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PATRICK F GILL, AUDITOR AND RECORDER
WOODBURY COUNTY IOWA

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Del **After recording return to:** Gabby Menard, Economic Development, City of Sioux City, Iowa,
P.O. Box 447, Sioux City, Iowa 51101

DEVELOPMENT AGREEMENT
BY AND AMONG
THE CITY OF SIOUX CITY, IOWA
AND
413 PIERCE STREET, LLC
AND
MOTOR MART, LLC
AND
HISTORIC HOSPITAL, LLC
LEGAL DESCRIPTION: EXHIBIT A
GRANTOR:
413 PIERCE STREET, LLC
AND
MOTOR MART, LLC
AND
HISTORIC HOSPITAL, LLC
GRANTEE:
CITY OF SIOUX CITY, IOWA

STATE OF IOWA


Woodbury County

CITY OF SIOUX CITY

Office of the City Clerk

I, Lisa L. McCardle, City Clerk of the City of Sioux City and City Clerk of the City Council thereof, and as such, having charge of and in my possession, all the records and documents pertaining to said office now remaining therein, do hereby certify that it appears from such records that the foregoing is a true and correct copy of Resolution 2017-1156 adopted by the City Council of the City on the 18th day of December, 2017 upon the call of ayes and nays thereof duly had and recorded.

Dated at Sioux City, Iowa this 18th day of December, 2017.


LISA L. MCCARDLE
CITY CLERK



RESOLUTION NO. 2017:- 1156
with attachments

RESOLUTION APPROVING A DEVELOPMENT AGREEMENT WITH 413 PIERCE STREET, LLC, MOTOR MART, LLC, AND HISTORIC HOSPITAL, LLC AND MINIMUM ASSESSMENT AGREEMENTS WITH 413 PIERCE STREET, LLC AND MOTOR MART, LLC FOR THE DEVELOPMENT OF PROPERTIES LOCATED AT 413 PIERCE STREET, 520 NEBRASKA STREET AND 2825 DOUGLAS STREET

WHEREAS, 413 Pierce Street, LLC, Motor Mart, LLC, and Historic Hospital, LLC are real estate holding companies associated with J Development, a real estate development firm based in Omaha, Nebraska; and

WHEREAS, J Development proposes to redevelop the historic buildings located at 413 Pierce Street and 520 Nebraska Street, which are in the Combined Central Sioux City -CBD Urban Renewal Area, and the historic building located at 2825 Douglas Street, which is in the Pierce Street Urban Renewal Area, for use as mixed-use residential and commercial property; and

WHEREAS, J Development has committed a significant amount of private financing to the projects; and

WHEREAS, J Development's projects will provide much needed residential units in Sioux City to address the current housing shortage in the community; and

WHEREAS, the City Council believes it is in the best interest of the City to participate in the funding of the projects in the form of property tax rebates, grants and loans funded in part by tax increment financing; and

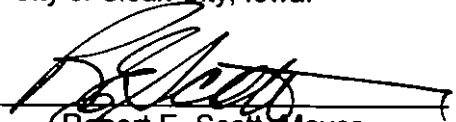
WHEREAS, a Development Agreement with 413 Pierce Street, LLC, Motor Mart, LLC, and Historic Hospital, LLC and Minimum Assessment Agreements with 413 Pierce Street, LLC and Motor Mart, LLC, copies of which are attached hereto and by this reference incorporated herein, sets forth the responsibilities and obligations of the parties in developing such improvements; and

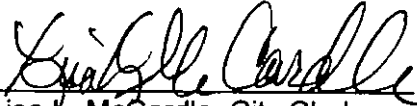
WHEREAS, said Development Agreement with 413 Pierce Street, LLC, Motor Mart, LLC, and Historic Hospital, LLC and Minimum Assessment Agreements with 413 Pierce Street, LLC and Motor Mart, LLC should be approved as to form and content.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SIOUX CITY, IOWA that the Development Agreement with 413 Pierce Street, LLC, Motor Mart, LLC, and Historic Hospital, LLC and Minimum Assessment Agreements with 413 Pierce Street, LLC and Motor Mart, LLC, for the developments of the historic properties located at 413 Pierce Street, 520 Commerce Street, and 2825 Douglas Street, referred to in the preamble hereof, be and the same are hereby approved as to form and content.

BE IT FURTHER RESOLVED that the Mayor and City Clerk be and they are hereby authorized and directed to execute said the Development Agreement with 413 Pierce Street, LLC, Motor Mart, LLC, and Historic Hospital, LLC and Minimum Assessment Agreements with 413 Pierce Street, LLC and Motor Mart, LLC, along with all necessary exhibits to said Development Agreement and Minimum Assessment Agreements, for and on behalf of the City of Sioux City, Iowa.

PASSED AND APPROVED: December 18, 2017


Robert E. Scott, Mayor

ATTEST: 
Lisa L. McCardle, City Clerk

DEVELOPMENT AGREEMENT

By and Among

CITY OF SIOUX CITY, IOWA

and

413 PIERCE STREET, LLC

and

MOTOR MART, LLC

and

HISTORIC HOSPITAL, LLC

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EXHIBITS

Exhibit A Development Properties
Exhibit B Minimum Improvements
Exhibit C-1 Minimum Assessment Agreement – 413 Pierce, LLC (413 Pierce Street)
Exhibit C-2 Minimum Assessment Agreement – Motor Mart, LLC (520 Nebraska
Street)
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Exhibit G-1 Mortgage – 413 Pierce Street, LLC (413 Pierce Street)

- Exhibit G-2 Mortgage – Motor Mart, LLC (520 Nebraska Street)
- Exhibit H-1 Loan and Servicing Agreement – 413 Pierce Street, LLC (413 Pierce Street)
- Exhibit H-2 Loan and Servicing Agreement – Motor Mart, LLC (520 Nebraska Street)
- Exhibit I-1 Promissory Note – 413 Pierce Street, LLC (413 Pierce Street)
- Exhibit I-2 Promissory Note – Motor Mart, LLC (520 Nebraska Street)
- Exhibit J-1 Security Agreement – 413 Pierce Street, LLC (413 Pierce Street)
- Exhibit J-2 Security Agreement – Motor Mart, LLC (520 Nebraska Street)
- Exhibit K-1 Personal Guaranty – 413 Pierce Street, LLC – Royer (413 Pierce Street)
- Exhibit K-2 Personal Guaranty – 413 Pierce Street, LLC – Stavneak (413 Pierce Street)
- Exhibit K-3 Personal Guaranty – Motor Mart, LLC - Royer (520 Nebraska Street)
- Exhibit K-4 Personal Guaranty – Motor Mart, LLC - Stavneak (520 Nebraska Street)
- Exhibit L Allowable Costs Reimbursable by EPA Brownfield Grant and EDA Brownfield Loan
- Exhibit M Developer’s Application for EPA Brownfield Funding
- Exhibit N EPA Brownfield Funding Requirements

DEVELOPMENT AGREEMENT

This Development Agreement ("Agreement") is made as of the 18th day of DECEMBER, 2017, by and among the City of Sioux City, Iowa, a municipal corporation with its principal offices located at 405 - 6th Street, Sioux City, Iowa 51102 (the "City"), and 413 Pierce Street, LLC, a Nebraska Limited Liability Company, Motor Mart, LLC, an Iowa Limited Liability Company, and Historic Hospital, LLC, an Iowa Limited Liability Company, all with their principal offices located at 2430 South 73rd Street, Suite 200, Omaha, Nebraska 68124 (collectively known herein as the "Developer").

WITNESSETH:

WHEREAS, in furtherance of the objectives of Chapter 403 of the Code of Iowa, 2015, as amended (the "Urban Renewal Act"), the City is engaged in carrying out urban renewal project activities in areas known as the Combined CBD Urban Renewal Area and the Pierce Street Urban Renewal Area ("Urban Renewal Area"); and

WHEREAS, the Developer owns or intends to purchase certain property located within the foregoing Urban Renewal Areas, as more particularly described in Exhibit A attached hereto and made a part hereof (which property as so described is hereinafter referred to as the "Development Properties"); and

WHEREAS, the Developer has purchased or is willing to purchase and cause certain building improvements to be constructed on the Development Properties (defined herein as the "Minimum Improvements"); and

WHEREAS, the Developer has agreed to pay, or cause to be paid, certain projected real estate taxes by execution of two Minimum Assessment Agreements covering two of the three Development Properties; and

WHEREAS, the parties desire to memorialize their understandings with respect to the foregoing Project and the Public Improvements, and other matters related to this development; and

WHEREAS, the City believes that the development of the Development Properties is in the vital and best interests of the City and in accordance with the public purposes and provisions of the applicable State and local laws and requirements under which the project has been undertaken and is being assisted.

NOW, THEREFORE, in consideration of the mutual covenants and agreements

set forth herein, and other valuable consideration the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

ARTICLE I. DEFINITIONS

Section 1.1. Definitions. In addition to other definitions set forth in this Agreement, all capitalized terms used and not otherwise defined herein shall have the following meanings unless a different meaning clearly appears from the context:

Agreement means this Agreement and all Exhibits hereto, as the same may be from time to time modified, amended or supplemented.

Assessment Agreement means the Minimum Assessment Agreements, substantially in the form of the Agreement contained in Exhibits C-1 and C-2 attached hereto and hereby made a part of this Agreement, among the Developer, City and the Assessor, entered into pursuant to Section 6.2 of this Agreement.

Assessor's Minimum Actual Value means the agreed minimum actual value of the Minimum Improvements and the Development Properties for calculation and assessment of real property taxes, as set forth in the Assessment Agreements.

City means the City of Sioux City, Iowa.

City Brownfield Cleanup RLF Committee means the City committee with responsibility to determine the eligibility of a project and applicant for EPA Brownfield funding from the City's Brownfield Cleanup RLF.

Code means the Code of Iowa, 2015, as amended.

Construction Plans means the plans, specifications, drawings and related documents reflecting the construction work to be performed by the Developer on the Development Properties; the Construction Plans shall be as detailed as the plans, specifications, drawings and related documents which are submitted to the building inspector of the City as required by applicable City codes.

County means Woodbury County, Iowa.

Developer means 413 Pierce Street, LLC, a Nebraska Limited Liability Company, Motor Mart, LLC, an Iowa Limited Liability Company and Historic Hospital, LLC, an Iowa Limited Liability Company, and their successors and assigns.

Development Properties means those portions of the Combined CBD Urban Renewal Area and the Pierce Street Urban Renewal Area of the City described in "Exhibit A" hereto.

Economic Development Grant means the economic development grant payments to be made by the City to the Developer under the provisions of Section 5.1(a)1 and Section 5.1(b)1 hereof.

Economic Development Loan means the economic development loan payments to be made by the City to Developer under the provisions of Section 5.2 hereof.

EPA Brownfield Grant means the economic development grant payments to be made by the City to the Developer under the provisions of Section 5.1(a)2 and Section 5.1(b)2 hereof.

Event of Default means any of the events described in Section 10.1 of this Agreement.

First Mortgage means any Mortgage granted to secure any loan made pursuant to either a mortgage commitment obtained by the Developer from a commercial lender or other financial institution to fund any portion of the construction costs and initial operating capital requirements of the Minimum Improvements, or all such Mortgages as appropriate, which is recorded prior to the recording of the Assessment Agreements.

Full Time Employees means either (i) a "full time" employee who works at least 40 hours per week or 2,080 hours per year or (ii) any combination of "part-time" employees who, in the aggregate, work at least 2,080 hours per year.

Funding Date means each of the dates of payment of a portion of the Economic Development Grant to the Developer, described in Section 5.1 hereof.

Minimum Improvements shall mean the renovation and rehabilitation of three properties located at 413 Pierce Street, 520 Nebraska Street, and 2825 Douglas Street to be constructed by the Developer on the Development Properties, together with all related site improvements described in the Construction Plans and as described in Exhibit B hereto.

Mortgage means any mortgage or security agreement in which the Developer has granted a mortgage or other security interest in the Development Property, or any portion or parcel thereof, or any improvements constructed thereon. Mortgage shall also mean the mortgage Developer has granted to the City regarding the redevelopment of the

Development Properties and the Economic Development Loan granted by the City, described in Section 5.2 hereof.

Project shall mean the construction of the Minimum Improvements on the Development Properties, as described in this Agreement.

Senior Lender means American National Bank of Omaha, Nebraska.

State means the State of Iowa.

Tax Increment means the tax increment revenues collected by the City under the authority of Section 403.19 of the Code and the City's ordinance implementing the division of taxes under Section 403.19 in respect of the Development Properties and the Minimum Improvements constructed thereon by the Developer.

Termination Date means the date of termination of this Agreement, as established in Section 11.11 of this Agreement.

Unavoidable Delays means delays resulting from acts or occurrences outside the reasonable control of the party claiming the delay including but not limited to storms, floods, fires, explosions or other casualty losses, unusual weather conditions, strikes, boycotts, lockouts or other labor disputes, delays in transportation or delivery of material or equipment, litigation commenced by third parties, or the acts of any federal, State or local governmental unit (other than the City).

Urban Renewal Plan means the Urban Renewal Plans approved in respect of the CBD Urban Renewal Area and the Pierce Street Urban Renewal Area, described in the preambles hereof.

ARTICLE II. REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations and Warranties of the City. The City makes the following representations and warranties:

(a) The City is a municipal corporation organized under the provisions of the Constitution and the laws of the State and has the power to enter into this Agreement and carry out its obligations hereunder.

(b) The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, and the fulfillment of or compliance with the terms and conditions of this Agreement are not prevented by, limited by, in conflict with, or result in a breach of, the terms, conditions or provisions of any contractual restriction,

evidence of indebtedness, agreement or instrument of whatever nature to which the City is now a party or by which it is bound, nor do they constitute a default under any of the foregoing.

Section 2.2. Representations and Warranties of the Developer. The Developer makes the following representations and warranties:

(a) The Developer is a series of three Limited Liability Companies, each duly organized and validly existing under the laws of the States of Nebraska and Iowa, and they have all requisite power and authority to own and operate their respective properties, to carry on their business as now conducted and as presently proposed to be conducted, and to enter into and perform their obligations under the Agreement.

(b) This Agreement has been duly and validly authorized, executed and delivered by the Developer and, assuming due authorization, execution and delivery by the other parties hereto, is in full force and effect and is a valid and legally binding instrument of the Developer enforceable in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization or other laws relating to or affecting creditors' rights generally.

(c) The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, and the fulfillment of or compliance with the terms and conditions of this Agreement are not prevented by, limited by, in conflict with, or result in a violation or breach of, the terms, conditions or provisions of the Certificates of Organization and Operating Agreements of the Developer or of any contractual restriction, evidence of indebtedness, agreement or instrument of whatever nature to which the Developer is now a party or by which it or its properties are bound, nor do they constitute a default under any of the foregoing.

(d) There are no actions, suits or proceedings pending or threatened against or affecting the Developer in any court or before any arbitrator or before or by any governmental body in which there is a reasonable possibility of an adverse decision which could materially adversely affect the business (present or prospective), financial position or results of operations of the Developer or which in any manner raises any questions affecting the validity of the Agreement or the Developer's ability to perform its obligations under this Agreement.

(e) The Developer will cause the Minimum Improvements to be constructed in accordance with the terms of this Agreement, the applicable Urban Renewal Plans and all local, State and federal laws and regulations, except for variances necessary to construct the Minimum Improvements contemplated in the Construction Plans.

(f) The Developer will use its best efforts to obtain, or cause to be obtained, in a timely manner, all required permits, licenses and approvals, and will meet, in a timely manner, all requirements of all applicable local, State, and federal laws and regulations which must be obtained or met before the Minimum Improvements may be lawfully constructed.

(g) The Developer has not received any notice from any local, State or federal official that the activities of the Developer with respect to the Development Properties may or will be in violation of any environmental law or regulation (other than those notices, if any, of which the City has previously been notified in writing). The Developer is not currently aware of any State or federal claim filed or planned to be filed by any party relating to any violation of any local, State or federal environmental law, regulation or review procedure applicable to the Development Property, and the Developer is not currently aware of any violation of any local, State or federal environmental law, regulation or review procedure which would give any person a valid claim under any State or federal environmental statute with respect thereto.

(h) The Developer will cooperate fully with the City in resolution of any traffic, parking, trash removal or public safety problems which may arise in connection with the construction and operation of the Minimum Improvements.

(i) The Developer would not undertake its obligations under this Agreement without the payment by the City of the Economic Development Grant and the Economic Development Loan being made to the Developer pursuant to this Agreement.

(j) The Developer will spend enough and the construction of the Minimum Improvements, when combined with the value two of the Development Properties and related site improvements, to equal or exceed the Assessor's Minimum Actual Value set forth in Section 6.2 of this Agreement.

(k) The financing commitments which the Developer will proceed with due diligence to obtain to finance acquisition and construction of the Minimum Improvements will be sufficient to enable the Developer to successfully complete the Minimum Improvements as contemplated in this Agreement.

(l) The Developer estimates that the Assessor's Minimum Actual Value set forth in Section 6.2 of this Agreement is a reasonable estimate of the actual value of the Minimum Improvements and two of Development Properties for property tax purposes.

ARTICLE III. RESERVED

ARTICLE IV. CONSTRUCTION OF MINIMUM IMPROVEMENTS

Section 4.1. Construction of Minimum Improvements. (a) The Developer agrees that it will cause the Minimum Improvements to be constructed on the Development Properties in conformance with the Construction Plans submitted to the City. The Developer agrees that the scope and scale of the Minimum Improvements to be constructed shall not be significantly less than the scope and scale of the Minimum Improvements as detailed and outlined in the Construction Plans.

(b) The Developer reasonably expects that the construction of the Minimum Improvements will collectively require a total investment of not less than Thirty-Three Million Dollars (\$33,000,000).

Section 4.2. Construction Plans. The Developer shall cause Construction Plans to be provided for the Minimum Improvements which shall be in conformity with the applicable Urban Renewal Plans, this Agreement, and all applicable State and local laws and regulations. The site plans submitted to the building official of the City for the Development Properties and the surrounding area where the Minimum Improvements are to be constructed by the Developer shall be adequate to serve as the Construction Plans, if such site plans are approved by the City.

Section 4.3. Commencement and Completion of Construction. Subject to Unavoidable Delays, the Developer shall cause construction of the Minimum Improvements to be commenced and substantially completed according to the following schedule:

413 Pierce Street: Commencement Date – January 1, 2019
Completion Date – December 31, 2020

520 Nebraska Street: Commencement Date – December 31, 2017
Completion Date – December 31, 2019

2825 Douglas Street: Commencement Date – January 1, 2019
Completion Date – December 31, 2020

or by such other date as the parties shall mutually agree upon in writing. Time lost as a result of Unavoidable Delays shall be added to extend this date by a number of days equal to the number of days lost as a result of Unavoidable Delays. All work with respect to the Minimum Improvements to be constructed or provided by the Developer shall be in conformity with the Construction Plans.

Section 4.4. Certificate of Completion. Upon written request of the Developer after issuance of an occupancy permit for the Minimum Improvements, the City will furnish the Developer with a Certificate of Completion in recordable form. The City shall provide a separate Certificate of Completion for each of the Development Properties to accommodate the construction time frame for each project. Such Certificate of Completion shall be conclusive determination of satisfactory termination of the covenants and conditions of this Agreement with respect to the obligations of the Developer to construct the Minimum Improvements.

The Certificate of Completion may be recorded in the proper office for the recordation of deeds and other instruments pertaining to the Development Properties at the Developer's sole expense. If the City shall refuse or fail to provide a Certificate of Completion in accordance with the provisions of this Section 4.4, the City shall, within twenty (20) days after written request, provide the Developer with a written statement indicating in adequate detail in what respects the Developer has failed to complete the Minimum Improvements in accordance with the provisions of this Agreement, or is otherwise in default under the terms of this Agreement, and what measures or acts it will be necessary, in the opinion of the City, for the Developer to take or perform in order to obtain such Certificate of Completion.

ARTICLE V. ECONOMIC DEVELOPMENT GRANTS AND LOANS

Section 5.1. Economic Development Grants. The City shall provide Economic Development Grants to assist with the redevelopment of each of the Development Properties. The Economic Development Grants shall take the form of: 1. Property Tax Rebates which shall be calculated on the new incremental property taxes created by the project in the Tax Increment Financing District and (2) reimbursements of certain project-related costs paid from the City's EPA Brownfield funds. Grants shall be allocated and disbursed according to the following schedule:

(a) 413 Pierce Street

1. Property Tax Rebate – For, and in consideration of, the obligations being assumed by the Developer as set forth herein, and as a necessary means of achieving the goals and objectives of the Urban Renewal Plan, the City agrees (subject to the conditions set forth in this Article) to make a grant to the Developer in the form of a Property Tax Rebate, based solely on the portion of the Development Property described as Commercial in the attached "Exhibit B", according to the following schedule:

Property Tax Payment Due Date	Percentage of Paid Commercial Property Taxes Collected by the City into the
----------------------------------	---

	Tax Increment Financing District to be Rebated
September 30, 2022	75%
March 31, 2023	75%
September 30, 2023	75%
March 31, 2024	75%
September 30, 2024	75%
March 31, 2025	75%
September 30, 2025	75%
March 31, 2026	75%
September 30, 2026	75%
March 31, 2027	75%
September 30, 2027	50%
March 31, 2028	50%
September 30, 2028	50%
March 31, 2029	50%

Proceeds of the Property Tax Rebate shall be used by the Developer solely and only for the purposes of paying costs of constructing the Minimum Improvements which shall include servicing debt associated with the costs of said construction.

2. EPA Brownfield Grant - For and in consideration of the obligations being assumed by the Developer as set forth herein, and as a necessary means of achieving the goals and objectives of the Urban Renewal Plan, the City agrees (subject to the conditions set forth in this Article) to make a grant to the Developer in the form of an EPA Brownfield Grant in the aggregate amount of Six Hundred Thousand Dollars (\$600,000) (the "EPA Brownfield Grant"). The EPA Brownfield Grant shall be disbursed on a reimbursement basis and paid after allowable costs have been incurred and

verified to the satisfaction of the City and only for costs incurred after the date of the signing and approval of this Agreement. Allowable costs shall be limited to those costs listed in the attached "Exhibit L".

(b) 520 Nebraska Street

1. Property Tax Rebate - For and in consideration of the obligations being assumed by the Developer as set forth herein, and as a necessary means of achieving the goals and objectives of the Urban Renewal Plan, the City agrees (subject to the conditions set forth in this Article) to make a grant to the Developer in the form of a Property Tax Rebate on the portion of the Development Property described as Commercial in the attached "Exhibit B", according to the following schedule:

Property Tax Payment Due Date	Percentage of Paid Commercial Property Taxes Collected by the City into the Tax Increment Financing District to be Rebated
September 30, 2021	75%
March 31, 2022	75%
September 30, 2022	75%
March 31, 2023	75%
September 30, 2023	75%
March 31, 2024	75%
September 30, 2024	75%
March 31, 2025	75%
September 30, 2025	75%
March 31, 2026	75%
September 30, 2026	50%
March 31, 2027	50%

September 30, 2027	50%
March 30, 2028	50%

Proceeds of the Property Tax Rebate shall be used by the Developer solely and only for the purposes of paying costs of constructing the Minimum Improvements, which shall include servicing debt associated with the costs of said construction.

2. EPA Brownfield Grant - For and in consideration of the obligations being assumed by the Developer as set forth herein, and as a necessary means of achieving the goals and objectives of the Urban Renewal Plan, the City agrees (subject to the conditions set forth in this Article) to make a grant to the Developer in the form of an EPA Brownfield Grant in the aggregate amount of Four Hundred Thousand Dollars (\$400,000) (the "EPA Brownfield Grant"). The EPA Brownfield Grant shall be disbursed on a reimbursement basis and paid after allowable costs have been incurred and verified to the satisfaction of the construction of the Minimum Improvements and only for costs incurred after the date of the signing and approval of this Agreement. Allowable costs shall be limited to those costs listed in the attached "Exhibit L".

Section 5.2. Economic Development Loan.

(a) For and in consideration of the obligations being assumed by the Developer as set forth herein, and as a necessary means of achieving the goals and objectives of the Urban Renewal Plan, the City agrees (subject to the conditions set forth in this Article) to make an Economic Development Loan to the Developer. The allocation of said loan shall be according to the following schedule: 413 Pierce Street, LLC (413 Pierce Street) shall be allocated a loan in the amount of Two Hundred Thousand Dollars (\$200,000) and Motor Mart, LLC (520 Nebraska Street) shall be allocated a loan in the amount of Four Hundred Thousand Dollars (\$400,000) and shall be funded solely from the City's EPA Brownfield funding. The aggregate amount of the Economic Development Loan provided by the City shall not exceed Six Hundred Thousand Dollars (\$600,000). The Economic Development Loan shall not be made available to the Developer until all of the following conditions are satisfied for each of the Development Properties:

- i. Developer has executed and delivered Secured Promissory Notes. Said forms of Promissory Notes are attached hereto as Exhibits I-1 and I-2;
- ii. Developer has executed and recorded City Mortgages. Said forms of Mortgages are attached hereto as Exhibits G-1 and G-2;

- iii. The Guarantors have executed Personal Guarantees. Said forms of Personal Gurantees are attached hereto as Exhibits K-1, K-2, K-3, and K-4;
- iv. The Developer has executed Security Agreements. Said forms of Security Agreements are attached hereto as Exhibits J-1 and J-2;
- v. The Developer has executed any other Economic Development Loan Documents required by the City to effectuate the Loan in the City's sole discretion;
- vi. Each of the conditions precedent have been satisfied; and
- vii. Developer remains in compliance with all terms and conditions of this Agreement.

(b) Disbursements to Developer. Subject to and conditioned on Developer being and remaining in compliance with the terms of this Agreement and the satisfaction of all of the preconditions set forth in Section 5.2 above, the City shall disburse fifty percent (50%) of the Economic Development Loan allocated to each of the Development Properties to Developer within three (3) month(s) of the execution and approval of this Agreement and the City shall disburse the remainder of the Economic Development Loan as reimbursement for Project Costs incurred by Developer in constructing the Minimum Improvements, subject to the following:

- i. Developer shall certify to the City and Senior Lender the amount of the incurred Project Costs in a form satisfactory to the City with accompanying proof of payment and lien waivers;
- ii. The Project Costs are subject to review and approval by the Senior Lender and the City; each of which shall review and approve the certified Project Costs, if they determine, in good faith but in their sole discretion, that the Project Costs were incurred for the Project, were fully paid by Developer, and are free and clear of any liens; and
- iii. The Senior Lender shall reimburse half (50%) of the certified and

approved Project Costs pursuant to the Senior Loan and the City shall reimburse the remaining half (50%) of the certified and approved Project Costs as a disbursement of the Economic Development Loan pursuant to this Agreement (but said reimbursement by the City shall not exceed the total Economic Development Loan amount of Two Hundred Thousand Dollars (\$200,000) for the Development Property at 413 Pierce Street and Four Hundred Thousand Dollars (\$400,000) for the Development Property at 520 Nebraska Street for a total Economic Development Loan disbursement not to exceed Six Hundred Thousand Dollars (\$600,000) (including the initial fifty percent (50%) disbursement).

(c) The Secured Promissory Note and Other Loan Documents. The Economic Development Loan shall be evidenced by the Secured Promissory Note and evidenced or secured by the Mortgage, the Guaranty, and other Loan Documents executed and delivered in connection with the Economic Development Loan. The Secured Promissory Note shall bear interest as provided in the Secured Promissory Note, and shall be subject to the payment of interest and the repayment and prepayment of the Indebtedness as provided for therein.

Section 5.3. EPA Brownfield Grants and Loans Application and Requirements.

(a) EPA Brownfield Funds Application. Developer has submitted and the City has approved an application for EPA Brownfield Funding, available through the City's Brownfield Cleanup Revolving Loan Fund (attached as Exhibit M).

(b) EPA Brownfield Funds Eligibility. The City Brownfield Cleanup RLF Committee has determined the eligibility of both the project and the applicant, based on the RLF Eligibility Requirements (as shown in attached Exhibit N). Developer agrees to utilize RLF loan and grant funds for eligible activities, in compliance with the Eligibility Requirements.

(c) EPA Brownfield Funds Requirements. Developer understands and agrees that all grant/loan funds provided shall be used to cleanup the properties identified in Exhibit A.

- i. Project activities must be consistent with EPA Brownfield Eligibility Requirements (as shown in Exhibit N).
- ii. All work of the Project performed pursuant to this Agreement and with RLF funds shall be performed in a good and workmanlike

manner. City and its authorized agents shall have full and complete access to the Development Properties at all times.

- iii. All assessment and cleanup work must be performed in accordance with state environmental rules and regulations, and all cleanup sites must be enrolled in the appropriate state voluntary cleanup program if applicable.
- iv. The Developer, at its sole cost and expense, and from sources other than RLF funds, shall be responsible for obtaining all permits, licenses, approvals, certifications and inspections required by federal, state or local law and to maintain such permits, licenses, approvals, certifications and inspections in current status during the term of this Agreement.

(d) Reporting Requirements. Developer shall provide an annual report to the City, which shall include a summary of the RLF activities conducted during the reporting period, a list of reports and documents generated during the reporting period, and a budget summary table reflecting the expenses incurred and funds received, site data regarding any assessment or cleanup activities, and other information regarding the project activities as requested by the City.

(e) RLF Recordkeeping Requirements. Records and project activity documents must be retained for a period of three (3) years following termination of this Agreement. Before destroying any of the records, Developer must obtain written approval from the City.

Section 5.4. Source of Funds Limited. The Property Tax Rebate shall be payable solely and only from the new incremental tax revenue created by the project and deposited into the corresponding Tax Increment Financing fund and shall not be payable in any manner by general taxation or from any other City funds. The EPA Brownfield Grant and the Economic Development Loan shall be payable solely and only from the City's EPA Brownfield Funds and shall not be payable in any manner by general taxation or from any other City funds. The City's obligation to make the Economic Development Grants as described in this Article shall be subject in all respects to Unavoidable Delays, the provisions of this Article V, and to the satisfaction of all conditions and procedures required (in the judgment of bond counsel for the City) by Chapters 384 and 403 of the Code with respect to the issuance of the Bonds, including the holding of all required public hearings relating to the same.

Section 5.5. Conditions Precedent to Funding by City. Notwithstanding the provisions of Sections 5.1 and 5.2 hereof, the City's obligations to pay the Economic Development Grants, EPA Brownfield Grants, or Loans to the Developer under this Agreement shall be subject to satisfaction of the following conditions precedent on each Funding Date:

(a) The Developer shall be in material compliance with all the terms and provisions of this Agreement;

(b) The Developer shall have furnished the City with evidence, in a form satisfactory to the City (such as a letter of commitment from a bank or other lending institution), that the Developer has firm commitments for construction or acquisition and permanent financing for the Minimum Improvements in an amount sufficient, together with equity commitments, to complete the Minimum Improvements in conformance with the Construction Plans, or the City shall have received such other evidence of the Developer's financial ability as in the reasonable judgment of the City is required;

(c) Execution and recording of the Assessment Agreements by the City and Developer pursuant to Section 6.2 of this Agreement;

(d) There has not been a substantial change for the worse in the financial resources and ability of the Developer or a substantial decrease in the financing commitments secured by the Developer for construction of the Minimum Improvements, which change(s) makes it likely, in the reasonable judgment of the City, that the Developer will be unable to fulfill its covenants and obligations under this Agreement.

ARTICLE VI. COVENANTS

Section 6.1. Covenants of the Developer. The Developer agrees with the City as follows:

(a) The Developer will maintain, preserve and keep its Development Propertieess (owned in fee), including but not limited to the Minimum Improvements, in good repair and working order, ordinary wear and tear excepted, and from time to time will make all necessary repairs, replacements, renewals and additions.

(b) In carrying out the construction and operation of the Minimum Improvements, the Developer shall not discriminate against any employee or applicant for employment because of race, creed, color, sex, sexual orientation, gender identity, national origin, age, religion, marital status, familial status, or physical disability. The Developer shall ensure that applicants for employment are considered, and that employees are treated during employment, without regard to their race, creed, color, sex,

sexual orientation, gender identity, national origin, age, religion, marital status, familial status, or physical disability.

(c) The Developer shall pay, or cause to be paid, when due, all real property taxes and assessments payable with respect to all and any parts of the Development Properties. The Developer agrees that (i) it will not seek administrative review or judicial review of the applicability or constitutionality of any Iowa tax statute relating to the taxation of property contained on the Development Properties determined by any tax official to be applicable to the Development Properties, or the Developer or raise the inapplicability or constitutionality of any such tax statute as a defense in any proceedings, including delinquent tax proceedings and (ii) it will not seek any tax deferral or abatement, either presently or prospectively authorized under Iowa Code Chapter 403 or 404, or any other State law, of the taxation of real property contained in the Development Properties.

(d) The Developer will comply with all applicable land development laws and City ordinances, and all laws, rules and regulations relating to its businesses, other than laws, rules and regulations the failure to comply with which or the sanctions and penalties resulting therefrom, would not have a material adverse effect on the business, property, operations, or condition, financial or otherwise, of the Developer.

(e) The Developer agrees during construction of the Minimum Improvements and thereafter until the Termination Date to maintain builder's risk, property damage, and liability insurance coverages with respect to the Minimum Improvements in such amounts as are customarily carried by like organizations engaged in activities of comparable size and liability exposure with insurance companies reasonably satisfactory to the City, together with such additional coverages as the City may reasonably request, and shall provide evidence of such coverages to the City upon request.

(f) The Developer agrees and anticipates that the construction of the Minimum Improvements at each of the Development Properties shall result in the creation of new jobs.

(g) **Parking.** The Parties agree to enter into a Parking License Agreement which shall establish discounted rates and other terms for parking stalls to be leased by Developer in the Martin Luther King, Jr. Parking Ramp and the River's Landing Parking Ramp. Said Parking License Agreement shall be substantially in the form of Exhibit F-1 and Exhibit F-2 attached hereto.

Section 6.2. Execution of Assessment Agreements. The Developer (and the holder of any Mortgage) shall agree to, and with the City shall execute, Assessment Agreements pursuant to the provisions of Section 403.6(19) of the Code of Iowa specifying the

Assessor's Minimum Actual Value for the Development Properties and the Minimum Improvements for calculation of real property taxes. Specifically, the Developer (and the holder of any First Mortgage or lienholder) shall execute an individual Assessment Agreement for each of the three Development Properties and agree to an individual minimum actual value for each of the Development Properties and the Minimum Improvements which will result in assessments of not less than the following amounts:

- (a) 413 Pierce Street: First Floor Commercial Space - \$412,600.00 as of January 1, 2021.
- (b) 520 Nebraska Street: First Floor Commercial Space - \$1,185,200.00 as of January 1, 2020.

for the completed Project (such minimum actual value at the time applicable is herein referred to as the "Assessor's Minimum Actual Value"). Nothing in the Assessment Agreements shall limit the discretion of the Assessor to assign an actual value to the properties in excess of such Assessor's Minimum Actual Value nor prohibit the Developer from seeking through the exercise of legal or administrative remedies a reduction in such actual value for property tax purposes; provided, however, that the Developer shall not seek a reduction of such actual value below the Assessor's Minimum Actual Value in any year so long as the Assessment Agreements shall remain in effect. The Assessment Agreements shall remain in effect until the Termination Date set forth in Section 11.11 hereof. The Assessment Agreements shall be certified by the Assessor for the City as provided in Iowa Code Section 403.6(19) and shall be filed for record in the office of the County Recorder of the County, and such filing shall constitute notice to any subsequent encumbrancer or purchaser of the Development Properties (or part thereof), whether voluntary or involuntary, and such Assessment Agreement shall be binding and enforceable in its entirety against any such subsequent purchaser or encumbrancer, including the holder of any First Mortgage or lienholder.

ARTICLE VII. RESERVED

ARTICLE VIII. INDEMNIFICATION

Section 8.1. Release and Indemnification Covenants.

(a) The Developer releases the City and the governing body members, officers, agents, servants and employees thereof (hereinafter, for purposes of this Article, the "indemnified parties") from, covenant and agree that the indemnified parties shall not be liable for, and agree to indemnify, defend and hold harmless the indemnified parties

against, any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Minimum Improvements.

(b) Except for any willful misrepresentation or any willful or wanton misconduct or any unlawful act of the indemnified parties, the Developer agrees to protect and defend the indemnified parties, now or forever, and further agree to hold the indemnified parties harmless, from any claim, demand, suit, action or other proceedings whatsoever by any person or entity whatsoever arising or purportedly arising from (i) any violation of any agreement or condition of this Agreement (except with respect to any suit, action, demand or other proceeding brought by the Developer against the City to enforce its rights under this Agreement), (ii) the acquisition and condition of the Development Properties and the construction, installation, ownership, and operation of the Minimum Improvements or (iii) any hazardous substance or environmental contamination located in or on the Development Properties.

(c) The indemnified parties shall not be liable for any damage or injury to the persons or property of the Developer or its officers, agents, servants or employees or any other person who may be about the Minimum Improvements due to any act of negligence of any person, other than any act of negligence on the part of any such indemnified party or its officers, agents, servants or employees.

(d) All covenants, stipulations, promises, agreements and obligations of the City contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City, and not of any governing body member, officer, agent, servant or employee of the City in the individual capacity thereof.

(e) The provisions of this Article shall survive the termination of this Agreement.

ARTICLE IX. ASSIGNMENT OR TRANSFER

Section 9.1 Status of the Developer; No Transfer or Assignment. As security for the obligations of the Developer under this Agreement, the Developer represents and agrees that, prior to the Termination Date, the three entities comprising the Developer will each maintain their existence as Nebraska and Iowa Limited Liability Companies and will not wind up or otherwise dispose of all or substantially all of the Development Properties, or assign, participate, or otherwise act in such manner as to convey to any third party any interest in this Agreement to any other party unless: (a) the transferee, partnership, corporation, limited liability company or individual assumes in writing all of the obligations of the Developer under this Agreement; and (b) the City consents thereto in writing in advance thereof. Notwithstanding the foregoing, however, or any other

provisions of this Agreement, the City agrees that the Developer may pledge any and/or all of its assets and real estate as security for any financing of the Minimum Improvements.

Section 9.2 Prohibition Against Use as Non-Taxable or Centrally-Assessed Property. During the term of this Agreement, the Developer agrees that no portion of the Development Property or Minimum Improvements shall be transferred or sold to a non-profit entity or used for a purpose that would exempt said portion of the Development Property from property tax liability. During the term of this Agreement, Developer agrees not to allow any portion of the Development Property or Minimum Improvements to be used as centrally-assessed property (including but not limited to, Iowa Code § 428.24 to 428.29 (Public Utility Plants and Related Personal Property); Chapter 433 (Telegraph and Telephone Company Property); Chapter 434 (Railway Property); Chapter 437 (Electric Transmission Lines); Chapter 437A (Property Used in the Production, Generation, Transmission or Delivery of Electricity or Natural Gas); and Chapter 438 (Pipeline Property)).

ARTICLE X. DEFAULT AND REMEDIES

Section 10.1. Events of Default Defined. The following shall be “Events of Default” under this Agreement and the term “Event of Default” shall mean, whenever it is used in this Agreement, any one or more of the following events:

(a) Failure by the Developer to cause the construction of the Minimum Improvements to be commenced and completed pursuant to the terms, conditions and limitations of this Agreement;

(b) Failure by the Developer to pay back the Promissory Notes or the Economic Development Loan;

(c) Transfer of any interest (either directly or indirectly) in this Agreement or the Development Properties and Minimum Improvements in violation of the provisions of this Agreement;

(d) Failure by the Developer to timely pay (before delinquency) any ad valorem taxes levied on the Development Properties and Minimum Improvements;

(e) The holder of any Mortgage on the Development Properties owned by Developer, or any improvements thereon, or any portion thereof, commences foreclosure proceedings as a result of any default by Developer under the applicable Mortgage documents;

(f) Failure by the Developer to substantially observe or perform any covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement;

(g) If the Developer does or allows any of the following:

(A) files any petition in bankruptcy or for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the United States Bankruptcy Act of 1978, as amended, or under any similar federal or state law; or

(B) makes an assignment for the benefit of its creditors; or

(C) admits in writing its inability to pay its debts generally as they become due; or

(D) is adjudicated a bankrupt or insolvent; or if a petition or answer proposing the adjudication of the Developer as a bankrupt or its reorganization under any present or future federal bankruptcy act or any similar federal or state law shall be filed in any court and such petition or answer shall not be discharged or denied within ninety (90) days after the filing thereof; or a receiver, trustee or liquidator of the Developer or part thereof, shall be appointed in any proceedings brought against the Developer and shall not be discharged within ninety (90) days after such appointment, or if the Developer shall consent to or acquiesce in such appointment; or

(h) Any representation or warranty made by the Developer in this Agreement, or made by the Developer in any written statement or certificate furnished by the Developer pursuant to this Agreement, shall prove to have been incorrect, incomplete or misleading in any material respect on or as of the date of the issuance or making thereof.

Section 10.2. Remedies on Default. Whenever any Event of Default referred to in Section 10.1 of this Agreement occurs and is continuing, the City, as specified below, may take any one or more of the following actions after (except in the case of an Event of Default under subsections (f) or (g) of said Section 10.1) the giving of thirty (30) days written notice by the City to the Developer and the holder of the First Mortgage (but only to the extent the City has been informed in writing of the existence of a First Mortgage and been provided with the address of the holder thereof) of the Event of Default, but only if the Event of Default has not been cured within said thirty (30) days, or if the Event of Default cannot reasonably be cured within thirty (30) days and the defaulting party does not provide assurances reasonably satisfactory to the City that the Event of Default will be cured as soon as reasonably possible:

(a) The City may suspend its performance under this Agreement until it receives assurances from the defaulting party, deemed adequate by a reasonable person, that the defaulting party will cure its default and continue its performance under this Agreement;

(b) The City may terminate this Agreement;

(c) The City shall be entitled to recover, and the Developer shall pay to the City, an amount equal to the sum of the Economic Development Grant, the EPA Brownfield Grant, the Economic Development Loan payments and the EPA Brownfield Loan payments disbursed to Developer under Article V hereof, and the City may take any action, including any legal action, it considers necessary or desirable to recover such amount from the Developer; or

(d) The City may take any other action, including legal, equitable or administrative action, which may appear necessary or desirable to enforce performance and observance of any obligation, agreement, or covenant of the Developer under this Agreement.

Section 10.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the City is intended to be exclusive of any other available remedy or remedies, but each and every remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 10.4. No Implied Waiver. In the event any agreement contained in this Agreement should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 10.5. Agreement to Pay Attorneys' Fees and Expenses. Whenever any Event of Default occurs and the City shall employ attorneys or incur other expenses for the collection of payments due or to become due or for the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it shall, on demand therefor, pay to the City the reasonable fees of such attorneys and such other expenses as may be reasonably and appropriately incurred by the City in connection therewith.

ARTICLE XI. MISCELLANEOUS

Section 11.1. Notices. Any notice, demand, or other communication under this Agreement by either party to the other shall be effective upon receipt or refusal of receipt to the following addresses:

(a) in the case of Developer, is addressed or delivered personally to Developer at:

James T. Royer, Managing Member
413 Pierce Street, LLC
Motor Mart, LLC
Historic Hospital, LLC
2430 South 73rd Street, Suite 200
Omaha, NE 68124

(b) in the case of the City, is addressed to or delivered personally to the City at:

City of Sioux City, Iowa
P.O. Box 447
405 - 6th Street
Sioux City, Iowa 51102
Attn: City Clerk

Any party may change the address for notices to be delivered to it, and copies thereof to any address other than a post office box by serving not less than ten (10) days prior written notice to the other party in accordance with the provisions contained in this paragraph.

Section 11.2. Governing Law. The parties intend that this Agreement and the relationship of the parties shall be governed by the laws of the State of Iowa applicable to contracts wholly to be performed therein. The parties agree that any action, suit or proceeding based upon any matter, claim or controversy arising hereunder or relating hereto shall be brought solely in the state or federal courts located in Woodbury County, Iowa. The parties irrevocably waive objection to the venue of the above-mentioned courts, including any claim that such action, suit or proceeding has been brought in an inconvenient forum.

Section 11.3. Entire Agreement. This Agreement and exhibits attached constitute the entire agreement of the parties and supersedes all prior offers, agreements, arrangements and contracts, whether oral or written, concerning the subject matter hereof.

Section 11.4. Severability. If any provision of this Agreement or the application of such provision to any person or circumstance shall be held invalid, then the remainder of this Agreement or the application of such provision to persons or circumstances other than those to which it is held invalid shall not be affected thereby and the parties shall thereupon amend this Agreement to legally and most closely embody the spirit and intent of the invalid provisions.

Section 11.5. Performance by City. Developer acknowledges and agrees that all of the obligations of the City under this Agreement shall be subject to, and performed by the City in accordance with, all applicable statutory, common law or constitutional provisions and procedures consistent with the City's lawful authority.

Section 11.6. No Third Party Beneficiaries. No rights or privileges of any party hereto shall inure to the benefit of any landowner, contractor, subcontractor, material supplier, or any other person or entity and no such contractor, landowner, subcontractor, material supplier, or any other person or entity shall be deemed to be a third-party beneficiary of any of the provisions contained in this Agreement.

Section 11.7. Interpretation. Section headings are for convenience of reference only and are in no way intended to interpret, define or limit the scope or content of this Agreement or any provision hereof and shall be given no legal effect in the interpretation of this Agreement. This Agreement shall not be construed more strictly against one party than against the other merely by virtue of the fact that it may have been prepared by counsel for one of the parties, it being recognized that the City and Developer and their respective attorneys, have contributed substantially and materially to the preparation of each and every provision of this Agreement.

Section 11.8. Amendment; Waiver. This Agreement may not be amended, waived or modified in any respect unless the same shall be in writing and signed by all parties. No waiver by a party of any default by another party shall constitute a waiver of any other breach or default by another party, whether of the same or any other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a party shall give another party any contractual right by custom, estoppel, or otherwise.

Section 11.9. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the City and Developer and their affiliates, and their respective successors and assigns, including any and all covenants and conditions contained in this

Agreement.


Section 11.10. Agreement. The parties may agree to file of record a Memorandum of Development Agreement in a form and content to be mutually agreed upon by the parties. If no such memorandum can be mutually agreed upon, then this Agreement may be recorded in its entirety. The Assessment Agreement shall be filed of record as required by law.

Section 11.11. Termination Date. This Agreement will terminate on December 31, 2030.

[Remainder of this page intentionally left blank. Signature pages to follow.]


IN WITNESS WHEREOF, the parties have set their hands and seals the day and year above first written.

CITY OF SIOUX CITY, IOWA

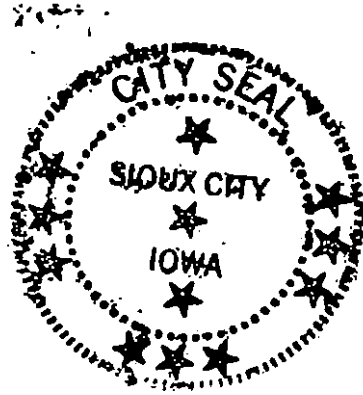


Robert E. Scott, Mayor

ATTEST:



Lisa L. McCardle, City Clerk




STATE OF IOWA)
) SS
COUNTY OF WOODBURY)

On this 18th day of DECEMBER, 2017, before me a Notary Public in and for said State, personally appeared Robert E. Scott and Lisa L. McCardle, to me personally known, who being duly sworn, did say that they are the Mayor and City Clerk, respectively, of the City of Sioux City, Iowa, a Municipality created and existing under the laws of the State of Iowa, and that the seal affixed to the foregoing instrument is the seal of said Municipality, and that said instrument was signed and sealed on behalf of said Municipality by authority and resolution of its City Council, and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said Municipality by it voluntarily executed.



SUSAN BARNES
Commission Number 774988
My Comm. Exp. 09-25-18



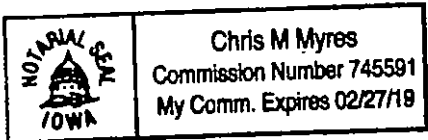
Notary Public in and for the State of Iowa

James T. Royer
James T. Royer
Managing Member of 413 Pierce Street, LLC

STATE OF Iowa)
) SS
COUNTY OF Woodbury)

On this 13th day of December, 2017, before me the undersigned, a Notary Public in and for said State, personally appeared James T. Royer, to me personally known, who, being by me duly sworn, did say that he is the Managing Member of 413 Pierce Street, LLC, and that said instrument was signed on behalf of said Limited Liability Companies; and that the said Managing Member as such officer acknowledged the execution of said instrument to be the voluntary act and deed of said Limited Liability Companies, by it voluntarily executed.

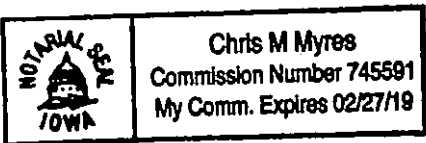
Chris M Myres
Notary Public in and for the State of Iowa



James T Royer
James T. Royer
Managing Member of Motor Mart, LLC

STATE OF Iowa)
) SS
COUNTY OF Woodbury)

On this 13th day of December, 2017, before me the undersigned, a Notary Public in and for said State, personally appeared James T. Royer, to me personally known, who, being by me duly sworn, did say that he is the Managing Member of Motor Mart, LLC, and that said instrument was signed on behalf of said Limited Liability Companies; and that the said Managing Member as such officer acknowledged the execution of said instrument to be the voluntary act and deed of said Limited Liability Companies, by it voluntarily executed.

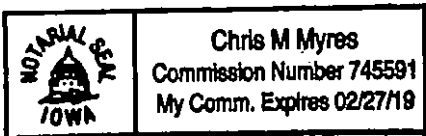


Chris M Myres
Notary Public in and for the State of Iowa

James T Royer
James T. Royer
Managing Member of Historic Hospital, LLC

STATE OF Iowa)
) SS
COUNTY OF Wadbury)

On this 13th day of December, 2017, before me the undersigned, a Notary Public in and for said State, personally appeared James T. Royer, to me personally known, who, being by me duly sworn, did say that he is the Managing Member of Historic Hospital, LLC, and that said instrument was signed on behalf of said Limited Liability Companies; and that the said Managing Member as such officer acknowledged the execution of said instrument to be the voluntary act and deed of said Limited Liability Companies, by it voluntarily executed.



Chris M Myres
Notary Public in and for the State of Iowa

EXHIBIT A

DEVELOPMENT PROPERTIES

Property "A", Commonly known as 413 Pierce Street
Lot Ten (10) and the South One-half (S 1/2) of Lot Eleven (11) in Block Sixteen (16),
Sioux City East Addition, in the County of Woodbury and State of Iowa. (Commonly
known as 413 Pierce Street, Sioux City, IA 51101)

Property "B", Commonly known as 520 Nebraska Street
Lots Six (6), Seven (7) and Eight (8), Block Three (3), Sioux City East Addition, in the
County of Woodbury and State of Iowa AND Lots One (1), Two (2) and Three (3) in
Block Eleven (11), Sioux City East Addition in the County of Woodbury and State of
Iowa. (Commonly known as 520 Nebraska Street, Sioux City, IA 51101)

AND

The North Half of Lot 10, all of Lot 11, and all of Lot 12, in Block 11, Sioux City East
Addition, in the County of Woodbury and State of Iowa, subject to easements and
restrictions of record. (Commonly known as 523 Jackson Street, Sioux City, IA 51101)

Property "C", Commonly known as 2825 Douglas Street
A new parcel approximately 40,000 square feet in area to be created from the existing
parcel that is commonly known as 2825 Douglas Street, Sioux City, IA 51104 and further
described as Peirces Addition Lots One (1) through Thirteen (13) including Block 12 and
the vacated North-South Alley lying between Pearl Street and Stone Park Boulevard and
29th Street, in the County of Woodbury and State of Iowa (Commonly known as 2825
Douglas Street, Sioux City, IA 51104)

EXHIBIT B

MINIMUM IMPROVEMENTS

The Minimum Improvements consist of the following improvements to three existing structures:

Property "A":

413 Pierce Street (Former Hatch Furniture Building). This property will be redeveloped into approximately thirty (30) leasable market-rate residential units encompassing approximately 31,016 square feet on four floors. The minimum improvements to this property will also include the renovation and creation of approximately 6,175 leasable square feet of commercial space on the first floor of the structure.

Property "B":

520 Nebraska Street (Commerce Building/Motor Mart Building). This property will be redeveloped into approximately seventy-eight (78) leasable market-rate residential units encompassing approximately 82,656 square feet on four floors. The minimum improvements to this property will also include the renovation and creation of approximately 10,000 square feet of leasable commercial space on the first floor of the structure.

Property "C":

2825 Douglas Street (Former Methodist Hospital/Former St. Luke's Hospital). This property will be redeveloped into approximately sixty-nine (69) leasable market-rate residential units encompassing approximately 53,605 square feet on five (5) floors.

The Minimum Improvements to the Development Properties shall also include all required site improvements and other infrastructure and amenities as required by State and local codes, including, but not limited to, parking, landscaping, and utilities.

Prepared by: _____
Return to: _____

EXHIBIT C-1

PROPERTY "A": 413 PIERCE STREET

MINIMUM ASSESSMENT AGREEMENT

THIS MINIMUM ASSESSMENT AGREEMENT, is dated as of _____, 2017, by and between the City of Sioux City, Iowa, a municipal corporation (the "City") and 413 Pierce Street, LLC, a Nebraska Limited Liability Company (the "Developer").

WITNESSETH:

WHEREAS, the City and Developer have entered into a Development Agreement dated as of _____, 2017 ("Development Agreement"), regarding certain real property located in the City, the legal description of which is contained in Attachment 1 attached hereto (the "Development Property"); and

WHEREAS, it is contemplated that Developer will undertake the construction of Minimum Improvements (as defined in the Development Agreement) in the nature of a mixed-use redevelopment to include residential and commercial leasable space (together, the "Minimum Improvements") on the Development Property, as provided in the Development Agreement; and

WHEREAS, pursuant to Section 403.6 of the Code of Iowa, as amended, the City and the Developer desire to establish a minimum actual value for the Development Property and the Minimum Improvements to be constructed thereon by the Developer pursuant to the Development Agreement; and

WHEREAS, the City and the Assessor of the City of Sioux City, Iowa has reviewed the preliminary plans and specifications for the Minimum Improvements which it is contemplated will be erected; and

NOW, THEREFORE, the parties to this Minimum Assessment Agreement, in consideration of the promises, covenants and agreements made by each other, do hereby agree as follows:

1. Upon substantial completion of construction of the above-referenced Minimum Improvements, but no later than January 1, 2021, the minimum actual taxable value which shall be fixed for assessment purposes for the commercial portions of the Development Property and the Minimum Improvements to be constructed thereon shall be not less than Four Hundred Twelve Thousand Six Hundred Dollars (\$412,600) (hereafter collectively referred to as the "Minimum Actual Value"). The Minimum Actual Value shall continue to be effective until termination of this Minimum Assessment Agreement on December 31, 2030 (the "Termination Date"). The Minimum Actual Value shall be maintained during such period regardless of: (a) any failure to complete the Minimum Improvements; (b) destruction of all or any portion of the Minimum Improvements; (c) diminution in value of the Development Property or the Minimum Improvements; or (d) any other circumstance, whether known or unknown and whether now existing or hereafter occurring.

2. The Developer shall pay, or cause to be paid, when due, all real property taxes and assessments payable with respect to all and any parts of the Development Property and the Minimum Improvements pursuant to the provisions of this Minimum Assessment Agreement and the Development Agreement. Such tax payments shall be made without regard to any loss, complete or partial, to the Development Property or the Minimum Improvements, any interruption in, or discontinuance of, the use, occupancy, ownership or operation of the Development Property or the Minimum Improvements by Developer or any other matter or thing which for any reason interferes with, prevents or renders burdensome the use or occupancy of the Development Property or the Minimum Improvements.

3. The Developer agrees that its obligation to make the tax payments required hereby, to pay the other sums provided for herein, and to perform and observe its other agreements contained in this Minimum Assessment Agreement shall be absolute and unconditional obligations of the Developer (not limited to the statutory remedies for unpaid taxes) and that the Developer shall not be entitled to any abatement or diminution thereof, or set off there from, nor to any early termination of this Minimum Assessment Agreement for any reason whatsoever.

4. The Developer agrees that prior to the Termination Date it will not:

(a) seek administrative review or judicial review of the applicability or constitutionality of any Iowa tax statute relating to the taxation of property contained as a part of the Development Property or the Minimum Improvements determined by any tax official to be applicable to the Development Property or the Minimum Improvements, or raise the inapplicability or constitutionality of any such tax statute as a defense in any proceedings, including delinquent tax proceedings; or

(b) seek any tax deferral or abatement, either presently or prospectively authorized under Iowa Code Chapter 403 or 404, or any other State law, of the taxation of real property, including improvements and fixtures thereon, contained in the Development Property or the Minimum Improvements between the date of execution of this Agreement and the Termination Date; or

(c) request the Assessor to reduce the Minimum Actual Value; or

(d) appeal to the board of review of the City, County, State or to the Director of Revenue of the State to reduce the Minimum Actual Value; or

(e) cause a reduction in the actual value or the Minimum Actual Value through any other proceedings.

5. This Minimum Assessment Agreement shall be promptly recorded by the City with the Recorder of Woodbury County, Iowa. Such filing shall constitute notice to any subsequent encumbrancer or purchaser of the Development Property (or part thereof), whether voluntary or involuntary, and this Minimum Assessment Agreement shall be binding and enforceable in its entirety against any such subsequent purchaser or encumbrancer, including the holder of any mortgage. The City shall pay all costs of recording.

6. Neither the preambles nor provisions of this Minimum Assessment Agreement are intended to, or shall be construed as, modifying the terms of the Development Agreement.

7. This Minimum Assessment Agreement shall not be assignable without the consent of the City and shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors and permitted assigns.

8. Nothing herein shall be deemed to waive the rights of the Developer under Iowa Code Section 403.6(19) to contest that portion of any actual value assignment made by the Assessor in excess of the Minimum Actual Value established herein. In no event, however, shall Developer seek to reduce the actual value to an amount below the Minimum Actual Value established herein during the term of this Agreement. This Minimum Assessment Agreement may be amended or modified and any of its terms, covenants, representations, warranties or conditions waived, only by a written instrument executed by the parties hereto, or in the case of a waiver, by the party waiving compliance.

9. If any term, condition or provision of this Minimum Assessment Agreement is for any reason held to be illegal, invalid or inoperable, such illegality, invalidity or inoperability shall not affect the remainder hereof, which shall at the time be construed and enforced as if such illegal or invalid or inoperable portion were not contained herein.

10. The Minimum Actual Value herein established shall be of no further force and effect and this Minimum Assessment Agreement shall terminate on the Termination Date.

11. Developer has provided a title opinion to City listing all lienholders of record as of the date of this Assessment Agreement and all such lienholders have signed consents to this Assessment Agreement, which consents are attached hereto and made a part hereof.

[Remainder of this page intentionally left blank. Signature pages to follow.]

IN WITNESS WHEREOF, the parties have set their hands and seals the day and year above first written.

CITY OF SIOUX CITY, IOWA

Robert E. Scott, Mayor

ATTEST:

Lisa L. McCardle, City Clerk

STATE OF IOWA)
) SS
COUNTY OF WOODBURY)

On this _____ day of _____, 2017, before me a Notary Public in and for said State, personally appeared Robert E. Scott and Lisa L. McCardle, to me personally known, who being duly sworn, did say that they are the Mayor and City Clerk, respectively, of the City of Sioux City, Iowa, a Municipality created and existing under the laws of the State of Iowa, and that the seal affixed to the foregoing instrument is the seal of said Municipality, and that said instrument was signed and sealed on behalf of said Municipality by authority and resolution of its City Council, and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said Municipality by it voluntarily executed.

Notary Public in and for the State of Iowa

LIENHOLDER'S CONSENT

The undersigned Lienholder hereby consents to this Minimum Assessment Agreement and agrees to be bound hereby.

NAME OF LIENHOLDER: _____

By: _____
Signature

Date

STATE OF IOWA)
) SS
COUNTY OF WOODBURY)

On this ____ day of _____, 20__, before me the undersigned, a Notary Public in and for said County, in said State, personally appeared _____ and _____, to me personally known, who, being by me duly sworn, did say that they are the _____ and _____, respectively, of _____ and that said instrument was signed on behalf of said company; and that the said _____, and _____ acknowledged the execution of said instrument to be the voluntary act and deed of said domestic company, by them voluntarily executed.

Notary Public in and for the State of Iowa

CERTIFICATION OF ASSESSOR

The undersigned, having reviewed the plans and specifications for the Minimum Improvements to be constructed and the market value assigned to the land upon which the Minimum Improvements are to be constructed, and being of the opinion that the minimum market value contained in the foregoing Minimum Assessment Agreement appears reasonable, hereby certifies as follows: The undersigned Assessor, being legally responsible for the assessment of the property described in the foregoing Minimum Assessment Agreement, certifies that the actual value assigned to that land and improvements upon completion shall not be less than Four Hundred Twelve Thousand Six Hundred Dollars (\$412,600) for the property assessed as commercial space, all until termination of this Minimum Assessment Agreement. **I understand that the Minimum Improvements will be completed in calendar year 2020 and that the agreed assessment amount will become effective on January 1, 2021.**

John Lawson,
Assessor for the City of Sioux City, Iowa

Date

STATE OF IOWA)
) SS
COUNTY OF WOODBURY)

Subscribed and sworn to before me by John Lawson, Assessor for the City of Sioux City, Iowa.

Notary Public in and for the State of Iowa

Date

ATTACHMENT 1 TO MINIMUM ASSESSMENT AGREEMENT

LEGAL DESCRIPTION OF DEVELOPMENT PROPERTY

Property "A" (413 Pierce Street)

Lot Ten (10) and the South One-half (S 1/2) of Lot Eleven (11) in Block Sixteen (16),
Sioux City East Addition, in the County of Woodbury and State of Iowa. (Commonly
known as 413 Pierce Street, Sioux City, IA 51101)

AN ATTACHMENT TO THE ASSESSMENT AGREEMENT
IOWA CODE SUBSECTION 403.6(19)

19. a. A municipality, upon entering into a development or redevelopment agreement pursuant to section 403.8, subsection 1, or as otherwise permitted in this chapter, may enter into a written assessment agreement with the developer of taxable property in the urban renewal area which establishes a minimum actual value of the land and completed improvements to be made on the land until a specified termination date which shall not be later than the date after which the tax increment will no longer be remitted to the municipality pursuant to section 403.19, subsection 2. The assessment agreement shall be presented to the appropriate assessor. The assessor shall review the plans and specifications for the improvements to be made and if the minimum actual value contained in the assessment agreement appears to be reasonable, the assessor shall execute the following certification upon the agreement:

The undersigned assessor, being legally responsible for the assessment of the above described property upon completion of the improvements to be made on it, certifies that the actual value assigned to that land and improvements upon completion shall not be less than \$

b. This assessment agreement with the certification of the assessor and a copy of this subsection shall be filed in the office of the county recorder of the county where the property is located. Upon completion of the improvements, the assessor shall value the property as required by law, except that the actual value shall not be less than the minimum actual value contained in the assessment agreement. This subsection does not prohibit the assessor from assigning a higher actual value to the property or prohibit the owner from seeking administrative or legal remedies to reduce the actual value assigned except that the actual value shall not be reduced below the minimum actual value contained in the assessment agreement. An assessor, county auditor, board of review, director of revenue, or court of this state shall not reduce or order the reduction of the actual value below the minimum actual value in the agreement during the term of the agreement regardless of the actual value which may result from the incomplete construction of improvements, destruction or diminution by any cause, insured or uninsured, except in the case of acquisition or reacquisition of the property by a public entity. Recording of an assessment agreement complying with this subsection constitutes notice of the assessment agreement to a subsequent purchaser or encumbrancer of the land or any part of it, whether voluntary or involuntary, and is binding upon a subsequent purchaser or encumbrancer.

Iowa Code Ann. § 403.6 (West)

Prepared by: _____
Return to: _____

EXHIBIT C-2

PROPERTY "B": 520 NEBRASKA STREET

MINIMUM ASSESSMENT AGREEMENT

THIS MINIMUM ASSESSMENT AGREEMENT, is dated as of _____, 2017, by and between the City of Sioux City, Iowa, a municipal corporation (the "City") and Motor Mart, LLC, an Iowa Limited Liability Company (the "Developer").

WITNESSETH:

WHEREAS, the City and Developer have entered into a Development Agreement dated as of _____, 2017 ("Development Agreement"), regarding certain real property located in the City, the legal description of which is contained in Attachment 1 attached hereto (the "Development Property"); and

WHEREAS, it is contemplated that Developer will undertake the construction of Minimum Improvements (as defined in the Development Agreement) in the nature of a mixed-use redevelopment to include residential and commercial leasable space (together, the "Minimum Improvements") on the Development Property, as provided in the Development Agreement; and

WHEREAS, pursuant to Section 403.6 of the Code of Iowa, as amended, the City and the Developer desire to establish a minimum actual value for the Development Property and the Minimum Improvements to be constructed thereon by the Developer pursuant to the Development Agreement; and

WHEREAS, the City and the Assessor of the City of Sioux City, Iowa has reviewed the preliminary plans and specifications for the Minimum Improvements which it is contemplated will be erected; and

NOW, THEREFORE, the parties to this Minimum Assessment Agreement, in consideration of the promises, covenants and agreements made by each other, do hereby agree as follows:

1. Upon substantial completion of construction of the above-referenced Minimum Improvements, but no later than January 1, 2020, the minimum actual taxable value which shall be fixed for assessment purposes for the commercial portions of the Development Property and the Minimum Improvements to be constructed thereon shall be not less than One Million One Hundred Eighty-Five Thousand Dollars (\$1,185,000) (hereafter collectively referred to as the "Minimum Actual Value"). The Minimum Actual Value shall continue to be effective until termination of this Minimum Assessment Agreement on December 31, 2029 (the "Termination Date"). The Minimum Actual Value shall be maintained during such period regardless of: (a) any failure to complete the Minimum Improvements; (b) destruction of all or any portion of the Minimum Improvements; (c) diminution in value of the Development Property or the Minimum Improvements; or (d) any other circumstance, whether known or unknown and whether now existing or hereafter occurring.

2. The Developer shall pay, or cause to be paid, when due, all real property taxes and assessments payable with respect to all and any parts of the Development Property and the Minimum Improvements pursuant to the provisions of this Minimum Assessment Agreement and the Development Agreement. Such tax payments shall be made without regard to any loss, complete or partial, to the Development Property or the Minimum Improvements, any interruption in, or discontinuance of, the use, occupancy, ownership or operation of the Development Property or the Minimum Improvements by Developer or any other matter or thing which for any reason interferes with, prevents or renders burdensome the use or occupancy of the Development Property or the Minimum Improvements.

3. The Developer agrees that its obligation to make the tax payments required hereby, to pay the other sums provided for herein, and to perform and observe its other agreements contained in this Minimum Assessment Agreement shall be absolute and unconditional obligations of the Developer (not limited to the statutory remedies for unpaid taxes) and that the Developer shall not be entitled to any abatement or diminution thereof, or set off there from, nor to any early termination of this Minimum Assessment Agreement for any reason whatsoever.

4. The Developer agrees that prior to the Termination Date it will not:

(a) seek administrative review or judicial review of the applicability or constitutionality of any Iowa tax statute relating to the taxation of property contained as a part of the Development Property or the Minimum Improvements determined by any tax official to be applicable to the Development Property or the Minimum Improvements, or raise the inapplicability or constitutionality of any such tax statute as a defense in any proceedings, including delinquent tax proceedings; or

(b) seek any tax deferral or abatement, either presently or prospectively authorized under Iowa Code Chapter 403 or 404, or any other State law, of the taxation of real property, including improvements and fixtures thereon, contained in the Development Property or the Minimum Improvements between the date of execution of this Agreement and the Termination Date; or

(c) request the Assessor to reduce the Minimum Actual Value; or

(d) appeal to the board of review of the City, County, State or to the Director of Revenue of the State to reduce the Minimum Actual Value; or

(e) cause a reduction in the actual value or the Minimum Actual Value through any other proceedings.

5. This Minimum Assessment Agreement shall be promptly recorded by the City with the Recorder of Woodbury County, Iowa. Such filing shall constitute notice to any subsequent encumbrancer or purchaser of the Development Property (or part thereof), whether voluntary or involuntary, and this Minimum Assessment Agreement shall be binding and enforceable in its entirety against any such subsequent purchaser or encumbrancer, including the holder of any mortgage. The City shall pay all costs of recording.

6. Neither the preambles nor provisions of this Minimum Assessment Agreement are intended to, or shall be construed as, modifying the terms of the Development Agreement.

7. This Minimum Assessment Agreement shall not be assignable without the consent of the City and shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors and permitted assigns.

8. Nothing herein shall be deemed to waive the rights of the Developer under Iowa Code Section 403.6(19) to contest that portion of any actual value assignment made by the Assessor in excess of the Minimum Actual Value established herein. In no event, however, shall Developer seek to reduce the actual value to an amount below the Minimum Actual Value established herein during the term of this Agreement. This Minimum Assessment Agreement may be amended or modified and any of its terms, covenants, representations, warranties or conditions waived, only by a written instrument executed by the parties hereto, or in the case of a waiver, by the party waiving compliance.

9. If any term, condition or provision of this Minimum Assessment Agreement is for any reason held to be illegal, invalid or inoperable, such illegality, invalidity or inoperability shall not affect the remainder hereof, which shall at the time be construed and enforced as if such illegal or invalid or inoperable portion were not contained herein.

10. The Minimum Actual Value herein established shall be of no further force and effect and this Minimum Assessment Agreement shall terminate on the Termination Date.

11. Developer has provided a title opinion to City listing all lienholders of record as of the date of this Assessment Agreement and all such lienholders have signed consents to this Assessment Agreement, which consents are attached hereto and made a part hereof.

[Remainder of this page intentionally left blank. Signature pages to follow.]

IN WITNESS WHEREOF, the parties have set their hands and seals the day and year above first written.

CITY OF SIOUX CITY, IOWA

Robert E. Scott, Mayor

ATTEST:

Lisa L. McCardle, City Clerk

STATE OF IOWA)
) SS
COUNTY OF WOODBURY)

On this _____ day of _____, 2017, before me a Notary Public in and for said State, personally appeared Robert E. Scott and Lisa L. McCardle, to me personally known, who being duly sworn, did say that they are the Mayor and City Clerk, respectively, of the City of Sioux City, Iowa, a Municipality created and existing under the laws of the State of Iowa, and that the seal affixed to the foregoing instrument is the seal of said Municipality, and that said instrument was signed and sealed on behalf of said Municipality by authority and resolution of its City Council, and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said Municipality by it voluntarily executed.

Notary Public in and for the State of Iowa

Motor Mart, LLC

James T. Royer, Managing Member

STATE OF _____)
) SS
COUNTY OF _____)

On this _____ day of _____, 2017, before me the undersigned, a Notary Public in and for said State, personally appeared James T. Royer, to me personally known, who, being by me duly sworn, did say that he is the Managing Member of Motor Mart, LLC, and that said instrument was signed on behalf of said Limited Liability Company; and that the said James T. Royer, as such officer, acknowledged the execution of said instrument to be the voluntary act and deed of said Limited Liability Company, by it voluntarily executed.

Notary Public in and for the State of Iowa

CERTIFICATION OF ASSESSOR

The undersigned, having reviewed the plans and specifications for the Minimum Improvements to be constructed and the market value assigned to the land upon which the Minimum Improvements are to be constructed, and being of the opinion that the minimum market value contained in the foregoing Minimum Assessment Agreement appears reasonable, hereby certifies as follows: The undersigned Assessor, being legally responsible for the assessment of the property described in the foregoing Minimum Assessment Agreement, certifies that the actual value assigned to that land and improvements upon completion shall not be less than One Million One Hundred Eighty-Five Thousand Dollars (\$1,185,000) for the property assessed as commercial space, all until termination of this Minimum Assessment Agreement. **I understand that the Minimum Improvements will be completed in calendar year 2019 and that the agreed assessment amount will become effective on January 1, 2020.**

John Lawson,
Assessor for the City of Sioux City, Iowa

Date

STATE OF IOWA)
) SS
COUNTY OF WOODBURY)

Subscribed and sworn to before me by John Lawson, Assessor for the City of Sioux City, Iowa.

Notary Public in and for the State of Iowa

Date

ATTACHMENT 1 TO MINIMUM ASSESSMENT AGREEMENT

LEGAL DESCRIPTION OF DEVELOPMENT PROPERTY

Property "B" (520 Nebraska Street)

Lots Six (6), Seven (7) and Eight (8), Block Three (3), Sioux City East Addition, in the County of Woodbury and State of Iowa AND Lots One (1), Two (2) and Three (3) in Block Eleven (11), Sioux City East Addition in the County of Woodbury and State of Iowa. (Commonly known as 520 Nebraska Street, Sioux City, IA 51101)

AND

The North Half of Lot 10, all of Lot 11, and all of Lot 12, in Block 11, Sioux City East Addition, in the County of Woodbury and State of Iowa, subject to easements and restrictions of record. (Commonly known as 523 Jackson Street, Sioux City, IA 51101)

AN ATTACHMENT TO THE ASSESSMENT AGREEMENT
IOWA CODE SUBSECTION 403.6(19)

19. a. A municipality, upon entering into a development or redevelopment agreement pursuant to section 403.8, subsection 1, or as otherwise permitted in this chapter, may enter into a written assessment agreement with the developer of taxable property in the urban renewal area which establishes a minimum actual value of the land and completed improvements to be made on the land until a specified termination date which shall not be later than the date after which the tax increment will no longer be remitted to the municipality pursuant to section 403.19, subsection 2. The assessment agreement shall be presented to the appropriate assessor. The assessor shall review the plans and specifications for the improvements to be made and if the minimum actual value contained in the assessment agreement appears to be reasonable, the assessor shall execute the following certification upon the agreement:

The undersigned assessor, being legally responsible for the assessment of the above described property upon completion of the improvements to be made on it, certifies that the actual value assigned to that land and improvements upon completion shall not be less than \$

b. This assessment agreement with the certification of the assessor and a copy of this subsection shall be filed in the office of the county recorder of the county where the property is located. Upon completion of the improvements, the assessor shall value the property as required by law, except that the actual value shall not be less than the minimum actual value contained in the assessment agreement. This subsection does not prohibit the assessor from assigning a higher actual value to the property or prohibit the owner from seeking administrative or legal remedies to reduce the actual value assigned except that the actual value shall not be reduced below the minimum actual value contained in the assessment agreement. An assessor, county auditor, board of review, director of revenue, or court of this state shall not reduce or order the reduction of the actual value below the minimum actual value in the agreement during the term of the agreement regardless of the actual value which may result from the incomplete construction of improvements, destruction or diminution by any cause, insured or uninsured, except in the case of acquisition or reacquisition of the property by a public entity. Recording of an assessment agreement complying with this subsection constitutes notice of the assessment agreement to a subsequent purchaser or encumbrancer of the land or any part of it, whether voluntary or involuntary, and is binding upon a subsequent purchaser or encumbrancer.

Iowa Code Ann. § 403.6 (West)

EXHIBIT D

PUBLIC IMPROVEMENTS

None.

EXHIBIT E

FORM OF LEGAL OPINION

City of Sioux City
Sioux City, Iowa

RE: Development Agreement by and among the City of Sioux City, Iowa
("City") and _____ ("Developer")

As counsel for _____, (the "Developer") in connection with the execution and delivery of a certain Development Agreement (the "Development Agreement") between the Developer and the City of Sioux City, Iowa (the "City") dated as of _____ 20__ and referenced above, we hereby render the following opinion.

We have examined the original certified copy, or copies otherwise identified to our satisfaction as being true copies, of the following:

- (a) The [articles of incorporation and bylaws] of the Developer;
- (b) Resolution of the Developer at which action was taken with respect to the transactions covered by this opinion;
- (c) The Development Agreement;

and such other documents and records as we have deemed relevant and necessary as a basis for the opinion set forth herein.

Based on the pertinent law, the foregoing examination and such other inquiries as we have deemed appropriate, we are of the opinion that:

1. The Developer has been duly organized and is validly existing as a [corporation] under the laws of the State of _____ and is qualified to do business in the State of Iowa. The Developer has full power and authority to execute, deliver and perform in full the Development Agreement; and the Development Agreement has been duly and validly authorized, executed and delivered by the Developer and, assuming due authorization, execution and delivery by the other parties thereto, is in full force and effect and is valid and legally binding instrument of the Developer enforceable in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization or other laws relating to or affecting creditors' rights generally.

2. The consummation of the transaction contemplated by the Development Agreement and the carrying out of the terms thereof, will not result in violation of any provision of, or in default under, the articles of incorporation of the Developer or any indenture, mortgage, deed of trust, indebtedness, agreement, judgment, decree, order, statute, rule, regulation or restriction to which the Developer is a party or by which it or its property is bound or subject.

Very truly yours,

EXHIBIT F-1

PARKING LICENSE AGREEMENT

MARTIN LUTHER KING, JR. PARKING RAMP

This Parking License Agreement ("Agreement") is entered into as of this ____ day of _____, 2017 by and between the CITY OF SIOUX CITY, IOWA, a municipal corporation (the "City"), and Motor Mart, LLC, an Iowa Limited Liability Company ("Developer").

WITNESSETH:

WHEREAS, the City owns the Martin Luther King, Jr. Parking Ramp on 6th and Nebraska Streets (the "Parking Facility"); and

WHEREAS, the City desires to grant to Developer a license to use one hundred (100) parking spaces in the Parking Facility pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the parties agree as follows:

1. Term. The City hereby grants to Developer the exclusive right to use up to one hundred (100) parking spaces located in the Parking Facility (the "Licensed Spaces"). The Licensed Spaces will be available to Developer for a period of five years tentatively beginning on May 1, 2019 and ending on April 30, 2024. The term of this Agreement may be amended by mutual agreement of the City and Developer based on the construction and occupancy schedule of Developer's redevelopment project located at 520 Nebraska Street in Sioux City.

2. Right to Use Licensed Spaces. The City hereby grants to Developer the right to use the Licensed Spaces for vehicle parking, subject to the reasonable rules and regulations established by the City and as such may be changed from time to time. The City may make, modify and enforce reasonable rules and regulations relating to the parking of vehicles in the Parking Facility, and Developer shall abide by such reasonable rules and regulations. Developer shall promptly pay any fees or charges due the City pursuant to such rules and regulations. The City may terminate this Agreement as to any space or person for violation of its rules or regulations, upon thirty (30) days written

notice to Developer and following notice with a reasonable opportunity to prospectively prevent such violations. The City shall issue to Developer access cards for each Licensed Space.

3. Rent. (a) As rental for the Licensed Spaces provided under this Agreement, Developer agrees to pay the City the lowest bulk rate allowed by Sioux City municipal code each month for each Licensed Space it utilizes. Said Rent shall be payable by Developer on the first day of each month. Payments received after the 5th day of the month in which they are due shall be considered delinquent and a delinquency charge equal to five percent (5%) of the payment amount shall be added to the payment otherwise due.

4. Limitations. Developer's rights under this Agreement are subject to limitations, as follows:

a) The City may interrupt Developer's use of the Parking Facility in its discretion for repairs, maintenance, safety, casualty or any other reason it deems sufficient. In the event any Licensed Spaces are not available because of events or contingencies wholly within the control of the City, the rent shall abate pro rata during the time said spaces are unavailable and the City shall refund such amount to Developer. The City shall provide reasonably close (as the City shall determine) replacement parking during any periods of such interrupted use.

b) At any time the City determines that the Parking Facility or a substantial portion thereof has been destroyed, damaged or rendered unsafe or otherwise inappropriate for use, and cannot be repaired and returned to a serviceable condition under the then-approved fiscal year's budget for the Parking Facility, the City may provide not less than thirty (30) days written notice to Developer of the City's intent to terminate this Agreement and the license granted hereby. During said thirty (30) day period, Developer may request the City to provide the same number of spaces in the next most proximate City-owned parking lot. If available, the City will use its best efforts to provide the same number of spaces at the same cost. In the event Developer does not make such a request during the thirty (30) day notice period, this Agreement shall terminate at the end of said thirty (30) day period.

c) This Agreement provides for a mere license of use as described herein within the Parking Facility. It does not obligate the City to continue such use of the Parking Facility or to provide any particular level of service therein;

provided, however, that if the City materially reduces the level of service to the Parking Facility, Developer may terminate this Agreement.

5. Damage or Destruction. If the Parking Facility, or any part thereof, shall be destroyed or rendered unusable, either in whole or in part, by fire or other casualty and the City does not exercise its rights to terminate this Agreement under Subparagraph 4(b), the City shall within sixty (60) days of such fire or other casualty repair and restore the Parking Facility to its previous condition, unless prevented from doing so based upon causes or factors beyond the City's reasonable control. Until fully restored and repaired, any monthly rental obligation shall be abated in the same proportion as the unusable portion of the Licensed Spaces. This Agreement shall continue in full force and effect during said restoration.

6. Surrender of Possession. Upon expiration of the term of this Agreement, whether by lapse of time or otherwise, Developer shall promptly and peacefully surrender use of the Licensed Spaces and return all parking access and/or cards to the City.

7. Renewal Option. Developer shall have the option to renew this Agreement for two (2) additional five (5) year terms upon the same terms and conditions of this Agreement. Developer shall provide written notice to the City of Developer's intent to renew this Agreement at least ninety (90) days prior to the end of the applicable term.

8. City Default - Developer Remedies. The occurrence of one or more of the following events shall constitute a material default and breach of this Agreement by the City:

- (i) the failure of the City to comply with any of the terms and conditions of this Agreement within sixty (60) days after written notice of such failure has been given by Developer to the City;

In the event of a material default under subsection (i) hereof, Developer shall have the right to terminate this Agreement upon written notice to the City and notwithstanding whether Developer exercises such right to terminate, Developer shall have available all legal and equitable remedies to enforce performance and observance of any obligation, agreement or covenant of the City under this Agreement.

9. Developer Default - City Remedies. The occurrence of one or more of the following events shall constitute a material default and breach of this Agreement by Developer:

- (i) the failure by Developer to comply with any of the provisions set forth in Paragraph three (3) related to the payment of rental fees for parking; or
- (ii) the failure of Developer to comply with any of the other terms and conditions of this Agreement within sixty (60) days after written notice of such failure has been given by the City to Developer.

In the event of any such material default by Developer, the City shall have the right to terminate this Agreement upon written notice to Developer and notwithstanding whether the City exercises such right to terminate, the City shall have available all legal and equitable remedies necessary to collect any payments due under this Agreement or to enforce performance and observance of any obligation, agreement or covenant of Developer under this Agreement.

10. Non-Waiver. Waiver by either party of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition herein contained unless so provided in writing by the parties.

11. Indemnification. The parties to this Agreement shall bear all responsibility and liability for the negligence, fault and willful conduct of their own agents, employees, contractors and invitees. The parties hereby agree to indemnify and hold each other harmless against and from any and all claims for damages or injury arising from the fault, negligence or willful conduct of their own agents, employees (acting within the scope of their employment), contractors or invitees. Notwithstanding the above, the City assumes no responsibility whatsoever for any loss, injuries or damages to persons utilizing the Licensed Spaces, or to any vehicles or their contents utilizing the Licensed Spaces pursuant to this Agreement.

12. Severability. If any term of this Agreement, or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term to a person or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby and each term of this Agreement shall be valid and enforceable to the full extent permitted by law.

13. No Partnership. Nothing herein shall be deemed or construed by the parties hereto, nor any third party, as creating the relationship of principal and agent or of any partnership or joint venture between the parties hereto.

14. Sub-license. During the term of this Agreement, Developer may not sub-license the use of the Licensed Spaces to any party other than an employee or tenant of Developer. All such use shall remain subject to the City's rights under the law and this Agreement. Notwithstanding any such sub-license, Developer shall remain liable for all payments due and performance of its obligations under this Agreement.

15. Successors and Assigns. The City shall have the right to assign, mortgage or otherwise encumber all of its right, title and interest in the Property and the Parking Facility at any time without notice to Developer, but subject to this Agreement. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, heirs, administrators and assigns.

16. Entire Agreement. This Agreement contains the entire agreement between the parties hereto with respect to the subject matter hereof and may not be amended, modified or changed, nor shall any waiver of any provision hereof be effective, except only by an instrument in writing and signed by the party against whom enforcement of any waiver, amendment, change, modification or discharge is sought.

17. Notices. All notices under this Agreement must be delivered in person or mailed by registered or certified mail, return receipt requested, postage prepaid, to the parties at their addresses set forth below:

City of Sioux City
Attn: City Manager
405 - 6th Street
Sioux City, Iowa 51102

James T. Royer
Managing Member
Motor Mart, LLC
2430 South 73rd Street, Suite 200
Omaha, NE 68124

18. Construction and Jurisdiction. This Agreement shall be construed and enforced in accordance with the laws of the State of Iowa. The Woodbury County, Iowa, District Court shall have jurisdiction over any litigation between the City and Service Provider over any matter arising out of this Agreement.

19. Representation and Warranty. Both parties represent, warrant and acknowledge that they have full authority to comply with all provisions contained in this Agreement, that this Agreement is being executed with full corporate authority and that the persons whose signatures appear hereon are duly authorized to execute this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

THE CITY OF SIOUX CITY, IOWA

By: _____
Robert E. Scott, Mayor

ATTEST:

City Clerk

Motor Mart, LLC

James T. Royer, Managing Member

STATE OF IOWA)
) ss:
COUNTY OF WOODBURY)

On this ____ day of _____, 2017, before me, the undersigned, a Notary Public, personally appeared Robert E. Scott and Lisa L. McCardle, to me personally known, who, being by me duly sworn, did state that they are the Mayor and City Clerk, respectively, of the City of Sioux City, Iowa; that the seal affixed to the foregoing instrument is the seal of the corporation, and that the instrument was signed and sealed on behalf of the corporation, by authority of its City Council, as Resolution No. _____ on the ____ day of _____, 2017, and that Robert E. Scott and Lisa L. McCardle acknowledged the execution of the instrument to be the voluntary act and deed of the municipal corporation, by it voluntarily executed.

Notary Public in and for the State of Iowa

STATE OF _____)
) ss:
COUNTY OF _____)

On this ____ day of _____, 2017, before me the undersigned, a Notary Public in and for said County, in said State, personally appeared James T. Royer, by me personally known, who, being by me duly sworn, did say that he is the Managing Member of Motor Mart, LLC, an Iowa Limited Liability Company, and that said instrument was signed on behalf of said Limited Liability Company; and that the said Managing Member, as such officer acknowledged the execution of said instrument to be the voluntary act and deed of said limited liability company, by him voluntarily executed.

Notary Public in and for Woodbury County, Iowa

EXHIBIT F-2

PARKING LICENSE AGREEMENT

RIVER'S LANDING PARKING RAMP

This Parking License Agreement ("Agreement") is entered into as of this ____ day of _____, 2017 by and between the CITY OF SIOUX CITY, IOWA, a municipal corporation (the "City"), and 413 Pierce Street, LLC, a Nebraska Limited Liability Company ("Developer").

WITNESSETH:

WHEREAS, the City owns the River's Landing Parking Ramp on 5th and Douglas Streets (the "Parking Facility"); and

WHEREAS, the City desires to grant to Developer a license to use one hundred (100) parking spaces in the Parking Facility pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the parties agree as follows:

1. Term. The City hereby grants to Developer the exclusive right to use up to fifty-five (55) parking spaces located in the Parking Facility (the "Licensed Spaces"). The Licensed Spaces will be available to Developer for a period of five years tentatively beginning on June 30, 2020 and ending on July 1, 2025. The term of this Agreement may be amended by mutual agreement of the City and Developer based on the construction and occupancy schedule of Developer's redevelopment project located at 413 Pierce Street in Sioux City.

2. Right to Use Licensed Spaces. The City hereby grants to Developer the right to use the Licensed Spaces for vehicle parking, subject to the reasonable rules and regulations established by the City and as such may be changed from time to time. The City may make, modify and enforce reasonable rules and regulations relating to the parking of vehicles in the Parking Facility, and Developer shall abide by such reasonable rules and regulations. Developer shall promptly pay any fees or charges due the City pursuant to such rules and regulations. The City may terminate this Agreement as to any space or person for violation of its rules or regulations, upon thirty (30) days written

notice to Developer and following notice with a reasonable opportunity to prospectively prevent such violations. The City shall issue to Developer access cards for each Licensed Space.

3. Rent. (a) As rental for the Licensed Spaces provided under this Agreement, Developer agrees to pay the City the lowest bulk rate allowed by Sioux City municipal code each month for each Licensed Space it utilizes. Said Rent shall be payable by Developer on the first day of each month. Payments received after the 5th day of the month in which they are due shall be considered delinquent and a delinquency charge equal to five percent (5%) of the payment amount shall be added to the payment otherwise due.

4. Limitations. Developer's rights under this Agreement are subject to limitations, as follows:

a) The City may interrupt Developer's use of the Parking Facility in its discretion for repairs, maintenance, safety, casualty or any other reason it deems sufficient. In the event any Licensed Spaces are not available because of events or contingencies wholly within the control of the City, the rent shall abate pro rata during the time said spaces are unavailable and the City shall refund such amount to Developer. The City shall provide reasonably close (as the City shall determine) replacement parking during any periods of such interrupted use.

b) At any time the City determines that the Parking Facility or a substantial portion thereof has been destroyed, damaged or rendered unsafe or otherwise inappropriate for use, and cannot be repaired and returned to a serviceable condition under the then-approved fiscal year's budget for the Parking Facility, the City may provide not less than thirty (30) days written notice to Developer of the City's intent to terminate this Agreement and the license granted hereby. During said thirty (30) day period, Developer may request the City to provide the same number of spaces in the next most proximate City-owned parking lot. If available, the City will use its best efforts to provide the same number of spaces at the same cost. In the event Developer does not make such a request during the thirty (30) day notice period, this Agreement shall terminate at the end of said thirty (30) day period.

c) This Agreement provides for a mere license of use as described herein within the Parking Facility. It does not obligate the City to continue such use of the Parking Facility or to provide any particular level of service therein;

provided, however, that if the City materially reduces the level of service to the Parking Facility, Developer may terminate this Agreement.

5. Damage or Destruction. If the Parking Facility, or any part thereof, shall be destroyed or rendered unusable, either in whole or in part, by fire or other casualty and the City does not exercise its rights to terminate this Agreement under Subparagraph 4(b), the City shall within sixty (60) days of such fire or other casualty repair and restore the Parking Facility to its previous condition, unless prevented from doing so based upon causes or factors beyond the City's reasonable control. Until fully restored and repaired, any monthly rental obligation shall be abated in the same proportion as the unusable portion of the Licensed Spaces. This Agreement shall continue in full force and effect during said restoration.

6. Surrender of Possession. Upon expiration of the term of this Agreement, whether by lapse of time or otherwise, Developer shall promptly and peacefully surrender use of the Licensed Spaces and return all parking access and/or cards to the City.

7. Renewal Option. Developer shall have the option to renew this Agreement for two (2) additional five (5) year terms upon the same terms and conditions of this Agreement. Developer shall provide written notice to the City of Developer's intent to renew this Agreement at least ninety (90) days prior to the end of the applicable term.

8. City Default - Developer Remedies. The occurrence of one or more of the following events shall constitute a material default and breach of this Agreement by the City:

- (i) the failure of the City to comply with any of the terms and conditions of this Agreement within sixty (60) days after written notice of such failure has been given by Developer to the City;

In the event of a material default under subsection (i) hereof, Developer shall have the right to terminate this Agreement upon written notice to the City and notwithstanding whether Developer exercises such right to terminate, Developer shall have available all legal and equitable remedies to enforce performance and observance of any obligation, agreement or covenant of the City under this Agreement.

9. Developer Default - City Remedies. The occurrence of one or more of the following events shall constitute a material default and breach of this Agreement by Developer:

- (i) the failure by Developer to comply with any of the provisions set forth in Paragraph Three (3) related to the payment of rental fees for parking; or
- (ii) the failure of Developer to comply with any of the other terms and conditions of this Agreement within sixty (60) days after written notice of such failure has been given by the City to Developer.

In the event of any such material default by Developer, the City shall have the right to terminate this Agreement upon written notice to Developer and notwithstanding whether the City exercises such right to terminate, the City shall have available all legal and equitable remedies necessary to collect any payments due under this Agreement or to enforce performance and observance of any obligation, agreement or covenant of Developer under this Agreement.

10. Non-Waiver. Waiver by either party of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition herein contained unless so provided in writing by the parties.

11. Indemnification. The parties to this Agreement shall bear all responsibility and liability for the negligence, fault and willful conduct of their own agents, employees, contractors and invitees. The parties hereby agree to indemnify and hold each other harmless against and from any and all claims for damages or injury arising from the fault, negligence or willful conduct of their own agents, employees (acting within the scope of their employment), contractors or invitees. Notwithstanding the above, the City assumes no responsibility whatsoever for any loss, injuries or damages to persons utilizing the Licensed Spaces, or to any vehicles or their contents utilizing the Licensed Spaces pursuant to this Agreement.

12. Severability. If any term of this Agreement, or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term to a person or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby and each term of this Agreement shall be valid and enforceable to the full extent permitted by law.

13. No Partnership. Nothing herein shall be deemed or construed by the parties hereto, nor any third party, as creating the relationship of principal and agent or of any partnership or joint venture between the parties hereto.

14. Sub-license. During the term of this Agreement, Developer may not sub-license the use of the Licensed Spaces to any party other than an employee or tenant of Developer. All such use shall remain subject to the City's rights under the law and this Agreement. Notwithstanding any such sub-license, Developer shall remain liable for all payments due and performance of its obligations under this Agreement.

15. Successors and Assigns. The City shall have the right to assign, mortgage or otherwise encumber all of its right, title and interest in the Property and the Parking Facility at any time without notice to Developer, but subject to this Agreement. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, heirs, administrators and assigns.

16. Entire Agreement. This Agreement contains the entire agreement between the parties hereto with respect to the subject matter hereof and may not be amended, modified or changed, nor shall any waiver of any provision hereof be effective, except only by an instrument in writing and signed by the party against whom enforcement of any waiver, amendment, change, modification or discharge is sought.

17. Notices. All notices under this Agreement must be delivered in person or mailed by registered or certified mail, return receipt requested, postage prepaid, to the parties at their addresses set forth below:

City of Sioux City
Attn: City Manager
405 - 6th Street
Sioux City, Iowa 51102

James T. Royer
Managing Member
413 Pierce Street, LLC
2430 South 73rd Street, Suite 200
Omaha, NE 68124

18. Construction and Jurisdiction. This Agreement shall be construed and enforced in accordance with the laws of the State of Iowa. The Woodbury County, Iowa, District Court shall have jurisdiction over any litigation between the City and Service Provider over any matter arising out of this Agreement.

19. Representation and Warranty. Both parties represent, warrant and acknowledge that they have full authority to comply with all provisions contained in this Agreement, that this Agreement is being executed with full corporate authority and that the persons whose signatures appear hereon are duly authorized to execute this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

THE CITY OF SIOUX CITY, IOWA

By: _____
Robert E. Scott, Mayor

ATTEST:

City Clerk

413 PIERCE STREET, LLC

James T. Royer, Managing Member

STATE OF IOWA)
) ss:
COUNTY OF WOODBURY)

On this ____ day of _____, 2017, before me, the undersigned, a Notary Public, personally appeared ROBERT E. SCOTT and LISA L. MCCARDLE, to me personally known, who, being by me duly sworn, did state that they are the Mayor and City Clerk, respectively, of the City of Sioux City, Iowa; that the seal affixed to the foregoing instrument is the seal of the corporation, and that the instrument was signed and sealed on behalf of the corporation, by authority of its City Council, as Resolution No. _____ on the ____ day of _____, 2017, and that ROBERT E. SCOTT and LISA L. MCCARDLE acknowledged the execution of the instrument to be the voluntary act and deed of the municipal corporation, by it voluntarily executed.

Notary Public in and for the State of Iowa

STATE OF _____)
) ss:
COUNTY OF _____)

On this ____ day of _____, 2017, before me the undersigned, a Notary Public in and for said County, in said State, personally appeared James T. Royer, by me personally known, who, being by me duly sworn, did say that he is the Managing Member of 413 Pierce Street, LLC, a Nebraska Limited Liability Company, and that said instrument was signed on behalf of said Limited Liability Company; and that the said James T. Royer, as such officer acknowledged the execution of said instrument to be the voluntary act and deed of said limited liability company, by him voluntarily executed.

Notary Public in and for the State of Iowa

EXHIBIT G-1

MORTGAGE

(Open-End)

413 PIERCE STREET, LLC

DATE AND PARTIES. The date of this Mortgage ("Mortgage") is _____, 2017, and the parties and their addresses are as follows:

MORTGAGORS: 413 PIERCE STREET, LLC
2430 South 73rd Street
Suite 200
Omaha, NE 68124

MORTGAGEE: CITY OF SIOUX CITY, IOWA
c/o Economic Development Dept.
PO Box 447
405 Sixth Street
Sioux City, Iowa 51102

THIS MORTGAGE ("Mortgage") encumbers both real and personal property, contains an after-acquired property clause and secures present and future loans and advances.

NOTICE: This Mortgage secures credit in the amount of **Two Hundred Thousand Dollars (\$200,000)**. Loans and advances up to this amount, together with interest are senior to indebtedness to other creditors under subsequently recorded or filed mortgages and liens.

_____ If this box is checked, this Mortgage also constitutes a Construction Mortgage as defined in the Iowa Code.

This Mortgage is made between **413 Pierce Street, LLC** ("Mortgagors") and the **City of Sioux City, Iowa** ("Mortgagee").

1. **Grant of Mortgage and Security Interest.** Mortgagors hereby sell, convey and mortgage unto Mortgagee, and grant a security interest to Mortgagee in the following described property:

A. Land and Buildings. All of Mortgagors' right, title and interest in and to the following described real estate situated in Woodbury County, Iowa (the "Land");

LEGAL DESCRIPTION

Lot Ten (10) and the South One-half (S 1/2) of Lot Eleven (11) in Block Sixteen (16), Sioux City East Addition, in the County of Woodbury and State of Iowa.

Commonly known as 413 Pierce Street, Sioux City, IA 51101.

and all buildings, structures and improvements now standing or at any time hereafter constructed or placed upon the Land (the "Buildings"), including all hereditaments, easements, appurtenances, riparian rights, mineral rights, water rights, rights in and to the lands lying in streets, alleys and roads adjoining the land, estates and other rights and interests now or hereafter belonging to or in any way pertaining to the Land.

B. Personal Property. All fixtures and other personal property integrally belonging to, or hereafter becoming an integral part of the Land or Buildings, whether attached or detached, including but not limited to, light fixtures, shades, rods, blinds, venetian blinds, awnings, storm windows, screens, linoleum, water softeners, automatic heating and air conditioning equipment and all proceeds, products, increase, issue, accessions, attachments, accessories, parts, additions, repairs, replacements and substitutes of, to, and for the foregoing (the "Personal Property").

C. Revenues and Income. All rents, issues, profits, leases, condemnation awards and insurance proceeds now or hereafter arising from the ownership, occupancy or use of the Land, Buildings and Personal Property, or any part thereof (the "Revenues and Income").

TO HAVE AND TO HOLD the Land, Buildings, Personal Property and Revenues and Income (collectively called the "Mortgaged Property"), together with all privileges, hereditaments thereunto now or hereafter belonging, or in any way appertaining and the products and proceeds thereof, unto Mortgagee, its successors and assigns.

2. **Obligations.** This Mortgage secures the following (hereinafter collectively referred to as the "Obligations"):

A. The payment of the loan made by Mortgagee to 413 Pierce Street, LLC, evidenced by a promissory note dated _____, 2017, in the principal amount of

Two Hundred Thousand Dollars (\$200,000), any renewals, extensions, modifications or refinancing thereof and any promissory notes issued in substitution therefor; and

B. All other obligations of Mortgagors to Mortgagee, now existing or hereinafter arising, whether direct or indirect, contingent or absolute and whether as maker or surety, including, but not limited to, future advances and amounts, advanced and expenses incurred by Mortgagee pursuant to this Mortgage.

THIS PARAGRAPH SHALL NOT CONSTITUTE A COMMITMENT TO MAKE ADDITIONAL LOANS IN ANY AMOUNT.

3. Representations and Warranties of Mortgagors. Mortgagors represent, warrant and covenant to Mortgagees that (i) Mortgagors hold clear title to the Mortgaged Property and title in fee simple in the Land; (ii) Mortgagors have the right, power and authority to execute this Mortgage and to mortgage, and grant a security interest in the Mortgaged Property; (iii) The Mortgaged Property is free and clear of all liens and encumbrances, except for real estate taxes not yet delinquent and except as otherwise stated in subparagraph 1A. herein; (iv) Mortgagors will warrant and defend title to the Mortgaged Property and the lien and priority of this Mortgage against all claims and demands of all persons, whether now existing or hereafter arising; and (v) All buildings and improvements now or hereafter located on the Land are, or will be, located entirely within the boundaries of the Land.

4. Payment and Performance of Obligations. Mortgagors will pay all amounts payable under the Obligations in accordance with the terms of the Obligations when and as due and will timely perform all other Obligations of Mortgagors under the Obligations. The provisions of the Obligations are hereby incorporated by reference into this Mortgage as if fully set forth herein.

5. Taxes. Mortgagors shall pay each installment of all taxes and special assessments of every kind, now or hereafter levied against the Mortgaged Property before the same becomes delinquent, without notice or demand, and shall deliver to Mortgagee proof of such payment within fifteen (15) days after the date in which such tax or assessment becomes delinquent.

6. Liens. Mortgagors shall not create, incur or suffer to exist any lien, encumbrance, security interest or charge on the Mortgaged Property or any part thereof which might or could be held to be equal or prior to the lien of this Mortgage, other than the lien of current real estate taxes and installments of special assessments with respect to which no penalty is yet payable. Mortgagors shall pay, when due, the claims of all persons supplying labor or materials to or in connection with the Mortgaged Property.

7. Compliance With Laws. Mortgagors shall comply with all present and future statutes, laws, rules, orders, regulations and ordinances affecting the Mortgaged Property, any part thereof or the use thereof.

8. Permitted Contest. Mortgagors shall not be required to (i) pay any tax, assessment or other charge referred to in paragraph 5 hereof, (ii) discharge or remove any lien, encumbrance or charge referred to in paragraph 6 hereof, or (iii) comply with any statute, law, rule, regulation or ordinance referred to in paragraph 7 hereof, so long as Mortgagors shall contest, in good faith, the existence, amount or the validity thereof, the amount of damages caused thereby or the extent of Mortgagors' liability therefor, by appropriate proceedings which shall operate during the pendency thereof to prevent: (A) the collection of, or other realization upon the tax, assessment, charge or lien, encumbrances or charge so contested, (B) the sale, forfeiture or loss of the Mortgaged Property or any part thereof, and (C) any interference with the use or occupancy of the Mortgaged Property or any part thereof. Mortgagors shall give prompt written notice to Mortgagee of the commencement of any contest referred to in this paragraph 8.

9. Care of Property. Mortgagors shall take good care of the Mortgaged Property; shall keep the Buildings and Personal Property now or later placed upon the Mortgaged Property in good and reasonable repair and shall not injure, destroy or remove either the Buildings or Personal Property during the term of this Mortgage. Mortgagors shall not make any material alteration to the Mortgaged Property without the prior written consent of Mortgagee.

10. Insurance.

A. Risks to be Insured. Mortgagors, at their sole cost and expense, shall maintain insurance as follows:

(i) If this is a Construction Mortgage, during the period of construction, Mortgagors will maintain builder's risk insurance, written on the so-called "builder's risk completed value basis", in an amount equal to 100% of the insurable value of the Mortgaged Property at the date of completion, and with coverage available on the so-called all risk, non-reporting form of policy; provided that, to the extent that any contractor for such construction shall provide a duplicate insurance policy or builder's risk policy or certificate of insurance showing that the same coverage as is herein required is being carried by such contractor and adequately protects the interest of Mortgagee and Mortgagors with respect to the Mortgaged Property or a part thereof. Mortgagee shall not be required to maintain separate coverage. The insurance provided for by this subparagraph (i) with respect to the Mortgaged Property or such part thereof shall not be required while the Mortgaged Property or part thereof is so insured.

Mortgagee's interest shall be protected in accordance with a standard mortgagee clause.

(ii) If this is a Construction Mortgage, during the period of construction, Mortgagors will maintain comprehensive general liability insurance (including operations, contingent liability, operations of subcontractors, complete operations and contractual liability insurance) against bodily injury and property damage in amounts satisfactory to Mortgagee. If this is not a Construction Mortgage, or upon completion of construction, Mortgagors will maintain comprehensive general public liability insurance and property damage liability insurance in amounts satisfactory to Mortgagee to protect Mortgagors from claims (including all costs and expenses of defending the same) for personal injury, sickness, disease or death or for damage or injury to or destruction of property (including loss of use thereof) occurring in, on or about the Mortgaged Property.

(iii) If this is not a Construction Mortgage, or upon completion of construction, Mortgagors will maintain insurance on the Buildings and other improvements now existing or hereafter erected on the Land and on the Personal Property included in the Mortgaged Property against loss by fire, extended coverage perils and such other hazards as Mortgagee may from time to time require, such insurance to have a "Replacement Cost" endorsement attached thereto, with the amount of the insurance at least equal to the balance of the Obligations. At Mortgagors' option, such policy may have a coinsurance clause of not less than 90% of replacement cost provided the policy contains an appropriate form of cost escalation endorsement. Mortgagors will at their sole cost and expense, from time to time, and at any time at the request of Mortgagee, provide Mortgagee with evidence satisfactory to Mortgagee of the replacement cost of Mortgaged Property.

(iv) If this is a Construction Mortgage, during the period of construction, Mortgagors will maintain worker's compensation insurance with respect to all employees of Mortgagors and each contractor; and, if this is not a Construction Mortgage, or upon completion of construction, Mortgagors will maintain worker's compensation insurance with respect to all employees of Mortgagors.

(v) At all times, Mortgagors will maintain such other insurance as Mortgagee may reasonably require.

B. Policy Provisions. All insurance policies and renewals thereof maintained by Mortgagors pursuant to this Mortgage shall be written by an insurance carrier satisfactory to Mortgagee, contain a mortgagee clause in favor of and in form acceptable to Mortgagee, contain an agreement of the insurer that it will not amend, modify or cancel the policy except after thirty (30) days prior written notice to Mortgagee, and be reasonably satisfactory to Mortgagee in all other respects.

C. Delivery of Policy or Certificate. If requested by Mortgagee, Mortgagors will deliver to Mortgagee original policies satisfactory to Mortgagee evidencing the insurance which is required under this Mortgage, and Mortgagors shall promptly furnish to Mortgagee all renewal notices and, upon request of Mortgagee, evidence of payment thereof. At least ten (10) days prior to the expiration date of a required policy, Mortgagors shall deliver to Mortgagee a renewal policy in form satisfactory to Mortgagee.

D. Assignment of Policy. If the Mortgaged Property is sold at a foreclosure sale or if Mortgagee shall acquire title to the Mortgaged Property, Mortgagee shall have all of the right, title and interest of Mortgagors in and to any insurance policies required hereunder, and the unearned premiums thereon, and in and to the proceeds thereof resulting from any damage to the Mortgaged Property prior to such sale or acquisition.

E. Notice of Damage or Destruction; Adjusting Loss. If the Mortgaged Property or any part thereof shall be damaged or destroyed by fire or other casualty, Mortgagors will, within five (5) calendar days after the occurrence of such damage or destruction, give written notice thereof to the insurance carrier and to Mortgagee and will not adjust any damage or loss which is estimated by Mortgagors in good faith to exceed \$25,000 unless Mortgagee shall have joined in or concurred with such adjustment; but if there has been no adjustment of any such damage or loss within four (4) months from the date of occurrence thereof and if an Event of Default shall exist at the end of such four (4) month period or at any time thereafter, Mortgagee may alone make proof of loss, adjust and compromise any claim under the policies, and appear in and prosecute any action arising from such policies. In connection therewith, Mortgagors do hereby irrevocably authorize, empower and appoint Mortgagee as attorney-in-fact for Mortgagor (which appointment is coupled with an interest) to do any and all of the foregoing in the name and on behalf of Mortgagors.

F. Application of Insurance Proceeds. All sums paid under any insurance policy required by this Mortgage shall be paid to Mortgagee, which shall, at its option, apply the same (after first deducting therefrom Mortgagee's expenses incurred in collecting the same including but not limited to reasonable attorney's fees) to the reduction of the Obligations or to the payment of the restoration, repair, replacement or rebuilding of Mortgaged Property that is damaged or destroyed in such manner as Mortgagee shall determine and secondly to the reduction of the Obligations. Any application of insurance proceeds to principal of the Obligations shall not extend or postpone the due date of the installments payable under the Obligations or change the amount of such installments.

G. Reimbursement of Mortgagee's Expenses. Mortgagors shall promptly reimburse Mortgagee upon demand for all of Mortgagee's expenses incurred in connection with the collection of the insurance proceeds, including but not limited to reasonable attorneys' fees, and all such expenses shall be additional amounts secured by this Mortgage.

11. **Inspection.** Mortgagee, and its agents, shall have the right at all reasonable times, to enter upon the Mortgaged Property for the purpose of inspecting the Mortgaged Property or any part thereof. Mortgagee shall, however, have no duty to make such inspection. Any inspection of the Mortgaged Property by Mortgagee shall be entirely for its benefit and Mortgagors shall in no way rely or claim reliance thereon.

12. **Protection of Mortgagee's Security.** Subject to the rights of Mortgagors under paragraph 8 hereof, if Mortgagors fail to perform any of the covenants and agreements contained in this Mortgage or if any action or proceeding is commenced which affects the Mortgaged Property or the interest of the Mortgagee therein, or the title thereto, then Mortgagee, at Mortgagee's option, may perform such covenants and agreements, defend against or investigate such action or proceeding, and take such other action as Mortgagee deems necessary to protect Mortgagee's interest. Any amounts or expenses disbursed or incurred by Mortgagee in good faith pursuant to this paragraph 12 with interest thereon at the rate of **9% per annum**, shall become an Obligation of Mortgagors secured by this Mortgage. Such amounts advanced or disbursed by Mortgagee hereunder shall be immediately due and payable by Mortgagors unless Mortgagors and Mortgagee agree in writing to other terms of repayment. Mortgagee shall, at its option, be subrogated to the lien of any mortgage or other lien discharged in whole or in part by the Obligations or by Mortgagee under the provisions hereof, and any such subrogation rights shall be additional and cumulative security for this Mortgage. Nothing contained in this paragraph shall require Mortgagee to incur any expense or do any act hereunder, and Mortgagee shall not be liable to Mortgagors for any damage or claims arising out of action taken by Mortgagee pursuant to this paragraph.

13. **Condemnation.** Mortgagors shall give Mortgagee prompt notice of any action, actual or threatened, in condemnation or eminent domain and hereby assign, transfer and set over to Mortgagee the entire proceeds of any award or claim for damages for all or any part of the Mortgaged Property taken or damaged under the power of eminent domain or condemnation. Mortgagee is hereby authorized to intervene in any such action in the names of Mortgagors, to compromise and settle any such action or claim, and to collect and receive from the condemning authorities and give proper receipts and acquittances for such proceeds. Any expenses incurred by Mortgagee in intervening in such action or compromising and settling such action or claim, or collecting such proceeds shall be reimbursed to Mortgagee first out of the proceeds. The remaining proceeds or any part thereof shall be applied to reduction of that portion of the Obligations then most remotely to be paid, whether due or not, or to the restoration or

repair of the Mortgaged Property, the choice of application to be solely at the discretion of Mortgagee.

14. **Fixture Filing.** From the date of its recording, this Mortgage shall be effective as a financing statement filed as a fixture filing with respect to the Personal Property and for this purpose the name and address of the debtor is the name and address of Mortgagors as set forth in paragraph 20 herein and the name and address of the secured party is the name and address of the Mortgagee as set forth in paragraph 20 herein.

15. **Events of Default.** Each of the following occurrences shall constitute an event of default hereunder ("Event of Default"):

A. Mortgagors shall default in the due observance or performance of or breach its agreement contained in paragraph 4 hereof or shall default in the due observance or performance of or breach any other covenant, condition or agreement on its part to be observed or performed pursuant to the terms of this Mortgage.

B. Mortgagors shall make an assignment for the benefits of its creditors, or a petition shall be filed by or against Mortgagors under the United States Bankruptcy Code or Mortgagors shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of a material part of its properties or of the Mortgaged Property or shall not, within thirty (30) days after the appointment of a trustee, receiver or liquidator of any material part of its properties or of the Mortgaged Property, has such appointment vacated.

C. A judgment, writ or warrant of attachment or execution, or similar process shall be entered and become a lien on or be issued or levied against the Mortgaged Property or any part thereof which is not released, vacated or fully bonded within thirty (30) days after its entry, issue or levy.

D. An event of default, however defined, shall occur under any other mortgage, assignment or other security document constituting a lien on the Mortgaged Property or any part thereof.

16. **Acceleration; Foreclosure.** Upon the occurrence of any Event of Default and at any time thereafter while such Event of Default exists, Mortgagee may, at its option, exercise one or more of the following rights and remedies (and any other rights and remedies available to it):

A. Mortgagee may declare immediately due and payable all Obligations secured by this Mortgage, and the same shall thereupon be immediately due and payable, without further notice or demand.

B. Mortgagee shall have and may exercise with respect to the Personal Property, all the rights and remedies accorded upon default to a secured party under the Iowa Uniform Commercial Code. If notice to Mortgagors of intended disposition of such property is required by law in a particular instance, such notice shall be deemed commercially reasonable if given to Mortgagors at least ten (10) days prior to the date of intended disposition.

C. Mortgagee may (and is hereby authorized and empowered to) foreclose this Mortgage in accordance with the law of the State of Iowa, and at any time after the commencement of an action in foreclosure, or during the period of redemption, the court having jurisdiction of the case shall at the request of Mortgagee appoint a receiver to take immediate possession of the Mortgaged Property and of the Revenues and Income accruing therefrom, and to rent or cultivate the same as he may deem best for the interest of all parties concerned, and such receiver shall be liable to account to Mortgagors only for the net profits, after application of rents, issues and profits upon the costs and expenses of the receivership and foreclosure and upon the Obligations.

17. **Redemption.** It is agreed that if this mortgage covers less than ten (10) acres of land, and in the event of the foreclosure of this Mortgage and sale of the property by sheriff's sale in such foreclosure proceedings, the time of one year for redemption from said sale provided by the statutes of the State of Iowa shall be reduced to six (6) months provided the Mortgagee, in such action files an election to waive any deficiency judgment against Mortgagors which may arise out of the foreclosure proceedings; all to be consistent with the provisions of Chapter 628 of the Iowa Code. If the redemption period is so reduced, for the first three (3) months after sale such right of redemption shall be exclusive to the Mortgagee, and the time periods in Sections 628.5, 628.15 and 628.16 of the Iowa Code shall be reduced to four (4) months.

It is further agreed that the period of redemption after a foreclosure of this Mortgage shall be reduced to sixty (60) days if all of the three following contingencies develop:

- (1) The real estate is less than ten (10) acres in size;
- (2) The Court finds affirmatively that the said real estate has been abandoned by the owners and those persons personally liable under this Mortgage at the time of such foreclosure; and
- (3) Mortgagee in such action files an election to waiver any deficiency judgment against Mortgagors or their successor in interest in such action. If the redemption period is so reduced, Mortgagors or their successors in interest or the owner shall have the exclusive right to redeem for the first thirty (30) days after such sale, and the time provided for redemption by creditors as provided in Sections 628.5, 628.15 and 628.16 of the Iowa Code shall be reduced to forty (40) days. Entry of appearance by

pleading or docket entry by or on behalf of Mortgagors shall be a presumption that the property is not abandoned. Any such redemption period shall be consistent with all of the provisions of Chapter 628 of the Iowa Code. This paragraph shall not be construed to limit or otherwise affect any other redemption provisions contained in Chapter 628 of the Iowa Code.

18. Attorney's Fees. Mortgagors shall pay on demand all costs and expenses incurred by Mortgagee in enforcing or protecting its rights and remedies hereunder, including, but limited to, reasonable attorneys' fees and legal expenses.

19. Forbearance Not a Waiver, Rights and Remedies Cumulative. No delay by Mortgagee in exercising any right or remedy provided herein or otherwise afforded by law or equity shall be deemed a waiver of or preclude the exercise of such right or remedy, and no waiver by Mortgagee of any particular provisions of this Mortgage shall be deemed effective unless in writing signed by Mortgagee. All such rights and remedies provided for herein or which Mortgagee or the holder of the Obligations may have otherwise, at law or in equity, shall be distinct, separate and cumulative and may be exercised concurrently, independently or successively in any order whatsoever, and as often as the occasion therefor arises.

20. Notices. All notices required to be given hereunder shall be in writing and deemed given when personally delivered or deposited in the United States mail, postage prepaid, sent certified or registered, addressed as follows:

A. If to Mortgagors, to:

413 Pierce Street, LLC
2430 South 73rd Street
Suite 200
Omaha, NE 68124

B. If to Mortgagee, to:

City of Sioux City, Iowa
c/o Economic Development Dept.
P.O. Box 447
405 Sixth Street
Sioux City, Iowa 51102

or to such other address or person as hereafter designated in writing by the applicable party in the manner provided in this paragraph for the giving of notices.

21. **Severability.** In the event any portion of this Mortgage shall, for any reason, be held to be invalid, illegal or unenforceable in whole or in part, the remaining provisions shall not be affected thereby and shall continue to be valid and enforceable and if, for any reason, a court finds that any provision of this Mortgage is invalid, illegal, or unenforceable as written, but that by limiting such provision it would become valid, legal and enforceable then such provision shall be deemed to be written, construed and enforced as so limited.

22. **Further Assurances.** At any time and from time to time until payment in full of the Obligations, Mortgagors will, at the request of Mortgagee, promptly execute and deliver to Mortgagee such additional instruments as may be reasonably required to further evidence the lien of this Mortgage to further protect the security interest of Mortgagee with respect to the Mortgaged Property, including, but not limited to, additional security agreements, financing statements and continuation statements. Any expenses incurred by Mortgagee in connection with the recordation of any such instruments shall become additional Obligations of Mortgagors secured by this Mortgage. Such amounts shall be immediately due and payable by Mortgagors to Mortgagee.

23. **Successors and Assigns bound; Number; Gender; Agents; Captions.** The rights, covenants and agreements contained herein shall be binding upon and inure to the benefit of the respective legal representatives, successors and assigns of the parties. Words and phrases contained herein, including acknowledgment hereof, shall be construed as in the singular or plural number, and as masculine, feminine or neuter gender according to the contexts. The captions and headings of the paragraphs of this Mortgage are for convenience only and are not to be used to interpret or define the provisions hereof.

24. **Governing Law.** This Mortgage shall be governed by and construed in accordance with the laws of the State of Iowa.

25. **Release and Rights of Dower; Homestead and Distributive Share.** Each of the undersign hereby relinquishes all rights of dower, homestead and distributive share in and to the Mortgaged Property and waives all rights of exemption as to any of the Mortgaged Property.

26. **Acknowledgment of Receipt of Copies of Debt Instrument.** Mortgagors hereby acknowledge the receipt of a copy of this Mortgage together with a copy of each promissory note secured hereby.

27. **Additional Provisions.**

Dated: _____, 2017.

MORTGAGORS:

413 Pierce Street, LLC

By: _____
James T. Royer, Managing Member

I UNDERSTAND THAT HOMESTEAD PROPERTY IS IN MANY CASES PROTECTED FROM THE CLAIMS OF CREDITORS AND EXEMPT FROM JUDICIAL SALE; AND THAT BY SIGNING THIS MORTGAGE, I VOLUNTARILY GIVE UP MY RIGHT TO THIS PROTECTION FOR THIS MORTGAGED PROPERTY WITH RESPECT TO CLAIMS BASED UPON THIS MORTGAGE.

Dated: _____, 2017

James T Royer, Managing Member

STATE OF _____ }
 } SS:
COUNTY OF _____ }

On this ____ day of _____, 20 ____, before me, the undersigned, a Notary Public, personally appeared James T. Royer to me known to be the identical persons named in and who executed the foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed.

Notary Public in and for said County and State

CORPORATE CERTIFICATE OF ACKNOWLEDGMENT

STATE OF _____)
) ss
COUNTY OF _____)

On this _____ day of _____, 2017, before me, a Notary Public in and for _____ County, State of _____, personally appeared James T. Royer, to me personally known, who being by me duly sworn did state that he is the Managing Member of said company, that said Limited Liability Company has no corporate seal and that said instrument was signed on behalf of said Limited Liability Company by authority of its board of directors, and that the said Managing Member acknowledged the execution of said instrument to be the voluntary act and deed of said Limited Liability Company by each of them voluntarily executed.

Notary Public in and for said County and State

EXHIBIT G-2

MORTGAGE
(Open-End)

Motor Mart, LLC

DATE AND PARTIES. The date of this Mortgage ("Mortgage") is _____
2017, and the parties and their addresses are as follows:

MORTGAGORS: Motor Mart, LLC
2430 South 73rd Street
Suite 200
Omaha, NE 68124

MORTGAGEE: CITY OF SIOUX CITY, IOWA
c/o Economic Development Dept.
PO Box 447
405 Sixth Street
Sioux City, Iowa 51102

THIS MORTGAGE ("Mortgage") encumbers both real and personal property, contains an after-acquired property clause and secures present and future loans and advances.

NOTICE: This Mortgage secures credit in the amount of **Four Hundred Thousand Dollars (\$400,000)** Loans and advances up to this amount, together with interest are senior to indebtedness to other creditors under subsequently recorded or filed mortgages and liens.

_____ If this box is checked, this Mortgage also constitutes a Construction Mortgage as defined in the Iowa Code.

This Mortgage is made between **Motor Mart, LLC** ("Mortgagors") and the **City of Sioux City, Iowa** ("Mortgagee").

1. **Grant of Mortgage and Security Interest.** Mortgagors hereby sell, convey and mortgage unto Mortgagee, and grant a security interest to Mortgagee in the following described property:

A. Land and Buildings. All of Mortgagors' right, title and interest in and to the following described real estate situated in Woodbury County, Iowa (the "Land");

LEGAL DESCRIPTION

Lots Six (6), Seven (7) and Eight (8), Block Three (3), Sioux City East Addition, in the County of Woodbury and State of Iowa AND Lots One (1), Two (2) and Three (3) in Block Eleven (11), Sioux City East Addition in the County of Woodbury and State of Iowa. (Commonly known as 520 Nebraska Street, Sioux City, IA 51101)

AND

The North Half of Lot 10, all of Lot 11, and all of Lot 12, in Block 11, Sioux City East Addition, in the County of Woodbury and State of Iowa, subject to easements and restrictions of record.

Commonly known as 520 Nebraska Street, Sioux City, IA 51101.

and all buildings, structures and improvements now standing or at any time hereafter constructed or placed upon the Land (the "Buildings"), including all hereditaments, easements, appurtenances, riparian rights, mineral rights, water rights, rights in and to the lands lying in streets, alleys and roads adjoining the land, estates and other rights and interests now or hereafter belonging to or in any way pertaining to the Land.

B. Personal Property. All fixtures and other personal property integrally belonging to, or hereafter becoming an integral part of the Land or Buildings, whether attached or detached, including but not limited to, light fixtures, shades, rods, blinds, venetian blinds, awnings, storm windows, screens, linoleum, water softeners, automatic heating and air conditioning equipment and all proceeds, products, increase, issue, accessions, attachments, accessories, parts, additions, repairs, replacements and substitutes of, to, and for the foregoing (the "Personal Property").

C. Revenues and Income. All rents, issues, profits, leases, condemnation awards and insurance proceeds now or hereafter arising from the ownership, occupancy or use of the Land, Buildings and Personal Property, or any part thereof (the "Revenues and Income").

TO HAVE AND TO HOLD the Land, Buildings, Personal Property and Revenues and Income (collectively called the "Mortgaged Property"), together with all privileges, hereditaments thereunto now or hereafter belonging, or in any way appertaining and the products and proceeds thereof, unto Mortgagee, its successors and assigns.

2. **Obligations.** This Mortgage secures the following (hereinafter collectively referred to as the "Obligations"):

A. The payment of the loan made by Mortgagee to Motor Mart, LLC, evidenced by a promissory note dated _____, 2017, in the principal amount of Four Hundred Thousand \$400,000, any renewals, extensions, modifications or refinancing thereof and any promissory notes issued in substitution therefor; and

B. All other obligations of Mortgagors to Mortgagee, now existing or hereinafter arising, whether direct or indirect, contingent or absolute and whether as maker or surety, including, but not limited to, future advances and amounts, advanced and expenses incurred by Mortgagee pursuant to this Mortgage.

THIS PARAGRAPH SHALL NOT CONSTITUTE A COMMITMENT TO MAKE ADDITIONAL LOANS IN ANY AMOUNT.

3. **Representations and Warranties of Mortgagors.** Mortgagors represent, warrant and covenant to Mortgagees that (i) Mortgagors hold clear title to the Mortgaged Property and title in fee simple in the Land; (ii) Mortgagors have the right, power and authority to execute this Mortgage and to mortgage, and grant a security interest in the Mortgaged Property; (iii) The Mortgaged Property is free and clear of all liens and encumbrances, except for real estate taxes not yet delinquent and except as otherwise stated in subparagraph 1A. herein; (iv) Mortgagors will warrant and defend title to the Mortgaged Property and the lien and priority of this Mortgage against all claims and demands of all persons, whether now existing or hereafter arising; and (v) All buildings and improvements now or hereafter located on the Land are, or will be, located entirely within the boundaries of the Land.

4. **Payment and Performance of Obligations.** Mortgagors will pay all amounts payable under the Obligations in accordance with the terms of the Obligations when and as due and will timely perform all other Obligations of Mortgagors under the Obligations. The provisions of the Obligations are hereby incorporated by reference into this Mortgage as if fully set forth herein.

5. **Taxes.** Mortgagors shall pay each installment of all taxes and special assessments of every kind, now or hereafter levied against the Mortgaged Property before the same becomes delinquent, without notice or demand, and shall deliver to Mortgagee proof of such payment within fifteen (15) days after the date in which such tax or assessment becomes delinquent.

6. **Liens.** Mortgagors shall not create, incur or suffer to exist any lien, encumbrance, security interest or charge on the Mortgaged Property or any part thereof which might or could be held to be equal or prior to the lien of this Mortgage, other than the lien of

current real estate taxes and installments of special assessments with respect to which no penalty is yet payable. Mortgagors shall pay, when due, the claims of all persons supplying labor or materials to or in connection with the Mortgaged Property.

7. Compliance With Laws. Mortgagors shall comply with all present and future statutes, laws, rules, orders, regulations and ordinances affecting the Mortgaged Property, any part thereof or the use thereof.

8. Permitted Contest. Mortgagors shall not be required to (i) pay any tax, assessment or other charge referred to in paragraph 5 hereof, (ii) discharge or remove any lien, encumbrance or charge referred to in paragraph 6 hereof, or (iii) comply with any statute, law, rule, regulation or ordinance referred to in paragraph 7 hereof, so long as Mortgagors shall contest, in good faith, the existence, amount or the validity thereof, the amount of damages caused thereby or the extent of Mortgagors' liability therefor, by appropriate proceedings which shall operate during the pendency thereof to prevent: (A) the collection of, or other realization upon the tax, assessment, charge or lien, encumbrances or charge so contested, (B) the sale, forfeiture or loss of the Mortgaged Property or any part thereof, and (C) any interference with the use or occupancy of the Mortgaged Property or any part thereof. Mortgagors shall give prompt written notice to Mortgagee of the commencement of any contest referred to in this paragraph 8.

9. Care of Property. Mortgagors shall take good care of the Mortgaged Property; shall keep the Buildings and Personal Property now or later placed upon the Mortgaged Property in good and reasonable repair and shall not injure, destroy or remove either the Buildings or Personal Property during the term of this Mortgage. Mortgagors shall not make any material alteration to the Mortgaged Property without the prior written consent of Mortgagee.

10. Insurance.

A. Risks to be Insured. Mortgagors, at their sole cost and expense, shall maintain insurance as follows:

(i) If this is a Construction Mortgage, during the period of construction, Mortgagors will maintain builder's risk insurance, written on the so-called "builder's risk completed value basis", in an amount equal to 100% of the insurable value of the Mortgaged Property at the date of completion, and with coverage available on the so-called all risk, non-reporting form of policy; provided that, to the extent that any contractor for such construction shall provide a duplicate insurance policy or builder's risk policy or certificate of insurance showing that the same coverage as is herein required is being carried by such contractor and adequately protects the interest of Mortgagee and Mortgagors with respect to the Mortgaged Property or a part thereof. Mortgagee shall not be

required to maintain separate coverage. The insurance provided for by this subparagraph (i) with respect to the Mortgaged Property or such part thereof shall not be required while the Mortgaged Property or part thereof is so insured. Mortgagee's interest shall be protected in accordance with a standard mortgagee clause.

(ii) If this is a Construction Mortgage, during the period of construction, Mortgagors will maintain comprehensive general liability insurance (including operations, contingent liability, operations of subcontractors, complete operations and contractual liability insurance) against bodily injury and property damage in amounts satisfactory to Mortgagee. If this is not a Construction Mortgage, or upon completion of construction, Mortgagors will maintain comprehensive general public liability insurance and property damage liability insurance in amounts satisfactory to Mortgagee to protect Mortgagors from claims (including all costs and expenses of defending the same) for personal injury, sickness, disease or death or for damage or injury to or destruction of property (including loss of use thereof) occurring in, on or about the Mortgaged Property.

(iii) If this is not a Construction Mortgage, or upon completion of construction, Mortgagors will maintain insurance on the Buildings and other improvements now existing or hereafter erected on the Land and on the Personal Property included in the Mortgaged Property against loss by fire, extended coverage perils and such other hazards as Mortgagee may from time to time require, such insurance to have a "Replacement Cost" endorsement attached thereto, with the amount of the insurance at least equal to the balance of the Obligations. At Mortgagors' option, such policy may have a coinsurance clause of not less than 90% of replacement cost provided the policy contains an appropriate form of cost escalation endorsement. Mortgagors will at their sole cost and expense, from time to time, and at any time at the request of Mortgagee, provide Mortgagee with evidence satisfactory to Mortgagee of the replacement cost of Mortgaged Property.

(iv) If this is a Construction Mortgage, during the period of construction, Mortgagors will maintain worker's compensation insurance with respect to all employees of Mortgagors and each contractor; and, if this is not a Construction Mortgage, or upon completion of construction, Mortgagors will maintain worker's compensation insurance with respect to all employees of Mortgagors.

(v) At all times, Mortgagors will maintain such other insurance as Mortgagee may reasonably require.

B. Policy Provisions. All insurance policies and renewals thereof maintained by Mortgagors pursuant to this Mortgage shall be written by an insurance carrier satisfactory to Mortgagee, contain a mortgagee clause in favor of and in form

acceptable to Mortgagee, contain an agreement of the insurer that it will not amend, modify or cancel the policy except after thirty (30) days prior written notice to Mortgagee, and be reasonably satisfactory to Mortgagee in all other respects.

C. Delivery of Policy or Certificate. If requested by Mortgagee, Mortgagors will deliver to Mortgagee original policies satisfactory to Mortgagee evidencing the insurance which is required under this Mortgage, and Mortgagors shall promptly furnish to Mortgagee all renewal notices and, upon request of Mortgagee, evidence of payment thereof. At least ten (10) days prior to the expiration date of a required policy, Mortgagors shall deliver to Mortgagee a renewal policy in form satisfactory to Mortgagee.

D. Assignment of Policy. If the Mortgaged Property is sold at a foreclosure sale or if Mortgagee shall acquire title to the Mortgaged Property, Mortgagee shall have all of the right, title and interest of Mortgagors in and to any insurance policies required hereunder, and the unearned premiums thereon, and in and to the proceeds thereof resulting from any damage to the Mortgaged Property prior to such sale or acquisition.

E. Notice of Damage or Destruction: Adjusting Loss. If the Mortgaged Property or any part thereof shall be damaged or destroyed by fire or other casualty, Mortgagors will, within five (5) calendar days after the occurrence of such damage or destruction, give written notice thereof to the insurance carrier and to Mortgagee and will not adjust any damage or loss which is estimated by Mortgagors in good faith to exceed \$25,000 unless Mortgagee shall have joined in or concurred with such adjustment; but if there has been no adjustment of any such damage or loss within four (4) months from the date of occurrence thereof and if an Event of Default shall exist at the end of such four (4) month period or at any time thereafter, Mortgagee may alone make proof of loss, adjust and compromise any claim under the policies, and appear in and prosecute any action arising from such policies. In connection therewith, Mortgagors do hereby irrevocably authorize, empower and appoint Mortgagee as attorney-in-fact for Mortgagor (which appointment is coupled with an interest) to do any and all of the foregoing in the name and on behalf of Mortgagors.

F. Application of Insurance Proceeds. All sums paid under any insurance policy required by this Mortgage shall be paid to Mortgagee, which shall, at its option, apply the same (after first deducting therefrom Mortgagee's expenses incurred in collecting the same including but not limited to reasonable attorney's fees) to the reduction of the Obligations or to the payment of the restoration, repair, replacement or rebuilding of Mortgaged Property that is damaged or destroyed in such manner as Mortgagee shall determine and secondly to the reduction of the Obligations. Any application of insurance proceeds to principal of the Obligations shall not extend or postpone the

due date of the installments payable under the Obligations or change the amount of such installments.

G. Reimbursement of Mortgagee's Expenses. Mortgagors shall promptly reimburse Mortgagee upon demand for all of Mortgagee's expenses incurred in connection with the collection of the insurance proceeds, including but not limited to reasonable attorneys' fees, and all such expenses shall be additional amounts secured by this Mortgage.

11. **Inspection.** Mortgagee, and its agents, shall have the right at all reasonable times, to enter upon the Mortgaged Property for the purpose of inspecting the Mortgaged Property or any part thereof. Mortgagee shall, however, have no duty to make such inspection. Any inspection of the Mortgaged Property by Mortgagee shall be entirely for its benefit and Mortgagors shall in no way rely or claim reliance thereon.

12. **Protection of Mortgagee's Security.** Subject to the rights of Mortgagors under paragraph 8 hereof, if Mortgagors fail to perform any of the covenants and agreements contained in this Mortgage or if any action or proceeding is commenced which affects the Mortgaged Property or the interest of the Mortgagee therein, or the title thereto, then Mortgagee, at Mortgagee's option, may perform such covenants and agreements, defend against or investigate such action or proceeding, and take such other action as Mortgagee deems necessary to protect Mortgagee's interest. Any amounts or expenses disbursed or incurred by Mortgagee in good faith pursuant to this paragraph 12 with interest thereon at the rate of **9% per annum**, shall become an Obligation of Mortgagors secured by this Mortgage. Such amounts advanced or disbursed by Mortgagee hereunder shall be immediately due and payable by Mortgagors unless Mortgagors and Mortgagee agree in writing to other terms of repayment. Mortgagee shall, at its option, be subrogated to the lien of any mortgage or other lien discharged in whole or in part by the Obligations or by Mortgagee under the provisions hereof, and any such subrogation rights shall be additional and cumulative security for this Mortgage. Nothing contained in this paragraph shall require Mortgagee to incur any expense or do any act hereunder, and Mortgagee shall not be liable to Mortgagors for any damage or claims arising out of action taken by Mortgagee pursuant to this paragraph.

13. **Condemnation.** Mortgagors shall give Mortgagee prompt notice of any action, actual or threatened, in condemnation or eminent domain and hereby assign, transfer and set over to Mortgagee the entire proceeds of any award or claim for damages for all or any part of the Mortgaged Property taken or damaged under the power of eminent domain or condemnation. Mortgagee is hereby authorized to intervene in any such action in the names of Mortgagors, to compromise and settle any such action or claim, and to collect and receive from the condemning authorities and give proper receipts and acquittances for such proceeds. Any expenses incurred by Mortgagee in intervening in such action or compromising and settling such action or claim, or collecting such

proceeds shall be reimbursed to Mortgagee first out of the proceeds. The remaining proceeds or any part thereof shall be applied to reduction of that portion of the Obligations then most remotely to be paid, whether due or not, or to the restoration or repair of the Mortgaged Property, the choice of application to be solely at the discretion of Mortgagee.

14. **Fixture Filing.** From the date of its recording, this Mortgage shall be effective as a financing statement filed as a fixture filing with respect to the Personal Property and for this purpose the name and address of the debtor is the name and address of Mortgagors as set forth in paragraph 20 herein and the name and address of the secured party is the name and address of the Mortgagee as set forth in paragraph 20 herein.

15. **Events of Default.** Each of the following occurrences shall constitute an event of default hereunder ("Event of Default"):

A. Mortgagors shall default in the due observance or performance of or breach its agreement contained in paragraph 4 hereof or shall default in the due observance or performance of or breach any other covenant, condition or agreement on its part to be observed or performed pursuant to the terms of this Mortgage.

B. Mortgagors shall make an assignment for the benefits of its creditors, or a petition shall be filed by or against Mortgagors under the United States Bankruptcy Code or Mortgagors shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of a material part of its properties or of the Mortgaged Property or shall not, within thirty (30) days after the appointment of a trustee, receiver or liquidator of any material part of its properties or of the Mortgaged Property, has such appointment vacated.

C. A judgment, writ or warrant of attachment or execution, or similar process shall be entered and become a lien on or be issued or levied against the Mortgaged Property or any part thereof which is not released, vacated or fully bonded within thirty (30) days after its entry, issue or levy.

D. An event of default, however defined, shall occur under any other mortgage, assignment or other security document constituting a lien on the Mortgaged Property or any part thereof.

16. **Acceleration; Foreclosure.** Upon the occurrence of any Event of Default and at any time thereafter while such Event of Default exists, Mortgagee may, at its option, exercise one or more of the following rights and remedies (and any other rights and remedies available to it):

A. Mortgagee may declare immediately due and payable all Obligations secured by this Mortgage, and the same shall thereupon be immediately due and payable, without further notice or demand.

B. Mortgagee shall have and may exercise with respect to the Personal Property, all the rights and remedies accorded upon default to a secured party under the Iowa Uniform Commercial Code. If notice to Mortgagors of intended disposition of such property is required by law in a particular instance, such notice shall be deemed commercially reasonable if given to Mortgagors at least ten (10) days prior to the date of intended disposition.

C. Mortgagee may (and is hereby authorized and empowered to) foreclose this Mortgage in accordance with the law of the State of Iowa, and at any time after the commencement of an action in foreclosure, or during the period of redemption, the court having jurisdiction of the case shall at the request of Mortgagee appoint a receiver to take immediate possession of the Mortgaged Property and of the Revenues and Income accruing therefrom, and to rent or cultivate the same as he may deem best for the interest of all parties concerned, and such receiver shall be liable to account to Mortgagors only for the net profits, after application of rents, issues and profits upon the costs and expenses of the receivership and foreclosure and upon the Obligations.

17. Redemption. It is agreed that if this mortgage covers less than ten (10) acres of land, and in the event of the foreclosure of this Mortgage and sale of the property by sheriff's sale in such foreclosure proceedings, the time of one year for redemption from said sale provided by the statutes of the State of Iowa shall be reduced to six (6) months provided the Mortgagee, in such action files an election to waive any deficiency judgment against Mortgagors which may arise out of the foreclosure proceedings; all to be consistent with the provisions of Chapter 628 of the Iowa Code. If the redemption period is so reduced, for the first three (3) months after sale such right of redemption shall be exclusive to the Mortgagee, and the time periods in Sections 628.5, 628.15 and 628.16 of the Iowa Code shall be reduced to four (4) months.

It is further agreed that the period of redemption after a foreclosure of this Mortgage shall be reduced to sixty (60) days if all of the three following contingencies develop:

- (1) The real estate is less than ten (10) acres in size;
- (2) The Court finds affirmatively that the said real estate has been abandoned by the owners and those persons personally liable under this Mortgage at the time of such foreclosure; and
- (3) Mortgagee in such action files an election to waiver any deficiency judgment against Mortgagors or their successor in interest in such action. If the redemption

period is so reduced, Mortgagors or their successors in interest or the owner shall have the exclusive right to redeem for the first thirty (30) days after such sale, and the time provided for redemption by creditors as provided in Sections 628.5, 628.15 and 628.16 of the Iowa Code shall be reduced to forty (40) days. Entry of appearance by pleading or docket entry by or on behalf of Mortgagors shall be a presumption that the property is not abandoned. Any such redemption period shall be consistent with all of the provisions of Chapter 628 of the Iowa Code. This paragraph shall not be construed to limit or otherwise affect any other redemption provisions contained in Chapter 628 of the Iowa Code.

18. **Attorney's Fees.** Mortgagors shall pay on demand all costs and expenses incurred by Mortgagee in enforcing or protecting its rights and remedies hereunder, including, but limited to, reasonable attorneys' fees and legal expenses.

19. **Forbearance Not a Waiver, Rights and Remedies Cumulative.** No delay by Mortgagee in exercising any right or remedy provided herein or otherwise afforded by law or equity shall be deemed a waiver of or preclude the exercise of such right or remedy, and no waiver by Mortgagee of any particular provisions of this Mortgage shall be deemed effective unless in writing signed by Mortgagee. All such rights and remedies provided for herein or which Mortgagee or the holder of the Obligations may have otherwise, at law or in equity, shall be distinct, separate and cumulative and may be exercised concurrently, independently or successively in any order whatsoever, and as often as the occasion therefor arises.

20. **Notices.** All notices required to be given hereunder shall be in writing and deemed given when personally delivered or deposited in the United States mail, postage prepaid, sent certified or registered, addressed as follows:

A. If to Mortgagors, to:

Motor Mart, LLC
2430 South 73rd Street
Suite 200
Omaha, NE 68124

B. If to Mortgagee, to:

City of Sioux City, Iowa
c/o Economic Development Dept.
P.O. Box 447
405 Sixth Street
Sioux City, Iowa 51102

or to such other address or person as hereafter designated in writing by the applicable party in the manner provided in this paragraph for the giving of notices.

21. **Severability.** In the event any portion of this Mortgage shall, for any reason, be held to be invalid, illegal or unenforceable in whole or in part, the remaining provisions shall not be affected thereby and shall continue to be valid and enforceable and if, for any reason, a court finds that any provision of this Mortgage is invalid, illegal, or unenforceable as written, but that by limiting such provision it would become valid, legal and enforceable then such provision shall be deemed to be written, construed and enforced as so limited.

22. **Further Assurances.** At any time and from time to time until payment in full of the Obligations, Mortgagors will, at the request of Mortgagee, promptly execute and deliver to Mortgagee such additional instruments as may be reasonably required to further evidence the lien of this Mortgage to further protect the security interest of Mortgagee with respect to the Mortgaged Property, including, but not limited to, additional security agreements, financing statements and continuation statements. Any expenses incurred by Mortgagee in connection with the recordation of any such instruments shall become additional Obligations of Mortgagors secured by this Mortgage. Such amounts shall be immediately due and payable by Mortgagors to Mortgagee.

23. **Successors and Assigns bound; Number; Gender; Agents; Captions.** The rights, covenants and agreements contained herein shall be binding upon and inure to the benefit of the respective legal representatives, successors and assigns of the parties. Words and phrases contained herein, including acknowledgment hereof, shall be construed as in the singular or plural number, and as masculine, feminine or neuter gender according to the contexts. The captions and headings of the paragraphs of this Mortgage are for convenience only and are not to be used to interpret or define the provisions hereof.

24. **Governing Law.** This Mortgage shall be governed by and construed in accordance with the laws of the State of Iowa.

25. **Release and Rights of Dower; Homestead and Distributive Share.** Each of the undersign hereby relinquishes all rights of dower, homestead and distributive share in and to the Mortgaged Property and waives all rights of exemption as to any of the Mortgaged Property.

26. **Acknowledgment of Receipt of Copies of Debt Instrument.** Mortgagors hereby acknowledge the receipt of a copy of this Mortgage together with a copy of each promissory note secured hereby.

27. **Additional Provisions.**

EXHIBIT H-1

CITY OF SIOUX CITY, IOWA

LOAN AND SERVICING AGREEMENT

413 PIERCE STREET, LLC

Loan and Servicing Agreement, executed this _____ day of _____, 2017, by and between the **City of Sioux City, Iowa** (the City), an Iowa municipal corporation with principal offices at City Hall, P.O. Box 447, 405 6th Street, Sioux City, Iowa 51102, and **413 Pierce Street, LLC**, (Borrower) a Nebraska Limited Liability Company, with principal offices at 2430 South 73rd Street, Suite 200, Omaha, Nebraska.

WITNESSETH

WHEREAS, the City and Borrower have heretofore or will hereafter enter into certain undertakings and agreements and execute certain instruments, including security and collateral instruments, for the purpose of enabling the City to lend to Borrower the initial sum of Two Hundred Thousand Dollars (**\$200,000**); and

WHEREAS, the City may lawfully lend said funds and Borrower may lawfully borrow same;

NOW, THEREFORE, in consideration of the mutual covenants and undertakings of the parties expressed below, the parties hereby covenant and agree as follows:

1. Scope of Undertaking. It is understood and acknowledged that the City shall lend funds to Borrower to enable Borrower to expand its facility and operations in Sioux City, Iowa, as noted in the description attached hereto as Exhibit "A".
2. Loan. To further assist in the financial undertaking described in Section 1 above, the City shall lend Borrower the sum of Two Hundred Thousand Dollars (\$200,000), subject to the terms and conditions of this Agreement and any ancillary agreements and instruments.
3. Note. The loan to Borrower shall be evidenced by a promissory note in a form acceptable to the City, executed by Borrower's duly authorized official(s).
4. Payment. Repayment of the loan provided for in Sections 1 and 2 above shall be made under the terms and conditions contained in the promissory note for said loan.

5. Responsibility of the City. The City shall be responsible for the administration, monitoring and servicing of the loan provided for in Sections 1 and 2 above from the inception of said loan project through payment in full of all obligations to the City. All servicing actions of the City are expressly made subject to the terms of this Agreement, any promissory notes, security agreements and related instruments executed by and between the City and Borrower.

6. Method of Repayment. Borrower shall repay the City loan by making payments directly to the City at the address first written above in a sum computed as described in the promissory note evidencing said loan.

7. Additional Affirmative Covenants of Borrower. Borrower covenants, warrants, guarantees and represents:

(a) It shall fully and faithfully repay the principal and interest due on all other debt of Borrower now existing or hereafter acquired;

(b) It is duly authorized and existing in good standing under the laws of the State of Iowa and has the power to own its property and carry on its business as it is now being conducted;

(c) It has the full power and authority to enter into this Agreement, undertake the borrowings provided for or reflected herein, and deliver the note or notes, and to execute and deliver the instruments and documents which may be required pursuant hereto, all of which have been duly authorized by the proper, appropriate and necessary action of the officers; no consent or approval of any public authority or regulatory agency is required as a condition of validity of the obligation of Borrower under this Agreement; the note or notes or the documents or instruments contemplated hereby other than those consents or approvals which have already been obtained and copies of which have been delivered or will be delivered to the City pursuant to this or any ancillary agreements;

(d) There is no bylaw provision of Borrower and no provision of any existing mortgage, indenture, contract, or agreement binding upon Borrower which would conflict with or in any way prevent the execution, delivery or performance of the terms of this Agreement;

(e) It will provide and maintain hazard insurance in such amounts and for such coverages as shall be satisfactory to the City. All such policies shall specify the City as a mortgagee and loss payable. Borrower will further purchase Federal Flood Insurance in amounts and coverages satisfactory to the City if Borrower becomes located within a special flood hazard area as defined by FEMA during the term of this loan and Federal Flood Insurance is available;

(f) Upon the City's request the Borrower will submit to the City, financial statements consisting of an Income Statement, Balance Sheet and Profit and Loss Statements; and a statement of employment levels. The statements will be certified as true and correct copies by Borrower.

8. Employment Opportunity. Borrower shall not discriminate against any applicant for employment or employee on the basis of race, color, religion, sex, national origin, handicap or disability. Borrower shall undertake whatever affirmative measures are necessary so that no person shall, on the grounds of race, color, religion, national origin, sex, age, handicap, disability gender identity, or sexual orientation, be excluded from employment with the Borrower. Borrower has made certain representations regarding the job impact of the financial undertaking contemplated in Section 1 of this Agreement. To document the validity of those representations, Borrower shall provide such reports as may be required from time to time by the City.

9. Events of Default. If any of the following events shall occur and be continuing, the City may declare the loan to be in default:

(a) There is a material change in ownership or control, except death of a shareholder, of the Borrower without the prior written consent of the City, which shall not be unreasonably withheld;

(b) Borrower shall file a petition in the U.S. Bankruptcy Court or an involuntary petition shall be so filed against Borrower;

(c) Breach of any of the covenants, promises or conditions of any note, security agreement or other agreement with the holder, which breach shall not be remedied within 60 days of notice in writing by the City to the Borrower;

(d) The City, in good faith, deems itself insecure. In the event the City has wrongfully defaulted the Borrower in acceleration of this note, the City shall pay all costs to the Borrower occasioned by the wrongful default and acceleration.

(e) At the end of the project completion date, which is three (3) years from the date first written above, the Borrower has failed to fulfill the job attainment obligations set forth in Section 9 above.

(f) The Borrower, within five (5) years of the date of this agreement, relocates all or a substantial portion of Borrower's business outside of the municipal boundaries of the City of Sioux City, Iowa.

10. Actions Upon a Declaration of Default. Upon declaration of default by the City, the City may:

(a) By notice to the Borrower in writing, declare the loan payable under the Promissory Note and this Agreement to be forthwith due and payable, without presentment, demand, protects, or further notice of any kind, all of which are hereby expressly waived by the parties.

12. Conflicting Provisions. In the event of any conflict between any provision of this Agreement and any other document, instrument or agreement executed by and between the City and Borrower in connection with the financing described in Sections 1 and 2 above, the terms of such other document, instrument or agreement shall control.

IN WITNESS WHEREOF, the parties have executed this Loan and Servicing Agreement by their duly authorized representatives as of the date above first written.

413 PIERCE STREET, LLC

CITY OF SIOUX CITY, IOWA

By: _____
James T. Royer, Managing Member

By: _____
Robert E. Scott, Mayor

Attest: _____
Lisa McCardle, City Clerk

EXHIBIT "A"

Legal Description of Project Site

Legal Description:

Lot Ten (10) and the South One-half (S 1/2) of Lot Eleven (11) in Block Sixteen (16), Sioux City East Addition, in the County of Woodbury and State of Iowa.

Commonly Known As: 413 Pierce Street, Sioux City, Woodbury County, Iowa 51102

EXHIBIT H-2

CITY OF SIOUX CITY, IOWA

LOAN AND SERVICING AGREEMENT

MOTOR MART, LLC

Loan and Servicing Agreement, executed this ____ day of _____, 2017, by and between the **City of Sioux City, Iowa** (the City), an Iowa municipal corporation with principal offices at City Hall, P.O. Box 447, 405 6th Street, Sioux City, Iowa 51102, and **Motor Mart, LLC**, (Borrower) an Iowa Limited Liability Company, with principal offices at 2430 South 73rd Street, Suite 200, Omaha, Nebraska.

WITNESSETH

WHEREAS, the City and Borrower have heretofore or will hereafter enter into certain undertakings and agreements and execute certain instruments, including security and collateral instruments, for the purpose of enabling the City to lend to Borrower the initial sum of Four Hundred Thousand Dollars (**\$400,000**); and

WHEREAS, the City may lawfully lend said funds and Borrower may lawfully borrow same;

NOW, THEREFORE, in consideration of the mutual covenants and undertakings of the parties expressed below, the parties hereby covenant and agree as follows:

1. Scope of Undertaking. It is understood and acknowledged that the City shall lend funds to Borrower to enable Borrower to expand its facility and operations in Sioux City, Iowa, as noted in the description attached hereto as Exhibit "A".
2. Loan. To further assist in the financial undertaking described in Section 1 above, the City shall lend Borrower the sum of Four Hundred Thousand Dollars (\$400,000), subject to the terms and conditions of this Agreement and any ancillary agreements and instruments.
3. Note. The loan to Borrower shall be evidenced by a promissory note in a form acceptable to the City, executed by Borrower's duly authorized official(s).
4. Payment. Repayment of the loan provided for in Sections 1 and 2 above shall be made under the terms and conditions contained in the promissory note for said loan.

5. Responsibility of the City. The City shall be responsible for the administration, monitoring and servicing of the loan provided for in Sections 1 and 2 above from the inception of said loan project through payment in full of all obligations to the City. All servicing actions of the City are expressly made subject to the terms of this Agreement, any promissory notes, security agreements and related instruments executed by and between the City and Borrower.

6. Method of Repayment. Borrower shall repay the City loan by making payments directly to the City at the address first written above in a sum computed as described in the promissory note evidencing said loan.

7. Additional Affirmative Covenants of Borrower. Borrower covenants, warrants, guarantees and represents:

(a) It shall fully and faithfully repay the principal and interest due on all other debt of Borrower now existing or hereafter acquired;

(b) It is duly authorized and existing in good standing under the laws of the State of Iowa and has the power to own its property and carry on its business as it is now being conducted;

(c) It has the full power and authority to enter into this Agreement, undertake the borrowings provided for or reflected herein, and deliver the note or notes, and to execute and deliver the instruments and documents which may be required pursuant hereto, all of which have been duly authorized by the proper, appropriate and necessary action of the officers; no consent or approval of any public authority or regulatory agency is required as a condition of validity of the obligation of Borrower under this Agreement; the note or notes or the documents or instruments contemplated hereby other than those consents or approvals which have already been obtained and copies of which have been delivered or will be delivered to the City pursuant to this or any ancillary agreements;

(d) There is no bylaw provision of Borrower and no provision of any existing mortgage, indenture, contract, or agreement binding upon Borrower which would conflict with or in any way prevent the execution, delivery or performance of the terms of this Agreement;

(e) It will provide and maintain hazard insurance in such amounts and for such coverages as shall be satisfactory to the City. All such policies shall specify the City as a mortgagee and loss payable. Borrower will further purchase Federal Flood Insurance in amounts and coverages satisfactory to the City if Borrower becomes located within a special flood hazard area as defined by FEMA during the term of this loan and Federal Flood Insurance is available;

(f) Upon the City's request the Borrower will submit to the City, financial statements consisting of an Income Statement, Balance Sheet and Profit and Loss Statements; and a statement of employment levels. The statements will be certified as true and correct copies by Borrower.

8. Employment Opportunity. Borrower shall not discriminate against any applicant for employment or employee on the basis of race, color, religion, sex, national origin, handicap or disability. Borrower shall undertake whatever affirmative measures are necessary so that no person shall, on the grounds of race, color, religion, national origin, sex, age, handicap, disability, gender identity, or sexual orientation be excluded from employment with the Borrower. Borrower has made certain representations regarding the job impact of the financial undertaking contemplated in Section 1 of this Agreement. To document the validity of those representations, Borrower shall provide such reports as may be required from time to time by the City.

9. Events of Default. If any of the following events shall occur and be continuing, the City may declare the loan to be in default:

(a) There is a material change in ownership or control, except death of a shareholder, of the Borrower without the prior written consent of the City, which shall not be unreasonably withheld;

(b) Borrower shall file a petition in the U.S. Bankruptcy Court or an involuntary petition shall be so filed against Borrower;

(c) Breach of any of the covenants, promises or conditions of any note, security agreement or other agreement with the holder, which breach shall not be remedied within 60 days of notice in writing by the City to the Borrower;

(d) The City, in good faith, deems itself insecure. In the event the City has wrongfully defaulted the Borrower in acceleration of this note, the City shall pay all costs to the Borrower occasioned by the wrongful default and acceleration.

(e) At the end of the project completion date, which is three (3) years from the date first written above, the Borrower has failed to fulfill the job attainment obligations set forth in Section 9 above.

(f) The Borrower, within five (5) years of the date of this agreement, relocates all or a substantial portion of Borrower's business outside of the municipal boundaries of the City of Sioux City, Iowa.

10. Actions Upon a Declaration of Default. Upon declaration of default by the City, the City may:

(a) By notice to the Borrower in writing, declare the loan payable under the Promissory Note and this Agreement to be forthwith due and payable, without presentment, demand, protects, or further notice of any kind, all of which are hereby expressly waived by the parties.

12. Conflicting Provisions. In the event of any conflict between any provision of this Agreement and any other document, instrument or agreement executed by and between the City and Borrower in connection with the financing described in Sections 1 and 2 above, the terms of such other document, instrument or agreement shall control.

IN WITNESS WHEREOF, the parties have executed this Loan and Servicing Agreement by their duly authorized representatives as of the date above first written.

MOTOR MART, LLC

CITY OF SIOUX CITY, IOWA

By: _____
James T. Royer, Managing Member

By: _____
Robert E. Scott, Mayor

Attest: _____
Lisa McCardle, City Clerk

EXHIBIT "A"

Legal Description of Project Site

Legal Description:

Lots Six (6), Seven (7) and Eight (8), Block Three (3), Sioux City East Addition, in the County of Woodbury and State of Iowa AND Lots One (1), Two (2) and Three (3) in Block Eleven (11), Sioux City East Addition in the County of Woodbury and State of Iowa. (Commonly known as 520 Nebraska Street, Sioux City, IA 51101)

AND

The North Half of Lot 10, all of Lot 11, and all of Lot 12, in Block 11, Sioux City East Addition, in the County of Woodbury and State of Iowa, subject to easements and restrictions of record.

Commonly Known As: 520 Nebraska Street, Sioux City, Woodbury County, Iowa
51101

EXHIBIT I-1
CITY OF SIOUX CITY, IOWA
PROMISSORY NOTE
413 PIERCE STREET, LLC

Amount: **\$200,000**

Date: _____

For value received, the undersigned (hereafter called the "Maker") promises to pay to the order of the City of Sioux City, Iowa (hereafter called the "Payee"), at its principal offices at City Hall, 405 6th Street, P.O. Box 447, Sioux City, Iowa 51102, or upon notice to the Maker, at such other place as may be designated from time to time by the holder, the principal sum of **Two Hundred Thousand Dollars (\$200,000)**, to be paid as follows:

a) \$200,000 Loan – 4.5% per annum for ten (10) years, the first payment of interest and principal due and payable one month from the date hereof, and continuing monthly thereafter, to be paid according to the payment schedule attached as Exhibit A.

1. Payments. All payments under the Note shall be applied in this order: (1) to interest, and (2) to principal.

2. Loan Agreement; Acceleration Upon Default. This Note is issued by Maker to evidence an obligation to repay a loan according to the terms of the Loan and Servicing Agreement dated _____, 2017 between the Payee and Maker and, at the election of the holder without notice to the Maker, shall become immediately due and payable in the event any payment is not made when due or upon the occurrence of any default under the terms of the Loan and Servicing Agreement.

3. Reduced Amount. In the event the Maker fails to requisition and spend the full face amount of the Note as set out above, then the amount of each installment payment shall be reduced accordingly in equal amounts.

4. Security. Payment of this Note is secured by Personal Guarantees, a Security Agreement and Financing Statement covering all of the debtor's furniture, fixtures and equipment now owned or hereafter acquired, together with the proceeds, products, increase, issue, accessions, attachments, accessories, parts, additions, repairs, replacements and substitutes of, to, and for all of the foregoing.

In case of a decline in the market value of the collateral, or any part thereof, the Payee may demand that additional collateral of quality and value satisfactory to holder be delivered, pledged and transferred to holder.

5. Waiver. No delay or omission on the part of the holder in exercising any right under this Note shall operate as a waiver of that right or of any other right under this Note. A waiver on any one occasion shall not be construed as a bar to or waiver of any right and/or remedy on any future occasion.

6. Waiver of Protest. Each maker, surety, indorser and guarantor of this Note, expressly waives presentment, protest, demand, notice of dishonor or default, and notice of any kind with respect to this Note.

7. Costs of Collection. The Maker will pay on demand all costs of collection, maintenance of collateral, legal expenses, and attorneys' fees incurred or paid by the holder in collecting and/or enforcing this Note on default.

8. Meaning of Terms. As used in the Note, "holder" shall mean the Payee or other indorsee of this Note, who is in possession of it, or the bearer hereof, if this Note is at the time payable to the bearer. The work "Maker" shall mean each of the undersigned. If this Note is signed by more than one person, it shall be the joint and several liabilities of such persons.

9. Miscellaneous. The captions of paragraphs in this Promissory Note are for the convenience of reference only, shall not define or limit the provisions hereof and shall not have any legal or other significance whatsoever.

413 PIERCE STREET, LLC

By: _____
James T. Royer, Managing Member

CORPORATE CERTIFICATE OF ACKNOWLEDGEMENT

STATE OF IOWA)
) SS:
COUNTY OF WOODBURY)

On this ____ day of _____, 2017, before me, a Notary Public in and for _____ County, State of _____, personally appeared James T. Royer to me personally known, who being by me duly sworn did state that he is the Managing Member of said Limited Liability Company, that the (said Limited Liability Company has no corporate seal) and that said instrument was signed on behalf of said Limited Liability Company by authority of its board of directors, and that the said Managing Member acknowledged the execution of said instrument to be the voluntary act and deed of said corporation by each of them voluntarily executed.

Notary Public in and for said County and State

EXHIBIT "A"

PAYMENT SCHEDULE

\$200,000 Loan – together with interest at 4.5% annum for ten (10) years. Maker shall make One Hundred Twenty (120) monthly payments of \$2,072.77 commencing twenty-four months following the issuance of first building permit related to the Development Property or when the residential occupancy of the Development Property described in "Exhibit B" reaches 50%, whichever comes first.

EXHIBIT B

DEVELOPMENT PROPERTY

Lot Ten (10) and the South One-half (S 1/2) of Lot Eleven (11) in Block Sixteen (16),
Sioux City East Addition, in the County of Woodbury and State of Iowa. (Commonly
known as 413 Pierce Street, Sioux City, IA 51101)

EXHIBIT I-2

CITY OF SIOUX CITY, IOWA

PROMISSORY NOTE

MOTOR MART, LLC

Amount: **\$400,000**

Date: _____

For value received, the undersigned (hereafter called the "Maker") promises to pay to the order of the City of Sioux City, Iowa (hereafter called the "Payee"), at its principal offices at City Hall, 405 6th Street, P.O. Box 447, Sioux City, Iowa 51102, or upon notice to the Maker, at such other place as may be designated from time to time by the holder, the principal sum of **Four Hundred Thousand Dollars (\$400,000)**, to be paid as follows:

a) \$400,000 Loan – 4.5% per annum for ten (10) years, the first payment of interest and principal due and payable one month from the date hereof, and continuing monthly thereafter, to be paid according to the payment schedule attached as Exhibit A.

1. Payments. All payments under the Note shall be applied in this order: (1) to interest, and (2) to principal.

2. Loan Agreement; Acceleration Upon Default. This Note is issued by Maker to evidence an obligation to repay a loan according to the terms of the Loan and Servicing Agreement dated _____, 2017 between the Payee and Maker and, at the election of the holder without notice to the Maker, shall become immediately due and payable in the event any payment is not made when due or upon the occurrence of any default under the terms of the Loan and Servicing Agreement.

3. Reduced Amount. In the event the Maker fails to requisition and spend the full face amount of the Note as set out above, then the amount of each installment payment shall be reduced accordingly in equal amounts.

4. Security. Payment of this Note is secured by Personal Guarantees, a Security Agreement and Financing Statement covering all of the debtor's furniture, fixtures and equipment now owned or hereafter acquired, together with the proceeds, products,

increase, issue, accessions, attachments, accessories, parts, additions, repairs, replacements and substitutes of, to, and for all of the foregoing.

In case of a decline in the market value of the collateral, or any part thereof, the Payee may demand that additional collateral of quality and value satisfactory to holder be delivered, pledged and transferred to holder.

5. Waiver. No delay or omission on the part of the holder in exercising any right under this Note shall operate as a waiver of that right or of any other right under this Note. A waiver on any one occasion shall not be construed as a bar to or waiver of any right and/or remedy on any future occasion.

6. Waiver of Protest. Each maker, surety, indorser and guarantor of this Note, expressly waives presentment, protest, demand, notice of dishonor or default, and notice of any kind with respect to this Note.

7. Costs of Collection. The Maker will pay on demand all costs of collection, maintenance of collateral, legal expenses, and attorneys' fees incurred or paid by the holder in collecting and/or enforcing this Note on default.

8. Meaning of Terms. As used in the Note, "holder" shall mean the Payee or other indorsee of this Note, who is in possession of it, or the bearer hereof, if this Note is at the time payable to the bearer. The work "Maker" shall mean each of the undersigned. If this Note is signed by more than one person, it shall be the joint and several liabilities of such persons.

9. Miscellaneous. The captions of paragraphs in this Promissory Note are for the convenience of reference only, shall not define or limit the provisions hereof and shall not have any legal or other significance whatsoever.

Motor Mart, LLC

By: _____
James T. Royer, Managing Member

CORPORATE CERTIFICATE OF ACKNOWLEDGEMENT

STATE OF IOWA)
) SS:
COUNTY OF WOODBURY)

On this ____ day of _____, 2017, before me, a Notary Public in and for _____ County, State of _____, personally appeared James T. Royer to me personally known, who being by me duly sworn did state that he is the Managing Member of said Limited Liability Company, that the (said Limited Liability Company has no corporate seal) and that said instrument was signed on behalf of said Limited Liability Company by authority of its board of directors, and that the said Managing Member acknowledged the execution of said instrument to be the voluntary act and deed of said corporation by each of them voluntarily executed.

Notary Public in and for said County and State.

EXHIBIT "A"

PAYMENT SCHEDULE

\$200,000 Loan – together with interest at 4.5% annum for ten (10) years. Maker shall make One Hundred Twenty (120) monthly payments of \$4,145.54 commencing twenty-four months following the date of this Agreement or when the residential occupancy of the Development Property described in "Exhibit B" reaches 50%, whichever comes first.

EXHIBIT B

DEVELOPMENT PROPERTY

Lots Six (6), Seven (7) and Eight (8), Block Three (3), Sioux City East Addition, in the County of Woodbury and State of Iowa AND Lots One (1), Two (2) and Three (3) in Block Eleven (11), Sioux City East Addition in the County of Woodbury and State of Iowa. (Commonly known as 520 Nebraska Street, Sioux City, IA 51101)

AND

The North Half of Lot 10, all of Lot 11, and all of Lot 12, in Block 11, Sioux City East Addition, in the County of Woodbury and State of Iowa, subject to easements and restrictions of record. (Commonly known as 523 Jackson Street, Sioux City, IA 51101)

EXHIBIT J-1

CITY OF SIOUX CITY, IOWA

SECURITY AGREEMENT

413 PIERCE STREET, LLC

WHEREAS, the undersigned, **413 Pierce Street, LLC**, a Nebraska Limited Liability Company (the "Company"), Debtor hereunder, has entered into a Loan Agreement, dated as of _____, 2017 (the "Agreement"), with the **City of Sioux City, Iowa** (the "City"), Secured Party hereunder; and

WHEREAS, the Agreement provides for Company to collateralize the loan from the City by granting a security interest in certain fixtures and improvements acquired with the proceeds of the loan or acquired in substitution for, or as a renewal or replacement of, or modification or improvement to the project as described in Company's application for the loan.

NOW, THEREFORE, for value received and pursuant to the Promissory Note which is a part of the Agreement, Company hereby grants to the City a security interest in the machinery, equipment, goods, fixtures, improvements and other personal property set forth on Exhibit "B" attached hereto and incorporated herein by this reference; all additions to and replacements thereof; and all accessories and accessions now or hereafter affixed thereto (the "Collateral").

1. The Collateral is to be located at the facility of Company in the City of Sioux City, Woodbury County, Iowa, on a parcel of land legally described as set forth in Exhibit "A" attached hereto and incorporated herein by this reference.
2. Company represents and warrants that it is or will be the owner of the Collateral free and clear of all liens and encumbrances (, except those liens and encumbrances already on record by any secured party or lessor with respect to the property listed in Exhibit "B",) and will not sell, assign, encumber, transfer or move or remove said property or any part thereof without the prior written consent of the City, until such time as all of the loan has been fully paid unless replaced by Company with comparable equipment.
3. A copy or other reproduction of this Security Agreement may be filed as a financing statement. If for fixtures, such a filing shall be filed for recording in the real estate records.

4. Company's principal place of operation is the address shown herein, and Company shall promptly give City written notice of any change thereof, unless prior written consent of City. All Collateral or replacements thereof is now kept, and shall continue to be kept upon the real estate described in the attached Exhibit "A".

5. Company covenants, represents and warrants that so long as any of the loan remains outstanding:

a. Company is duly organized, existing, and is qualified and in good standing in all states in which it is doing business, and the execution, delivery and performance of this Security Agreement are within Company's powers, have been duly authorized, and are not in contravention of law or the terms of Company's charter bylaws, if any, or any indenture agreement, or undertaking to which Company is a party, or by which it is bound;

b. Company will defend the Collateral against the claims and demands of all other parties except purchasers and lessees of the Collateral in the ordinary course of business;

c. Company will keep, in accordance with generally accepted accounting principles consistently applied, accurate and complete records concerning the Collateral; and will permit the City or their agents to make reasonable inspections of the Collateral and to audit and make extracts from such records or any of the books, ledgers, reports, correspondence and other record of the Company. Company shall make available to City such records, books, ledgers, reports, correspondence and other record of the Company at a site convenient to City, upon reasonable notice and during normal business hours. City agrees to maintain the confidentiality of said records pursuant to Section 22.7(18), Code of Iowa.

d. Company will, upon demand, deliver to City copies of any documents of title representing or relating to Collateral or any part thereof; schedules, invoices, shipping or delivery receipts, purchase orders, contracts or other documents representing or relating to purchases or other acquisitions or sales, leases or other dispositions of Collateral and proceeds thereof; and any other schedules, documents and statements which City may from time to time reasonably request;

e. Company will, in connection herewith, execute and deliver to City such financing statements and other documents reasonably requested by City;

f. Company will, upon request, execute and deliver to City appropriate amendments to and/or continuations of the filed financing statements, so as to more specifically identify by serial number, model number or otherwise, the property in which a security interest is granted or that may be necessary or desirable in order to create, preserve or

perfect any security interest granted hereby or to enable City to exercise and enforce their rights hereunder or under any Collateral.

g. Company will pay or cause to be paid all taxes, assessments and other charges of every nature which may be levied or assessed against the Collateral.

h. Company shall maintain insurance upon the Collateral which is tangible property against all customarily insured risks for the full insurable value thereof (and furnish City with duplicate policies if City so request), loss to be payable to Company and City as their respective interests may appear. In the event of any loss or damage to any Collateral, Company will give City written notice thereof forthwith, promptly file proof of loss with the appropriate insurer and take all other steps necessary or appropriate to collect such insurance. If City so elect, City shall have full authority to collect all such insurance and to apply any amount collected to amounts owed hereunder, whether or not matured. City shall have no liability for any loss which may occur by reason of the omission or the lack of coverage of any such insurance.

6. In the event of any default as defined under the Agreement and/or Promissory Note attached thereto, entitling City to exercise the remedies therein provided, City hereunder shall have all of the rights and remedies of a secured party under Chapter 554, Code of Iowa (Uniform Commercial Code), and under any other applicable laws, in addition to such remedies as may be provided under the Agreement and Promissory Note attached thereto.
7. Each of the conditions and terms contained in this Security Agreement shall be construed in harmony with the provisions of the Agreement and Promissory Note attached thereto, and in the event of any inconsistency of any of the terms and conditions herein contained, it is expressly agreed that the provisions of the Agreement and Promissory Note attached thereto shall control and supersede any such inconsistent term or condition herein contained.

IN WITNESS WHEREOF, the undersigned parties have caused the execution of this Security Agreement as of _____, 2017.

EXHIBIT "A"

Legal Description of Project Site

LEGAL DESCRIPTION

Lot Ten (10) and the South One-half (S 1/2) of Lot Eleven (11) in Block Sixteen (16), Sioux City East Addition, in the County of Woodbury and State of Iowa. (Commonly known as 413 Pierce Street, Sioux City, IA 51101)

EXHIBIT "B"

Description of Machinery, Equipment, Goods and Other Tangible Personal Property and Fixtures.

Security in all inventory, furniture, fixtures, machinery, and equipment now owned or hereafter acquired, and all products of, proceeds of additions to, increase in, and replacement of such collateral and all accessions, parts and equipment now or hereafter affixed to such collateral.

EXHIBIT J-2

CITY OF SIOUX CITY, IOWA

SECURITY AGREEMENT

MOTOR MART, LLC

WHEREAS, the undersigned, **Motor Mart, LLC**, an Iowa Limited Liability Company (the "Company"), Debtor hereunder, has entered into a Loan Agreement, dated as of _____, 2017 (the "Agreement"), with the **City of Sioux City, Iowa** (the "City"), Secured Party hereunder; and

WHEREAS, the Agreement provides for Company to collateralize the loan from the City by granting a security interest in certain fixtures and improvements acquired with the proceeds of the loan or acquired in substitution for, or as a renewal or replacement of, or modification or improvement to the project as described in Company's application for the loan.

NOW, THEREFORE, for value received and pursuant to the Promissory Note which is a part of the Agreement, Company hereby grants to the City a security interest in the machinery, equipment, goods, fixtures, improvements and other personal property set forth on Exhibit "B" attached hereto and incorporated herein by this reference; all additions to and replacements thereof; and all accessories and accessions now or hereafter affixed thereto (the "Collateral").

1. The Collateral is to be located at the facility of Company in the City of Sioux City, Woodbury County, Iowa, on a parcel of land legally described as set forth in Exhibit "A" attached hereto and incorporated herein by this reference.
2. Company represents and warrants that it is or will be the owner of the Collateral free and clear of all liens and encumbrances (except those liens and encumbrances already on record by any secured party or lessor with respect to the property listed in Exhibit "B") and will not sell, assign, encumber, transfer or move or remove said property or any part thereof without the prior written consent of the City, until such time as all of the loan has been fully paid unless replaced by Company with comparable equipment.
3. A copy or other reproduction of this Security Agreement may be filed as a financing statement. If for fixtures, such a filing shall be filed for recording in the real estate records.

4. Company's principal place of operation is the address shown herein, and Company shall promptly give City written notice of any change thereof, unless prior written consent of City. All Collateral or replacements thereof is now kept, and shall continue to be kept upon the real estate described in the attached Exhibit "A".

5. Company covenants, represents and warrants that so long as any of the loan remains outstanding:

a. Company is duly organized, existing, and is qualified and in good standing in all states in which it is doing business, and the execution, delivery and performance of this Security Agreement are within Company's powers, have been duly authorized, and are not in contravention of law or the terms of Company's charter bylaws, if any, or any indenture agreement, or undertaking to which Company is a party, or by which it is bound;

b. Company will defend the Collateral against the claims and demands of all other parties except purchasers and lessees of the Collateral in the ordinary course of business;

c. Company will keep, in accordance with generally accepted accounting principles consistently applied, accurate and complete records concerning the Collateral; and will permit the City or their agents to make reasonable inspections of the Collateral and to audit and make extracts from such records or any of the books, ledgers, reports, correspondence and other record of the Company. Company shall make available to City such records, books, ledgers, reports, correspondence and other record of the Company at a site convenient to City, upon reasonable notice and during normal business hours. City agrees to maintain the confidentiality of said records pursuant to Section 22.7(18), Code of Iowa.

d. Company will, upon demand, deliver to City copies of any documents of title representing or relating to Collateral or any part thereof; schedules, invoices, shipping or delivery receipts, purchase orders, contracts or other documents representing or relating to purchases or other acquisitions or sales, leases or other dispositions of Collateral and proceeds thereof; and any other schedules, documents and statements which City may from time to time reasonably request;

e. Company will, in connection herewith, execute and deliver to City such financing statements and other documents reasonably requested by City;

f. Company will, upon request, execute and deliver to City appropriate amendments to and/or continuations of the filed financing statements, so as to more specifically identify by serial number, model number or otherwise, the property in which a security interest is granted or that may be necessary or desirable in order to create, preserve or

perfect any security interest granted hereby or to enable City to exercise and enforce their rights hereunder or under any Collateral.

g. Company will pay or cause to be paid all taxes, assessments and other charges of every nature which may be levied or assessed against the Collateral.

h. Company shall maintain insurance upon the Collateral which is tangible property against all customarily insured risks for the full insurable value thereof (and furnish City with duplicate policies if City so request), loss to be payable to Company and City as their respective interests may appear. In the event of any loss or damage to any Collateral, Company will give City written notice thereof forthwith, promptly file proof of loss with the appropriate insurer and take all other steps necessary or appropriate to collect such insurance. If City so elect, City shall have full authority to collect all such insurance and to apply any amount collected to amounts owed hereunder, whether or not matured. City shall have no liability for any loss which may occur by reason of the omission or the lack of coverage of any such insurance.

6. In the event of any default as defined under the Agreement and/or Promissory Note attached thereto, entitling City to exercise the remedies therein provided, City hereunder shall have all of the rights and remedies of a secured party under Chapter 554, Code of Iowa (Uniform Commercial Code), and under any other applicable laws, in addition to such remedies as may be provided under the Agreement and Promissory Note attached thereto.

7. Each of the conditions and terms contained in this Security Agreement shall be construed in harmony with the provisions of the Agreement and Promissory Note attached thereto, and in the event of any inconsistency of any of the terms and conditions herein contained, it is expressly agreed that the provisions of the Agreement and Promissory Note attached thereto shall control and supersede any such inconsistent term or condition herein contained.

IN WITNESS WHEREOF, the undersigned parties have caused the execution of this Security Agreement as of _____, 2017.

EXHIBIT "A"

Legal Description of Project Site

LEGAL DESCRIPTION

Lots Six (6), Seven (7) and Eight (8), Block Three (3), Sioux City East Addition, in the County of Woodbury and State of Iowa AND Lots One (1), Two (2) and Three (3) in Block Eleven (11), Sioux City East Addition in the County of Woodbury and State of Iowa. (Commonly known as 520 Nebraska Street, Sioux City, IA 51101)

AND

The North Half of Lot 10, all of Lot 11, and all of Lot 12, in Block 11, Sioux City East Addition, in the County of Woodbury and State of Iowa, subject to easements and restrictions of record. (Commonly known as 523 Jackson Street, Sioux City, IA 51101)

EXHIBIT "B"

Description of Machinery, Equipment, Goods and Other Tangible Personal Property and Fixtures.

Security in all inventory, furniture, fixtures, machinery, and equipment now owned or hereafter acquired, and all products of, proceeds of additions to, increase in, and replacement of such collateral and all accessions, parts and equipment now or hereafter affixed to such collateral.

Exhibit K-1

CITY OF SIOUX CITY, IOWA

PERSONAL GUARANTY

413 PIERCE STREET, LLC

WHEREAS, **413 Pierce Street, LLC (Borrower)**, a Nebraska Limited Liability Company with principal offices at 2430 South 73rd Street, Suite 200, Omaha, Nebraska, desires to borrow funds from the **City of Sioux City, Iowa (City)**, which has agreed to lend funds to Borrower upon the guaranty of the undersigned Guarantor;

NOW THEREFORE, In consideration of the benefit to James T. Royer (**Guarantor**) derived from lending from the City to Borrower, and to induce the City to extend such credit to Borrower:

Guarantor hereby absolutely and unconditionally guarantees to the City, jointly and severally if there are more than one undersigned Guarantor, its successors and assigns, the prompt and complete payment, in U.S. dollars, to the City, upon maturity, according to the appropriate terms of any promissory note evidencing any obligation or obligations of Borrower to the City, and Guarantor also guarantees costs of collection hereof, including, but not limited to, attorney fees.

Guarantor waives all notice of sales, notice of default, presentment for payment, notice of nonpayment, protest and notice of acceptance of this Guaranty. Any extensions, renewals, indulgences, transfer, transfers to creditors committees or trustees, settlements and compromises, in the City's sole discretion, with or without notice to Guarantor, shall not relieve Guarantor of any liability hereunder. Payment of any indebtedness now or hereafter owed by Borrower to Guarantor is hereby subordinated to payment of Borrower's liability to the City hereunder.

Guarantor agrees that this shall be a continuing guaranty which shall remain in effect as to all credit extended, made and to be extended by the City to Borrower, prior to Borrower's receipt of written termination notice from Guarantor. Notice shall be sent by registered or certified United States Mail to Community and Economic Development Director, City of Sioux City, City Hall, P.O. Box 447, Sioux City, Iowa 51101, to be effective. Further, this Guaranty shall remain in effect with respect to any business entity resulting from a merger or change in organization of Borrower in consideration of the continuation of credit by the City.

EXHIBIT K-2

CITY OF SIOUX CITY, IOWA

PERSONAL GUARANTY

413 PIERCE STREET, LLC

WHEREAS, **413 Pierce Street, LLC (Borrower)**, a Nebraska Limited Liability Company with principal offices at 2430 South 73rd Street, Suite 200, Omaha, Nebraska, desires to borrow funds from the **City of Sioux City, Iowa (City)**, which has agreed to lend funds to Borrower upon the guaranty of the undersigned Guarantor;

NOW THEREFORE, In consideration of the benefit to Julie Stavneak (**Guarantor**) derived from lending from the City to Borrower, and to induce the City to extend such credit to Borrower:

Guarantor hereby absolutely and unconditionally guarantees to the City, jointly and severally if there are more than one undersigned Guarantor, its successors and assigns, the prompt and complete payment, in U.S. dollars, to the City, upon maturity, according to the appropriate terms of any promissory note evidencing any obligation or obligations of Borrower to the City, and Guarantor also guarantees costs of collection hereof, including, but not limited to, attorney fees.

Guarantor waives all notice of sales, notice of default, presentment for payment, notice of nonpayment, protest and notice of acceptance of this Guaranty. Any extensions, renewals, indulgences, transfer, transfers to creditors committees or trustees, settlements and compromises, in the City's sole discretion, with or without notice to Guarantor, shall not relieve Guarantor of any liability hereunder. Payment of any indebtedness now or hereafter owed by Borrower to Guarantor is hereby subordinated to payment of Borrower's liability to the City hereunder.

Guarantor agrees that this shall be a continuing guaranty which shall remain in effect as to all credit extended, made and to be extended by the City to Borrower, prior to Borrower's receipt of written termination notice from Guarantor. Notice shall be sent by registered or certified United States Mail to Community and Economic Development Director, City of Sioux City, City Hall, P.O. Box 447, Sioux City, Iowa 51101, to be effective. Further, this Guaranty shall remain in effect with respect to any business entity resulting from a merger or change in organization of Borrower in consideration of the continuation of credit by the City.

Guarantor agrees the City shall not be required to inquire into or investigate the authority of Borrower to execute promissory notes or other instruments evidencing any indebtedness or to verify authority of Borrower's officers and agents purporting to act on behalf of Borrower in placing said orders.

The City and Guarantor agree that the legal significance of, as well as any dispute arising under the terms of, this Guaranty, including proceedings for its enforcement, shall be governed by the courts and the laws of the State of Iowa. Any judgment rendered by a court shall be registered and enforced, if necessary, in any other country according to the United States laws applicable to the Guaranty.

There are no conditions or limitations in this Guaranty except as may be included at the time of execution. There shall be no amendments except as may be agreed upon in writing, by the City and Guarantor. Performance of this Guaranty shall not be assigned. As set forth above, this Guaranty is binding upon the heirs, successors and assigns of Guarantor. "Guarantor" in this agreement shall mean the undersigned, jointly and severally, if there are more than one.

Dated this _____ day of _____, 2017.

JULIE STAVNEAK, GUARANTOR

By: _____
413 Pierce Street, LLC

STATE OF _____)
) ss
COUNTY OF _____)

BE IT REMEMBERED, that on this _____ day of _____, 2017, before me, a Notary Public, in and for the County and State aforesaid, personally appeared Julie Stavneak, known to me to be the identical person who signed the foregoing document and said person duly acknowledged the same to be his/her voluntary act and deed.

IN WITNESS WHEREOF, I have set my hand and affixed my notarial seal on the day and year first above written.

Notary Public in and for said County and State

EXHIBIT K-3

CITY OF SIOUX CITY, IOWA

PERSONAL GUARANTY

MOTOR MART, LLC

WHEREAS, **Motor Mart, LLC (Borrower)**, an Iowa Limited Liability Company with principal offices at 2430 South 73rd Street, Suite 200, Omaha, Nebraska, desires to borrow funds from the **City of Sioux City, Iowa (City)**, which has agreed to lend funds to Borrower upon the guaranty of the undersigned Guarantor;

NOW THEREFORE, In consideration of the benefit to James T. Royer (**Guarantor**) derived from lending from the City to Borrower, and to induce the City to extend such credit to Borrower:

Guarantor hereby absolutely and unconditionally guarantees to the City, jointly and severally if there are more than one undersigned Guarantor, its successors and assigns, the prompt and complete payment, in U.S. dollars, to the City, upon maturity, according to the appropriate terms of any promissory note evidencing any obligation or obligations of Borrower to the City, and Guarantor also guarantees costs of collection hereof, including, but not limited to, attorney fees.

Guarantor waives all notice of sales, notice of default, presentment for payment, notice of nonpayment, protest and notice of acceptance of this Guaranty. Any extensions, renewals, indulgences, transfer, transfers to creditors committees or trustees, settlements and compromises, in the City's sole discretion, with or without notice to Guarantor, shall not relieve Guarantor of any liability hereunder. Payment of any indebtedness now or hereafter owed by Borrower to Guarantor is hereby subordinated to payment of Borrower's liability to the City hereunder.

Guarantor agrees that this shall be a continuing guaranty which shall remain in effect as to all credit extended, made and to be extended by the City to Borrower, prior to Borrower's receipt of written termination notice from Guarantor. Notice shall be sent by registered or certified United States Mail to Community and Economic Development Director, City of Sioux City, City Hall, P.O. Box 447, Sioux City, Iowa 51101, to be effective. Further, this Guaranty shall remain in effect with respect to any business entity resulting from a merger or change in organization of Borrower in consideration of the continuation of credit by the City.

Guarantor agrees the City shall not be required to inquire into or investigate the authority of Borrower to execute promissory notes or other instruments evidencing any indebtedness or to verify authority of Borrower's officers and agents purporting to act on behalf of Borrower in placing said orders.

The City and Guarantor agree that the legal significance of, as well as any dispute arising under the terms of, this Guaranty, including proceedings for its enforcement, shall be governed by the courts and the laws of the State of Iowa. Any judgment rendered by a court shall be registered and enforced, if necessary, in any other country according to the United States laws applicable to the Guaranty.

There are no conditions or limitations in this Guaranty except as may be included at the time of execution. There shall be no amendments except as may be agreed upon in writing, by the City and Guarantor. Performance of this Guaranty shall not be assigned. As set forth above, this Guaranty is binding upon the heirs, successors and assigns of Guarantor. "Guarantor" in this agreement shall mean the undersigned, jointly and severally, if there are more than one.

Dated this _____ day of _____, 2017.

JAMES T. ROYER, GUARANTOR

By: _____
Motor Mart, LLC

STATE OF _____)
) ss
COUNTY OF _____)

BE IT REMEMBERED, that on this _____ day of _____, 2017, before me, a Notary Public, in and for the County and State aforesaid, personally appeared James T. Royer, known to me to be the identical person who signed the foregoing document and said person duly acknowledged the same to be his/her voluntary act and deed.

IN WITNESS WHEREOF, I have set my hand and affixed my notarial seal on the day and year first above written.

Notary Public in and for said County and State

EXHIBIT K-4

CITY OF SIOUX CITY, IOWA

PERSONAL GUARANTY

MOTOR MART, LLC

WHEREAS, **Motor Mart, LLC (Borrower)**, an Iowa Limited Liability Company with principal offices at 2430 South 73rd Street, Suite 200, Omaha, Nebraska, desires to borrow funds from the **City of Sioux City, Iowa (City)**, which has agreed to lend funds to Borrower upon the guaranty of the undersigned Guarantor;

NOW THEREFORE, In consideration of the benefit to Julie Stavneak (**Guarantor**) derived from lending from the City to Borrower, and to induce the City to extend such credit to Borrower:

Guarantor hereby absolutely and unconditionally guarantees to the City, jointly and severally if there are more than one undersigned Guarantor, its successors and assigns, the prompt and complete payment, in U.S. dollars, to the City, upon maturity, according to the appropriate terms of any promissory note evidencing any obligation or obligations of Borrower to the City, and Guarantor also guarantees costs of collection hereof, including, but not limited to, attorney fees.

Guarantor waives all notice of sales, notice of default, presentment for payment, notice of nonpayment, protest and notice of acceptance of this Guaranty. Any extensions, renewals, indulgences, transfer, transfers to creditors committees or trustees, settlements and compromises, in the City's sole discretion, with or without notice to Guarantor, shall not relieve Guarantor of any liability hereunder. Payment of any indebtedness now or hereafter owed by Borrower to Guarantor is hereby subordinated to payment of Borrower's liability to the City hereunder.

Guarantor agrees that this shall be a continuing guaranty which shall remain in effect as to all credit extended, made and to be extended by the City to Borrower, prior to Borrower's receipt of written termination notice from Guarantor. Notice shall be sent by registered or certified United States Mail to Community and Economic Development Director, City of Sioux City, City Hall, P.O. Box 447, Sioux City, Iowa 51101, to be effective. Further, this Guaranty shall remain in effect with respect to any business entity resulting from a merger or change in organization of Borrower in consideration of the continuation of credit by the City.

EXHIBIT L

ALLOWABLE COSTS REIMBURSABLE BY EPA BROWNFIELD GRANT AND EPA BROWNFIELD LOAN

- Phase I Environmental Site Assessments performed in accordance with the EPA All Appropriate Inquiries Final Rule or ASTM E1527-05 (or the most current version)
- Phase II Environmental Site Assessments
- Cleanup planning activities
- Cleanup activities
- Asbestos surveys/inspections
- Asbestos abatement
- Demolition or other removal of debris or hazardous materials
- Other types of cleanup agreements
- Programmatic costs to manage and oversee the work being performed as described above

All assessment and cleanup work funded with EPA Brownfield Funding must continue to be performed in accordance with state environmental rules and regulations, and all cleanup sites must be enrolled in the appropriate state voluntary cleanup program if applicable.

EXHIBIT M

DEVELOPER'S APPLICATION FOR EPA BROWNFIELD FUNDING

CITY OF SIOUX CITY, IOWA
BROWNFIELD CLEANUP REVOLVING LOAN FUND PROGRAM
PROJECT APPLICATION

Applicant (City dept, or company name): 413 PIERCE STREET, LLL

Applicant Contact Information: JIM ROYER - jim@j-dev.com

Requested Funding Amount: \$ 200,000 (GRANT) \$ 200,000 (LOAN)

Requested Type of Funding: X Grant or/and X Loan & terms 4.50% 10-YEAR FIXED

Project Site Information:
Project Name MONTGOMERY WARD/HUNTCH FURNITURE BUILDING REDEV.
Site Address 413 PIERCE ST

On a separate page(s) please provide the following information:
Project Description (short narrative - include a map if available)
Project Budget (funding sources and uses)

Brownfield RLF Funds Uses - please check all that apply:

- X Phase I Environmental Site Assessment
Phase II Environmental Site Assessment
Cleanup - Soil (petroleum or hazardous)
Cleanup - Ground water
X Asbestos Abatement
X Other - LEAD BASED PAINT REMEDIATION, DEMOLITION, AND POSITIVE PETROLEUM HYDROCARBON REMEDIATION, SITE ACQUISITION

Applicant Signature: Jim Royer MANAGER 12-12-17
Name Title Date

City Use Only

- Yes No Does the site meet the definition of a brownfield?
Yes No Is the applicant liable for contamination on the site?
Yes No Is the type of work proposed eligible under the US Environmental Protection Agency (EPA) Brownfield Program?

EPA Comments:

City Brownfield Cleanup Revolving Loan Fund Committee response:

Committee Vote: Forker Hanson Brady

Project Approved Project Denied Date

City Council / Manager Approval: Resolution No. Date

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**CITY OF SIOUX CITY, IOWA
BROWNFIELD CLEANUP REVOLVING LOAN FUND PROGRAM
PROJECT APPLICATION**

Applicant (City dept. or company name): MOTOR MART, LLC

Applicant Contact Information: JIM ROYER - jim@j-dev.com

Requested Funding Amount: \$ 400,000 (GRANT) \$ 400,000 (LOAN)

Requested Type of Funding: Grant or/and Loan & terms 4.50% 10-YEAR FIXED

Project Site Information:

Project Name CONNELLE BUILDING/MOTOR MART REDEVELOPMENT
Site Address 520 NEBRASKA ST

On a separate page(s) please provide the following information:

Project Description (short narrative – include a map if available)
Project Budget (funding sources and uses)

Brownfield RLF Funds Uses – please check all that apply:

- Phase I Environmental Site Assessment
- Phase II Environmental Site Assessment
- Cleanup – Soil (petroleum or hazardous)
- Cleanup – Ground water
- Asbestos Abatement
- Other – LEAD BASED PAINT REMEDIATION, DEMOLITION, AND POSSIBLE PETROLEUM HYDROCARBON REMEDIATION, SITE ACQUISITION

Applicant Signature: Jim Royer Name MANAGER Title 12-12-17 Date

City Use Only

- Yes No Does the site meet the definition of a brownfield?
- Yes No Is the applicant liable for contamination on the site?
- Yes No Is the type of work proposed eligible under the US Environmental Protection Agency (EPA) Brownfield Program?

EPA Comments: _____

City Brownfield Cleanup Revolving Loan Fund Committee response:

Committee Vote: Forker _____ Hanson _____ Brady _____

Project Approved _____ Project Denied _____ Date _____

City Council / Manager Approval: Resolution No. _____ Date _____

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EXHIBIT N

EPA BROWNFIELD ELIGIBILITY REQUIREMENTS

Brownfield cleanups or assessments financed with Sioux City Brownfield Revolving Loan Funds (RLF) must be consistent with Brownfield eligibility provisions and site eligibility limitations contained in the terms and conditions of the original Environmental Protection Agency (EPA) Assistance Agreements 2B-97709201 and BL-98706401.

The City of Sioux City can only provide loans and grants to eligible borrowers and grantees for sites with eligible and allowable cleanup activities.

BORROWER AND GRANTEE ELIGIBILITY

Eligible Borrower/Grantee

1. Bona fide prospective purchaser (BFPP)
2. Contiguous property owner (CPO)
3. Innocent landowner (ILO)

All of the above must have performed an “all appropriate inquiry” on the property.

Ineligible Borrower/Grantee

1. May not use RLF funds to pay for cleanup costs at a Brownfields site where the borrower/grantee is potentially liable under CERCLA §107.
2. An entity that is currently suspended, debarred from receiving federal funding, or otherwise declared ineligible.
3. Potentially liable, or affiliated with any other person that is potentially liable, for cleanup costs through: (a) any direct or indirect familial relationship, or (b) any contractual, corporate, or financial relationships.
4. Otherwise liable under CERCLA §107 (a) as a prior owner operator or generator or transporter of hazardous substances to the facility.

Grantee Eligibility

1. Owner of site at the time the grant is awarded and maintain ownership of the site throughout the period of performance of the grant.
2. Eligible entities under CERCLA §104(k)(1)
(General purpose local unit of government, land clearance authority or other quasi-governmental entity that operates under the supervision and control of, or as an agent of a general purpose unit of government; a governmental entity created by a state legislature; a regional council or group of general purpose unit of local government; a redevelopment agency that is chartered or otherwise sanctioned by a state; a state; an Indian Tribe (other than in Alaska), or an Alaskan Native Regional Corporation and an Alaska Native Village

- Corporation as those terms are defined in the Alaska Native Claims Settlement Act (43 U.S.C. 1601 and following), and the Metlakatla Indian Community.)
3. Non-profit organizations as defined at Section 4 (6) of the Federal Financial Assistance Management Improvement Act of 1999.
 4. Non-profit organizations described in Section 501(c)(4) of the Internal Revenue Code that engage in lobbying activities as defined in Section 3 of the Lobbying Disclosure Act of 1995.

SITES

Eligible Sites

1. Publicly owned, either directly by a municipality or indirectly through a quasi-public entity such as a community development corporation.
2. Privately owned and with clear means of recouping RLF expenditures (e.g., through an agreement with the owner or developer or through a lien or other security interests), this includes sites undergoing purchase by an entity who meets the definition of a prospective purchaser.
3. RLF funds can be used to clean up sites that the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant. The Brownfields Law also specifies that RLF funds can be used at sites that are contaminated by petroleum or petroleum product, controlled substances, or mine-scarred lands.
4. Sites for which property-specific determinations are made to otherwise ineligible sites. (Made where it is demonstrated to protect human health and the environment, or promote economic development, or promote greenways.)
5. RLF funds can be used to clean up sites contaminated by petroleum or petroleum products if EPA or the state determines that:
 - These sites are of relatively low risk compared to other petroleum-only sites in the state;
 - There is no viable responsible party;
 - The site will be assessed, investigated, or cleaned up by a person that is not potentially liable for cleaning up the site; or
 - The site is not subject to a corrective action order under the Resource Conservation and Recovery Act (RCRA) §9003 (h).

Ineligible Sites

1. Sites listed, or proposed for listing, on the National Priorities List (NPL).
2. Sites subject to a unilateral administrative order, court order, an administrative order on consent or judicial consent decree issued or entered into by parties under CERCLA.

3. Sites subject to the jurisdiction, custody, or control of the United States government, except for land held in trust by the United States for an Indian Tribe.
4. Petroleum sites subject to a corrective action order under RCRA §9003 (h).
5. Petroleum sites that have received specific cleanup assistance under the Subtitle I of RCRA from the Leaking Underground Storage Tank (LUST) trust fund, unless a property-specific funding determination from EPA is obtained.

ACTIVITIES

Eligible Activities

RLF funds are designated for cleanup activities at eligible brownfields sites.

EXAMPLES INCLUDE BUT ARE NOT LIMITED TO:

- Investigation and identification of the extent of the contamination.
- Design and performance of a cleanup action.
- Monitoring of a natural resource (e.g., soil, groundwater) for contamination.
- Documentation of the Analysis of Brownfields Cleanup Alternatives (ABCA).
- Development and implementation of marketing strategy.
- Oversight of cleanup activities.
- Installation of fences, warning signs, or other security or site control precautions.
- Installation of drainage controls.
- Stabilization of berms, dikes, or impoundments; or drainage or closing of lagoons.
- Capping of contaminated soils.
- Using chemicals and other materials to retard the spread of the release or mitigate its effects.
- Excavation, consolidation, or removal of contaminated soils.
- Removal of drums, barrels, tanks, or other bulk containers that contain or may contain hazardous substances, pollutants, or contaminants, including petroleum.
- Containment, treatment, or disposal of hazardous materials and petroleum contamination.
- Provision of alternative water supply immediately, where necessary to reduce exposure to contaminated household water and continuing until such time as local authorities can satisfy the need for a permanent remedy.
- Site monitoring activities, including sampling and analysis that are reasonable and necessary during the cleanup process, including determination of the effectiveness of a cleanup.
- Site assessment activities that are reasonable, necessary and incidental to the cleanup process.

- Costs associated with meeting public participation, worker health and safety, and programmatic management requirements.

Ineligible Activities

RLF funds may not be used for pre-cleanup environmental assessment, cleanup of naturally occurring substances, monitoring and data collection for the purpose of permit compliance, or development activities that are not part of the cleanup.

EXAMPLES INCLUDE BUT ARE NOT LIMITED TO:

- Pre-cleanup environmental assessment activities, such as site assessment, identification, and characterization with the exception of site monitoring activities as described above.
- Public or private drinking water supplies that have deteriorated through ordinary use.
- A cleanup cost at a brownfields site for which the recipient of the grant or loan is potentially liable under CERCLA §107.
- Monitoring and data collection necessary to apply for, or comply with, environmental permits under other federal and state laws; unless such a permit is required as a component of the cleanup action.
- Construction, demolition, and development activities that are not cleanup actions (e.g., marketing of property or construction of a new non-cleanup facility).
- Cost sharing or matching requirement for another federal grant (absent statutory authorization).
- Support of job training.
- Support of lobbying efforts of the recipient.
- Payment of administrative costs (allows programmatic costs, see below).

Eligible Programmatic Costs

- Expenses for making and managing loans and/or subgrants, operating the revolving fund, and financial management expenses.
- Expenses for site cleanup activities, as in the case of subgrants to eligible entities and nonprofit organizations in remediation of brownfield sites under CERCLA §104(k)(3)(A)(ii).
- Voluntary Cleanup Projects (VCP), Iowa Land Recycling Programs (LRP) or state cleanup program fees associated with the cleanup.
- Costs required to purchase insurance.
- Costs incurred for complying with procurement provision of 40 C.F.R. Parts 30 and 31 are considered eligible programmatic costs only if the procurement contract is for services or products that are direct costs of activities specified in statutory exceptions to the administrative cost prohibition (i.e., design and performance of a cleanup action; or monitoring a natural resources for contamination) or eligible programmatic costs described in this section.

- Costs for performance and programmatic financial reporting required under 40 C.F.R. 30.51 and 30.52 and 40 C.F.R. 31.40 and 31.41 are eligible programmatic costs. Performance and financial reporting are essential programmatic tools for both the recipient and EPA to ensure that grants are carried out in accordance with statutory and regulatory requirements.
- Costs associated with monitoring the health of populations exposed to hazardous substances from a brownfields site. Also, costs associated with monitoring and enforcing institutional controls used to prevent human exposure to hazardous substances at a brownfields site. Those costs cannot exceed 10% of the grant funds, and are eligible to local government recipients.
- Expenses for travel, training, equipment, supplies, reference materials, and contractual support, if those costs are reasonable and can be allocated to tasks specified in an approved scope of work for carrying out the activities specified in statutory exceptions to the administrative cost prohibition (i.e., investigation and identification of the extent of the contamination; design and performance of a cleanup action; or monitoring a natural resources for contamination) or eligible programmatic costs described in this section. (i.e., costs for training recipient personnel.