

Rerecorded to correct legal description shown on Exhibit A.

~~BOOK 3435 PAGE 718~~
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AGREEMENT AND MORTGAGE

BOOK 3446 PAGE 633

WHEREAS, Omaha Small Business Network, Inc. (hereinafter called "Mortgagor") has applied to, received and accepted from the United States Department of Commerce, Economic Development Administration ("EDA"), a grant in the amount of Three Hundred Thirty-six Thousand Four Hundred Twenty-five Dollars (\$336,425) ("Grant Amount") pursuant to a Grant Agreement entered into by the parties on June 5, 1989 (the "Grant Agreement") and bearing EDA Project Number 05-01-02347 (the "Project"); and

WHEREAS, pursuant to the application filed by Mortgagor requesting said grant and pursuant to the Grant Agreement, Three Hundred Thirty-six Thousand Four Hundred Twenty-five Dollars (\$336,425) of the Grant Amount is to be used for the purpose of making improvements consisting of an addition of manufacturing space, constituting approximately 13,240 square feet, to the Business and Technology Center, a small business incubator, which addition shall be constructed on the real Property described in Exhibit A attached hereto and made a part hereof (the "Property"); and

WHEREAS, any transfer or conveyance of a project by an EDA grantee must have the prior written approval of EDA; however, EDA, under authority of the Public Works and Economic Development Act of 1965, as amended, 42 U.S.C. Section 3121, is not authorized to permit transfer or conveyance of a project to parties which are not eligible to receive EDA grants unless EDA is repaid its share of the fair market value of the project or unless the authorized purpose of the EDA grant was to develop land in order to lease it for a specific use, in which case EDA may authorize a lease of the project if certain conditions are met; and

WHEREAS, the aforesaid grant from EDA provides the purposes for which the Grant Amount may be used and provides, inter alia, that Mortgagor will not sell, lease, mortgage or otherwise use or alienate any right to, or interest in, the Property, or use the Property for purposes other than and different from those purposes set forth in the Grant Agreement and the application made by Mortgagor therefor, such alienation or use being prohibited by 13 CFR Part 314, or by Office of Management and Budget Circulars A-102 or A-110, Attachment N (the "OMB Circular"); and

WHEREAS, the value of EDA's right to repayment under the terms of Circulars A-102 and A-110, Attachment N is difficult to establish; and

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PG 718-723 N _____ DEL IN MC WS
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REGISTER OF DEEDS
DOUGLAS COUNTY, NE
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GEORGE J. DUGLE, JR.
REGISTER OF DEEDS
DOUGLAS COUNTY, NE

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WHEREAS, at this time, Mortgagor and EDA desire to establish a value for EDA's share of the Project in the event that the Property is used, transferred or alienated in violation of the Grant Agreement, applicable OMB Circulars or 13 CFR, Part 314;

NOW, THEREFORE, Mortgagor does hereby grant and convey unto EDA, its successors and assigns a mortgage on said Property to secure a debt that shall become due and payable by Mortgagor to EDA upon the use, transfer or alienation of the Property in violation of the Grant Agreement or in violation of the regulation set forth in 13 CFR, Part 314, or applicable OMB Circulars, as such Grant Agreement, regulation or Circulars may be amended from time to time; provided, however, that the lien and encumbrance of this AGREEMENT AND MORTGAGE shall terminate and be of no further force and effect 40 years from the date hereof, which period of years has been established as the useful life of the improvements to the Property. The amount of the lien, encumbrance and debt created by this AGREEMENT AND MORTGAGE shall be Three Hundred Thirty-six Thousand Four Hundred Twenty-five Dollars (\$336,425) or an amount determined pursuant to 13 CFR, Part 314. Mortgagor does hereby acknowledge that said debt shall accrue and be due and payable upon any use, transfer or alienation prohibited by the Grant Agreement, applicable OMB Circulars or 13 CFR, Part 314, and does, moreover, agree that such debt shall be extinguished only through the full payment thereof to the United States.

Mortgagor further covenants and agrees as follows:

1. Lease of Property. If the Grant Application and Grant Agreement authorize Mortgagor to lease the Property, each lease arrangement shall be subject to the prior written approval of EDA. Prior to EDA granting said approval, it must be satisfied, *inter alia*, that said lease arrangement is consistent with the authorized general and special purpose of the grant; that said lease arrangement will provide adequate employment and economic benefits for the area in which the Property is located; and that said lease arrangement is consistent with EDA policies concerning, but not limited to, non-discrimination, nonrelocation and excessive profits and that the proposed Lessee is providing adequate compensation to Mortgagor for said lease. Any lease agreement entered into by Mortgagor of the Property shall be subordinate, junior and inferior to this AGREEMENT AND MORTGAGE.

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2. Charges; Liens. Mortgagor shall protect the title and possession of the Property, pay when due all taxes, assessments and other charges, fines and impositions now existing or hereafter levied or assessed upon the Property and preserve and maintain the priority of the lien hereby created on the Property including any improvements hereafter made a part of the realty.

3. Hazard Insurance. Mortgagor shall insure and keep insured all improvements now or hereafter created upon the Property against loss or damage by fire and windstorm and any other hazard or hazards included within the term "extended coverage." The amount of insurance shall be the full insurable value of said improvements. Any insurance proceeds received by Mortgagor due to loss shall be applied to restoration or repair of the Property damaged, provided such restoration or repair is economically feasible and the security of this AGREEMENT AND MORTGAGE is not thereby impaired. If such restoration or repair is not economically feasible or if the security of this AGREEMENT AND MORTGAGE would be impaired, Mortgagor shall use said insurance proceeds to compensate EDA for its fair share. EDA's fair share shall be a percentage of said insurance proceeds equal to its grant percentage in the total cost of the grant program for which the damaged or destroyed real property was acquired or improved.

4. Preservation and Maintenance of the Property. Mortgagor shall keep the Property in good condition and repair and shall not permit or commit any waste, impairment or deterioration of the Property.

5. Inspection. EDA may make or cause to be made reasonable entries upon and inspection of the Property.

6. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property or part thereof, or for any conveyance in lieu of condemnation, shall be used by Mortgagor to compensate EDA for its fair share. EDA's fair share shall be a percentage of said condemnation proceeds equal to its grant percentage in the total cost of the grant program for which the condemned property was acquired or improved.

7. Forbearance by EDA Not a Waiver. Any forbearance by EDA in exercising any right or remedy hereunder, or otherwise affordable by applicable law, shall not be

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a waiver of or preclude the exercise of any right or remedy hereunder.

8. Recording of Mortgage--Mortgagor's Copy. Mortgagor shall record this AGREEMENT AND MORTGAGE in Douglas County, Nebraska, thereby securing to EDA an estate in the Property. Mortgagor shall be furnished a conformed copy of this AGREEMENT AND MORTGAGE at the time of execution or after recordation thereof.

9. Remedies Cumulative. All remedies provided in this AGREEMENT AND MORTGAGE are distinct and cumulative to any other right or remedy under this AGREEMENT AND MORTGAGE or afforded by law or equity, and may be exercised concurrently, independently or successively.

10. Notice. Any Notice from EDA to Mortgagor provided for in this AGREEMENT AND MORTGAGE shall be mailed by certified mail to Mortgagor's last known address or at such address as Mortgagor may designate to EDA by certified mail to EDA's address, except for any notice given to Mortgagor in the manner as may be prescribed by applicable law as provided hereafter in this AGREEMENT AND MORTGAGE.

11. Remedies. Upon Mortgagor's breach of any covenant or agreement of Mortgagor in this AGREEMENT AND MORTGAGE, EDA, its designees, successors or assigns may declare the entire indebtedness secured hereby immediately due, payable and collectible. This AGREEMENT AND MORTGAGE may be enforced by the Secretary of Commerce of the United States of America, the Assistant Secretary of Commerce for Economic Development or their designees, successors or assigns by and through a foreclosure action brought either in a United States District Court or in any State Court having jurisdiction, but such action shall not be deemed to be a waiver of the aforesaid debt or of any possible further or additional action to recover repayment thereof.

After any breach on the part of Mortgagor, EDA, its designees, successor or assigns shall, upon bill filed or the proper legal proceedings being commenced for the foreclosure of this AGREEMENT AND MORTGAGE, be entitled, as a matter of right, to the appointment by any competent court, without notice to any party, of a receiver of the rents, issues and profits of the Property, with power to lease and control the Property, and with such other powers as may be deemed necessary.

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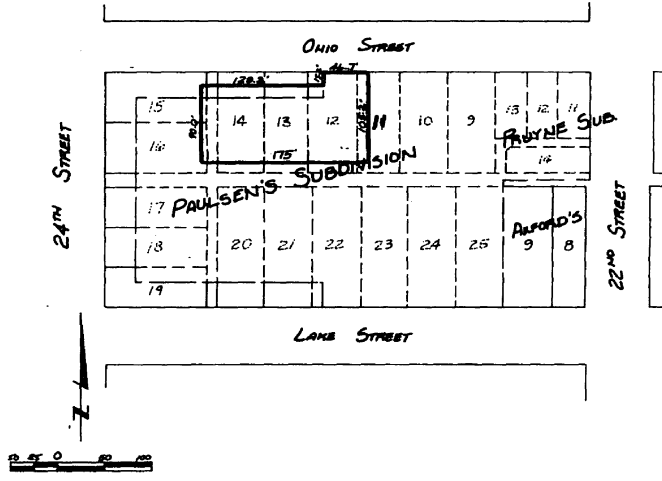
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Exhibit "A"
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LEGAL DESCRIPTION:

The North 105.2 feet of the West 14.5 feet of Lot 11, the North 105.2 feet of the East 32.16 feet and the South 90.00 feet of the North 105.2 feet of the West 15.84 feet of Lot 12, the South 90.00 feet of the North 105.2 feet of Lots 13 and 14, the South 43.6 feet of the East 8.5 feet of Lot 15, the North 46.2 feet of the East 8.5 feet of Lot 16, together with the South 90.00 feet of the North 105.2 feet of the vacated alley adjoining Lots 14, 15 and 16, ~~PAULSEN'S SUBDIVISION OF LOTS 1 TO 9, INCLUSIVE, PAULSEN'S ADDITION to the City of Omaha, Douglas County, Nebraska.~~



Book _____ Page _____ Date 7-25-89 Job Number 89-1165-1

lamp, ryneason & associates, inc.
architects engineers surveyors planners
14747 california street omaha, nebraska 68134 402-488-2488

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