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PATRICK F GILL, AUDITOR AND RECORDER  
WOODBURY COUNTY IOWA



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**Prepared by:** Chris Myres P.O. Box 447, Sioux City, Iowa 51102 Telephone No. (712) 224-5502

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

**SECURITY AGREEMENT**

**BY AND AMONG**

**THE CITY OF SIOUX CITY, IOWA**

**AND**

**413 PIERCE STREET, LLC**

**LEGAL DESCRIPTION: EXHIBIT A**

**GRANTOR:**

**413 PIERCE STREET, LLC**

**GRANTEE:**

**CITY OF SIOUX CITY, IOWA**

**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 December 18<sup>th</sup>, \_\_\_\_\_, 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.

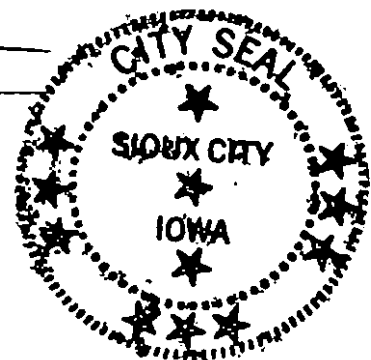
IN WITNESS WHEREOF, the undersigned parties have caused the execution of this Security Agreement as of DECEMBER 18<sup>TH</sup>, 2017.

COMPANY (Debtor)  
413 PIERCE STREET, LLC

By: James T. Royer  
James T. Royer, Managing Member

CITY (Secured Party)  
CITY OF SIOUX CITY, IOWA

By: Robert E. Scott  
Robert E. Scott, Mayor



Attest: *Lisa L. McCardle*  
Lisa L. McCardle, City Clerk

Date: \_\_\_\_\_

Date: DECEMBER 18<sup>TH</sup>, 2017

STATE OF IOWA )  
 ) SS  
COUNTY OF WOODBURY )

On this 18<sup>TH</sup> 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.



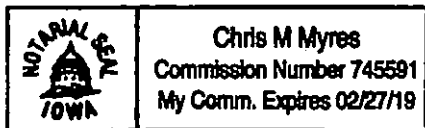
SUSAN BARNES  
Commission Number 774988  
My Comm. Exp. 9-25-18

*Susan Barnes*  
Notary Public in and for the State of Iowa

CERTIFICATE OF ACKNOWLEDGMENT

STATE OF Iowa )  
 ) SS  
COUNTY OF Woodbury )

On this 13<sup>th</sup> day of December, 2017, before me, a Notary Public in and for Woodbury County, State of Iowa, 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 (seal affixed to said instrument is the seal of same (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.



Chris M Myres  
Commission Number 745591  
My Comm. Expires 02/27/19

*Ch T Royer*  
Notary Public in and for said County and State

**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.