

BOOK 3991 PAGE 176

**MORTGAGE FOR A DEFERRED PAYMENT LOAN**  
(Effective January 1, 1990)

This Mortgage made as of the 8th day of March, 19 93, between Omaha Small Business Network, Inc. (hereinafter called Mortgagor, and if more than one party jointly and severally hereinafter called "Mortgagor"), residing at 2505 North 24th Street, Omaha Douglas, County, Nebraska and the City of Omaha (hereinafter called "Mortgagee"), acting by and through the Planning Department, Housing and Community Development Division having an Office at 1819 Farnam Street, Omaha, and State of Nebraska.

WITNESSETH, that to secure the payment of an indebtedness in the principal amount of One Million Three Hundred Eighty-Four Thousand ----- Dollars (\$ 1,384,000.00 ), with interest thereon, which shall be payable in accordance with a certain note bearing even date herewith, a true and correct copy of which, exclusive of the signature of the Mortgagor, marked "Schedule A" is annexed hereto and made a part hereof, and all other indebtedness which the Mortgagor is obligated to pay to the Mortgagee pursuant to the provisions of the Note and this Mortgage, the Mortgagor hereby grants, conveys and mortgages to the Mortgagee:

The following described property situated in Douglas County, Nebraska.

REFER TO ATTACHMENT

RECEIVED  
MAR 8 1 12 PM '93  
DOUGLAS COUNTY, NE

3331 # 3991  
CASH DT  
TYPE Mtg PG 176-194 CIO COMP SCAR CA  
FEE 105.50 OF Mtg LEGAL PG 182 MC FV

TOGETHER, with all appurtenances thereto and all the estate and rights of the Mortgagor in and to such property or in anywise appertaining thereto; all buildings and other structures now or hereafter thereon erected or installed, and all fixtures and articles of personal property now or hereafter attached to, or used in, or in the operations of, any such land, buildings or structures which are necessary to the complete use and occupancy of such buildings or structures for the purpose for which they were or are to be erected or installed, including, but not limited to all heating, plumbing, bathroom, lighting, cooking, laundry, ventilating, refrigerating, incinerating, and air-conditioning equipment and fixtures and all replacements thereof and additions thereto, whether or not the same are or shall be attached to such land, buildings or structures in any manner;

TOGETHER, with any and all awards now or hereafter made for the taking of the property mortgaged hereby, or any part thereof (including any easement), by the exercise of the power of eminent domain, including any award for change of grade of any street or other roadway, which awards are hereby assigned to the Mortgagee and are deemed a part of the property mortgaged hereby, and the Mortgagee is hereby authorized to collect and receive the proceeds of such awards, to give proper receipts and acquittances therefor, and to apply the same toward the payment of the indebtedness secured by this Mortgage, notwithstanding the fact that the amount owing thereon may not then be due and payable; and the Mortgagor hereby agrees, upon request, to make, execute and deliver any and all assignments and other instruments sufficient for the purpose of assigning each such award to the Mortgagee, free, clear and discharged of any encumbrances of any kind or nature whatsoever; and

TOGETHER, with all right, title and interest of the Mortgagor in and to the land lying in the streets and roads in front of and adjoining the above described land (all the above described land, buildings, other structures, fixtures, articles of personal property, awards and other rights and interests being hereinafter collectively called the "mortgaged property").

*Return to Planning - K-7*

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TO HAVE AND TO HOLD the mortgaged property and every part thereof unto the Mortgagee, its successors and assigns forever for the purposes and uses herein set forth.

AND the Mortgageor further covenants and agrees with the Mortgagee, as follows:

1. The Mortgageor will promptly pay the principal of and interest on the indebtedness evidenced by the Note, and all other charges and indebtedness provided therein and in this Mortgage, at the times and in the manner provided in the Note and in this Mortgage.
2. The Mortgageor will pay when due, as hereinafter provided, all ground rents, if any, and all taxes, assessments, water rates and other governmental charges, fines and impositions, of every kind and nature whatsoever, now or hereafter imposed on the mortgaged property, or any part thereof, and will pay when due every amount of indebtedness secured by any lien to which the lien of this Mortgage is expressly subject.
3. This Mortgage and the Note were executed and delivered to secure moneys advanced, or to be advanced, by the Mortgagee as or on account of a loan evidenced by the Note, for the purpose of making the improvements described or referred to in the attached copy of City Council Resolutions Nos. 1443, 136, 488 dated 6/13/89, 1/15/91, 3/2/93 respectively to or on the mortgaged property, and for such other purpose, if any, described or referred to therein, which improvements are hereafter collectively called "Improvements." The Mortgageor shall make or cause to be made all the Improvements. If the construction or installation of the Improvements shall not be carried out with reasonable diligence, or shall be discontinued at any time for any reason, other than strikes, lockouts, acts of God, fires, floods or other similar catastrophes, riots, war or insurrection, the Mortgagee after due notice to the Mortgageor is hereby authorized (a) to enter upon the mortgaged property and employ any watchmen to protect the Improvements from depredation or injury and to preserve and protect such property, (b) to carry out any or all then existing contracts between the Mortgageor and other parties for the purpose of making any of the Improvements, (c) to make and enter into additional contracts and incur obligations for the purposes of completing the Improvements pursuant to the obligations of the Mortgageor hereunder, either in the name of the Mortgagee or the Mortgageor, and (d) to pay and discharge all debts, obligations and liabilities incurred by reason of any action taken by the Mortgagee, as provided in this Paragraph, all of which amounts so paid by the Mortgagee, with interest thereon from the date of each such payment, at the rate of Zero Percent (0%) per annum, shall be payable by the Mortgageor to the Mortgagee on demand and shall be secured by this Mortgage.
4. No building or other structure or improvement, fixture or personal property mortgaged hereby shall be removed or demolished without the prior written consent of the Mortgagee. The Mortgageor will not make, permit or suffer any alteration of or addition to any building or other structure or improvement now or which may hereafter be erected or installed upon the mortgaged property, or any part thereof, except the improvements required to be made pursuant to Paragraph 3 hereof, nor will the Mortgageor use, or permit or suffer the use of, any of the mortgaged property for any purpose other than the purpose or purposes for which the same is now intended to be used, without the prior written consent of the Mortgagee. The Mortgageor will maintain the mortgaged property in good condition and state of repair and will not suffer or permit any waste to any part thereof, and will promptly comply with all the requirements of Federal, state and local governments, or of any departments, divisions or bureaus thereof, pertaining to such property or any part thereof.
5. The Mortgageor will not voluntarily create, or permit or suffer to be created or to exist, on or against the mortgaged property, or any part thereof, any lien superior to the lien of this Mortgage, exclusive of the lien or liens, if any, to which this Mortgage is expressly subject, as set forth in the granting clause above, and will keep and maintain the same free from the claims of all parties supplying labor or materials which will enter into the construction or installation of the Improvements.
6. (a) The Mortgageor will keep all buildings, other structures and improvements, including equipment, now existing or which may hereafter be erected or installed on the land mortgaged hereby, insured against loss by fire and other hazards, casualties and contingencies, in such amounts and manner, and for such periods, all as may be required from time to time by the Mortgagee. Unless otherwise required by the Mortgagee, all such insurance shall be effected by Standard Fire and Extended Coverage Insurance policies, in amounts not less than necessary to comply with the coinsurance clause percentage of the value applicable to the location and character of the property to be covered. All such insurance shall be carried in companies approved by the Mortgagee and all policies therefor shall be in such form and shall have attached thereto loss payable causes in favor of the Mortgagee and any other parties as shall be satisfactory to the Mortgagee. All such policies and attachments thereto shall, be delivered promptly to the Mortgagee, unless they are required to be delivered to the holder of a lien of a mortgage or similar instrument to which this Mortgage is expressly subject, in which latter event certificates thereof, satisfactory to the Mortgagee, shall be delivered promptly to the Mortgagee. The Mortgageor will pay promptly when due, as hereinafter provided, and any and all premiums on such insurance, and in every case in which payment thereof is not made from the deposits therefor required by this Mortgage, promptly submit to the Mortgagee for examination receipts or other evidence of such payment as shall be satisfactory to the Mortgagee. The Mortgagee may obtain and pay the premium on (but shall be under no obligation to do so) every kind of insurance required hereby if the amount of such premium has not been deposited as required by this Mortgage, in which event the Mortgageor will pay to the Mortgagee every premium so paid by the Mortgagee.

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(b) In the event of loss or damage to the mortgaged property the Mortgagor will give to the Mortgagee immediate notice thereof by mail, and the Mortgagee may make and file proof of loss if not made otherwise promptly hereunder for such loss directly to the Mortgagee, instead of to the Mortgagor and the Mortgagee jointly, unless the amount of loss is payable first to the holder of a lien under a mortgage or similar instrument to which this Mortgage is expressly subject; and the insurance proceeds or any part thereof if received by the Mortgagee may be applied by the Mortgagee, at its option, either in reduction of the indebtedness hereby secured, or to the restoration or repair of the mortgaged property damaged. In the event of foreclosure of this Mortgage, or of any transfer of title to the mortgaged property in extinguishment of such indebtedness, all right, title and interest of the Mortgagor in and to every such insurance policy then in force, subject to the rights and interest of the holder of any such prior lien, shall pass to the grantee acquiring title to the mortgaged property together with such policy and appropriate assignment of such right, title and interest which shall be made by the Mortgagor.

7. (a) In order to more fully protect the security of this Mortgage, the Mortgagor shall deposit with the Mortgagee together with, and in addition to, the payment of principal and interest monthly on account of the Note secured hereby, until the Note is paid in full, an amount of money equal to the total amount of (i) ground rents, if any, next becoming due, (ii) the premiums next becoming due on the policies of fire and all other hazard insurance required by this Mortgage with respect to the mortgaged property, (iii) taxes, assessments, water rates and other governmental charges next becoming due on the mortgaged property (all the foregoing amounts as estimated by the Mortgagee and set forth in a written notice of such estimate by the Mortgagee to the Mortgagor from time to time), less all amounts that may already have been paid therefor, divided by the number of calendar months to elapse before one calendar month prior to the date when such ground rents, premiums, taxes, assessments, water rates and other governmental charges, respectively, will become due and payable. If any amount referred to in clauses (i) through (iii) hereof is required to be deposited by the Mortgagor under a mortgage or similar instrument having priority over the lien of this Mortgage, the Mortgagor shall make the deposits required by this Paragraph 7 only in the event of the termination of such obligation under the prior mortgage or similar instrument. The Mortgagor shall give prompt notice in writing to the Mortgagee of the occurrence of the last-mentioned event. All such amounts so deposited with the Mortgagee shall be held by the Mortgagee, or any agent designated by it, in trust to be used only for the payment of such ground rents, premiums, taxes, assessments, water rates and other governmental charges. No interest shall be payable by the Mortgagee on any sum so deposited.

(b) All amounts required to be deposited within the Mortgagee monthly in accordance with Paragraph 7 (a) hereof, and the amount of principal and interest to be paid each month on account of the Note, shall be added together, and the aggregate amount thereof shall be paid by the Mortgagor to the Mortgagee in a single payment to be applied by the Mortgagee on account of the indebtedness of the Mortgagor pursuant to the Note and this Mortgage (to the extent that monies are available from the amount so deposited), in the order, any provision of the Note to the contrary notwithstanding, as follows:

FIRST, to the late charges, if any, referred to in the Note;

SECOND, to the amount of such ground rents, if any, fire and other hazard insurance premiums, taxes, assessments, water rates and other governmental charges required to be paid under the provisions of this Mortgage, in whatever sequence the Mortgagee may exclusively determine;

THIRD, to interest due on the Note; and

FOURTH, the remainder, to the principal due on the Note.

Any deficiency in the amount of any such aggregate monthly payment shall, unless paid by the Mortgagor prior to the due date of the next such deposit payable, constitute an event of default under this Mortgage.

(c) Any excess funds that may be accumulated by reason of the deposits required under Paragraph 7 (a) hereof, remaining after payment of the amounts described in clauses (i), (ii) and (iii) thereof, shall be credited to subsequent respective monthly amounts of the same nature required to be paid thereunder. If any such amount shall exceed the estimate therefor, the Mortgagor shall forthwith pay to the Mortgagee the amount of such deficiency upon written notice by the Mortgagee of the amount thereof. Failure to do so before the due date of such amount shall be an event of default under this Mortgage. If the mortgaged property is sold under foreclosure or is otherwise acquired by the Mortgagee, after default by the Mortgagor, any remaining balance of the accumulations under Paragraph 7 (a) hereof, shall be credited to the principal amount owing on the Note as of the date of commencement of foreclosure proceedings for the mortgaged property, or as of the date the mortgaged property is otherwise so acquired.

8. The improvements and all plans and specifications therefor shall comply with all applicable municipal ordinances, regulations, and rules made or promulgated by lawful authority, and upon their completion shall comply therewith.

9. Upon any failure by the Mortgagor to comply with or perform any of the terms, covenants or conditions of this Mortgage requiring the payment of any amount of money by the Mortgagor, other than the principal amount of the loan evidenced by the Note, interest and other charges, as provided in the Note, the Mortgagee may at its option make such payment. Every payment so made by the Mortgagee (including reasonable attorney's fees incurred thereby), with interest thereon from the date of such payment, a rate not to

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exceed fifteen percent (15%) per annum, except any payment for which a different rate of interest is specified herein, shall be payable by the Mortgagor to the Mortgagee on demand and shall be secured by this Mortgage. This Mortgage with respect to any such amount and the interest thereon, shall constitute a lien on the mortgaged property prior to any other lien attaching or accruing subsequent to the lien of this Mortgage.

10. The Mortgage, by any of its agents or representatives, shall have the right to inspect the mortgaged property from time to time at any reasonable hour of the day. Should the mortgaged property, or any part thereof, at any time require inspection, repair, care or attention of any kind or nature not provided by this Mortgage as determined by the Mortgagee in its sole discretion, the Mortgagee may, after notice to the Mortgagor, enter or cause entry to be made upon, the mortgaged property, and inspect, repair, protect, care for or maintain such property, as the Mortgagee may in its sole discretion deem necessary, and may pay all amounts of money therefor, as the Mortgagee may in its sole discretion deem necessary.

11. The principal amount owing on the Note together with interest thereon and all other charges, as therein provided, and all other amounts of money owing by the Mortgagor to the Mortgagee pursuant to and secured or intended to be secured by this Mortgage, shall immediately become due and payable without notice or demand upon the appointment of a receiver or liquidator, whether voluntary or involuntary, for the Mortgagor or any of the property of the Mortgagor, or upon the filing of a petition by or against the Mortgagor under the provisions of any State insolvency law, or under the provisions of the Bankruptcy Act of 1898, as amended, or upon the making by the Mortgagor of an assignment for the benefit of the Mortgagor's credits. The Mortgagee is authorized to declare, at its option, all or any part of such indebtedness immediately due and payable upon the happening of any of the following events:

(a) Failure to pay the amount of any installment of principal and interest, or other charges payable on the Note, which shall have become due, prior to the due date of the next such installment;

(b) Nonperformance by the Mortgagor of any covenant, agreement, term or condition of this Mortgage, or of the Note (except as otherwise provided in subdivision (a) hereof) or of any other agreement heretofore, herewith or hereafter made by the Mortgagor with the Mortgagee in connection with such indebtedness;

(c) Failure of the Mortgagor to perform any covenant, agreement, term or condition in any instrument creating a lien upon the mortgaged property, or any part thereof, which shall have priority over the lien of this Mortgage;

(d) The Mortgagee's discovery of the Mortgagor's failure in any application of the Mortgagor to the Mortgagee to disclose any fact deemed by the Mortgagee to be material, or of the making therein or in any of the agreements entered into by the Mortgagor with the Mortgagee (including, but not limited to, the Note and this Mortgage) of any misrepresentation by, on behalf of, or for the benefit of, the Mortgagor;

(e) The sale, lease or other transfer of any kind or nature of the mortgaged property, or any part thereof, without the prior written consent of the Mortgagee;

(f) The enactment after the date of this Mortgage of any law of the State of Nebraska deducting from the value of the mortgaged property (or any part thereof), for the purpose of taxation, any lien thereon, or changing in any way its laws for the taxation of mortgages or debts secured by mortgage for state or local purposes, or the manner of collection of any such tax, so as to affect this Mortgage, and if after such enactment of change the holder of the Note and this Mortgage gives written notice to the Mortgagor declaring the Note and all other indebtedness secured by this Mortgage to be due and payable, because of any such enactment or change, immediately upon the expiration of thirty (30) days after such notice.

The Mortgagee's failure to exercise any of its rights hereunder shall not constitute a waiver thereof. All the events of this Paragraph enumerated upon the happening of any of which the Note shall become, or may be declared to be, immediately due and payable, are in this Mortgage called "events of default".

12. The Mortgagee may from time to time cure each default under any covenant or agreement in any instrument creating a lien upon the mortgaged property, or any part thereof, which shall have priority over the lien of this Mortgage, to such extent as the Mortgagee may exclusively determine, and each amount paid (if any) by the Mortgagee to cure any such default shall be paid by the Mortgagor to the Mortgagee; and the Mortgagee shall also become subrogated to whatever rights the holder of the prior lien might have under such instrument.

13. (a) After the happening of any default hereunder, the Mortgagor shall upon demand of the Mortgagee surrender possession of the mortgaged property to the Mortgagee, and the Mortgagee may enter such property, and let the same and collect all the rents therefrom which are due or to become due, and apply the same, after payment of all charges and expenses, on account of the indebtedness hereby secured, and all such rents and all leases existing at the time of such default are hereby assigned to the Mortgagee as further security for the payment of the indebtedness secured hereby; and the Mortgagee may also disposes, by the usual summary proceedings, any tenant defaulting in the payment of any rent to the Mortgagee.

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(b) In the event that the Mortgagor occupies the mortgaged property or any part thereof, the Mortgagor agrees to surrender possession of such property to the Mortgagee immediately after any such default hereunder, and if the Mortgagor remains in possession after such default, such possession shall be as a tenant of the Mortgagee, and the Mortgagor shall pay in advance, upon demand by the Mortgagee, as a reasonable monthly rental for the premises occupied by the Mortgagor, an amount at least equivalent to one-twelfth of the aggregate of the twelve monthly installments payable in the current calendar year, plus the actual amount of the annual ground rent, if any, taxes, assessments, water rates, other governmental charges and insurance premiums payable in connection with the mortgaged property during such year, and upon the failure of the Mortgagor to pay such monthly rental, the Mortgagor may also be dispossessed by the usual summary proceedings applicable to tenants. This covenant shall become effective immediately upon the happening of any such default, as determined in the sole discretion of the Mortgagee, who shall give notice of such determination to the Mortgagor; and in the case of foreclosure and the appointment of a receiver of the rents, the within covenant shall inure to the benefit of such receiver.

14. The Mortgagee in any action to foreclose this Mortgage shall be entitled to the appointment of a receiver without notice, as a matter of right and without regard to the value of the mortgaged property, or the solvency or insolvency of the Mortgagor or other party liable for the payment of the Note and other indebtedness secured by this Mortgage.

15. The Mortgagor, within ten (10) days upon request in person or within twenty (20) days upon request by mail, will furnish promptly a written statement in form satisfactory to the Mortgagee, signed by the Mortgagor and duly acknowledged, of the amount then owing on the Note and other indebtedness secured by this Mortgage, and whether any offsets or defenses exist against such indebtedness or any part thereof.

16. The Mortgagor will give immediate notice by registered or certified mail to the Mortgagee of any fire, damage or other casualty affecting the mortgaged property, or of any conveyance, transfer or change in ownership of such property, or any part thereof.

17. Notice and demand or request may be made in writing and may be served in person or by mail.

18. In case of a foreclosure sale of the mortgaged property it may be sold in one parcel.

19. The Mortgagor will not assign the rents, if any, in whole or in part, from the mortgaged property, or any part thereof, without the prior written consent of the Mortgagee.

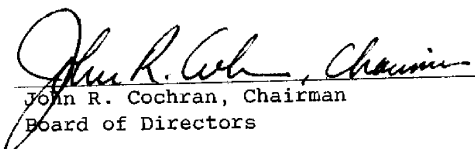
20. The Mortgagor is lawfully seized of the mortgaged property and has good right, full power and lawful authority to sell and convey the same in the manner above provided, and will warrant and defend the same to the Mortgagee forever against the lawful claims and demands of any and all parties whatsoever.

21. This Mortgage and all the covenants, agreements, terms and conditions herein contained shall be binding upon and inure to the benefit of the Mortgagor and the heirs, legal representatives and assigns of the Mortgagor, and, to the extent permitted by law, every subsequent owner of the mortgaged property; and shall be binding upon and inure to the benefit of the Mortgagee and its assigns. If the Mortgagor, as defined herein, consists of two or more parties, this Mortgage shall constitute a grant and mortgage by all of them jointly and severally, and they shall be obligated jointly and severally under all the provisions hereof and under the Note. The word "Mortgagee" shall include any person, corporation or other party who may from time to time be the holder of this Mortgage. Wherever used herein the singular number shall include the plural, the plural number shall include the singular, and the use of any gender shall be applicable to all genders wherever the sense requires.

22. 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 contract, I voluntarily give up my right to protection for this property with respect to claims based upon this contract.

IN WITNESS WHEREOF this Mortgage has been duly signed and sealed by the Mortgagor on or as of the day and year first above written.

OMAHA SMALL BUSINESS NETWORK, INC.

By:   
John R. Cochran, Chairman  
Board of Directors

Mortgage-B

5.

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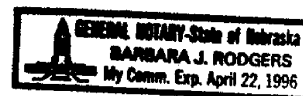
STATE OF NEBRASKA )  
 ) SS.  
 COUNTY OF DOUGLAS )

On this 8th day of March, A.D., 1996, before me, \_\_\_\_\_  
 a Notary Public \_\_\_\_\_ in and for said County, personally came  
John R. Cochran, Chairman, Board of Directors, Omaha Small Business personally to me known  
 to be the identical person \_\_\_\_\_ whose name is \_\_\_\_\_ affixed to the above and foregoing instrument as Mortgagor, and  
 he \_\_\_\_\_ acknowledged the said instrument and the execution thereof to be his  
 voluntary act and deed, for the purposes therein expressed.

In testimony whereof, I have hereunto set my hand and affixed by Notarial seal at Omaha, Nebraska  
 on the day and date last above written.

Barbara J. Rodgers  
 Notary Public

My commission expires 4-22 19 96



STATE OF NEBRASKA

Loan No.

To

State of Nebraska )  
 ) SS:  
 County )

Filed for record this \_\_\_\_\_ day \_\_\_\_\_ at \_\_\_\_\_  
 o'clock M., and entered in Numerical Index, \_\_\_\_\_  
 and recorded in Book \_\_\_\_\_ of \_\_\_\_\_  
 on Page \_\_\_\_\_

Register of Deeds

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## ATTACHMENT

Legal Description: Lots 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24 and 25, Paulsen's Addition, an Addition to the City of Omaha, as surveyed, platted and recorded and Lots 11, 12, 13 and 14, Pruyme Subdivision of Lots 1 to 8, inclusive, Paulsen's Addition, Douglas County, Nebraska together with all of the vacated alleys lying within the boundaries of the above described property except the South 1/2 of the East 90 feet of the alley extending from 24th Street to 22nd Street; except land sold to the City of Omaha as follows:

The North 30.0 feet of the West 39.0 feet and the West 29.0 feet of the South 29.0 feet of Lot 15, together with the West 29.0 feet of Lots 16, 17, 18 and 19 together with the West 29.0 feet of the vacated alley adjoining said Lots 16 and 17, the South 29.0 feet of the East 80.0 feet of Lot 19, the South 29.0 feet of Lots 20 & 21, together with the South 29.0 feet of the West 11.75 feet of Lot 22 and together with the South 29.0 feet of the vacated alley adjoining said Lots 19 & 20, all in Paulsen's Addition to the City of Omaha, Douglas County, Nebraska;

and except the tract of land described as follows:

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 43.8 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, all in Paulsen's Addition to the City of Omaha, Douglas County, Nebraska.

## INVESTOR DEFERRED LOAN

## PROMISSORY NOTE

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Project No. Economic DevelopmentPlace: Omaha, Douglas County, NebraskaLoan No. 7-HCD/737/2Date: March 8, 1993

FOR VALUE RECEIVED, the undersigned jointly and severally promise(s) to pay to the order of the CITY OF OMAHA (herein called "CITY"), acting by and through the Director of the Planning Department or its successors, the sum of One Million Three Hundred Eighty-Four Thousand -  
----- Dollars, (\$ 1,384,000.00 ). The Principal on this Note is payable on the first day after the undersigned conveys, grants, mortgages, assigns or otherwise transfers their interest or a portion thereof in the property or improvements at 2505 North 24th Street,  
Omaha, NE and legally described as:

REFER TO ATTACHMENT

without the prior written consent of the said Director, and in lawful money of the United States at the principal office of the City of Omaha, 1819 Farnam Street, Omaha, Nebraska, or at such other places as shall be designated by the City.

The undersigned reserve(s) the right to prepay at any time all or any part of the principal amount of this Note without the payment of penalties or premiums.

IN THE EVENT the undersigned shall fail to pay the interest on or principal amount of this Note when due, and if such failure be subsisting on the date the next installment payment under this Note becomes due and payable, the unpaid principal amount of this Note, together with accrued interest and late charges, shall become due and payable, at the option of the CITY, without notice to the undersigned. Failure of the CITY to exercise such option shall not constitute a waiver of such default. No default shall exist by reason of nonpayment of any required installment of principal and interest so long as the amount of the optional prepayments already made pursuant hereto equals or exceeds the amount of the required installments. If the interest on, and principal of, this Note are not paid during the calendar month which includes the due date, the undersigned shall pay to the CITY a late charge of 4% per calendar month, or fraction thereof, on the amount past due and remaining unpaid. If this Note be reduced to judgment, such judgment should bear the statutory interest rate on judgments, but not to exceed 9% per annum.

IF suit is instituted by the CITY to recover this Note, the undersigned agree(s) to pay all costs of such collection including reasonable attorneys' fees and court costs.

THIS NOTE is secured by a Second Mortgage  
 duly filed for record in Douglas County, Nebraska.



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DEMAND, protest and notice of demand and protest are hereby waived, and the undersigned hereby waives, to the extent authorized by law, and all homestead and other exemption rights which otherwise would apply to the debt evidenced by this Note.

IN WITNESS WHEREOF, this Note has been duly executed by the Undersigned, as of its date.

OMAHA SMALL BUSINESS NETWORK, INC.

By: \_\_\_\_\_

John R. Cochran, Chairman  
Board of Directors

\_\_\_\_\_

## ATTACHMENT

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**Legal Description:** Lots 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24 and 25, Paulsen's Addition, an Addition to the City of Omaha, as surveyed, platted and recorded and Lots 11, 12, 13 and 14, Pruyme Subdivision of Lots 1 to 8, inclusive, Paulsen's Addition, Douglas County, Nebraska together with all of the vacated alleys lying within the boundaries of the above described property except the South 1/2 of the East 90 feet of the alley extending from 24th Street to 22nd Street; except land sold to the City of Omaha as follows:

The North 30.0 feet of the West 39.0 feet and the West 29.0 feet of the South 29.0 feet of Lot 15, together with the West 29.0 feet of Lots 16, 17, 18 and 19 together with the West 29.0 feet of the vacated alley adjoining said Lots 16 and 17, the South 29.0 feet of the East 80.0 feet of Lot 19, the South 29.0 feet of Lots 20 & 21, together with the South 29.0 feet of the West 11.75 feet of Lot 22 and together with the South 29.0 feet of the vacated alley adjoining said Lots 19 & 20, all in Paulsen's Addition to the City of Omaha, Douglas County, Nebraska;

and except the tract of land described as follows:

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**CITY OF OMAHA**

LEGISLATIVE CHAMBER

BOOK 3388 PAGE 335

Omaha, Nebr..... June 13, 19 89

RESOLVED BY THE CITY COUNCIL OF THE CITY OF OMAHA:

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WHEREAS, the City annually receives Community Development Block Grant funds under Title I of the Housing and Community Development Act of 1974, as amended, for the purpose of benefiting low and moderate income residents, eliminating slums and blight, and for other urgent community development needs; and,

WHEREAS, the Mayor recommended various projects in the 1989 Statement of Objectives and Proposed Use of Funds including the expansion of the Omaha Small Business Network, Inc., Business and Technology Center, 2505 North 24th Street; and,

WHEREAS, the City Council accepted the Mayor's recommendations on November 15, 1988; and,

WHEREAS, a determination has been made that the Omaha Small Business Network, Inc., Business and Technology Center expansion project benefits low and moderate income persons based upon the creation and retention of jobs; and,

WHEREAS, the City has initiated an Economic Development Program for the purpose of encouraging the creation and expansion of businesses in the City; and,

WHEREAS, the expansion of the Omaha Small Business Network, Inc. facility comprised of a Business Technology Center, an Entrepreneurial Outreach Office, and a Seed Capital Fund is part of the overall Economic Development Program of the City of Omaha; and,

WHEREAS, the Omaha Small Business Network, Inc. has received a grant in the amount of \$336,425.00 from the U.S. Economic Development Administration and corporate contributions in the amount of \$29,851.00; and,

WHEREAS, the Omaha Small Business Network, Inc. is requesting supplemental funding for construction of a 13,240 square foot addition to its existing Business and Technology Center and is willing to accept the terms and conditions as stated in the attached Agreement; and,

By .....  
Councilmember

Adopted.....

.....  
City Clerk

roved .....  
Mayor



## LEGISLATIVE CHAMBER

Omaha, Nebr. June 13 1989

BOOK 3991 PAGE 187

PAGE 2

WHEREAS, it is in the best interest of the City of Omaha and the residents thereof that the City enter into an Agreement with the Omaha Small Business Network, Inc. and provide supplemental funding in the amount of \$525,000.00 for the expansion of the Business and Technology Center.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF OMAHA:

THAT, the attached Agreement, as recommended by the Mayor, between the City of Omaha and the Omaha Small Business Network, Inc., a Nebraska non-profit corporation, 2505 North 24th Street, Omaha, Nebraska 68110, is hereby approved. The deferred payment loan shall not exceed \$525,000.00. This deferred payment loan shall be payable in full on the first day after the Omaha Small Business Network, Inc. shall convey, grant, assign or otherwise transfer their interest or a portion thereof in the property or improvements located at 2505 North 24th Street to another party. Funds shall be paid from Community Development Block Grant Fund Number 193, Cost Center 651501, Economic Development.

APPROVED AS TO FORM:

*Ken Borge*  
ASSISTANT CITY ATTORNEY

8766u

I hereby certify that the foregoing is a true and correct copy of the original document now on file in the City Clerk's office.

BY

DEPUTY CITY CLERK

By

*Joseph L. Kreindl*  
Councilmember

Adopted

JUN 13 1989

*Deputy Mayor*  
DEPUTY City Clerk

Approved

Mayor

⊕  
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that the attached Agreement, recommended by the Mayor, between the City of Omaha and the Omaha Small Business Network, Inc., a Nebraska non-profit corporation, 2505 North 24th Street, Omaha, Nebraska 68110, is hereby approved. The deferred payment loan shall not exceed \$525,000.00. This deferred payment loan shall be payable in full on the first day after the Omaha Small Business Network, Inc. shall convey, grant, assign or otherwise transfer their interest or a portion thereof in the property or improvements located at 2505 North 24th Street to another party. Funds shall be paid from Community Development Block Grant Fund Number 193, Cost Center 651501, Economic Development. This loan is for the expansion of the Omaha Business & Technology Center located at 2505 North 24th Street.

8766u

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Presented to City Council

JUN 13 1989

Adopted

6-0

*Mary Sullivan*

City Clerk

BOOK 3991 PAGE 188

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**CITY OF OMAHA**

LEGISLATIVE CHAMBER

BOOK 3991 PAGE 189

Omaha, Nebr.....January 15..... 1990...

RESOLVED BY THE CITY COUNCIL OF THE CITY OF OMAHA:

WHEREAS, the City annually receives Community Development Block Grant funds under Title I of the Housing and Community Development Act of 1974, as amended, for the purpose of benefiting low and moderate income residents, eliminating slums and blight, and for other urgent community development needs; and,

WHEREAS, the Mayor recommended various projects in the 1989 and 1990 Statement of Objectives and Proposed Use of funds including the expansion and continued support of the Omaha Small Business Network, Inc. (OSBN), Business and Technology Center, 2505 North 24th Street; and,

WHEREAS, a determination has been made that the OSBN, Business and Technology Center benefits low and moderate income persons based upon the creation and retention of jobs; and,

WHEREAS, the City has initiated an Economic Development Program for the purpose of encouraging the creation and expansion of businesses in the City; and,

WHEREAS, the continuation and growth of the OSBN, comprised of a Business Technology Center, an Entrepreneurial Outreach Office, and a Seed Capital Fund, is part of the overall Economic Development Program of the City of Omaha; and,

WHEREAS, while the OSBN has been successful, the organization has not consistently been able to achieve occupancy levels that generate an income stream enabling the organization to become self-sufficient; and,

WHEREAS, a financial analysis and the corporation's financial statements (Attachment 1) reflect the shortages in income and the difficulty the OSBN has had and will be having over the near term; and,

By .....  
Councilmember

Adopted.....

.....  
City Clerk

Approved .....  
Mayor

C-25A

**CITY OF OMAHA**

BOOK 3991 PAGE 190

## LEGISLATIVE CHAMBER

Omaha, Nebr..... January 15, ..... 19..90

PAGE 2

WHEREAS, OSBN has requested that the City convert the existing second mortgage in an amount of \$264,000 from a repayable loan to a Deferred Payment Loan (DPL) which would become payable on the first day after the OSBN, Inc., conveys, grants, mortgages, assigns or otherwise transfers its interest or a portion thereof in the property or improvements; and,

WHEREAS, it is further requested that the City combine the \$264,000 mortgage for a deferred payment loan with the existing \$40,000 and \$30,000 mortgages for deferred payment loans, thereby placing a second mortgage or deed of trust for a DPL in an amount of \$344,000 at an annual interest rate of 0 percent; and,

WHEREAS, the existing \$264,000 repayable loan and the \$40,000 and \$30,000 mortgages for deferred payment loans shall be released; and,

WHEREAS, the discrepancy in the legal description will be corrected by adding a 10 foot strip of land that was inadvertently omitted from the original legal description; and,

WHEREAS, our analysis indicates a need for additional financial support and that the conversion of the repayable mortgage to a deferred payment loan is a method of providing additional financial support to meet present needs; and,

WHEREAS, the OSBN is in default of the repayment terms under the present agreement; and,

WHEREAS, this Resolution authorizes a revision to the repayment terms which corrects the default under the present agreement; and,

WHEREAS, the City intends to further assist in the expansion of the Omaha Small Business Network; and,

By .....  
Councilmember

Adopted.....

.....  
City Clerk

Approved .....  
Mayor

C-23A

## CITY OF OMAHA

LEGISLATIVE CHAMBER

BOOK 3991 PAGE 191

Omaha, Nebr. January 15, 1990

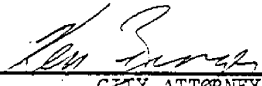
PAGE 3

WHEREAS, it is in the best interest of the City of Omaha and the residents thereof that the City convert the repayable mortgage securing the Urban Development Action Grant to a deferred payment loan.

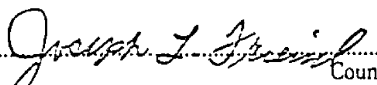
NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF OMAHA:

THAT, this Resolution amending the Urban Development Action Grant mortgage between the Omaha Small Business Network, Inc. located at 2505 North 24th Street and the City of Omaha dated September 18, 1981 from a repayable loan to a deferred payment loan, combining it with the City's existing \$40,000 and \$30,000 mortgages for a deferred payment loan; thereby placing a \$344,000 second mortgage or deed of trust for a deferred payment loan against the subject property; and correcting the discrepancy in the legal description, is hereby approved. The deferred payment loan will have an effective date of January 1, 1990 and shall be payable in full on the first day after the Omaha Small Business Network, Inc. shall convey, grant, assign or otherwise transfer their interest or a portion thereof in the property.

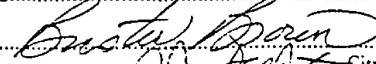
APPROVED AS TO FORM:

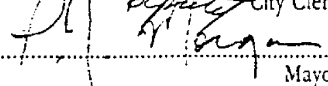
  
CITY ATTORNEY

3531t

By  Councilmember

Adopted JAN 15 1991 7-0

 City Clerk

Approved  Mayor 1/17/91



NO. 136 ✓

Resolution by .....

Res. that this Resolution amending the Urban Development Action Grant mortgage between the Omaha Small Business Network, Inc. located at 2505 North 24th Street and the City of Omaha dated September 18, 1981 from a repayable loan to a deferred payment loan, combining it with the City's existing \$40,000 and \$30,000 mortgages for a deferred payment loan; thereby placing a \$344,000 second mortgage or deed of trust for a deferred payment loan against the subject property; and correcting the discrepancy in the legal description, is hereby approved. The deferred payment loan will have an effective date of January 1, 1990 and shall be payable in full on the first day after the Omaha Small Business Network, Inc. shall convey, grant, assign or otherwise transfer their interest or a portion thereof in the property.

361 ✓  
~~331~~

Presented to City Council

JAN 15 1991 19.....

Adopted 7-0

Mary Margaret Gonsky  
 City Clerk

BOOK 3991 PAGE 192

*[Handwritten signature]*  
*[Handwritten signature]*  
*[Handwritten signature]*

C-22A

**CITY OF OMAHA**

BOOK 3991 PAGE 193

## LEGISLATIVE CHAMBER

Omaha, Nebr..... March 2..... 19.93...

RESOLVED BY THE CITY COUNCIL OF THE CITY OF OMAHA:

WHEREAS, the Housing and Community Development Act of 1974, as amended, authorizes the Community Development Block Grant Program, maintaining its basic objectives of principally benefiting low and moderate income families, preventing or eliminating slums and blight and meeting other urgent Community Development needs; and,

WHEREAS, it has been determined that the programs of the Omaha Small Business Network, Inc. (OSBN) benefit low and moderate income persons; and,

WHEREAS, the City of Omaha receives an annual Community Development Block Grant Entitlement to accomplish its Community Development objectives and for a variety of activities, including neighborhood and economic development, special projects, public services and administration; and,

WHEREAS, the continuation of the OSBN programs and the financial stability of the Incubator facility are an important element of the City of Omaha's Economic Development Program; and,

WHEREAS, this Agreement provides debt relief to the OSBN by restructuring the current repayable Industrial Development Bond debt into a due upon sale and/or transfer of interest loan; and,

WHEREAS, this Agreement is complimentary to Ordinance #32868, approved December 15, 1992, authorizing the re-capitalization of the revolving loan fund; and,

WHEREAS, the OSBN has requested assistance in restructuring its debts and agrees to adhere to the terms and conditions of this Agreement; and,

WHEREAS, the Housing and Community Development Act of 1974, as amended, requires entitlement cities to submit an annual Statement of Objectives and Proposed Use of Funds prior to the beginning of each Community Development Program year; and,

WHEREAS, the Statement of Objectives and Proposed Use of Funds of the City of Omaha for the 1993 Community Development Block Grant Program year was approved by the Omaha Planning Board on October 7, 1992, and subsequently approved by the City Council on November 10, 1992; and,

By .....  
Councilmember

Adopted.....

.....  
City Clerk

Approved .....  
Mayor



C-25A

## CITY OF OMAHA

BOOK 3991 PAGE 194

## LEGISLATIVE CHAMBER

Omaha, Nebr. .... March 2 ..... 19.93...

PAGE 2

WHEREAS, the request to provide \$525,000 to the Omaha Small Business Network for debt retirement was contained as line items in the 1993 Statement of Objectives and Proposed Use of Fund; and,

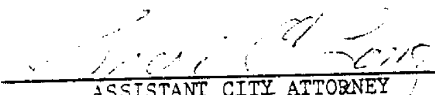
WHEREAS, the implementation of the Statement of Objectives and Proposed Use of Funds is in the best interest of the citizens of Omaha.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF OMAHA:

THAT, the attached proposed Resolution authorizing a zero interest due upon sale and/or transfer of interest deferred payment loan to the Omaha Small Business Network, Inc., in the amount of \$525,000, to be used for debt retirement, is approved on the following conditions: (1) that the City of Omaha assumes no financial obligation and responsibility to provide the \$525,000, other than from funding provided through the Department of Housing and Urban Development as a part of the City of Omaha's Community Development Block Grant entitlement; (2) that the City can secure an appropriate title commitment and policy subject to the approval of the City Attorney; and (3) that the loan will be in the form of a Deed of Trust or mortgage subject only to prior liens of the City of Omaha.

9372x

APPROVED AS TO FORM:

  
 ASSISTANT CITY ATTORNEY

I hereby certify that the foregoing is a true and correct copy of the original document now on file in the City Clerk's office.

By Joseph L. Trisind Councilmember

Adopted MAR -2 1993 6-0

Mary Halligan Grant  
City Clerk

Approved P. J. Moran 3/4/93  
Mayor

BY

CITY CLERK