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PATRICK F GILL, AUDITOR AND RECORDER
WOODBURY COUNTY IOWA

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

LOAN AND SERVICING 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
LOAN AND SERVICING AGREEMENT

413 PIERCE STREET, LLC

Loan and Servicing Agreement, executed this 18th day of December, 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, protests, 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
James T. Royer, Managing Member

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

Attest: Lisa McCadle
Lisa McCadle, City Clerk

EXHIBIT "A"

Legal Description of Project Site

Legal Description:

Lots 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