \$500,000 shall be paid to Developer or Developer's escrow agent on or before July 31, 2017, to facilitate the acquisition of a portion of the property for the Project. Second, \$1,400,000 shall be paid to Developer or Developer's escrow agent at the time the building permit is issued for the BettPlex Project. Developer may delay acceptance of all or any part of the \$1,400,000 economic development grant until after January 1, 2018. This \$1,900,000 grant shall be subject to the repayment penalty outlined in paragraph III.B.4. below.

III. Economic Development Payments.

A. The BettPlex Project:

1. The parties agree that the tax incremental revenues ("TIF Revenue") generated by the BettPlex Project shall be applied first to pay the principal and interest on any Capital Loan Notes described in Section II.B., above.
2. For the purposes of this Agreement, the TIF Revenue derived from the BettPlex Project shall mean only the taxes available for division by the City under the Urban Renewal Law in excess of the base year assessment. The base year assessment shall be established on January 1, 2018.
3. The TIF Revenue payments shall be made on December 1st and June 1st of each fiscal year, commencing with the fiscal year of tax payments arising from the January 1, 2019, tax assessment and continuing for a period of twenty (20) years of taxes (through the 2039 assessment year).
4. BettPlex agrees to execute an agreement for the BettPlex Project which sets a minimum assessment value in an amount to support the payment of the Capital Loan Notes and adjusted from time to time to provide sufficient TIF Revenue to repay such Notes (the "BettPlex Minimum Assessment Agreement"). The BettPlex Minimum Assessment Agreement shall be in full force and effect for the duration of the TIF payments and/or Rebates on the BettPlex Project and shall run with the land.
5. City agrees that after payment of the Capital Loan Notes referred to in Section II.B, above, all TIF Revenues from the BettPlex Project shall be paid to BettPlex as a TIF Rebate for the applicable 20-year period as provided herein (through the 2039 assessment year).
6. BettPlex's owner shall agree to provide a personal guarantee for the interest payments due on the Capital Loan Notes for the first three (3) years after their issuance, until the TIF revenue payments commence, payable on the first interest payment date after the issuance of the Notes and continuing for three (3) years, after which the personal guarantee shall terminate.

B. Commercial Development Sites:

1. The City agrees to make tax increment rebate payments ("TIF Rebates") to Middle & 80 or its escrow agent in support of the Middle & 80 Project as shown on the Site Plan. The TIF Rebates shall be paid only from the tax incremental revenues derived from the Middle & 80 Project for the term of this Agreement, pursuant to Chapters 15A and 403 of the Code of Iowa.
2. For the purposes of this Agreement, the TIF revenue derived from the Middle & 80 Project shall mean only the taxes available for division by the City under the Urban Renewal Law in excess of the base year assessment. The base year assessment shall be established as the total assessment as it exists on January 1, 2018.

3. The TIF Rebates shall be made on December 1st and June 1st of each fiscal year, commencing with the fiscal year of tax payments arising from the January 1, 2019 tax assessment and continuing for a period of twenty (20) years of taxes (through the 2039 assessment year).

4. In the event that no building permit has been issued for the construction of an 80 to 100-room hotel on or before January 1, 2021, the Developer agrees to repay the \$1,900,000 Economic Development Grant back to the City. The grant shall be repaid over a period of 10 years, with ten equal payments being made annually on July 1 of each year. The first \$190,000 payment shall be made on July 1, 2021.

5. The TIF Rebate payments under this section are subject to the timely payment of property taxes.

6. Middle & 80 agrees to execute an agreement for the Middle & 80 Project which sets the minimum assessed value at an amount of \$4,000,000 effective as of January 1, 2019; \$8,000,000 as of January 1, 2020; and \$12,000,000 as of January 1, 2021 (the "Middle & 80 Minimum Assessment Agreement"). The Middle & 80 Minimum Assessment Agreement shall be in full force and effect for the duration of the TIF Rebates on the Middle & 80 Project and shall run with the land.

IV. Term of Agreement.

The tax increment revenues described in Section III. Above shall accumulate and be available for rebate through the life of the TIF Revenue and TIF Rebate streams. This Agreement shall terminate once all TIF Revenue and Rebates have concluded.

V. Right of Non-Appropriation.

Notwithstanding anything in this Agreement to the contrary, the obligation of the City to pay any installment of the TIF Revenue or TIF Rebate payments from the pledged tax increment revenues described in Section III hereto shall be an obligation limited to currently budgeted funds, and not a general obligation or other indebtedness of the City or a pledge of its full faith and credit within the meaning of any constitutional or statutory debt limitation, and shall be subject in all respects to the right of non-appropriation by the City Council of the City as provided in this section. The City may exercise its right of non-appropriation as to the amount of the TIF Revenue or TIF Rebate payments to be paid during any fiscal year during the term of this Agreement without causing a termination of this Agreement. The right of non-appropriation shall be exercised only by resolution affirmatively declaring the City's election to non-appropriate funds otherwise required to be paid to Developer in the next fiscal year under this Agreement.

In the event the City Council of the City elects to not appropriate sufficient funds in the budget for any future fiscal year from the pledged TIF Revenue or TIF Rebate payments described in Section III hereto for the payment in full of the installments on the tax increment revenues due and payable in that fiscal year, then the City shall have no further obligation to the

Developer for the payment of all installments due in the next fiscal year which cannot be paid with the funds then appropriated for that purpose.

The right of non-appropriation reserved to the City in this Section is intended by the parties, and shall be construed at all times, so as to ensure that the City's obligation to pay future installments on the TIF Revenue or TIF Rebate payments shall not constitute a legal indebtedness of the City within the meaning of any applicable constitutional or statutory debt limitation prior to the adoption of a budget which appropriates funds for the payment of that installment or amount. In the event that any of the provisions of this Agreement are determined by a court of competent jurisdiction to create, or result in the creation of, such a legal indebtedness of the City, the enforcement of the said provision shall be suspended, and the Agreement shall at all times be construed and applied in such a manner as will preserve the foregoing intent of the parties, and no event of default shall be deemed to have occurred as a result thereof. If any provision of this Agreement or the application thereof to any circumstance is so suspended, the suspension shall not affect other provisions of this Agreement which can be given effect without the suspended provision, and to this end the provisions of this Agreement are severable.

VI. Assignment.

This Agreement may not be amended without the express permission of the other party. However, the City hereby gives its permission that the Developer's right to receive the TIF Payment or TIF Rebates hereunder may be assigned by the Developer to an affiliate(s), assignee(s) or lender(s) without further action on the part of the City.

VII. Successors and Assigns.

This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties.

VIII. Governing Law.

This Agreement shall be deemed to be a contract made under the laws of the State of Iowa and for all purposes shall be governed by and construed in accordance with the laws of the State of Iowa.

IX. Jury Trial Waiver.

The parties hereto, after consulting or having had the opportunity to consult with counsel, knowingly, voluntarily, and intentionally waive any right they may have to a trial by jury in any litigation based on or arising out of this agreement or instrument, or any related instrument or agreement, or any of the transactions contemplated hereby or any course of conduct, dealing, statements, whether oral or written, or action of any party hereto. No party shall seek to consolidate by counterclaim or otherwise, any such action in which a jury trial has been waived with any other action in which a jury trial cannot be or has not been waived. These provisions

shall not be deemed to have been modified in any respect or relinquished by any party hereto except by a written instrument executed by all parties.

IN WITNESS WHEREOF, The City and the Developer have caused this Agreement to be signed, and the City's seal to be affixed, in their names and on their behalf by their duly authorized officers, all as of the day and date written above.

THE BETTPLEX LLC

By: _____
Douglas M. Kratz, its Manager

MIDDLE & 80, LLC

By: _____
Douglas M. Kratz, its Manager

By: _____
Kevin Koellner, its Manager

STATE OF IOWA)
) ss:
COUNTY OF SCOTT)

This instrument was acknowledged before me on May __, 2017, by Douglas M. Kratz as Authorized Representative of **The BettPlex, LLC**, an Iowa limited liability company, on behalf of whom the instrument was executed.

Notary Public in the State of Iowa

STATE OF IOWA)
) ss:
COUNTY OF SCOTT)

This instrument was acknowledged before me on May __, 2017, by Douglas M. Kratz and Kevin Koellner as Authorized Representatives of **Middle & 80, LLC**, an Iowa limited liability company, on behalf of whom the instrument was executed.

Notary Public in the State of Iowa

CITY OF BETTENDORF

By: _____
Robert Gallagher, its Mayor

Attested by:

By: _____
Decker Ploehn, its City Clerk

STATE OF IOWA)
) ss:
COUNTY OF SCOTT)

On this ____ day of _____, 2017, before me, the undersigned, a Notary Public in the State of Iowa, personally appeared ROBERT GALLAGHER and DECKER PLOEHN, to me personally known, and who, being by me duly sworn did state that they are the Mayor and City Clerk, respectively, of City of Bettendorf, Iowa, a municipal corporation; that the seal affixed to the foregoing instrument is the corporate seal of the corporation; that the instrument was signed on behalf of City of Bettendorf, Iowa, by authority of its City Council, as contained in the Resolution adopted by City Council under Resolution No. 17-_____ of City Council on the ____ day of _____, 2017, and that ROBERT GALLAGHER and DECKER PLOEHN acknowledged the execution of the instrument to be the voluntary act and deed of City of Bettendorf, Iowa, by it and by them voluntarily executed.

Notary Public in the State of Iowa

EXHIBIT "A"
Legal Descriptions

VenHorst Property (Acquired March 31, 2017):

The East Half of the Northwest Quarter of Section 2, Township 78 North, Range 4 East of the 5th P.M., in Scott County, Iowa, excepting 10 acres lying along the East side of said ½ Quarter section extending the whole length thereof, and excepting public road.

Excepting that portion thereof conveyed to Marvin F.P. Springer and Mary A. Springer, husband and wife, by Warranty Deeds dated July 16, 1962, July 21, 1962 and July 22, 1962, and recorded respectively in Book 264 of Deeds at pages 26, 27 and 28, records of the Office of the Recorder of Scott County, Iowa.

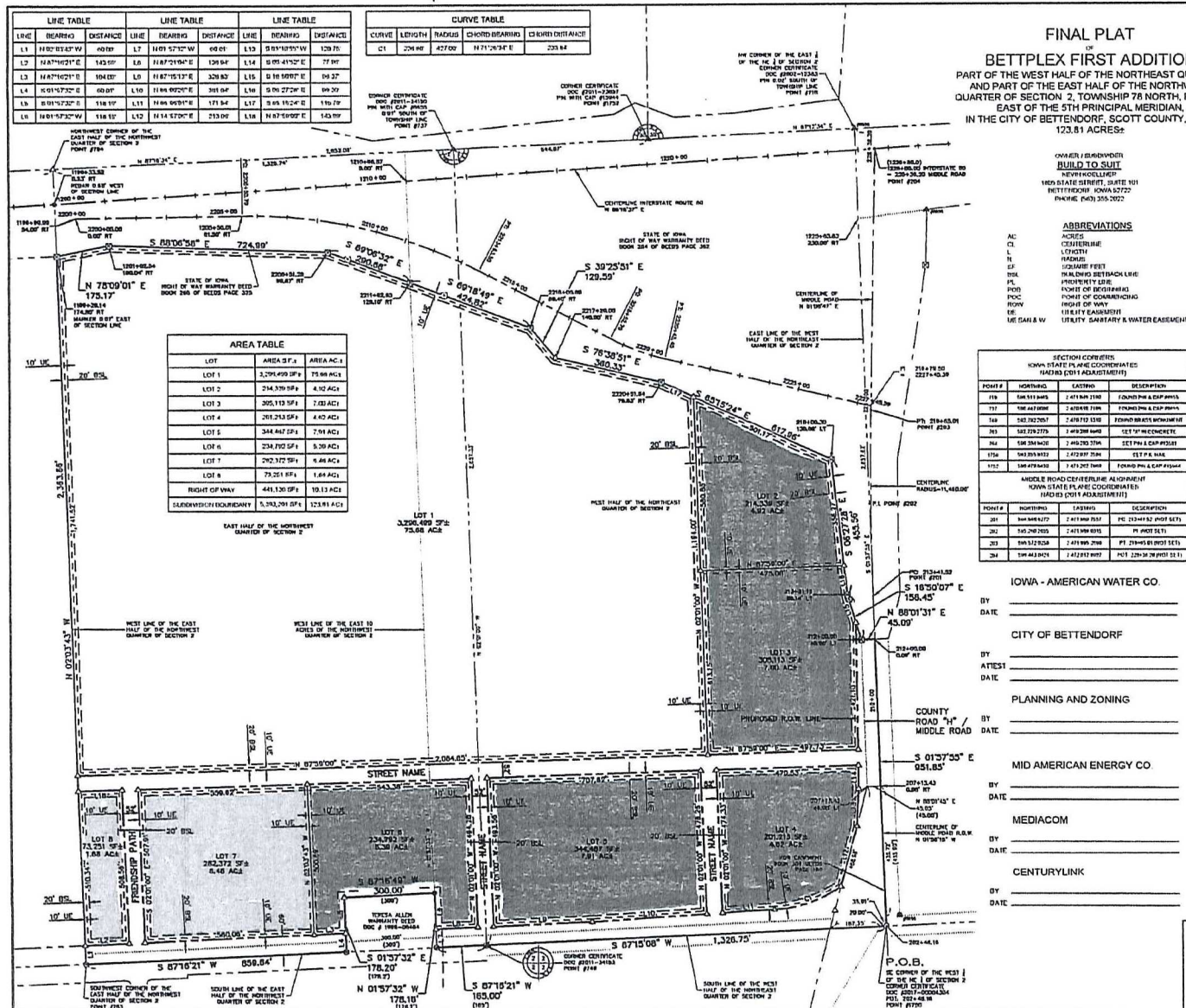
Also excepting therefrom that portion thereof conveyed to the State of Iowa by Warranty Deed dated July 20, 1962, and recorded in Book 266 of Deeds at page 325, records of the Office of the Recorder of Scott County, Iowa.

Panther Property:

The West one-half of the Northeast Quarter of Section 2, Township 78 North, Range 4 East of the 5th P.M., Scott County, Iowa, and also 10 acres having an equal width and extending the whole length along the East side of the East one-half of the Northwest Quarter of Section 2, Township 78 North, Range 4 East of the 5th P.M., Scott County, Iowa, subject to existing highways and further subject to existing highways and road easements.

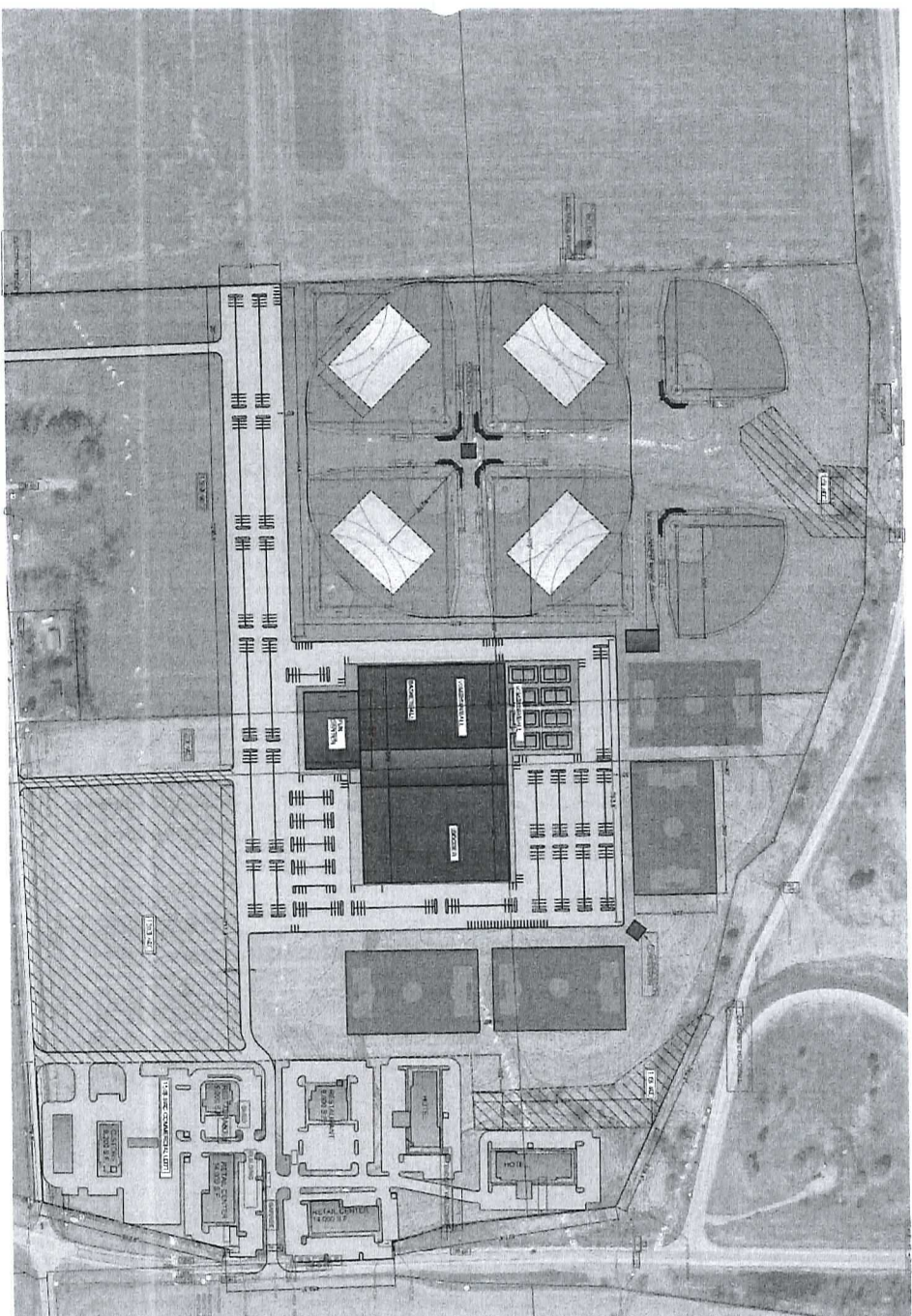
EXHIBIT "B"
Site Plan

White = Bethplex
Blue = commercial
Yellow = city land

[illegible]

Missman Project No C16L052		BETTPEY FIRST ADDITION BETTENDORF, IOWA		 Rock Island IL, Bettendorf IA, Davenport IA (319) 344-6000, (319) 344-6000, (319) 344-6000 1000 W. 1st St., Bettendorf IA 52008	
File Name				REVISIONS	
C:\P2000\Projects\101				DESCRIPTION	
COPYRIGHT © 2017				DATE	
ALL RIGHTS RESERVED					
Field Book No					

BETTENDORF FAMILY SPORTSPLEX LLC



#PENDING STATE 1/18/17

BETTENDORF FAMILY SPORTSPLEX
BETTENDORF, IOWA

SITE PLAN

Missman, Inc.
Professional Engineers & Land Surveyors

Missman, Inc. • Bettendorf, IA • Des Moines, IA • Des Moines, IA
319.333.1100 • (515) 266-0200 • (515) 266-0200 • (515) 266-0200
www.missmaninc.com

REVISIONS

NO.	DESCRIPTION	DATE

Sheet 1 of 1

C-1

DESIGNED BY: J. H. HARRIS
CHECKED BY: J. H. HARRIS
DATE: 11/17/17

URBAN RENEWAL PLAN

for the

I-80

URBAN RENEWAL AREA

CITY OF BETTENDORF, IOWA

April 4, 2017

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**Urban Renewal Plan
For
I-80 Urban Renewal Area
City of Bettendorf, Iowa**

A. INTRODUCTION

This Urban Renewal Plan (“Plan” or “Urban Renewal Plan”) for the I-80 Urban Renewal Area (“Area” or “Urban Renewal Area”) has been developed to help local officials promote economic development in the City of Bettendorf. The primary goal of the Plan is to stimulate, through public involvement and commitment, private investment in new commercial and industrial development.

In order to achieve this objective, Bettendorf (the “City”) intends to undertake Urban Renewal activities pursuant to the powers granted to it under Chapter 403 and Chapter 15A of the Code of Iowa, as amended.

B. DESCRIPTION OF THE URBAN RENEWAL AREA

The I-80 Urban Renewal Area is described in Exhibit A and illustrated in Exhibit B.

The City reserves the right to modify the boundaries of the Area at some future date.

C. AREA DESIGNATION

With the adoption of this Plan, the City of Bettendorf will designate this Urban Renewal Area as an area that is appropriate for the promotion of economic development (commercial and industrial).

D. BASE VALUE

If the I-80 Urban Renewal Area is legally established, a Tax Increment Financing (TIF) Ordinance is adopted and debt is certified prior to December 1, 2017, the taxable valuation within the area included in the TIF Ordinance as of January 1, 2016 will be considered the frozen “base valuation.” If debt is not certified until a later date or if a TIF ordinance is not adopted until later, the “base value” will be the assessed value of the taxable property within the TIF Ordinance area as of January 1 of the calendar year preceding the calendar year in which the City first certifies the amount of any debt on the Area.

E. DEVELOPMENT PLAN/ZONING

Bettendorf has a general plan for the physical development of the City as a whole outlined in the Premiering Bettendorf Comprehensive Plan adopted October 6, 2015. The goals and objectives of this Urban Renewal Plan, including the urban renewal projects, are in conformity with the Premiering Bettendorf Comprehensive Plan.

The Urban Renewal Area is zoned R-1, A-1, C-3, I-2 and PUD. This Urban Renewal Plan does not in any way replace or modify the City's current land use planning or zoning regulation process.

The need for improved traffic, public transportation, public utilities, recreational and community facilities, or other public improvements within the Urban Renewal Area is set forth in this Plan, as amended. As the Area develops, the need for public infrastructure extensions and upgrades will be evaluated and planned for by the City.

F. PLAN OBJECTIVES

Renewal activities are designed to provide opportunities, incentives, and sites for new and existing economic development within the Area. More specific objectives for the development, redevelopment and rehabilitation within the I-80 Urban Renewal Area are as follows:

1. To achieve a diversified, well-balanced economy providing a desirable standard of living, creating job opportunities, and strengthening the tax base.
2. To plan for and provide sufficient land for commercial and industrial development in a manner that is efficient from the standpoint of providing municipal services.
3. To provide for the installation of public works and facilities including, but not limited to, water, sanitary sewer and other public improvements, which contribute to the revitalization of the area and to the sound development of the entire City.
4. To encourage commercial and industrial growth and expansion through governmental policies which make it economically feasible to do business.
5. To provide a more marketable and attractive investment climate through the use of various federal, state and local incentives.
6. To stimulate, through public action and commitment, private investment in new and existing commercial and/or industrial development.
7. To improve the conditions and opportunities for economic development (commercial and industrial).
8. To help develop a sound economic base that will serve as the foundation for future growth and development.
9. To improve recreational, tourism, cultural, and educational opportunities.

10. To enhance the Bettendorf community by fostering an entrepreneurial climate, diversifying the local economy, encouraging opportunities for new businesses, and supporting retention of existing businesses.

G. TYPES OF RENEWAL ACTIVITIES

To meet the objectives of this Urban Renewal Plan and to encourage orderly development of the area, the City intends to utilize the powers conferred under Chapter 403 and Chapter 15A, Code of Iowa. Activities may include:

- New rehabilitated, converted, or expanded industrial uses within the Area.
- New, rehabilitated, converted, or expanded commercial uses within the Area.

General development activities in the I-80 Urban Renewal Area may include:

1. To undertake and carry out urban renewal projects through the execution of contracts and other instruments.
2. To arrange for or cause to be provided the construction or repair of public infrastructure including but not limited to streets, curb and gutter, street lighting, water, sanitary sewer, public utilities or other facilities in connection with urban renewal projects.
3. To make loans, forgivable loans, grants, tax rebate payments or other types of economic development grants or incentives to private persons, local development organizations, or businesses for economic development purposes on such terms as may be determined by the City Council.
4. To borrow money and to provide security therefor.
5. To acquire or dispose of property.
6. To provide for the construction of specific site improvements such as grading and site preparation activities, access roads and parking, fencing, utility connections, and related activities.
7. To acquire property through a variety of means (purchase, lease, option, etc.) and to hold, clear, or prepare the property for redevelopment.
8. To undertake the demolition and clearance of existing development.
9. To make or have made surveys and plans necessary for the implementation of the Urban Renewal Plan or specific urban renewal projects.
10. To use any or all other powers granted by the Urban Renewal Act to develop and provide for improved economic conditions for the City of Bettendorf.

Nothing herein shall be construed as a limitation on the power of the City to exercise any lawful power granted to the City under Chapter 15, Chapter 15A, Chapter 403, Chapter 427B, or any other provision of the Code of Iowa in furtherance of the objectives of this Urban Renewal Plan.

H. ELIGIBLE URBAN RENEWAL PROJECT(S)

1. Public Improvements

Urban Renewal Project Description	Estimated Time Period	Estimated Cost To Be Reimbursed By Tax Increment Financing	Rationale (why economic development is promoted)
Entry roads to sports complex (grading, rock base, curb & gutter, concrete paving & lighting)	2017-2018	\$500,000	These improvements will provide the necessary infrastructure to access and develop the site. The complex will provide jobs, and act as a quality of life amenity which will assist with talent retention and attraction to the region.
Asphalt access walk	2017-2018	\$310,000	Same as above.
Off-site sewer main & manholes	2017-2018	\$700,000	Same as above.
On-site sewer gravity main, manholes & laterals.	2017-2018	\$210,000	Same as above.
On-site sanitary sewer pump station	2017-2018	\$250,000	Same as above.
On-site sanitary sewer force main	2017-2018	\$130,000	Same as above.
On-site storm sewer improvements	2017-2018	\$1,000,000	Same as above.
Total estimated costs to be reimbursed by tax increment financing for infrastructure identified above to support sports complex project:		\$3,100,000	
Recreation and park development	2017-2027	The use of TIF dollars is not contemplated for this public improvement. The City may utilize urban renewal powers to bond for the estimated \$12,000,000 in	Project will act as a quality of life amenity which will assist with talent retention and attraction to the region.

		improvements for the park development.	
--	--	--	--

Note: It may be that the above costs will be reduced by the application of state and/or federal grants or programs; cost-sharing agreements with other entities; or other available sources of funds.

2. Tax Rebate or other Development Agreements

A. Pending Development Agreement for construction of Sportsplex: A developer plans to construct a regional indoor/outdoor Sports Complex at an expense of roughly \$50,000,000. The development project will include a six acre indoor facility, consisting of a turf soccer field, hardwood basketball/volleyball courts, sand volleyball, tiki lounge, restaurant/retail, batting cages, fun center, bowling lanes, physical therapy, etc. The outdoor complex will include parking, walking paths, synthetic turf baseball fields and turf soccer fields, all with field lighting for night-time activities. Construction of the project is anticipated to begin in 2017 with completion by 2018 or 2019. The parties anticipate agreeing to a Minimum Assessment Agreement which would require the completed project to be assessed at no less than \$27,000,000. City expects to support the project by constructing public improvements such as roadways, and storm and sanitary sewers, anticipated to cost approximately \$3,100,000 and described in detail above. The City also plans to acquire property from the developer in the Area for approximately \$2,000,000 to be used for future development projects. Finally, the City plans to approve an economic development grant in support of the project in an amount estimated to be \$4,900,000, a portion of which may be financed by the tax increment financing generated by the project. The total investment by the City is estimated to be \$10,000,000.

B. Development Agreements: The City expects to consider requests for Development Agreements for projects that are consistent with this Plan, in the City's sole discretion. Such Agreements are unknown at this time, but based on past history, and dependent on development opportunities and climate, the City expects to consider a broad range of incentives as authorized by this Plan, including but not limited to land, loans, grants, tax rebates, infrastructure assistance and other incentives. The costs of such Development Agreements will not exceed \$10,000,000.

3. **Planning, engineering fees (for urban renewal plans), attorney fees, other related costs to support urban renewal projects and planning**

Project	Date	Estimated cost
Fees and costs	Undetermined	\$100,000

I. FINANCIAL DATA

1.	July 1, 2016 constitutional debt limit:	\$174,343,212
2.	Current outstanding general obligation debt:	\$112,000,000
3.	Proposed amount of indebtedness to be incurred: A specific amount of debt to be incurred for the Eligible Urban Renewal Projects has not yet been determined. This document is for planning purposes only. The estimated project costs in this Plan are estimates only and will be incurred and spent over a number of years. In no event will the City's constitutional debt limit be exceeded. The City Council will consider each project proposal on a case-by-case basis to determine if it is in the City's best interest to participate before approving an urban renewal project or expense. It is further expected that such indebtedness, including interest on the same, may be financed in whole or in part with tax increment revenues from the Urban Renewal Area. Subject to the foregoing, it is estimated that the cost of the Eligible Urban Renewal Projects as described above will be approximately as stated in the next column:	<div>\$32,100,000</div> <div>This total does not include financing costs related to debt issuance, which will be incurred over the life of the Area.</div>

J. AGREEMENT TO INCLUDE AGRICULTURAL LAND

Because some of the land being added to the I-80 Urban Renewal Area contains land that is defined as "agricultural land" by Iowa Code Section 403.17(3), the City and agricultural land owners have entered into agreements in which the agricultural land owners agree to allow the City to include real property defined as "Agricultural Land" in the Urban Renewal Area. Copies of the agreements are attached as Exhibit C. The original signed agreements are on file at the City Clerk's office.

K. URBAN RENEWAL FINANCING

The City of Bettendorf intends to utilize various financing tools such as those described below to successfully undertake the proposed urban renewal actions. The City of Bettendorf has the statutory authority to use a variety of tools to finance physical improvements within the Areas. These include:

A. Tax Increment Financing

Under Section 403.19 of the Iowa Code, urban renewal areas may utilize the tax increment financing mechanism to finance the costs of public improvements or economic development incentives associated with redevelopment projects. Upon creation of a tax increment district within the Area, by ordinance, the assessment base is frozen and the amount of tax revenue available from taxes paid on the difference between the frozen base and the increased value, if any, is segregated into a separate fund for

the use by the City to pay costs of the eligible urban renewal projects. The increased taxes generated by any new development, above the base value, are distributed to the taxing entities, if not requested by the City. Tax increments may be used to abate General Obligation Bonds or Notes, secure Tax Increment Revenue Obligations, or fund direct incentives, for projects in furtherance of this Plan.

B. General Obligation Bonds

Under Division III of Chapter 384 and Chapter 403 of the Iowa Code, the City has the authority to issue and sell general obligation bonds for specified essential and general corporate purposes, including the acquisition and construction of certain public improvements within the Area or incentives for development consistent with this Plan. Such bonds are payable from the levy of unlimited ad valorem taxes on all the taxable property within the City of Bettendorf. It may be the City will elect to abate some or all of the debt service on these bonds with incremental taxes from this Area.

The City may also determine to use tax increment financing to provide incentives such as cash grants, loans, tax rebates or other incentives to developers in connection with urban renewal projects for commercial or industrial development or other urban renewal projects. In addition, the City may determine to issue general obligation bonds, tax increment revenue bonds or such other obligations, or loan agreements for the purpose of making loans or grants of public funds to private businesses located in the Areas. Alternatively, the City may determine to use available funds for making such loans or grants for urban renewal projects. In any event, the City may determine to use tax increment financing to reimburse the City for any obligations or advances.

Nothing herein shall be construed as a limitation on the power of the City to exercise any lawful power granted to the City under Chapter 15, Chapter 15A, Chapter 403, Chapter 427B, or any other provision of the Code of Iowa in furtherance of the objectives of this Urban Renewal Plan.

L. PROPERTY ACQUISITION/DISPOSITION

If property acquisition/disposition by the City becomes necessary to accomplish the objectives of the Plan, such acquisition/disposition will be carried out, without limitation, in accordance with the Iowa Code.

M. RELOCATION

The City does not expect there to be any relocation required as part of the eligible urban renewal projects; however, if any relocation is necessary, the City will follow all applicable relocation requirements.

N. STATE AND LOCAL REQUIREMENTS

All provisions necessary to conform to state and local laws will be complied with by the City and the developer in implementing this Urban Renewal Plan and its supporting documents.

O. URBAN RENEWAL PLAN AMENDMENTS

This Urban Renewal Plan may be amended from time to time for a variety of reasons, including but not limited to, change in the area, to add or change land use controls and regulations, to modify goals or types of renewal activities, to add or change urban renewal projects, or to amend property acquisition and disposition provisions. The City Council may amend this Plan in accordance with applicable state law.

P. EFFECTIVE PERIOD

This Urban Renewal Plan will become effective upon its adoption by the City Council and will remain in effect as a Plan until it is repealed by the City Council.

With respect to the property included within the I-80 Urban Renewal Area, which is also included in an ordinance which designates that property as a tax increment area, the use of incremental property tax revenues or the "division of revenue," as those words are used in Chapter 403 of the Code of Iowa, shall continue for the maximum period allowed by law.

It is also anticipated that separate TIF ordinances for separate parcel(s) may be adopted as development in the Area warrants. In this case, each separate TIF ordinance may have a separate base and separate sunset.

At all times, the use of tax increment financing revenues (including the amount of loans, advances, indebtedness or bonds which qualify for payment from the division of revenue provided in Section 403.19 of the Code of Iowa) by the City for activities carried out under the Urban Renewal Plan shall be limited as deemed appropriate by the City Council and consistent with all applicable provisions of law.

Q. REPEALER AND SEVERABILITY CLAUSE

If any part of the Plan is determined to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity of the Plan as a whole, or any part of the Plan not determined to be invalid or unconstitutional.

EXHIBIT A

LEGAL DESCRIPTION OF AREA

The I-80 Urban Renewal Area is described as follows:

COMMENCING AT THE POINT OF BEGINNING, DESCRIBED AS THE NORTHWEST CORNER OF SECTION 2, TOWNSHIP 78 NORTH, RANGE 4 EAST OF THE 5TH P.M.;

THENCE SOUTH ALONG THE WEST LINE OF SAID SECTION 2 TO THE SOUTH RIGHT OF WAY LINE OF FOREST GROVE DRIVE;

THENCE EASTERLY ALONG SAID SOUTH RIGHT OF WAY LINE OF FOREST GROVE DRIVE TO THE CENTERLINE OF SPRING CREEK DRIVE, SAID DRIVE BEING LOCATED IN HUNTINGTON MEADOWS FIRST ADDITION TO THE CITY OF BETTENDORF;

THENCE NORTH ALONG THE SOUTHERLY EXTENSION OF THE EAST LINE OF FOREST GROVE PARK ADDITION AND ALONG SAID EAST LINE TO THE NORTHEASTERLY CORNER OF SAID FOREST GROVE PARK ADDITION;

THENCE WEST ALONG THE NORTH LINE OF SAID FOREST GROVE PARK ADDITION TO A POINT, SAID POINT BEING ON THE SOUTHERLY EXTENSION OF THE WEST LINE OF SPENCER HOLLOW FIRST ADDITION OUTLOT D;

THENCE NORTH ALONG SAID SOUTHERLY EXTENSION, THRU SAID WEST LINE OF SAID OUTLOT D AND ALONG THE NORTHERLY EXTENSION OF SAID OUTLOT D TO A POINT ON THE SOUTH LINE OF A PARCEL OF LAND DESCRIBED IN DOCUMENT 2010-00005515, AT THE SCOTT COUNTY IOWA RECORDERS OFFICE, RECORDED ON MARCH 1, 2010, SAID PARCEL ALSO KNOWN BY PARCEL ID #840105001;

THENCE EASTERLY ALONG THE SOUTH LINE OF SAID PARCEL ID #840105001 TO THE SOUTHEAST CORNER OF SAID PARCEL;

THENCE EASTERLY ALONG THE SOUTH LINE OF A PARCEL OF LAND DESCRIBED IN DOCUMENT 2011-00036619, AT THE SCOTT COUNTY IOWA RECORDERS OFFICE, RECORDED ON DECEMBER 22, 2011, SAID PARCEL ALSO KNOWN BY PARCEL ID #840107004;

THENCE NORTHERLY ALONG THE EAST LINE OF SAID PARCEL ID #840107004 TO THE NORTHEASTERLY CORNER OF SAID PARCEL, SAID POINT BEING ON THE SOUTHERLY RIGHT OF WAY LINE OF INTERSTATE 80;

THENCE WESTERLY ALONG THE NORTHERN LINE OF SAID PARCEL #840107004, SAID LINE ALSO BEING THE SOUTHERLY LINE OF INTERSTATE 80, TO THE NORTHWESTERLY CORNER OF SAID PARCEL;

THENCE WESTERLY ALONG THE NORTHERLY LINE OF SAID PARCEL #840105001, SAID LINE ALSO BEING THE SOUTHERLY LINE OF INTERSTATE 80, TO A POINT ON THE EXTENSION OF THE EAST LINE OF THE SOUTHWEST QUARTER OF SECTION 36, TOWNSHIP 79 NORTH, RANGE 4 EAST OF THE 5TH P.M.;

THENCE ALONG SAID EAST LINE OF SAID SOUTHWEST QUARTER EXTENDED, NORTHERLY TO THE NORTH RIGHT OF WAY LINE OF INDIANA AVENUE;

THENCE WESTERLY ALONG THE NORTH LINE OF SAID INDIANA AVENUE TO THE WEST LINE OF SECTION 35, TOWNSHIP 79 NORTH, RANGE 4 EAST OF THE 5TH P.M.;

THENCE SOUTHERLY ALONG SAID WEST LINE OF SECTION 35 TO THE SOUTHWEST CORNER OF SAID SECTION 35;

THENCE WESTERLY ALONG THE NORTH LINE OF SECTION 2, TOWNSHIP 78 NORTH, RANGE 4 EAST OF THE 5TH P.M. TO THE POINT OF BEGINNING;

EXCEPTING PARCELS 840103002, 840117001AD, 840201001, 840217005, 943633004, 943635004, 943651001, 943635001AD AND 943635003AD.

The I-80 Urban Renewal Area also includes the full right-of-way of all roads and streets within, adjacent to, or bordering the Area.

The Parcel Numbers include:

840107004
840105001
840103001
8401210031
840121201
8401190021
943537003
840117002
840223001
840207001
840101001
840119003
840205001
840221001AD
840203002
840203001
840219002
840217004AD
9435530021
943553004AD
943537002
943535001
943551001
943533005
943549002
943439003
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943649003
943633007
943539006

943633008
9435331011
840219001

Exhibit B
Area Map

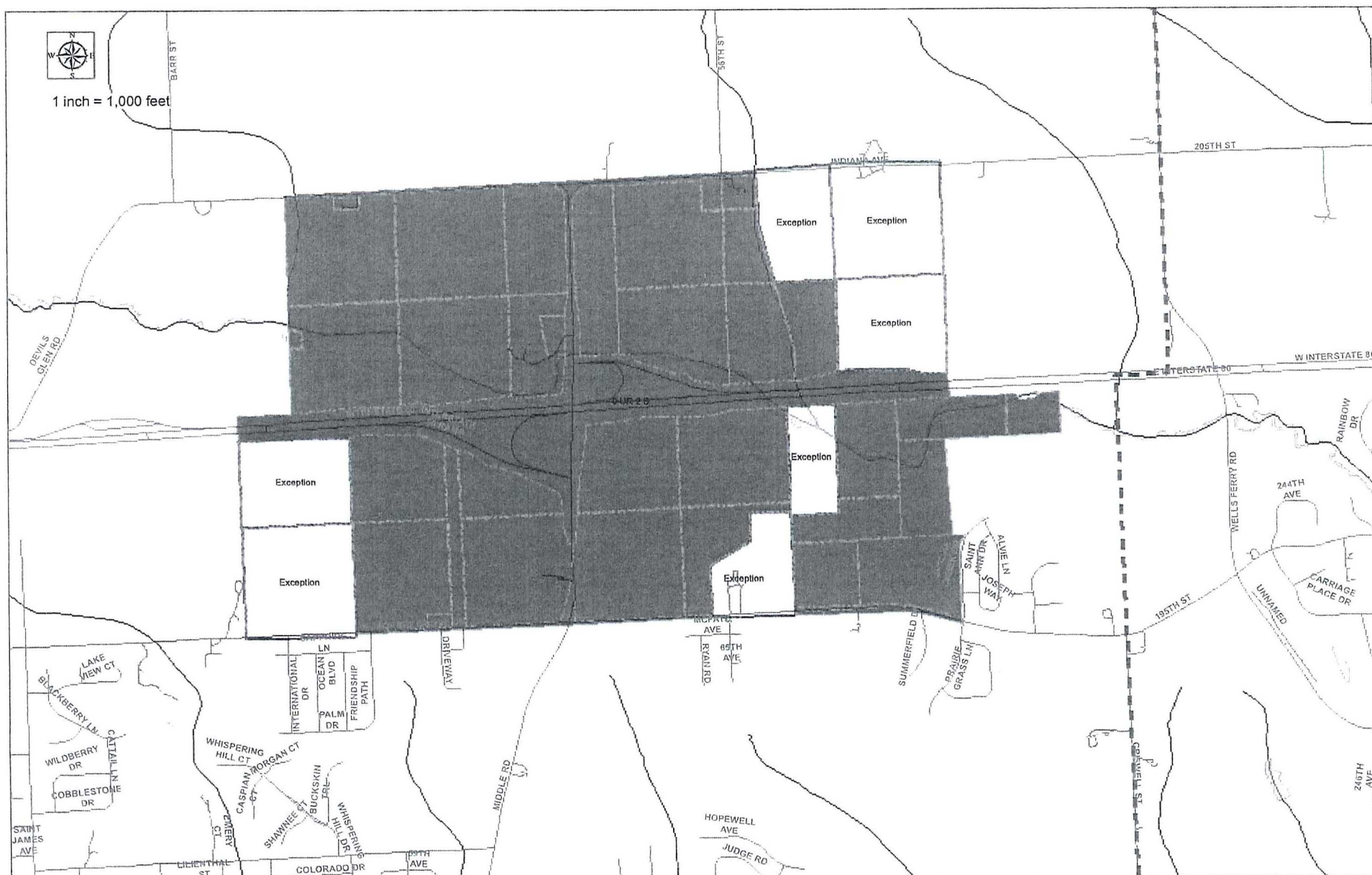
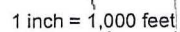


Exhibit C
Agreements to Include Agricultural Land

AGREEMENT TO INCLUDE AGRICULTURAL LAND
IN THE I-80 URBAN RENEWAL AREA

WHEREAS, the City of Bettendorf, Iowa, (the "City") has proposed to establish the I-80 Urban Renewal Area (the "Urban Renewal Area" or "Area"), pursuant to Chapter 403 of the Code of Iowa, in order to undertake activities authorized by that Chapter; and

WHEREAS, it has been proposed that the boundaries of the Area will include certain property which is owned by the Agricultural Land Owner listed below; and

WHEREAS, Section 403.17(3) of the Code of Iowa provides that no property may be included in an urban renewal area which meets the definition in that Section of "agricultural land," until the owners of such property agree to include such property in such urban renewal area; and

WHEREAS, it has been determined that all or a portion of the property within the Area and owned by the Agricultural Land Owner meets the definition of "agricultural land" in Section 403.17(3) of the Code of Iowa;

NOW, THEREFORE, it is hereby certified and agreed by the Agricultural Land Owner as follows:

1. The Agricultural Land Owner hereby certifies that he/she is the owner of certain Property contained within the Urban Renewal Area.
2. The Agricultural Land Owner hereby agrees that the City of Bettendorf, Iowa, may include the portion of the property owned by the Agricultural Land Owner in the Urban Renewal Area.
3. The Agricultural Land Owner further authorizes the governing body of the City of Bettendorf, Iowa, to pass any resolution or ordinance necessary to designate said property as an Urban Renewal Area under Chapter 403 of the Code of Iowa, and to proceed with activities authorized under said Chapter.

DATED this 31st day of March, 2017.

Name of Agricultural Land Owner: (signed by Agricultural Land Owner or person authorized to sign on Agricultural Land Owner's behalf)

Parcels owned by Land Owner:

Date: 03.31.2017

840203001 & 840219002

Signature: Michael L. Sampson

Print Name: Michael L. Sampson

Witness: Patricia A. Zimmer
Patricia A. Zimmer

AGREEMENT TO INCLUDE AGRICULTURAL LAND
IN THE I-80 URBAN RENEWAL AREA

WHEREAS, the City of Bettendorf, Iowa, (the "City") has proposed to establish the I-80 Urban Renewal Area (the "Urban Renewal Area" or "Area"), pursuant to Chapter 403 of the Code of Iowa, in order to undertake activities authorized by that Chapter; and

WHEREAS, it has been proposed that the boundaries of the Area will include certain property which is owned by the Agricultural Land Owner listed below; and

WHEREAS, Section 403.17(3) of the Code of Iowa provides that no property may be included in an urban renewal area which meets the definition in that Section of "agricultural land," until the owners of such property agree to include such property in such urban renewal area; and

WHEREAS, it has been determined that all or a portion of the property within the Area and owned by the Agricultural Land Owner meets the definition of "agricultural land" in Section 403.17(3) of the Code of Iowa;

NOW, THEREFORE, it is hereby certified and agreed by the Agricultural Land Owner as follows:

1. The Agricultural Land Owner hereby certifies that he/she is the owner of certain Property contained within the Urban Renewal Area.

2. The Agricultural Land Owner hereby agrees that the City of Bettendorf, Iowa, may include the portion of the property owned by the Agricultural Land Owner in the Urban Renewal Area.

3. The Agricultural Land Owner further authorizes the governing body of the City of Bettendorf, Iowa, to pass any resolution or ordinance necessary to designate said property as an Urban Renewal Area under Chapter 403 of the Code of Iowa, and to proceed with activities authorized under said Chapter.

DATED this 24th day of March, 2017.

Name of Agricultural Land Owner: (signed by Agricultural Land Owner or person authorized to sign on Agricultural Land Owner's behalf)

Parcels owned by Land Owner: 943553004AD,
943537002, 943535001, 943551001

Date: 3/25/2017

Signature: James A. Criswell

Print Name: James A. Criswell Trust

Witness: Jody H. Criswell

AGREEMENT TO INCLUDE AGRICULTURAL LAND
IN THE I-80 URBAN RENEWAL AREA

WHEREAS, the City of Bettendorf, Iowa, (the "City") has proposed to establish the I-80 Urban Renewal Area (the "Urban Renewal Area" or "Area"), pursuant to Chapter 403 of the Code of Iowa, in order to undertake activities authorized by that Chapter; and

WHEREAS, it has been proposed that the boundaries of the Area will include certain property which is owned by the Agricultural Land Owner listed below; and

WHEREAS, Section 403.17(3) of the Code of Iowa provides that no property may be included in an urban renewal area which meets the definition in that Section of "agricultural land," until the owners of such property agree to include such property in such urban renewal area; and

WHEREAS, it has been determined that all or a portion of the property within the Area and owned by the Agricultural Land Owner meets the definition of "agricultural land" in Section 403.17(3) of the Code of Iowa;

NOW, THEREFORE, it is hereby certified and agreed by the Agricultural Land Owner as follows:

1. The Agricultural Land Owner hereby certifies that he/she is the owner of certain Property contained within the Urban Renewal Area.

2. The Agricultural Land Owner hereby agrees that the City of Bettendorf, Iowa, may include the portion of the property owned by the Agricultural Land Owner in the Urban Renewal Area.

3. The Agricultural Land Owner further authorizes the governing body of the City of Bettendorf, Iowa, to pass any resolution or ordinance necessary to designate said property as an Urban Renewal Area under Chapter 403 of the Code of Iowa, and to proceed with activities authorized under said Chapter.

DATED this _____ day of _____, 2017.

Name of Agricultural Land Owner: (signed by Agricultural Land Owner or person authorized to sign on Agricultural Land Owner's behalf)

Parcels owned by Land

Owner: 943539005, 943555001,

943649003, 943633007

Signature: James R. Holt

Print Name: JIM HOLST

Meadow Crest Farms, LTD

Witness: Debra P. Pearson

Date: 3/10/17

AGREEMENT TO INCLUDE AGRICULTURAL LAND
IN THE I-80 URBAN RENEWAL AREA

WHEREAS, the City of Bettendorf, Iowa, (the "City") has proposed to establish the I-80 Urban Renewal Area (the "Urban Renewal Area" or "Area"), pursuant to Chapter 403 of the Code of Iowa, in order to undertake activities authorized by that Chapter; and

WHEREAS, it has been proposed that the boundaries of the Area will include certain property which is owned by the Agricultural Land Owner listed below; and

WHEREAS, Section 403.17(3) of the Code of Iowa provides that no property may be included in an urban renewal area which meets the definition in that Section of "agricultural land," until the owners of such property agree to include such property in such urban renewal area; and

WHEREAS, it has been determined that all or a portion of the property within the Area and owned by the Agricultural Land Owner meets the definition of "agricultural land" in Section 403.17(3) of the Code of Iowa;

NOW, THEREFORE, it is hereby certified and agreed by the Agricultural Land Owner as follows:

1. The Agricultural Land Owner hereby certifies that he/she is the owner of certain Property contained within the Urban Renewal Area.

2. The Agricultural Land Owner hereby agrees that the City of Bettendorf, Iowa, may include the portion of the property owned by the Agricultural Land Owner in the Urban Renewal Area.

3. The Agricultural Land Owner further authorizes the governing body of the City of Bettendorf, Iowa, to pass any resolution or ordinance necessary to designate said property as an Urban Renewal Area under Chapter 403 of the Code of Iowa, and to proceed with activities authorized under said Chapter.

DATED this 21ST day of FEBRUARY, 2017.

Name of Agricultural Land Owner: (signed by Agricultural Land Owner or person authorized to sign on Agricultural Land Owner's behalf)

Parcels owned by Land

Owner: 840105001, 840103001, 943537003,

8401210031, 840121200, 8401190021

Signature: R.S. Gallagher

Print Name: ROBERT GALLAGHER JR.
CITY OF BETTENDORF

Witness: Debra P. Leach

Date: 2/21/17

AGREEMENT TO INCLUDE AGRICULTURAL LAND
IN THE I-80 URBAN RENEWAL AREA

WHEREAS, the City of Bettendorf, Iowa, (the "City") has proposed to establish the I-80 Urban Renewal Area (the "Urban Renewal Area" or "Area"), pursuant to Chapter 403 of the Code of Iowa, in order to undertake activities authorized by that Chapter; and

WHEREAS, it has been proposed that the boundaries of the Area will include certain property which is owned by the Agricultural Land Owner listed below; and

WHEREAS, Section 403.17(3) of the Code of Iowa provides that no property may be included in an urban renewal area which meets the definition in that Section of "agricultural land," until the owners of such property agree to include such property in such urban renewal area; and

WHEREAS, it has been determined that all or a portion of the property within the Area and owned by the Agricultural Land Owner meets the definition of "agricultural land" in Section 403.17(3) of the Code of Iowa;

NOW, THEREFORE, it is hereby certified and agreed by the Agricultural Land Owner as follows:

1. The Agricultural Land Owner hereby certifies that he/she is the owner of certain Property contained within the Urban Renewal Area.

2. The Agricultural Land Owner hereby agrees that the City of Bettendorf, Iowa, may include the portion of the property owned by the Agricultural Land Owner in the Urban Renewal Area.

3. The Agricultural Land Owner further authorizes the governing body of the City of Bettendorf, Iowa, to pass any resolution or ordinance necessary to designate said property as an Urban Renewal Area under Chapter 403 of the Code of Iowa, and to proceed with activities authorized under said Chapter.

DATED this 9 day of March, 2017.

Name of Agricultural Land Owner: (signed by Agricultural Land Owner or person authorized to sign on Agricultural Land Owner's behalf)

Parcels owned by Land
Owner: 840117002, 840223001,
840207001, 840101001

Date: 3/9/2017

Signature: 

Print Name: BEN VAN RALTE
SCHOOL HOUSE ROAD, LC

Witness: 

AGREEMENT TO INCLUDE AGRICULTURAL LAND
IN THE I-80 URBAN RENEWAL AREA

WHEREAS, the City of Bettendorf, Iowa, (the "City") has proposed to establish the I-80 Urban Renewal Area (the "Urban Renewal Area" or "Area"), pursuant to Chapter 403 of the Code of Iowa, in order to undertake activities authorized by that Chapter; and

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2. The Agricultural Land Owner hereby agrees that the City of Bettendorf, Iowa, may include the portion of the property owned by the Agricultural Land Owner in the Urban Renewal Area.

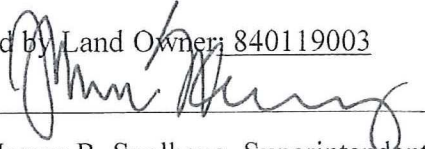
3. The Agricultural Land Owner further authorizes the governing body of the City of Bettendorf, Iowa, to pass any resolution or ordinance necessary to designate said property as an Urban Renewal Area under Chapter 403 of the Code of Iowa, and to proceed with activities authorized under said Chapter.

DATED this 23rd Day of March, 2017.

Name of Agricultural Land Owner: (signed by Agricultural Land Owner or person authorized to sign on Agricultural Land Owner's behalf)

Parcels owned by Land Owner: 840119003

Date: 3-28-17

Signature: 

Print Name: James R. Spelhaug, Superintendent

Pleasant Valley Community School District

Witness: 

AGREEMENT TO INCLUDE AGRICULTURAL LAND
IN THE I-80 URBAN RENEWAL AREA

WHEREAS, the City of Bettendorf, Iowa, (the "City") has proposed to establish the I-80 Urban Renewal Area (the "Urban Renewal Area" or "Area"), pursuant to Chapter 403 of the Code of Iowa, in order to undertake activities authorized by that Chapter; and

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2. The Agricultural Land Owner hereby agrees that the City of Bettendorf, Iowa, may include the portion of the property owned by the Agricultural Land Owner in the Urban Renewal Area.
3. The Agricultural Land Owner further authorizes the governing body of the City of Bettendorf, Iowa, to pass any resolution or ordinance necessary to designate said property as an Urban Renewal Area under Chapter 403 of the Code of Iowa, and to proceed with activities authorized under said Chapter.

DATED this 22nd day of FEBRUARY, 2017.

Name of Agricultural Land Owner: (signed by Agricultural Land Owner or person authorized to sign on Agricultural Land Owner's behalf)

Parcels owned by Land

Owner: 840205001, 840221001AD

Date: 2/22/17

Signature: _____

Print Name: _____

Witness: _____

Tab D – Vertical Infrastructure

Build to Suit
INCORPORATED

August 22, 2017

Mr. Mike Sampson, CFO
The BettPlex, LLC
PO Box 394
Bettendorf, IA 52722

Re: The BettPlex, LLC – Outdoor Baseball/Softball Cost

Dear Mike:

As the general contractor on this design build project, we are responsible for the design and construction. We currently have portions of the project under contract and other work in the various stages of design and bidding. Below is a summary of the items and associated budgeted costs for the outdoor baseball/softball fields. This does not include construction costs associated with indoor baseball/softball training, and food, beverage and entertainment provided indoors.

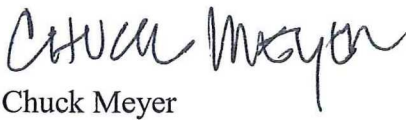
<u>Item</u>	<u>Budgeted Cost</u>
Land - 38 acres @ \$33,333.00/acre	\$1,266,654.00
Site Improvements & Parking	
• Site Design & Engineering	\$145,000.00
• Site Grading, Erosion Control, Site Power & Utilities	\$1,200,000.00
• Asphalt Paving, Curb & Gutter, Exterior Walkways	\$772,500.00
• Parking Lot Lighting & Landscaping	<u>\$140,000.00</u>
	\$2,257,500.00
Outdoor Baseball & Softball	
• Field Turf	\$4,400,000.00
• Field Stabilization	\$600,000.00
• Lighting & Field Electric	\$536,300.00
• Baseball Equipment – Includes Fencing, Netting, Dugouts, Portable Fencing, Bleachers, Etc.	\$1,213,700.00
• Concession Stand – Includes Restroom & Equipment	<u>\$350,000.00</u>
	\$7,100,000.00
Maintenance/Storage – Includes Equipment	\$300,000.00

Build to Suit Fees & Management	<u>\$603,346.00</u>
Total Outdoor Baseball/Softball Costs	\$11,527,500.00

If you have any questions, please do not hesitate to call.

Sincerely,

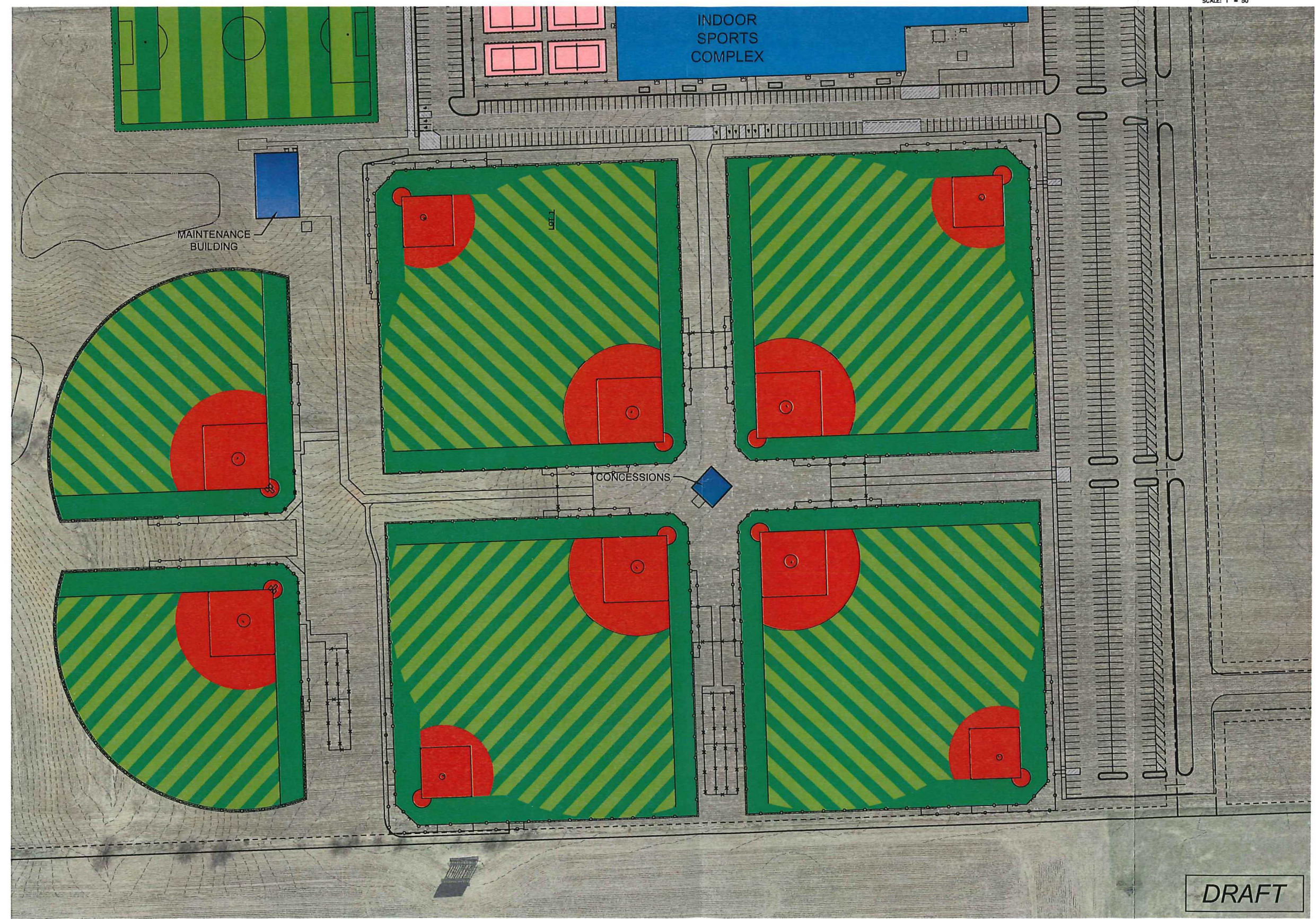
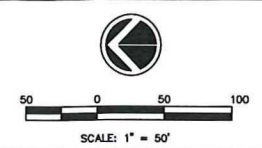
BUILD TO SUIT, INC.


Chuck Meyer

CM/bms



BETTPLEX SPORTS COMPLEX
BASEBALL FIELDS / PARKING



DRAFT

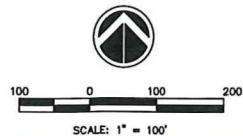
REVISIONS		DATE
No.	DESCRIPTION	

Missman, inc.
Professional Engineers & Land Surveyors
Rock Island, IL • Bettendorf, IA • Rockford, IL • DeKalb, IL
(309) 782-7644 • (563) 344-0280 • (815) 965-5400 • (815) 748-5554
www.missman.com

BETTPLEX SPORTS COMPLEX
BETTENDORF, IOWA
BASEBALL FIELDS SITE EXHIBIT

Missman Project No:
C16L052
File Name:
C16L052 EXHIBIT 082117.dwg
© COPYRIGHT 2017
ALL RIGHTS RESERVED
Field Book No:####
Drawn By: AEK
Checked By: JLH
Date: 08/21/17
EX-2
Sheet 2 of 3

BETTPLEX SPORTS COMPLEX



DRAFT

REVISIONS		DATE
No.	DESCRIPTION	

Missman, Inc.
Professional Engineers & Land Surveyors

Rock Island, IL • Bettendorf, IA • Rockford, IL • Davenport, IA
(309) 782-7644 • (815) 344-0280 • (815) 985-5400 • (616) 788-5543
www.missman.com

BETTPLEX SPORTS COMPLEX
BETTENDORF, IOWA

OVERALL SITE EXHIBIT

Missman Project No:
C16L052

File Name:
C:\M\052-EXHIBIT 082117.dwg

© COPYRIGHT 2017
ALL RIGHTS RESERVED

Field Book No:####

Drawn By: AEK

Checked By: JLH

Date: 08/21/17

EX-1

Sheet 1 of 3



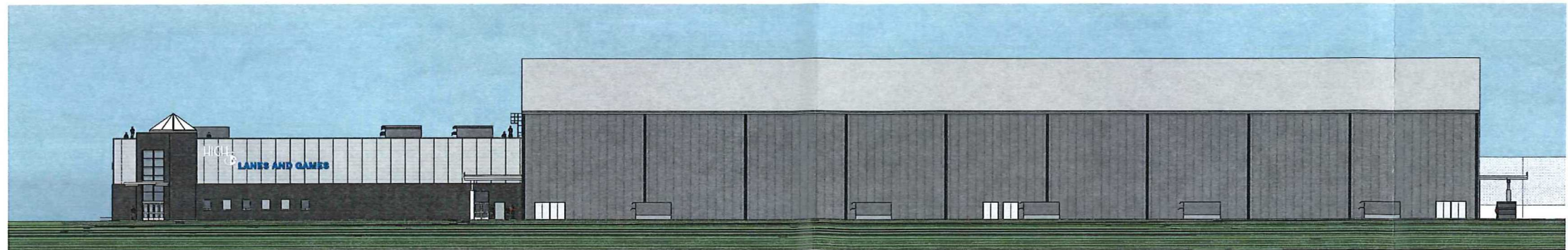
SOUTH ELEVATION SCALE 1"=20'



NORTH ELEVATION SCALE 1"=20'



WEST ELEVATION SCALE 1"=20'



EAST ELEVATION SCALE 1"=20'



STUDIO 483 ARCHITECTS
124 Arts Alley
Rock Island, IL 61201
309.766.9910
201 W. 2nd Street, Suite 605
Davenport, IA 52801
563.325.2555

**BUILD TO SUIT
BETTPLEX +
FUNCENTER**

BETTENDORF, IOWA

1	END SET	06.16.2017
NO.	DESCRIPTION	DATE

COLOR
ELEVATIONS

PROJECT: 2016-122D

A 2.00

WALL TYPES LEGEND:

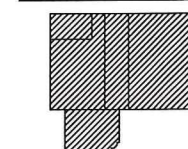
- 1. TYPICAL INTERIOR WALL:
5/8" GYPSUM BOARD BOTH SIDES ON
3/8" METAL STUDS @16"O.C. WITH
3/8" ACOUSTIC BATT INSULATION
EXTEND TO UNDERSIDE OF DECK
STC 45
- 2. INTERIOR WALL:
5/8" GYPSUM BOARD BOTH SIDES ON
3/8" METAL STUDS @16"O.C. WITH
3/8" ACOUSTIC BATT INSULATION
EXTEND 6" MINIMUM ABOVE CEILING
STC 45
- 3. INTERIOR WALL:
5/8" GYPSUM BOARD BOTH SIDES ON
3/8" METAL STUDS @16"O.C. WITH
3/8" ACOUSTIC BATT INSULATION
EXTEND TO UNDERSIDE OF DECK
STC 46
- 4. INTERIOR WALL:
5/8" GYPSUM BOARD BOTH SIDES ON
3/8" METAL STUDS @16"O.C. WITH
3/8" ACOUSTIC BATT INSULATION
EXTEND 6" MINIMUM ABOVE CEILING
STC 46
- 5. 1-HOUR FIRE PARTITION WALL:
(1) LAYERS 5/8" TYPE-X GYPSUM
BOARD BOTH SIDES ON
3/8" METAL STUDS @16"O.C. WITH
3/8" ACOUSTIC BATT INSULATION
-FIRESTOP AND INTUMESCENT FIRECAULK
EXTEND TO TOP OF PARAPET
STC 49, 1-HOUR
- 6. 0-HOUR FIRE SHUTTER WALL:
(1) LAYERS 5/8" GYPSUM BOARD FACE SIDE ON
6" METAL CH SHAF STUDS @24"O.C. WITH
6" ACOUSTIC BATT INSULATION
EXTEND TO TOP OF PARAPET
STC 49
- 7. 1-HOUR FIRE SHUTTER WALL:
(2) LAYERS 1/2" OR 5/8" TYPE-X GYPSUM
BOARD FACE SIDE ON
6" METAL CH SHAF STUDS @24"O.C. WITH
1" GYPSUM BOARD SHAF LINER
6" ACOUSTIC BATT INSULATION
-FIRESTOP AND INTUMESCENT FIRECAULK
EXTEND TO UNDERSIDE OF DECK
STC 49, 1-HOUR
- 8. INTERIOR CMU BLOCK WALL:
8" CMU BLOCK WITH #3 BAR VERT. @48"O.C. AND
LADDER TIES @16"O.C.
- 9. INTERIOR CMU BLOCK WALL:
4" CMU BLOCK WITH #3 BAR VERT. @48"O.C. AND
LADDER TIES @16"O.C.
- 10. TYPICAL EXTERIOR WALL AT FAMILIAR CENTER:
4" MASONRY VENEER WITH ADJUSTABLE
MASONRY TIES
1 1/2" AIR SPACE
FULLY ADHERED AIR-WATER BARRIER
6" GALV. METAL STUDS @16"O.C.
6" R-15 BATT INSULATION, UNFACED
POLY. VAPOR BARRIER
5/8" GYPSUM BOARD
- 11. CMU BLOCK EXTERIOR WALL AT FAM ENT CENTER:
4" MASONRY VENEER WITH ADJUSTABLE
MASONRY TIES
2 1/2" AIR SPACE
2" RIGID INSULATION
FULLY ADHERED AIR-WATER BARRIER
8" CMU BLOCK WITH #5 BAR VERT. @48"O.C. AND
LADDER TIES @16"O.C.
- 12. NICHIA EXTERIOR WALL AT FAM ENT CENTER:
"NICHIA" FIBER CEMENT CLADDING SYSTEM
FULLY ADHERED AIR-WATER BARRIER
6" GALV. METAL STUDS @16"O.C.
6" R-15 BATT INSULATION, UNFACED
POLY. VAPOR BARRIER
5/8" GYPSUM BOARD
- 13. NICHIA ON CMU BLOCK EXTERIOR WALL:
"NICHIA" FIBER CEMENT CLADDING SYSTEM
2" RIGID INSULATION WITH GALV. Z-PURFISHG
FULLY ADHERED AIR-WATER BARRIER
8" CMU BLOCK WITH #5 BAR VERT. @48"O.C. AND
LADDER TIES @16"O.C.
- 14. TYPICAL EXTERIOR WALL AT SPORTSPLEX:
3" INSULATED METAL PANEL (IMP)
10" GALV. WALL GRTS. HORIZ. @8'-0"O.C. VERT.

OCCUPANCY KEY

- (S.F. PER OCCUPANT)
- 300 MECHANICAL, ELECTRICAL, STORAGE
 - 200 COMMERCIAL KITCHENS
 - 100 BUSINESS
 - 50 SPORTS FIELDS, EXERCISE ROOMS
 - 50 CIRCULATION, LOBBY
 - 50 LOCKER ROOMS, RESTROOMS
 - 60 MERCANTILE
 - 15 ASSEMBLY, UNCONCENTRATED, BANQUET
 - 11 ASSEMBLY, GAMING FLOORS (EQ. TO CASINO)
 - 7 BOWLING CENTERS, AREA + 5 PEOPLE PER LANE
 - # ASSEMBLY, CONCENTRATED, = FIXED SEATING
 - 7 ASSEMBLY, CONCENTRATED, FOLDING CHAIRS
 - 5 ASSEMBLY, CONCENTRATED, STANDING ROOM

1 BID SET 08.18.2017

NO. DESCRIPTION DATE



**FIRST FLOOR
CODE PLAN**

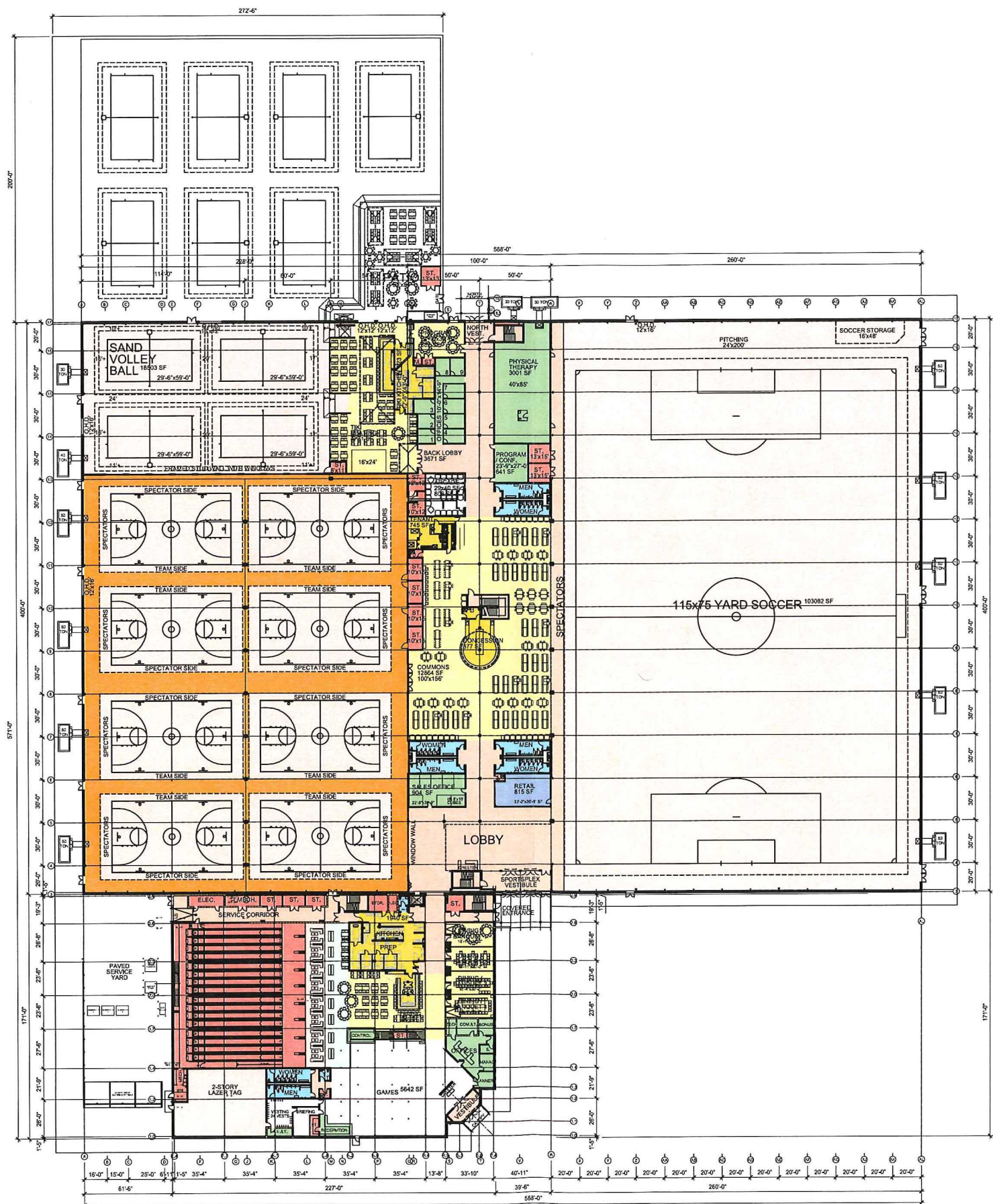
PROJECT: 2016-122D

A 1.11



**FIRST FLOOR
CODE PLAN**

SCALE: 1/32" = 1'-0"





WALL TYPES LEGEND:

- 1. TYPICAL INTERIOR WALL
5/8" GYPSUM BOARD BOTH SIDES ON
3/8" METAL STUDS @16" O.C. WITH
3/8" ACOUSTIC BATT INSULATION
EXTEND TO UNDERSIDE OF DECK
STC 45
- 2. INTERIOR WALL
5/8" GYPSUM BOARD BOTH SIDES ON
3/8" METAL STUDS @16" O.C. WITH
3/8" ACOUSTIC BATT INSULATION
EXTEND 8" MINIMUM ABOVE CEILING
STC 45
- 3. INTERIOR WALL
5/8" GYPSUM BOARD BOTH SIDES ON
3/8" METAL STUDS @16" O.C. WITH
3/8" ACOUSTIC BATT INSULATION
EXTEND TO UNDERSIDE OF DECK
STC 46
- 4. INTERIOR WALL
5/8" GYPSUM BOARD BOTH SIDES ON
3/8" METAL STUDS @16" O.C. WITH
3/8" ACOUSTIC BATT INSULATION
EXTEND 8" MINIMUM ABOVE CEILING
STC 46
- 5. 1-HOUR FIRE PARTITION WALL
(1) LAYERS 5/8" TYPE-X GYPSUM
BOARD BOTH SIDES ON
3/8" METAL STUDS @16" O.C. WITH
3/8" ACOUSTIC BATT INSULATION
+FIRESTOP AND INTUMESCENT FIRECAULK
EXTEND TO TOP OF PARAPET
STC 45, 1-HOUR
- 6. 1-HOUR FIRE SHUTTER WALL
(1) LAYERS 5/8" TYPE-X GYPSUM
BOARD FACE SIDE ON
3/8" METAL STUDS @16" O.C. WITH
3/8" ACOUSTIC BATT INSULATION
+FIRESTOP AND INTUMESCENT FIRECAULK
EXTEND TO UNDERSIDE OF DECK
STC 45, 1-HOUR
- 7. INTERIOR CMU BLOCK WALL
8" CMU BLOCK WITH #5 BAR VERT. @48" O.C. AND
LADDER TIES @16" O.C.
- 8. INTERIOR CMU BLOCK WALL
8" CMU BLOCK WITH #5 BAR VERT. @48" O.C. AND
LADDER TIES @16" O.C.
- 9. TYPICAL EXTERIOR WALL AT FAN ENT. CENTER
4" MASONRY VENEER WITH ADJUSTABLE
MASONRY TIES
1 1/2" AIR SPACE
FULLY ADHERED AIR-WATER BARRIER
6" GALV. METAL STUDS @16" O.C.
6" R-15 BATT INSULATION, UNFACED
POLY. VAPOR BARRIER
5/8" GYPSUM BOARD
- 10. CMU BLOCK EXTERIOR WALL AT FAN ENT. CENTER
4" MASONRY VENEER WITH ADJUSTABLE
MASONRY TIES
2 1/2" AIR SPACE
FULLY ADHERED AIR-WATER BARRIER
8" CMU BLOCK WITH #5 BAR VERT. @48" O.C. AND
LADDER TIES @16" O.C.
- 11. NOCHIA EXTERIOR WALL AT FAN ENT. CENTER
NOCHIA THER. GLAZING SYSTEM
FULLY ADHERED AIR-WATER BARRIER
6" GALV. METAL STUDS @16" O.C.
6" R-15 BATT INSULATION, UNFACED
POLY. VAPOR BARRIER
5/8" GYPSUM BOARD
- 12. NOCHIA ON CMU BLOCK EXTERIOR WALL
NOCHIA THER. GLAZING SYSTEM
2" RIGID INSULATION WITH GALV. Z-FURRING
FULLY ADHERED AIR-WATER BARRIER
8" CMU BLOCK WITH #5 BAR VERT. @48" O.C. AND
LADDER TIES @16" O.C.
- 13. TYPICAL EXTERIOR WALL AT SPORTSPLEX
3" INSULATED METAL PANEL (IMP)
10" GALV. WALL GIRTS, HORIZ. @9'-0" O.C. VERT.

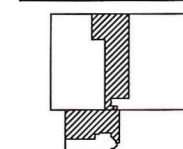
OCCUPANCY KEY

- (S.F. PER OCCUPANT)
- 300 MECHANICAL, ELECTRICAL, STORAGE
 - 200 COMMERCIAL KITCHENS
 - 100 BUSINESS
 - 50 SPORTS FIELDS, EXERCISE ROOMS
 - 50 CIRCULATION, LOBBY
 - 50 LOCKER ROOMS, RESTROOMS
 - 60 MERCANTILE
 - 15 ASSEMBLY, UNCONCENTRATED, BANQUET
 - 11 ASSEMBLY, GAMING FLOORS (EQ. TO CASINO)
 - 7 BOWLING CENTERS, AREA + 5 PEOPLE PER LANE
 - # ASSEMBLY, CONCENTRATED, = FIXED SEATING
 - 7 ASSEMBLY, CONCENTRATED, FOLDING CHAIRS
 - 5 ASSEMBLY, CONCENTRATED, STANDING ROOM

BUILD TO SUIT
**BETTPLEX +
FUNCENTER**
PHASE 3: ARCHITECTURAL

BETTENDORF, IOWA

1 BID SET 08.18.2017
NO. DESCRIPTION DATE



SECOND FLOOR
CODE PLAN

PROJECT: 2016-122D

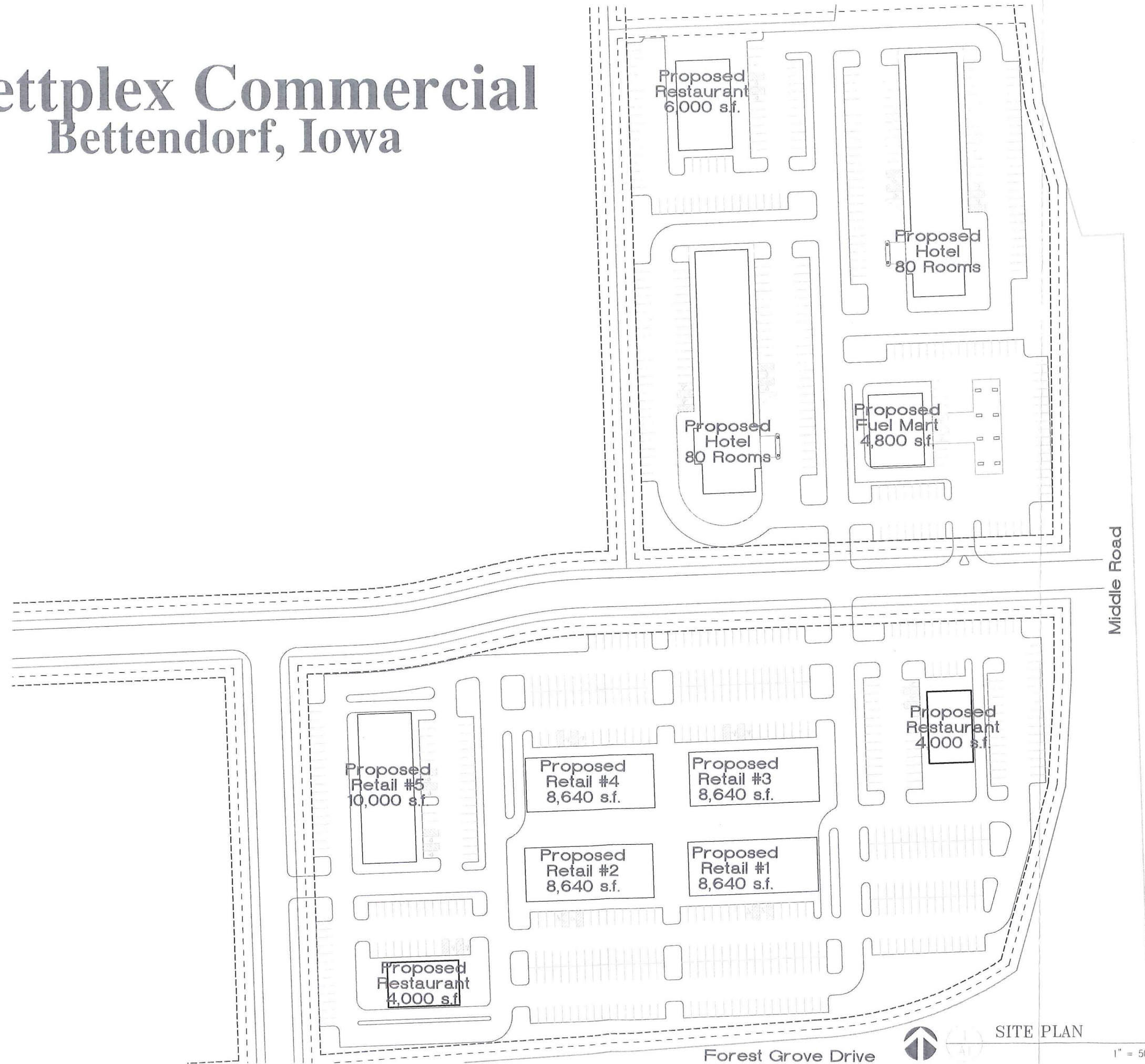


SECOND FLOOR
CODE PLAN
SCALE: 1/32" = 1'-0"

A 1.21

Bettplex Commercial

Bettendorf, Iowa



Tab E – Feasibility

Provide the following:

Financial Statement

Provide financial projections for five years, profit loss statements, balance sheets for the past three years, schedules of aged accounts receivable, aged accounts payable and a schedule of other debts.

Marketing Plan

Provide a marketing plan for the baseball and softball complex that includes a market analysis, a description of the target market and the projected customer base for the project, and a description of advertising and promotional activities.

The unique and versatile design and layout at The BettPlex will ensure that large-scale youth baseball/softball tournaments can take place. As a result of the turf fields, portable outfield fence (at the four-plex) and portable pitching mounds, there can be up to 10 youth-size baseball/softball fields which will allow The BettPlex to accommodate large scale and high volume tournaments. With base distances set up for multiple age levels and skill sets, The BettPlex's baseball/softball fields will accommodate boys and girls of all age levels and classifications. The fact that the four-plex and the two additional individual fields can feature high school- sized home run fences is paramount. The BettPlex may be the only regional baseball facility with six full-sized fields...should allow it to showcase high level events and tournaments for high school players. With both outdoor fields and an indoor training facility, The BettPlex is primed to facilitate baseball/softball activity 12 months a year. And because of The BettPlex having turfed fields, the complex will be marketed with a low rainout guarantee. The BettPlex will be promoted heavily within the Midwest due to the fact that it is one of a few, if not only, sports complexes that has six full-sized, fully turfed baseball/softball fields for high level high school play.

Management Team

Describe the team that manages the baseball and softball complex.

Sales Projections

Provide a 10-year sales projection that justifies the sales tax rebate request.

Management Team

Direct

Douglas M. Kratz	Chief Executive Officer
Michael L. Sampson	Chief Financial Officer
Kira M. Brabeck	Director of Marketing
TBD (interviewing candidates)	Facilities Manager
TBD (interviewing candidates)	Sports Planning Coordinator

Indirect

Todd Larsen, President Barnstormers	Youth baseball organization
John Pieritz, President JP Sports	Tournament coordinator Youth baseball/softball
TBD	Youth softball organization

During the remainder of 2017, the BettPlex will continue to build the management team (direct and indirect) in preparation for spring baseball/softball activities and other youth sports.

Sales Projections

	Concession Stands	Bowling Laser Tag, Arcade Games	Sports Bar/ Restaurant	Tiki Bar	Sporting Goods/ Clothing	Total
2018 (1/2 Year)	\$1,000,000	\$1,500,000	\$400,000	\$300,000	\$300,000	\$3,500,000
2019	2,000,000	3,000,000	800,000	600,000	600,000	7,000,000
2020	2,000,000	3,000,000	800,000	600,000	600,000	7,000,000
2021	2,000,000	3,000,000	800,000	600,000	600,000	7,000,000
2022	2,000,000	3,000,000	800,000	600,000	600,000	7,000,000
2023	2,000,000	3,000,000	800,000	600,000	600,000	7,000,000
2024	2,000,000	3,000,000	800,000	600,000	600,000	7,000,000
2025	2,000,000	3,000,000	800,000	600,000	600,000	7,000,000
2026	2,000,000	3,000,000	800,000	600,000	600,000	7,000,000
2027	2,000,000	3,000,000	800,000	600,000	600,000	7,000,000
	<u>\$19,000,000</u>	<u>\$28,500,000</u>	<u>\$7,600,000</u>	<u>\$5,700,000</u>	<u>\$5,700,000</u>	<u>\$66,500,000</u>

Tab F – Economic Impact

Prepare a brief narrative describing the economic impact of the baseball and softball complex. Describe how the complex fits with the community's economic development plans and how the complex affects the quality of life in the community.

Bettendorf, Iowa is a continually growing community, with an average of 170 new home starts every year. Within the Quad Cities Region, Bettendorf is known as the place to live and raise a family. Bettendorf and Pleasant Valley Community School Districts are known as two of the best in the State of Iowa for academics, athletics, and the arts.

The BettPlex will be situated in the heart of the Pleasant Valley School District, along a major arterial at Interstate 80. Recently, the City of Bettendorf revised its Comprehensive Plan, and targeted this area of town as the most prime area for future commercial growth. To that end, City staff drafted a new Urban Renewal Plan and Area encompassing this roughly 900 acre corridor of Bettendorf which includes all four corners of the Interstate 80 and Middle Road interchange. Bettendorf's City Council adopted the revised Plan realizing that this corridor of the City would develop very rapidly.

Support from the City of Bettendorf has been reflected not only by the integration of The BettPlex into its Urban Renewal Plan but also with recent approval of a Development Agreement which offers The BettPlex, LLC an economic development grant, infrastructure improvements (includes roads, walkways and sewer installation) and twenty years of Tax Increment Financing via rebate. The City of Bettendorf is showing its financial support of The BettPlex in the amount of approximately \$10 million.

Property tax values will be positively affected by the construction of The BettPlex. For instance, a new Pleasant Valley elementary school and a 100 acre municipal park will locate within approximately one mile of The BettPlex.

This truly is a win for the City of Bettendorf, the school districts and the community as a whole. Over the next ten years, City officials project that the success of The BettPlex will lead to the complete build-out of the Interstate 80 and Middle Road interchange; thus creating millions of dollars in new commercial property value coming on the tax rolls.

The Quad Cities Convention and Visitors Bureau (CVB) validates the economic impact of proposed hotels at The BettPlex. The CVB relates that hotels located in the vicinity of The BettPlex would have higher than average Quad Cities wide occupancy rates and average daily pricing given its location and competitive sports usage. The CVB conservatively suggests a 70% year round average occupancy rate, at \$100 per room, assuming 1.5 people per room. In this calculation, it is anticipated that per person spending would be \$180 per day. The CVB also suggests that The BettPlex could easily support a 200 room hotel without having any impact on the existing local hotel market in the Quad Cities, based on the anticipated tourism attendance it will generate. In fact, the CVB believes a 200 room hotel to be a conservative estimate, and that a larger hotel and/or multiple hotels with 100 – 150 rooms will be of greater service to The BettPlex.

Very conservatively, based on just one 100 room hotel, the CVB estimates the impact at The BettPlex to be the following:

100 rooms x 365 x .7 x \$100 room rate = Total revenue of \$2,555,000

Local Hotel motel tax at 7% = \$178,850

Total economic impact assuming \$180/per day/per person spending: \$4,621,995

Total annual economic impact + hotel revenue + hotel motel tax = \$7,355,845

The City of Bettendorf and the Iowa Department of Transportation have long been working on the reconstruction of the interchange at Interstate 80 and Middle Road as well. With the integration of The BettPlex at this corridor, City staff has engaged the IDOT Commission about expediting the timeframe for this interchange improvement. With high traffic volumes anticipated, the need for a more functional design is very timely. City Staff and IDOT Staff will continue to work to try and implement this new interchange as quickly as possible.

- **The number of jobs created or retained and the wages and benefits associated with those jobs. Specify health, dental, other insurance, and other benefits, including paid leave and retirement.**

Please see attached table.

- **The average wages and benefits provided to employees in the current community attraction and tourism jobs.**

Based on the last Economic Impact Study conducted by the United States Travel Association, it is reported that there are approximately 6,200 FTE jobs in Scott County related to travel and tourism. Said jobs equate to a payroll of \$99,500,000 annually or \$16,048.39 per person.

- **The estimated amount of state and local option sales taxes to be generated by the baseball and softball complex during the first five years of operation.**

\$400,000 - \$500,000 annually.

- **The estimated amount of income withholding taxes to be generated by the baseball and softball complex during the first five years of operation.**

Approximately 80% - 90% of The BettPlex's employees will be Iowa residents.

- **The estimated amount of corporate income taxes to be generated by the baseball and softball complex during the first five years of operation (if applicable).**

Due to the fact that The BettPlex, LLC is a pass-through entity for tax purposes, such will be reflected on the personal tax returns of Mr. Kratz.

- **The estimated amount of property taxes to be generated by the baseball and softball complex during the first five years of operation.**

Property taxes, within the first five years, will be assessed on a valuation of "at least" \$22,000,000. Please refer to the Development Agreement in Tab C

The number of jobs created or retained and the wages and benefits associated with those jobs. Specify health, dental, other insurance, and other benefits, including paid leave and retirement.

<u>Direct (1)</u>	<u>Employees</u>	
	<u>Salaried</u>	<u>Hourly</u>
The BettPlex Corporate	7-10	15-18
High 5 Lanes & Games	6-8	50-70
Concession Stands	1-2	60-80
Tiki Bar	1	8-10
Retail	<u>1</u>	<u>2-4</u>
	16-22	135-182
 <u>Indirect</u>		
Tournaments	2-3	60-70
Club Sports	5-7	20-30
Personal Training	<u>4-6</u>	<u>2-3</u>
	11-16	82-103

(1) Health insurance and 401(k) will be provided.

BettPlex
Annual Projected Visits

Family Entertainment Center	150,000
Indoor Tournaments	
50 weekends x 4,000 (includes athletes and family members)	200,000 (1)(2)
Outdoor Tournaments	
28 weekends x 6,000 (includes athletes and family members)	168,000 (1)(3)
Youth Practices:	
30 weeks x 5,000 youth	150,000
20 weeks (Indoor only) x 2,500 youth	50,000
Personal Training, Senior Programming, Physical Therapy	<u>100,000</u>
Annual visits	<u><u>818,000</u></u>

- (1) 40% - 50% of these people should come from further than 60 miles away.
- (2) 80 teams x 25 people per team (includes athletes and family members)
x 2 days = 4,000/weekend.
- (3) 100 teams x 30 people per team (includes athletes and family members)
x 2 days = 6,000/weekend.

Tab G – Leveraged Activity

Prepare a brief narrative describing the other community attractions or tourism opportunities that were or would be generated after the construction of the baseball and softball complex. Be sure to address the following:

- **A summary of the projects or activities that will or may be created because of the baseball and softball complex, including the entities involved in development.**

In addition to the hotels that are now contemplated for the Middle Road Corridor, The BettPlex is anticipated to draw interest from such events as, the USSSA Global Baseball World Series, Perfect Game's Collegiate Showcases, the PBR Top Prospect Showcases, NAIA Baseball and Softball Tournaments, Iowa USSSA State Youth baseball Tournament, the ASA Women's Fastpitch World Series, and the ISA Adult Fastpitch World Series. This is just a small sampling of the types of events that could be coming to BettPlex by 2019.

- **A description of how the baseball and softball complex will stimulate the creation of other activities and an explanation of why those other activities would not be created in the absence of the complex.**

For nearly 20 years, the City of Bettendorf has owned land just north of Interstate 80 and Middle Road. This land has been marketed with the land owned by an adjacent property owner, in hopes of attracting regional commercial development. For nearly 20 years, that has not occurred. Additionally, the three other corners of Interstate 80 and Middle Road have sat with no development occurring.

In conjunction with construction of The BettPlex, a commercial development adjacent to The BettPlex is currently underway. To that end, it is currently anticipated that the following will be under construction within the next 3 years:

- A 80-100 room hotel
- Two retail strip centers
- A restaurant(s)
- Convenience store

The BettPlex has sparked new ideas and created activity at the corridor that has never been there before. With the integration of new sewer and road infrastructure, the entire corridor is more desirable, and can be more easily developed. City of Bettendorf staff is now meeting regularly with adjacent property owners about potential developments that are surfacing on their land. It is anticipated that within the next ten years, the entire Interstate 80 and Middle Road corridor will be fully developed because of the integration of The BettPlex. The BettPlex gives this area of the Quad Cities instant credibility as a highly desired commercial corridor.

Tab H – Financing

Prepare a spreadsheet or table that lists all the donations and contributions that paid for the construction of the baseball and softball complex. Indicate whether the donation was cash or in-kind. Highlight the contributions that were from local and state government entities.

Capital Investment	
Douglas M. Kratz	\$4,950,000
One Corporation (100% owned by Douglas M. Kratz)	50,000
	<hr/>
	\$5,000,000
City of Bettendorf	
TIF Supported Grant	\$4,900,000
Infrastructure Improvements	3,870,000
Land Purchase	600,000
Economic Development Grant	1,400,000
	<hr/>
	\$10,770,000
TBK Bank, SSB	\$37,000,000
Term note (20 years)	

Tab I – Planning Principles

Prepare a brief narrative demonstrating how the following planning principles were considered and incorporated into the baseball and softball complex:

- **Efficient and effective use of land resources and existing infrastructure by encouraging development in areas with existing infrastructure or capacity to avoid costly duplication of services and use of land.**

During the research and development phase of this project, City of Bettendorf staff researched the best and most fiscally responsible way to run sewer infrastructure to The BettPlex site. Staff was prepared to enter into condemnation proceedings with an adjacent farm owner to acquire the necessary Right of Way along a creek draw he owned in order to run sewer infrastructure to The BettPlex site. After extensive research and consultation with the engineering firm, Missman, Inc., it was discovered that there was a 15 inch sewer main already in place along the east side of Middle Road that was only using 15% of its capacity. City engineers and staff worked to further understand what would be necessary to utilize this existing infrastructure, and it was determined that with very little construction, a connector could be put in place to service The BettPlex off of this existing sewer line. Doing such provided a low cost and environmentally friendly alternative to condemnation of the farm land west of Middle Road. This was also a significant win for both the City and The BettPlex.

- **Provision for a variety of transportation choices, including pedestrian traffic.**

Within The BettPlex, there will be a series of walkways for the local population to enjoy. Such will serve as efficient connectors between the numerous fields and facilities.

- **Maintaining a unique sense of place by respecting local cultural and natural environmental features.**

The BettPlex will be an operating facility that often services nighttime competitions. With that in mind, the facility will feature contemporary field lighting (Musco Sports Lighting, an Iowa-based company) that will mitigate the amount of light pollution that may be found in older facilities.

The BettPlex will also incorporate the aforementioned walkways in a manner that accentuates the detention ponds that are designed to service the facility while also offering a unique landscape element.

The BettPlex will serve as a complimentary facility to the new Forest Grove Park and adjacent Pleasant Valley elementary school, both of which are scheduled for construction within the next three years.

- **Conservation of open space and farmland and preservation of critical environmental areas.**

City staff worked directly with the agricultural property owners in this corridor to create the new Urban Renewal Plan for this corridor. Ag land owners were required by State Statute to sign a letter of consent to be included in the Urban Renewal Plan and Area. Said ag land owners did so, acknowledging their involvement and support of the City's future planning principles for the Interstate 80 and Middle Road corridor.

- **Promotion of the safety, livability, and revitalization of existing urban and rural communities.**

As previously mentioned, a new Urban Renewal Plan has been created for the Interstate 80 and Middle Road Corridor. This plan suggests the continued commercial growth in the area, while also showing the types of mixed use development that could occur within the corridor.

As a matter of public health, safety and well-being, single family residential was not an intended use for the Urban Renewal Area. While the single family housing stock continues to grow and flourish just south of this new Urban Renewal Area, all planners involved in the process knew that it was not the best use of this land, which back up directly to Interstate 80. Therefore, a facility like The BettPlex serves as the perfect complimentary use for tourism, recreation, and the residential populations that see Bettendorf as a highly coveted livable community to raise a family.

- **Construction and promotion of developments, buildings and infrastructure that conserve natural resources by reducing waste and pollution through efficient use of land, energy, water and materials.**

The project is utilizing recycled aggregates from construction projects in the area, both private and municipal in nature. The storm water retention is regional for the entire 120 acre development and consists of various bioswales to ensure the release of clean storm water into existing streams and creeks north of the development.