



CHECK REQUEST

27917

00430536	0000016257
DEFAULT	-1-REALEST DCI
TrueNorth Companies	LE REALESTATE LC
Public Library	7,500,000.00

Requested by: Beth Chamberlin
 Department: Community Development

Date: 12/27/10

Check Payable to: TrueNorth Real Estate, L.C.
 Attention: Randall Rings
 Address: 421 4th Avenue SE
 City, State, Zip: Cedar Rapids, IA 52403

(OPTIONAL)
 Vendor ID:
 Check Amount: 7,500,000.00

Purpose and Description of Item: Acquisition cost for the True North site at 421 4th Avenue SE

Quantity: 1 Amount: 7,500,000.00 Total: 7,500,000.00
 Service Dates From: 12/27/10 To: 12/29/10

Funding

Amount	Account	Fund	Dept ID	Program	Class	Project
7,500,000	551000	330	330010		18512	REALEST

- Resolution number (if applicable): 1126-09-10
- This check request is associated with Purchase Order number:
- Supporting documentation attached
- Send check to Vendor
- Return check to: Beth Chamberlin

Additional Comments: Check needs to be issued by 12/29 (Finance has already been informed of this)

Requested By

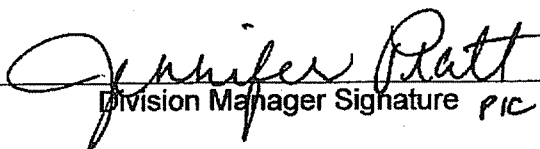


 Signature

12/27/10

 Date

Approval



 Division Manager Signature PIC

12/27/10

 Date

EXPRESS CHECK

**CITY OF CEDAR RAPIDS
Engineering Department**

Property Acquisition Payor Registration and Voucher

Instructions: Please Type or Print. A Property Acquisition Payor Registration and Voucher must be completed for each check to be issued related to a property acquisition contract.

Property Owner Name(s) (as it is to appear on resolution/contract): <u>TrueNorth Real Estate, L.C.</u>		
Number and Street (where check to be mailed): <u>421 4th Ave SE</u>		Apt. No.
City <u>Cedar Rapids</u>	State <u>Iowa</u>	Zip Code <u>52401</u>

TAXPAYER IDENTIFICATION NUMBER (TIN) AND CERTIFICATION

Enter your TIN in the appropriate box. For individuals and sole proprietors, this is your social security number. For other entities, it is your employer identification number. The TIN is required for IRS 1099 reporting purposes. Please note that payments will not be issued without a TIN on file.		
Type of Organization (If other, specify type in blank provided.) <input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input checked="" type="checkbox"/> Other <u>Limited Liability Company</u>		If incorporated, in which state? <input type="checkbox"/> Iowa <input type="checkbox"/> _____
Enter name as it appears on social security card or employer identification: <u>TrueNorth Real Estate, L.C.</u>	The number shown on this form is my correct taxpayer identification number.	
Have you done business under this name with the City of Cedar Rapids previously? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Social Security	<input type="text"/> <input type="text"/> <input type="text"/> - <input type="text"/> <input type="text"/> - <input type="text"/> <input type="text"/> <input type="text"/>
	Employer Identification Number	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Are you exempt from backup withholding or 1099 reporting? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Please Sign Here	Signature <u>TrueNorth Real Estate, L.C.</u> <u>[Signature]</u>	Date

TEMPLATE/PROPERTY ACQ PAYOR REG&VOUCHER
Original to PW Accounting
Cc: File

RESOLUTION NO. 1126-09-10

RESOLUTION AUTHORIZING EXECUTION OF A PRIVATE REDEVELOPMENT AGREEMENT WITH TRUENORTH REAL ESTATE L.C. FOR PROPERTY LOCATED AT 500 1ST STREET SE, THE FORMER CEDAR RAPIDS PUBLIC LIBRARY PROPERTY AT 500 1ST STREET SE AND FOR THE PROPERTY LOCATED AT 421 4TH AVENUE SE, CURRENT SITE OF TRUENORTH COMPANIES L.C.

WHEREAS, the City of Cedar Rapids, Iowa owns property generally located at 500 1st Street SE which served as the City's Central Library facility prior to the flood event of 2008; and

WHEREAS, the Cedar Rapids Public Library facility was substantially damaged as a result of the flooding that occurred in Cedar Rapids in June 2008; and

WHEREAS, on April 6, 2010 the City Council authorized the disposition of the former Cedar Rapids Public Library facility through a competitive proposal process; and

WHEREAS, on May 11, 2010 the City Council held a public hearing and provided public notice inviting competitive proposals no later than May 31, 2010; and,

WHEREAS, on June 1, 2010 the City Council extended the proposal deadline to June 9, 2010; and

WHEREAS, on June 22, 2010, TrueNorth Companies was selected for redevelopment of the former Cedar Rapids Public Library facility based on economic and community development principles, including increase in property tax valuation generated by reinvestment, job creation/retention, offer price for the property, and consistency with the City's Neighborhood and Comprehensive Plans; and

WHEREAS, the City Council has determined that the redevelopment proposal submitted by TrueNorth Companies LC will provide the greatest overall benefit to the community;

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CEDAR RAPIDS, IOWA, as follows:

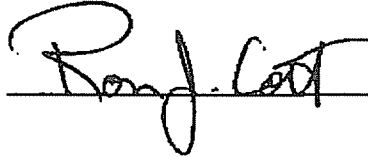
1. The City Manager is authorized and directed to execute the Agreement for Private Redevelopment and associated documents with TrueNorth Real Estate LC for the disposition of the former Cedar Rapids Public Library facility.
2. The City Manager is authorized and directed to execute the Agreement for Private Redevelopment and associated documents with TrueNorth Real Estate LC for the acquisition of the current TrueNorth Companies facility, including the lease-back of the TrueNorth facilities while TrueNorth renovates and reconstructs the former Cedar Rapids Public Library Facility.

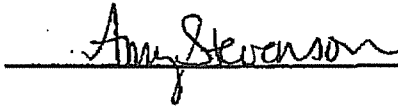
3. Appropriate City staff is directed to undertake such other actions as are reasonable and necessary to perform the City's duties and obligations pursuant to such Agreement for Private Redevelopment, including the disposition of interests in real property so that should the Council approve such Redevelopment Agreement the City will be able to carry out its duties and obligations thereunder.

Passed this 28th day of September, 2010.

Voting: Council member Vernon moved the adoption of the resolution; seconded by Council member Swore. Adopted, Ayes, Council members Gulick, Karr, Podzimek, Shields, Swore, Vernon, Wieneke and Mayor Corbett.

Attest:


_____, Mayor


_____, City Clerk

Eadie, Alyson

From: Anderson, Regina L.
Sent: Tuesday, December 28, 2010 11:39 AM
To: Drew, Casey
Cc: Eadie, Alyson; Berger, Brittany L
Subject: Library land acquisition funding

Casey,

The land acquisition should be coded as follows:

551000-330-330010-18512-PLE001	2,450,000
551000-330-33010-18515-PLE001-EN	5,050,000
481003-330-330010-18512-PLE001-EN	-4,800,000
541106-7968-796800-796809	4,800,000

Assumptions: \$250,000 from True North for purchase of old Library site
\$2.45M from FEMA – latest number per Brittany

Regina Anderson, MBA
General Accounting Manager, Finance
City of Cedar Rapids, 3851 River Ridge Drive NE, Cedar Rapids, IA 52402
Office: (319) 286-5009
Fax: (319) 286-5130
E-mail: r.anderson@cedar-rapids.org

Website: www.Cedar-Rapids.org
Rate my service: <http://cr-intranet/citynet/content.asp?ContentId=1641>

PREPARED BY AND RETURN TO: RANDALL RINGS, TrueNorth Real Estate, L.C.,
421 4th Avenue, Cedar Rapids, IA 52401 (319) 573-7627

ADDRESS TAX STATEMENT TO: City Manager, 3851 River Ridge Drive NE, Cedar
Rapids, IA 52402

REAL ESTATE CONTRACT

IT IS AGREED this 30th day of September, 2010, by and between the City of Cedar Rapids, Iowa, Buyer, and, TrueNorth Real Estate, L. C., Seller:

1. **SALE AND PURCHASE.** Seller, as in this contract provided, agrees to sell to the Buyer, and the Buyer in consideration of the premises, hereby agrees with the Seller to purchase the following described real estate:

NW-ly 120 feet of Lots 2, 3, 4 and 5, Block 30, Original Town, Now City of Cedar Rapids, Linn County, Iowa; and,

SE-ly 20 feet of Lots 2, 3, 4 and 5 and All of Lots 6, 7, 8, and 9, Block 30, Original Town, Now City of Cedar Rapids, Linn County;

together with any easements and servient estates appurtenant thereto, but with such reservations and exceptions of title as are stated below and further subject to easements, covenants and conditions of record (the "Real Estate").

2. **TOTAL PURCHASE PRICE AND CLOSING.** The Purchase Price of \$7,500,000 shall be paid in full at closing. Closing shall occur as promptly as possible after Buyer's review of the abstract of title and approval of Seller's title and satisfaction of the conditions specified in paragraph 17 below.
3. **POSSESSION.** Buyer shall be entitled to possession of the Real Estate on the date of closing.

4. **TAXES.** Seller shall pay taxes, if any, for the fiscal year ending 6/30/2010 and pro rata (through the date of possession) portion of the taxes for the fiscal year ending 6/30/2011 and any unpaid taxes thereon payable in prior years. Buyer shall pay any taxes not assumed by Seller and all subsequent taxes before same become delinquent, subject to finalization, approval and implementation of an agree Urban Revitalization Plan including a tax abatement or exemption for a period of ten (10) years. Any proration of taxes shall be based upon the taxes for the year currently payable unless, the parties state otherwise.
5. **SPECIAL ASSESSMENTS.** Seller shall pay the special assessments which are a lien on the Real Estate as of the date hereof. Buyer, except as above stated, shall pay all subsequent special assessments and charges, before they become delinquent.
6. **RISK OF LOSS.** In the event of substantial damage to or destruction of the Real Estate prior to closing, this contract shall remain in full force and effect.
7. **LIENS.** No mechanics' lien shall be imposed upon or foreclosed against the Real Estate.
8. **TIME IS OF THE ESSENCE.** Time is of the essence in this contract.
9. **EXCEPTIONS TO WARRANTIES OF TITLE.** The warranties of title in any Deed made pursuant to this contract shall be without reservation or qualification EXCEPT: (a) zoning ordinances which in the reasonable opinion of Buyer or Buyer's counsel do not prohibit or restrict the use and enjoyment by Buyer of the Real Estate and (b) easements, covenants and conditions of record.
10. **ABSTRACT OF TITLE.** Seller, at its expense, shall promptly obtain an abstract of title to the Real Estate continued through recent date and deliver it to Buyer for examination. It shall show marketable title in Seller, free and clear of all liens, restrictions, and encumbrances (other than those identified in paragraph 9 above), in conformity with this Contract, Iowa law, and title standards of the Iowa State Bar Association. The Seller shall make every reasonable effort to promptly perfect title. If closing is delayed due to Seller's inability to provide marketable title, this Contract shall continue in force and effect until either party rescinds the Contract after giving ten days written notice to the other party. The abstract shall become the property of Buyer when the Purchase Price is paid in full. Seller shall pay the costs of any additional abstracting and title work due to any act or omission of Seller.
11. **DEED.** Upon payment of the Purchase Price, Seller shall convey the Real Estate to Buyer by General Warranty Deed, free and clear of all liens, restrictions, and encumbrances except as provided in this Contract. General warranties of title shall extend to the time of delivery of the Deed excepting liens and encumbrances suffered or permitted by Buyer. Seller shall pay the transfer tax on the Deed.
12. **REMEDIES OF THE PARTIES.**
 - 12.1 If Buyer fails to timely perform this Contract, Seller may forfeit it as provided in

the Iowa Code (Chapter 656), and all payments made shall be forfeited; or, at Seller's option, upon thirty days written notice of intention to accelerate the payment of the entire balance because of Buyer's default (during which thirty days the default is not corrected), Seller may declare the entire balance immediately due and payable. Thereafter this Contract may be foreclosed in equity and the Court may appoint a receiver.

12.2 If Seller fails to timely perform this Contract, Buyer has the right to have all payments made returned to it.

12.3 Buyer and Seller are also entitled to utilize any and all other remedies or actions at law or in equity available to them, and the prevailing parties shall be entitled to obtain judgment for costs and reasonable attorney fees.

13. **GENERAL PROVISIONS.** This Contract shall apply to and bind the successors in interest of the parties. This Contract shall survive the closing. This Contract contains the entire agreement of the parties and shall not be amended except by a written instrument duly signed by Seller and Buyer. Paragraph headings are for convenience of reference and shall not limit or affect the meaning of this Contract. Words and phrases herein shall be construed as in the singular or plural number, and as masculine, feminine or neuter gender according to the context.

14. **NO REAL ESTATE AGENT OR BROKER.** Neither party has used the services of a real estate agent or broker in connection with this transaction.

15. **INTEREST ON DELINQUENT AMOUNTS.** Either party will pay interest at the rate of 12% per annum to the other on all amounts herein as and after they became delinquent, and/or on cash reasonably advanced by either party pursuant to the terms of this contract, as protective disbursements.

16. **ASSIGNMENT.** This contract may not be assigned by either party.

17. **SPECIAL PROVISIONS.** The parties hereto acknowledge that this contract is expressly contingent upon and subject to the satisfactory fulfillment and completion, in the Buyer's sole judgment, of the following conditions, and that all conditions be completed or fulfilled no later than December 10, 2010, otherwise the agreement may be terminated as provided below and neither party shall have any further obligation to each other:

17.1. Compliance with the title assurance provisions of paragraph 10 above.

17.2. Approval by Buyer of a survey of the Real Estate, to be supplied by Buyer, and if the survey shows any encroachment on the Real Estate or if any improvements located on the Real Estate encroach on lands or rights of others, the encroachments shall be treated as a title defect making title not marketable subject to paragraph 10 above.

17.3. Approval by Buyer of all environmental information, reports, drawings, inspections, or studies pertaining to the Real Estate which are within the possession of, under the control

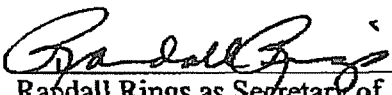
of, or reasonably available to Seller (the "Environmental Information"), which Environmental Information shall be delivered to Buyer within fifteen (15) days after the date of this Agreement. In addition, Seller will, at its expense, obtain and deliver to Buyer a Phase I Environmental Report (the "Phase I") current within the past twelve (12) months. Buyer's obligations herein are subject to review and approval of the Phase I report within the contingency period. In the event any hazardous materials, substances, conditions or wastes are discovered on the Real Estate, Buyer's obligation hereunder shall be contingent upon the removal by Sellers of such materials, substances, conditions or wastes or other resolution of the matter reasonably satisfactory to Buyer. However, in the event Seller is required to expend any sum in excess of \$5,000.00 to remove any hazardous materials, substances, conditions or wastes, Seller shall have the option to cancel this transaction and declare this Agreement null and void. The expense of any action necessary to remove or otherwise make safe any hazardous materials, substances, conditions or wastes shall be paid by Seller, subject to Seller's right to cancel this transaction as provided above.

17.4. Seller and Buyer entering into a lease of the Real Estate in a form and substance as is substantially the same as a copy of which is attached hereto as Exhibit 1.

17.5. Seller consummating, on or before the Closing Date, a sale of all and singular the rights, title, interests and appurtenances pertaining to the building and underlying real property at 500 1st Street SE, Cedar Rapids, Iowa, on terms reasonably acceptable to Seller.

In the event any of the foregoing conditions are not satisfied in the time stated above, Buyer shall have the right to either (A) waive the same and proceed to consummate the transaction contemplated herein, or (B) declare this agreement terminated, null and void. In the event Buyer does not notify Seller in writing prior to the expiration of the date stated above as the deadline for satisfaction of conditions of Buyer's election to declare this agreement terminated, null and void, then all of the foregoing conditions shall be deemed waived and this agreement shall automatically continue in full force and effect.

TRUENORTH REAL ESTATE, L. C.

BY: 
 Randall Rings as Secretary of
 TrueNorth Real Estate, L.C.

STATE OF IOWA)
) ss:
 LINN COUNTY)

On this 30th day of September, 2010, before me a Notary Public in and for said County, Randall Rings personally appeared and to me personally known, who being duly sworn, did say that he is the Secretary, of TrueNorth Real Estate, L.C., created and existing under the laws of the State of Iowa, and that said instrument was signed and sealed on behalf of said Limited Liability Company and acknowledged said instrument to be the free act and deed of said Liability Company by it voluntarily executed.



Diane K. Weimer
NOTARY PUBLIC - STATE OF IOWA

CITY OF CEDAR RAPIDS IOWA

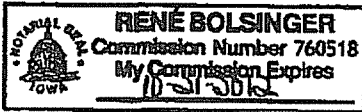
BY: Jeffrey A. Pomeranz
Jeffrey A. Pomeranz, City Manager

Amy Stevenson
Amy Stevenson, City Clerk

STATE OF IOWA, LINN COUNTY, SS:

On this 7th day of October, 2010, before me, a Notary Public in and for the State of Iowa, personally appeared Jeffrey A. Pomeranz and Amy Stevenson, to me personally known, and, who, being by me duly sworn, did say that they are the City Manager and City Clerk, respectively, of the City of Cedar Rapids, Iowa; that the seal affixed to the foregoing instrument is the corporate seal of the corporation, and that the instrument was signed and sealed on behalf of the corporation, by authority of its City Council, as contained in Resolution No. 1126-09-10 adopted by the City Council on the 28th day of September, 2010, and that Jeffrey A. Pomeranz and Amy Stevenson acknowledged the execution of the instrument to be their voluntary act and deed and the voluntary act and deed of the corporation, by it voluntarily executed.

In Witness Whereof, I have hereunto signed my name and affixed my Notarial Seal the day and year last above written.



René Bolsinger
NOTARY PUBLIC - STATE OF IOWA

Exhibit 1

LEASE

THIS LEASE is made and entered into this 30th day of September, 2010, by and between the City of Cedar Rapids ("Landlord"), and TrueNorth Companies, LC ("Tenant").

1. PREMISES AND TERM. Landlord, in consideration of the rents, agreements and conditions herein contained, leases to Tenant and Tenant leases from Landlord, according to the terms of this Lease, the following described property:

NW-ly 120 feet of Lots 2, 3, 4 and 5, Block 30, Original Town, Now City of Cedar Rapids, Linn County, Iowa; and, SE-ly 20 feet of Lots 2, 3, 4 and 5 and All of Lots 6, 7, 8, and 9, Block 30, Original Town, Now City of Cedar Rapids, Linn County; together with any easements and servient estates appurtenant thereto, but with such reservations and exceptions of title as are stated below and further subject to easements, covenants and conditions of record commonly known as 421 4th Avenue SE, Cedar Rapids, IA 52401;

with the improvements thereon, and all rights, easements and appurtenances, which, more particularly, includes the space and premises as may be shown on "Exhibit A," if attached, for a term commencing at midnight of the day previous to the Commencement Date (defined below), which shall be the date this lease is entered into as shown above (the "Commencement Date"), and ending at midnight on the last day of the month following the month in which TrueNorth Real Estate, L. C. obtains an occupancy permit for the building at 500 1st Street SE, Cedar Rapids, Iowa, upon the condition that Tenant pays rent therefor, and otherwise performs as in this Lease provided. Notwithstanding the foregoing, the term of this Lease shall not exceed three years.

2. RENTAL. Tenant agrees to pay to Landlord as rental for said term, as follows: Ten Thousand Dollars (\$10,000.00) per month, in advance, the first rent payment becoming due on the first day of the first month following the Commencement Date, and the same amount, per month, in advance, on the 1st day of each month thereafter, during the term of this Lease.

It is the intention of the parties hereto that this Lease is a "triple net Lease" and that the rentals payable to Landlord shall be a net rental and Tenant, as hereinafter more particularly set forth, shall pay any and all taxes, costs and expenses arising from the use and occupancy of the leased premises. Tenant agrees that all duties and obligations to repair, maintain and provide utilities and services, to directly pay in full the taxes and special assessments charged on the property, and to pay for casualty and liability insurance shall be borne solely by Tenant during the term of this Lease. If a sales tax or other similar tax is imposed against Landlord on the rentals due pursuant to this Lease during the term of this Lease or any extension thereof, Tenant shall pay as additional rent such tax as may be imposed. In no event, however, shall Tenant be required to pay any income tax based upon the receipt of the rentals by Landlord.

Tenant shall have the responsibility of paying, as additional rent, all real estate taxes, special assessments or similar charges levied against the leased premises and the improvements thereon by virtue of any present or future law of the United States of America, the State of Iowa, any county or municipality, or any political subdivision of any of the aforesaid. Taxes payable under the provisions of this paragraph shall be prorated as of the date this Lease commences. Taxes payable for the year the Lease terminates shall be prorated as of the date the Lease expires and Tenant's share of those taxes shall be due and payable with the final month's rent payment. If any special assessments are made against the premises payable in annual installments at the option of the taxpayer, Tenant will only be obligated to pay such installments, together with interest or other carrying charge, as shall become due and payable during the Lease term.

All real estate taxes, special assessments or similar charges levied against the leased premises and the improvements will be paid by Landlord delivering a copy of the bill, statement or invoice for taxes to Tenant and Tenant will pay such bill, statement or invoice. All other sums shall be paid at the address of Landlord, or at such other place as Landlord may designate in writing. Delinquent payments shall draw interest at prime interest rate Wall Street Journal, Midwest Edition per annum.

3. POSSESSION. Tenant shall be entitled to possession on the first day of the term of this Lease, and shall yield possession to Landlord at the end of the lease term, except as herein otherwise expressly provided. Should Landlord be unable to give possession on said date, Tenant's only damages shall be a rebating of the pro rata rental.

4. USE OF PREMISES. Tenant covenants and agrees during the term of this Lease to use and to occupy the leased premises only for general business purposes.

5. QUIET ENJOYMENT. Landlord covenants that its estate in said premises is in fee simple and that Tenant, if not in default, shall peaceably have, hold and enjoy the premises for the term of this Lease. Landlord shall have the right to mortgage all of its right, title, and interest in said premises at any time without notice, subject to this Lease.

6. EQUIPMENT, DECORATING, REPLACEMENT, REPAIR AND MAINTENANCE.

(a) **DEFINITIONS.** "Maintain" means to clean and keep in good condition. "Repair" means to fix and restore to good condition after damage, deterioration or partial destruction.

(b) **CONDITION OF PREMISES.** Tenant takes the premises in its present condition, except for such repairs and alterations as may be expressly otherwise provided in this lease.

(c) **REPAIRS AND MAINTENANCE.** (i) Tenant shall maintain the premises in a reasonable safe, serviceable, clean and presentable condition, and except for the repairs and replacements provided to be made by Landlord in subparagraph (b) above, shall make all repairs,

replacements and improvements to the premises, INCLUDING ALL CHANGES, ALTERATIONS OR ADDITIONS ORDERED BY ANY LAWFULLY CONSTITUTED GOVERNMENT AUTHORITY DIRECTLY RELATED TO TENANT'S USE OF THE PREMISES. Tenant shall make no structural changes or alterations without the prior written consent of Landlord. Unless otherwise provided, and if the premises include the ground floor, Tenant agrees to remove all snow and ice and other obstructions from the sidewalk on or abutting the premises.

7. UTILITIES AND SERVICES. Tenant shall pay for all utilities and services which may be used on the premises. Landlord shall not be liable for damages for failure to perform as herein provided, or for any stoppage for needed repairs or for improvements or arising from causes beyond the control of Landlord, provided Landlord uses reasonable diligence to resume such services.

8. TERMINATION, SURRENDER OF PREMISES AT END OF TERM – REMOVAL OF FIXTURES.

(a) **TERMINATION.** This Lease shall terminate upon expiration of the original term; or if this Lease expressly provides for any option to renew, and if any such option is exercised by the Tenant, then this lease will terminate at the expiration of the option term or terms.

(b) **SURRENDER.** Tenant agrees that upon termination of this Lease, it will surrender and deliver the premises in good and clean condition, except the effects of ordinary wear and tear and depreciation arising from lapse of time, or damage without fault or liability of Tenant.

(c) **HOLDING OVER.** Continued possession by Tenant, beyond the expiration of its tenancy, coupled with the receipt of the specified rental by the Landlord (and absent a written agreement by both parties for an extension of this Lease, or for a new lease) shall constitute a month to month extension of the Lease.

(d) **REMOVAL OF FIXTURES.** Tenant may, at the expiration of its tenancy, if Tenant is not in default, remove any fixtures or equipment which Tenant has installed in the premises, providing Tenant repairs any and all damages caused by removal.

9. ASSIGNMENT AND SUBLETTING. Any assignment of this Lease or subletting of the premises or any part thereof, without Landlord's written permission shall, at the option of Landlord, make the rental for the balance of the lease term due and payable at once. Such written permission shall not be unreasonably withheld.

10. INSURANCE.

(a) **PROPERTY INSURANCE.** Landlord and Tenant agree to insure their respective real and personal property for the full insurable value. Such insurance shall cover

losses included in the special form causes of loss (formerly all risks coverage). To the extent permitted by their policies, Landlord and Tenant waive all rights of recovery against each other.

(b) **LIABILITY INSURANCE.** Tenant shall obtain commercial general liability insurance in the amount of One Million Dollars (\$1,000,000.00) each occurrence and Two Million Dollars (\$2,000,000.00) annual aggregate per location. Such policy shall include liability arising from premises operations, independent contractors, personal injury, products and completed operations and liability assumed under an insured contract. This policy shall be endorsed to include Landlord as an additional insured.

(c) **CERTIFICATES OF INSURANCE.** Prior to commencement of this Lease, Tenant shall, upon request, provide Landlord with a certificate of insurance with these property and liability insurance requirements. Such certificate shall include thirty (30) days advance notice of cancellation to Landlord. A renewal certificate shall be provided prior to expiration of the current policies.

(d) **ACTS BY TENANT.** Tenant will not do or omit doing of any act which would invalidate any insurance, or increase the insurance rates in force on the premises.

(e) **INCREASED RISKS OR HAZARDS.** Tenant further agrees to be liable for and to promptly pay, as if current rental, any increase in insurance rates on said premises and on the building of which said premises are a part, due to increased risks or hazards resulting from Tenant's use of the premises otherwise than as herein contemplated and agreed.

11. **LIABILITY FOR DAMAGE.** Each party shall be liable to the other for all damage to the property of the other negligently, recklessly or intentionally caused by that party (or their agents, employees or invitees), except to the extent the loss is insured and subrogation is waived under the owner's policy.

12. **INDEMNITY.** Except for the negligence of Landlord, Tenant will protect, defend and indemnify Landlord from and against all loss, costs, damage and expenses occasioned by, or arising out of, any accident or other occurrence, causing or inflicting injury or damage to any person or property, happening or done in, upon or about the premises, or due directly or indirectly to the tenancy, use or occupancy thereof, or any part thereof by Tenant or any person claiming through or under Tenant.

13. **FIRE AND CASUALTY.**

(a) **PARTIAL DESTRUCTION OF PREMISES.** In the event of a partial destruction or damage of the premises, which is a business interference which prevents the conducting of a normal business operation and which damage is repairable within 60 days after its occurrence, this Lease shall not terminate but the rent for the premises shall abate during the time of such business interference. In the event of a partial destruction, Landlord shall repair such damage within 60 days of its occurrence unless prevented from doing so by acts of God, government regulations, or other causes beyond Landlord's reasonable control.

(b) **ZONING.** Should the zoning ordinance of the municipality in which this property is located make it impossible for Landlord to repair or rebuild so that Tenant is not able to conduct its business on these premises, then such partial destruction shall be treated as a total destruction as provided in the next paragraph.

(c) **TOTAL DESTRUCTION OF BUSINESS USE.** In the event of a destruction or damage of the leased premises including the parking area (if a parking area is a part of this Lease) so that Tenant is not able to conduct its business on the premises (or the then current legal use for which the premises is being used), and which damage cannot be repaired within sixty (60) days, this Lease may be terminated at the option of either Landlord or Tenant. Such termination shall be effected by written notice of one party to the other, within twenty (20) days after such destruction. Tenant shall surrender possession within ten (10) days after such notice issues and each party shall be released from all future obligations, and Tenant shall pay rent pro rata only to the date of such destruction. In the event of such termination of this lease, Landlord at its option, may rebuild or not, at its discretion.

14. CONDEMNATION.

(a) **DISPOSITION OF AWARDS.** Should the whole or any part of the premises be condemned or taken for any public or quasi-public purpose, each party shall be entitled to retain, as its own property, any award payable to it. Or in the event that a single entire award is made on account of the condemnation, each party will then be entitled to take such proportion of said award as may be fair and reasonable.

(b) **DATE OF LEASE TERMINATION.** If the whole of the demised premises shall be condemned or taken, Landlord shall not be liable to Tenant except and as its rights are preserved in paragraph 14(a) above.

15. DEFAULT, NOTICE OF DEFAULT AND REMEDIES.

(a) **EVENTS OF DEFAULT.** Each of the following shall constitute an event of default by Tenant:

- i. Failure to pay rent when due.
- ii. Failure to observe or perform any duties, obligations, agreements or conditions imposed on Tenant pursuant to terms of the Lease.
- iii. Abandonment of the premises. "Abandonment" means Tenant has failed to engage in its usual and customary business activities on the premises for more than fifteen (15) consecutive business days.
- iv. Institution of voluntary bankruptcy proceedings in which the Court orders relief against Tenant as a debtor; assignment for the benefit of creditors of the interest of Tenant under this Lease; appointment of a receiver for the property or affairs of Tenant, where the receivership is not vacated within ten (10) days after the appointment of the receiver.

(b) **NOTICE OF DEFAULT.** Landlord shall give Tenant a written notice specifying the default and giving Tenant ten (10) days in which to correct the default. If there is a default (other than for nonpayment of a monetary obligation of Tenant, including rent) that cannot be remedied in ten (10) days by diligent efforts of Tenant, Tenant shall propose an additional period of time in which to remedy the default. Consent to additional time shall not be unreasonably withheld by Landlord. Landlord shall not be required to give Tenant any more than three notices for the same default within any 365 day period.

(c) **REMEDIES.** In the event Tenant has not remedied a default in a timely manner following a Notice of Default, Landlord may proceed with all available remedies at law or in equity, including but not limited to the following:

i. **Termination.** Landlord may declare this Lease to be terminated and shall give Tenant a written notice of such termination. In the event of termination of this Lease, Landlord shall be entitled to prove claim for and obtain judgment against Tenant for the balance of the rent agreed to be paid for the term herein provided, plus all expenses of Landlord in regaining possession of the premises and the reletting thereof, including attorney's fees and court costs, crediting against such claim, however, any amount obtained by reason of such reletting.

ii. **Forfeiture.** If a default is not remedied in a timely manner, Landlord may then declare this lease to be forfeited and shall give Tenant a written notice of such forfeiture, and may, at the time, give Tenant the notice to quit provided for in Chapter 648 of the Code of Iowa.

16. RIGHT OF EITHER PARTY TO MAKE GOOD ANY DEFAULT OF THE OTHER. If default shall be made by either party in the performance of, or compliance with, any of the terms or conditions of this Lease, and such default shall have continued for thirty (30) days after written notice thereof from one party to the other, the person aggrieved, in addition to all other remedies now or hereafter provided by law, may, but need not, perform such term or condition, or make good such default and any amount advanced shall be repaid forthwith on demand, together with interest at the rate of 9% per annum, from date of advance.

17. SIGNS. (a) Tenant shall have the right and privilege of attaching, painting or exhibiting signs on the leased premises, provided only (i) that any sign shall comply with the ordinances of municipality in which the property is located and the laws of the State of Iowa; (ii) such sign shall not change the structure of the building; (iii) such sign, if and when removed, shall not damage the building; and (iv) such sign shall be subject to the written approval of the Landlord, which approval shall not be unreasonably withheld.

(b) Landlord during the last ninety (90) days of this Lease, or extension, shall have the right to maintain in the windows or on the building or on the premises either or both a "For Rent" or "For Sale" sign and Tenant will permit, at such time, prospective tenants or buyers to enter and examine the premises.

18. MECHANIC'S LIENS. Neither Tenant nor anyone claiming by, through, or under Tenant, shall have the right to file or place any mechanic's liens or other lien of any kind

or character whatsoever, upon said premises or upon any building or improvement thereon, or upon the leasehold interest of Tenant, and notice is hereby given that no contractor, sub-contractor, or anyone else who may furnish any material, service or labor for any building, improvements, alteration, repairs or any part thereof, shall at any time be or become entitled to any lien on the premises, and for the further security of Landlord, Tenant covenants and agrees to give actual notice thereof in advance, to any and all contractors and sub-contractors who may furnish or agree to furnish any such material, service or labor.

19. LANDLORD'S LIEN AND SECURITY INTEREST. Landlord shall have, in addition to any lien given by law, a security interest as provided by the Uniform Commercial Code of Iowa, upon all personal property and all substitutions thereof, kept and used on said premises by Tenant. Landlord may proceed at law or in equity with any remedy provided by law or by this Lease for the recovery of rent, or for termination of this Lease because of Tenant's default in its performance.

20. ENVIRONMENTAL.

(a) LANDLORD. To the best of Landlord's knowledge to date:

i. Neither Landlord nor Landlord's former or present tenants are subject to any investigation concerning the premises by any governmental authority under any applicable federal, state, or local codes, rules and regulations pertaining to air and water quality, the handling, transportation, storage, treatment, usage, or disposal of toxic or hazardous substances, air emissions, other environmental matters, and all zoning and other land use matters.

ii. Any handling, transportation, storage, treatment, or use of toxic or hazardous substances that has occurred on the premises has been in compliance with all applicable federal, state and local codes, rules and regulations.

iii. No leak, spill release, discharge, emission or disposal of toxic or hazardous substances has occurred on the premises.

iv. The soil, groundwater, and soil vapor on or under the premises is free of toxic or hazardous substances.

(b) TENANT. Tenant expressly represents and agrees:

i. During the lease term, Tenant's use of the property will not include the use of any hazardous substance without Tenant first obtaining the written consent of Landlord. Tenant understands and agrees that Landlord's consent is at Landlord's sole option and complete discretion and that such consent may be withheld or may be granted with any conditions or requirements that Landlord deems appropriate.

ii. During the lease term, Tenant shall be fully liable for all costs and expenses related to the use, storage, removal and disposal of hazardous substances used or kept on the property by Tenant, and Tenant shall give immediate notice to Landlord of any violation or any

potential violation of any environmental regulation, rule, statute or ordinance relating to the use, storage or disposal of any hazardous substance.

iii. Tenant, at its sole cost and expense, agrees to remediate, correct or remove from the premises any contamination of the property caused by any hazardous substances which have been used or permitted by Tenant on the premises during any term of this Lease. Remediation, correction or removal shall be in a safe and reasonable manner, and in conformance with all applicable laws, rules and regulations. Tenant reserves all rights allowed by law to seek indemnity or contribution from any person, other than Landlord, who is or may be liable for any such cost and expense.

iv. Tenant agrees to indemnify and hold Landlord harmless from and against all claims, causes of action, damages, loss, costs, expense, penalties, fines, lawsuits, liabilities, attorney fees, engineering and consulting fees, arising out of or in any manner connected with hazardous substances, which are caused or created by Tenant on or after the date of this Lease and during any term of this Lease, including, but not limited to, injury or death to persons or damage to property, and including any diminution of the value of any leased premises which may result from the foregoing. This indemnity shall survive the cessation, termination, abandonment or expiration of this Lease.

21. SUBSTITUTION OF EQUIPMENT, MERCHANDISE. ETC. (a) During its tenancy, Tenant shall have the right to sell or otherwise dispose of any personal property of Tenant situated on the premises, when in the judgment of Tenant it shall have become obsolete, outworn or unnecessary in connection with the operation of the business on the premises; provided, however, that Tenant shall, in such instance (unless no substituted article or item is necessary) at its own expense, substitute for such items a new or other item in substitution thereof, in like or greater value.

(b) Nothing herein contained shall be construed as denying to Tenant the right to dispose of inventoried merchandise in the ordinary course of Tenant's trade or business.

22. RIGHTS CUMULATIVE. The various rights, powers, options, elections and remedies of either party, provided in this Lease, shall be construed as cumulative and no one of them as exclusive of the others, or exclusive of any rights, remedies or priorities allowed either party by law, and shall in no way affect or impair the right of either party to pursue any other equitable or legal remedy to which either party may be entitled as long as any default remains in any way unremedied, unsatisfied or undischarged.

23. NOTICES AND DEMANDS. Notices as provided for in this Lease shall be given to the respective parties hereto at the respective addresses designated on page one of this Lease unless either party notifies the other, in writing, of a different address. Without prejudice to any other method of notifying a party in writing or making a demand or other communication, such message shall be considered given under the terms of this Lease when sent, addressed as above designated, postage prepaid, by certified mail deposited in a United States mail box.

24. PROVISIONS TO BIND AND BENEFIT SUCCESSORS, ASSIGNS, ETC. Each and every covenant and agreement herein contained shall extend to and be binding upon the respective successors, heirs, administrators, executors and assigns of the parties; except that if any part of this Lease is held in joint tenancy, the successor in interest shall be the surviving joint tenant.

25. CHANGES TO BE IN WRITING. None of the covenants, provisions, terms or conditions of this Lease shall be modified, waived or abandoned, except by a written instrument duly signed by the parties. This Lease contains the whole agreement of the parties.

26. CERTIFICATION. Tenant certifies that it is not acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by any Executive Order or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person" or any other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule or regulation that is enforced or administered by the Office of Foreign Assets Control; and it is not engaged in this transaction, directly or indirectly on behalf of, or instigating or facilitating this transaction, directly or indirectly on behalf of, any such person, group, entity or nation. Tenant hereby agrees to defend, indemnify and hold harmless Landlord from and against any and all claims, damages, losses, risks, liabilities and expenses (including attorney's fees and costs) arising from or related to any breach of the foregoing certification.

27. ENTRY BY LANDLORD. If Landlord desires to enter onto the premises after Tenant has given Landlord notice of its intent to terminate this Lease and vacate the premises, Tenant agrees to discuss Landlord's entry onto the premises prior to termination and vacation and the parties may agree at that time as to the terms and conditions of such entry.

LANDLORD:

CITY OF CEDAR RAPIDS, IOWA

BY:

Jeffrey A. Pomeranz, City Manager

Amy Stevenson, City Clerk

STATE OF IOWA)
) ss:
LINN COUNTY)

On this ____ day of _____, 2010, before me, a Notary Public in and for the State of Iowa, personally appeared Jeffrey A. Pomeranz and Amy Stevenson, to me personally known, and, who, being by me duly sworn, did say that they are the Mayor and City Clerk, respectively, of the City of Cedar Rapids, Iowa; that the seal affixed to the foregoing instrument is the corporate seal of the corporation, and that the instrument was signed and sealed on behalf of the corporation, by authority of its City Council, as contained in Ordinance No. _____ passed (the Resolution

adopted) by the City Council, under Roll Call No. _____ of the City Council on the _____ day of _____, 20 ____, and that Jeffrey A. Pomeranz and Amy Stevenson acknowledged the execution of the instrument to be their voluntary act and deed and the voluntary act and deed of the corporation, by it voluntarily executed.

In Witness Whereof, I have hereunto signed my name and affixed my Notary Seal the day and year last above written.

NOTARY PUBLIC - STATE OF IOWA

TENANT:

TRUENORTH REAL ESTATE, L.C.

By: _____
Randall Rings as Secretary of TrueNorth Real Estate, L.C.

STATE OF IOWA)
) ss:
LINN COUNTY)

On this 30th day of September, 2010, before me a Notary Public in and for said County, Randall Rings personally appeared and to me personally known, who being duly sworn, did say that he is the Secretary, of TrueNorth Real Estate, L.C., created and existing under the laws of the State of Iowa, and that said instrument was signed and sealed on behalf of said Limited Liability Company and acknowledged said instrument to be the free act and deed of said Liability Company by it voluntarily executed.

NOTARY PUBLIC - STATE OF IOWA