



## **Council Agenda Item Cover Sheet**

**Council Meeting Date:** September 28, 2010

**Submitting Department:** Community Development

**Presenter at meeting:** Christine Butterfield

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**Alternate Contact Person:** Jennifer Pratt

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### **Description of Agenda Item:**

Resolution authorizing execution of a Development Agreement with TrueNorth Real Estate L.C. for property located at 500 1<sup>st</sup> Street SE, the former Cedar Rapids Public Library and for the property located at 421 4<sup>th</sup> Avenue SE, current site of TrueNorth Companies, L.C. (Christine Butterfield) #52-10-038 #377545 FLOOD

### **Background:**

On June 22, 2010, the City Council reviewed proposals for the disposition of the former Cedar Rapids Library site. The City received three proposals and selected the one submitted by TrueNorth. The Development Agreement contemplates that TrueNorth will acquire the property at 500 1<sup>st</sup> Street SE for \$250,000 and construct a new \$7.5 million facility on the site. The new facility will be completed fall 2011. In addition, the City will provide TrueNorth economic assistance for a period of 10 years. With an estimated value of the new TrueNorth facility of \$11 million, the grant over ten years would be about \$1.6 million. This will be in the form of economic development grants using TIF. TrueNorth plans to retain 120 jobs and create 50 new jobs over the next ten years. The Agreement also provides for the City's acquisition of the TrueNorth site at 421 4<sup>th</sup> Avenue SE. The City will lease the TrueNorth location to TrueNorth for \$10,000 per month until they occupy the former Cedar Rapids Public Library site. Moreover, in the event the agreements don't close as contemplated in the terms of this Agreement and TrueNorth accrues more costs as a result of any further delays, the City agrees to share 50% of the cost up to \$375,000. The terms of the Agreement are consistent with the Cedar Rapids Neighborhood and Comprehensive Plans.

City Council consideration of future agenda items related to this project will include, requests to:

- 1) rezone; and,
- 2) Vacate a piece of property on 2<sup>nd</sup> Street SE.

On February 24, 2010, the City Council selected TrueNorth, at 421 4<sup>th</sup> Street SE, as the preferred relocation site for the Cedar Rapids Library. Following this selection, the City Manager was directed to begin disposition of the former Cedar Rapids Public Library facility at 500 1<sup>st</sup> Street SE through a competitive proposal process. A public hearing was held on May 11, 2010 and public notice was provided inviting competitive proposals no later than May 31, 2010. This deadline was extended by City Council on June 1, 2010 to allow submittal of proposals until June 9, 2010.

**Alternative Recommendation:**

1. City Council may approve the Development Agreement.
2. City Council may table this item at this time and request additional information.
3. City Council may deny the Development Agreement.

**Time Sensitivity:** N/A

**Resolution Date:** N/A

**Estimated Presentation Time:** 0 minutes (CONSENT)

**Budget Information (if applicable):** N/A

**Local Preference Policy** Applies  Exempt

**Explanation:** N/A

RESOLUTION NO. 1126-09-10

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

WHEREAS, the City of Cedar Rapids, Iowa owns property generally located at 500 1<sup>st</sup> 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, L.C. 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, L.C. 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:

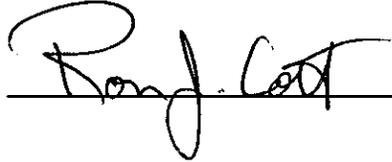
1. The City Manager is authorized and directed to execute the Agreement for Private Redevelopment and associated documents with TrueNorth Real Estate, L.C. for the disposition of the former Cedar Rapids Public Library facility.
2. The City Manager is authorized and directed to execute the Agreement for Private Redevelopment and associated documents with TrueNorth Real Estate, L.C. 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

AGREEMENT FOR PRIVATE REDEVELOPMENT

By and Between

THE CITY OF CEDAR RAPIDS, IOWA,

And

TRUENORTH REAL ESTATE, L.C.

TABLE OF CONTENTS  
AGREEMENT FOR PRIVATE REDEVELOPMENT

ARTICLE I. DEFINITIONS

Section 1.1. Definitions

ARTICLE II. REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations and Warranties of the City

Section 2.2. Representations and Warranties of Developer

ARTICLE III. LIBRARY REAL ESTATE CONTRACT

ARTICLE IV. CONSTRUCTION OF MINIMUM IMPROVEMENTS

Section 4.1. Design of Minimum Improvements

Section 4.2. Construction of Minimum Improvements

Section 4.3. Construction Plans

Section 4.4. Commencement and Completion of Construction

Section 4.5. Certificate of Completion

ARTICLE V. INSURANCE

Section 5.1. Insurance Requirements

ARTICLE VI. COVENANTS OF THE DEVELOPER

Section 6.1. Maintenance of Properties

Section 6.2. Maintenance of Records

Section 6.3. Compliance with Laws

Section 6.4. Non-Discrimination

Section 6.5. Continued Operations

Section 6.6. Employment Commitments

Section 6.7. Annual Certification

ARTICLE VII. ECONOMIC DEVELOPMENT GRANTS

Section 7.1. Economic Development Grants

Section 7.2. Non-Appropriation

Section 7.3. Source of Grant Funds Limited

ARTICLE VIII. CONVEYANCE OF TRUENORTH PROPERTY

Section 8.1

## ARTICLE IX. ASSIGNMENT AND TRANSFER

Section 9.1. Status of the Developer; Transfer of Substantially All Assets

## ARTICLE X. INDEMNIFICATION

Section 10.1. Release and Indemnification Covenants

## ARTICLE XI. REMEDIES

Section 11.1. Events of Default Defined

Section 11.2. Remedies on Default

Section 11.3. No Remedy Exclusive

Section 11.4. No Implied Waiver

## ARTICLE XII. CONDITIONS

Section 12.1 Developer Obligations

## ARTICLE XIII. MISCELLANEOUS

Section 13.1. Conflict of Interest

Section 13.2. Notices and Demands

Section 13.3. Memorandum of Agreement

Section 13.4. Titles of Articles and Sections

Section 13.5. Counterparts

Section 13.6. Governing Law

Section 13.7. Entire Agreement

Section 13.8. Successors and Assigns

Section 13.9. Termination Date

Section 13.10. Cost-Sharing Arrangement

## EXHIBITS

Exhibit A - Description of the Development Property

Exhibit B - Certificate of Completion

Exhibit C - Library Real Estate Contract

Exhibit D - Minimum Improvements

Exhibit E - TrueNorth Real Estate Contract

Exhibit F - Memorandum of Agreement for Private Redevelopment

Exhibit G - Cost-Sharing Agreement

AGREEMENT FOR  
PRIVATE REDEVELOPMENT

THIS AGREEMENT FOR PRIVATE REDEVELOPMENT (hereinafter called "Agreement"), is made on or as of the 28<sup>th</sup> day of September, 2010, by and among the CITY OF CEDAR RAPIDS, IOWA, a municipality (hereinafter called "City"), established pursuant to the Code of Iowa of the State of Iowa and acting under the authorization of Chapter 403 of the Code of Iowa, 2001, as amended (hereinafter called "Urban Renewal Act"), and TRUENORTH REAL ESTATE, L.C. (hereinafter called "Developer")

WITNESSETH:

WHEREAS, in furtherance of the objectives of the Urban Renewal Act, the City has undertaken a program for facilitating and supporting economic development activities that includes job retention/creation, private investment, and construction of public improvements and, in this connection, is engaged in carrying out urban renewal project activities in an area known as the Central Urban Renewal Area (the "Project Area"), which area is described in the Urban Renewal Plan approved for such area by Resolution No. 41-1-97 approved on January 8, 1997;

WHEREAS, a copy of the foregoing Urban Renewal Plan, has been recorded among the land records in the office of the Recorder of Linn County, Iowa; and

WHEREAS, the City intends to convey to the Developer, and the Developer intends to acquire certain real property located in the foregoing Urban Renewal Area as more particularly described in Exhibit A annexed hereto and made a part hereof (which property as so described is hereinafter referred to as the "Development Property"); and

WHEREAS, the Developer is willing to cause substantial renovation and some new construction on said Development Property in accordance with this Agreement; and

WHEREAS, TrueNorth has previously informed the City Manager and other members of the City staff that it's preference was to not sell its property and relocate its business; and

WHEREAS, notwithstanding the statements by TrueNorth to the City, TrueNorth has previously been informed by the City Manager, that the City has made the decision to acquire the property of TrueNorth for the construction of a new Cedar Rapids Public Library building and has also been informed the City may exercise its powers of condemnation or eminent domain to acquire such property for such purpose; and

WHEREAS, the City believes that this renovation and new construction on the Development Property described herein pursuant to this Agreement, and the fulfillment generally of this Agreement, are in the vital and best interests of the City and in accord with the public purposes and provisions of the applicable State and local laws and requirements under which the foregoing project has been undertaken and is being assisted, and has determined to enter into this Agreement as an inducement and incentive to the Developer to acquire the Development

Property and make substantial renovation thereby creating and retaining jobs, all to the advantage of the City as a whole.

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, the City and Developer do hereby covenant and agree with the other as follows:

#### ARTICLE I. DEFINITIONS

Section 1.1. Definitions. In addition to other definitions set forth in this Agreement, all capitalized terms used and not otherwise defined herein shall have the following meanings unless a different meaning clearly appears from the context:

Agreement means this Agreement and all appendices hereto, as the same may be from time to time modified, amended or supplemented.

Certificate of Completion means a certification in the form of the certificate attached hereto as Exhibit B and hereby made a part of this Agreement, provided to the Developer pursuant to Section 4.5 of this Agreement.

City means the City of Cedar Rapids, Iowa, or any successor to its functions.

Code means the Code of Iowa, 2009, as amended.

Commencement Date means the date of the issuance by the City of an occupancy permit for the Development Property.

Construction Plans means the plans, specifications, drawings and related documents reflecting the construction work to be performed by the Developer on the Development Property; which are submitted to the building inspector of the City as required by applicable City codes.

County means the County of Linn, Iowa.

Developer means TrueNorth Real Estate, L.C. and its successors and assigns.

Event of Default means any of the events described in Section XI of this Agreement.

First Mortgage means any Mortgage granted to secure any loan made pursuant to either a mortgage commitment obtained by the Developer from a commercial lender or other financial institution to fund any portion of the construction costs and initial operating capital requirements of the Minimum Improvements, or all such Mortgages as appropriate.

Minimum Improvements shall mean the renovation and new construction upon the Development Property together with all related site improvements.

Mortgage means any mortgage or security agreement in which the Developer has granted a mortgage or other security interest in the Development Property, or any portion or parcel thereof, or any improvements constructed thereon.

Net Proceeds means any proceeds paid by an insurer to the Developer under a policy or policies of insurance required to be provided and maintained by the Developer pursuant to Article V of this Agreement and remaining after deducting all expenses (including fees and disbursements of counsel) incurred in the collection of such proceeds.

Project shall mean the construction of the Minimum Improvements on the Development Property, in accordance with this Agreement.

State means the State of Iowa.

Termination Date means the date of expiration of this Agreement, as established in Section 13.9 of this Agreement.

Unavoidable Delays means delays resulting from acts or occurrences outside the reasonable control of the party claiming the delay including but not limited to storms, floods, fires, explosions or other casualty losses, unusual weather conditions, strikes, boycotts, lockouts or other labor disputes, delays in transportation or delivery of material or equipment, litigation commenced by third parties, or the acts of any federal, State or local governmental unit (other than the City).

Central Urban Renewal Tax Increment Revenue Fund means the special fund of the City created under the authority of Section 403.19(2) of the Code and Ordinance, which fund was created in order to pay the principal of and interest on loans, monies advanced to or indebtedness, whether funded, refunded, assumed or otherwise, including bonds or other obligations issued under the authority of Section 403.9 or 403.12 of the Code, incurred by the City to finance or refinance in whole or in part projects undertaken pursuant to the Urban Renewal Plan for the Project Area.

Tax Increments means the property tax revenues divided and made available to the City for deposit in the Central Renewal Area Tax Increment Revenue Fund under the provisions of Section 403.19 of the Code and the Ordinance.

## ARTICLE II. REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations and Warranties of the City. The City makes the following representations and warranties:

(a) The City is a municipal corporation and political subdivision organized under the provisions of the Constitution and the laws of the State and has the power to enter into this Agreement and carry out its obligations hereunder.

(b) The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, and the fulfillment of or compliance with the terms and conditions of this Agreement are not prevented by, limited by, in conflict with, or result in a breach of, the terms, conditions or provisions of any contractual restriction, evidence of indebtedness, agreement or instrument of whatever nature to which the City is now a party or by which it is bound, nor do they constitute a default under any of the foregoing.

(c) The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, and the fulfillment of or compliance with the terms and conditions of this Agreement are not prevented by, limited by, in conflict with, or result in a violation or breach of, the terms, conditions or provisions of the City's governing documents.

(d) There are no actions, suits or proceedings pending or threatened against or affecting the City in any court or before any arbitrator or before or by any governmental body in which there is a reasonable possibility of an adverse decision which could materially adversely affect the City's ability to perform this Agreement (present or prospective), or which in any manner raises any questions affecting the validity of the Agreement or the City's ability to perform its obligations under this Agreement.

(e) The City has not received any notice from any local, State or federal official that the activities of the City with respect to the Development Property may or will be in violation of any environmental law or regulation (other than those notices, if any, of which the City has previously been notified in writing). The City is not currently aware of any State or federal claim filed or planned to be filed by any party relating to any violation of any local, State or federal environmental law, regulation or review procedure applicable to the Development Property, and the City is not currently aware of any violation of any local, State or federal environmental law, regulation or review procedure which would give any person a valid claim under any State or federal environmental statute with respect thereto.

(f) This Agreement has been duly and validly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery by the Developer, is in full force and effect and is a valid and legally binding instrument of the City enforceable in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization or other laws relating to or affecting creditors' rights generally.

Section 2.2. Representations and Warranties of Developer. The Developer makes the following representations and warranties:

(a) The Developer is duly organized, validly existing and in good standing under the laws of the State of Iowa, is qualified to do business in the State of Iowa and has all requisite power and authority to own and operate its properties, to carry on its business as now conducted and as presently proposed to be conducted, and to enter into and perform its obligations under the Agreement.

(b) This Agreement has been duly and validly authorized, executed and delivered by the Developer and, assuming due authorization, execution and delivery by the City, is in full

force and effect and is a valid and legally binding instrument of the Developer enforceable in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization or other laws relating to or affecting creditors' rights generally.

(c) The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, and the fulfillment of or compliance with the terms and conditions of this Agreement are not prevented by, limited by, in conflict with, or result in a violation or breach of, the terms, conditions or provisions of any contractual restriction, evidence of indebtedness, agreement or instrument of whatever nature to which the Developer is now a party or by which it or its property is bound, nor do they constitute a default under any of the foregoing.

(d) There are no actions, suits or proceedings pending or threatened against or affecting the Developer in any court or before any arbitrator or before or by any governmental body in which there is a reasonable possibility of an adverse decision which could materially adversely affect the business (present or prospective), financial position or results of operations of the Developer or which in any manner raises any questions affecting the validity of the Agreement or the Developer's ability to perform its obligations under this Agreement.

(e) The Developer will cause the Minimum Improvements to be constructed and operated in accordance with the terms of this Agreement, the Urban Renewal Plan and all local, State and federal laws and regulations, except for variances necessary to construct the Minimum Improvements contemplated in the Construction Plans.

(f) The Developer will use its best efforts to obtain, or cause to be obtained, in a timely manner, all required permits, licenses and approvals, and will meet, in a timely manner, all requirements of all applicable local, state, and federal laws and regulations which must be obtained or met before the Minimum Improvements may be lawfully constructed.

(g) The construction of the Minimum Improvements will require a total investment of not less than \$7.25 million.

(h) The Developer has not received any notice from any local, state or federal official that the activities of the Developer with respect to the Development Property may or will be in violation of any environmental law or regulation (other than those notices, if any, of which the City has previously been notified in writing). The Developer is not currently aware of any state or federal claim filed or planned to be filed by any party relating to any violation of any local, state or federal environmental law, regulation or review procedure applicable to the Development Property, and the Developer is not currently aware of any violation of any local, State or federal environmental law, regulation or review procedure which would give any person a valid claim under any state or federal environmental statute with respect thereto.

(i) The Developer has firm commitments for a substantial part of the construction or acquisition and permanent financing for the Project, to successfully complete the Project in accordance with the Construction Plans contemplated in this Agreement.

(j) The Developer expects that, barring Unavoidable Delays, the Minimum Improvements will be substantially completed by September 30, 2011.

(k) The Developer would not undertake its obligations under this Agreement without consideration being made by the City to the Developer pursuant to this Agreement.

### ARTICLE III. LIBRARY REAL ESTATE CONTRACT

The City agrees to convey the Development Property to the Developer for the construction of the Minimum Improvements pursuant to the terms and conditions of a Library Real Estate Contract, in a form and substance as is substantially the same as a copy of which is attached hereto as Exhibit C.

### ARTICLE IV. CONSTRUCTION OF MINIMUM IMPROVEMENTS

Section 4.1. Design of Minimum Improvements. The Developer will submit design documents for the Minimum Improvements to the City for review and comment. The design shall be intended to further the purposes of the City's approved Urban Renewal Plan.

Section 4.2 Construction of Minimum Improvements. The Developer agrees that it will cause the Minimum Improvements to be constructed on the Development Property in conformance with the Construction Plans submitted to the City. The Developer agrees that the scope and scale of the Minimum Improvements to be constructed shall not be significantly less than the scope and scale of the Minimum Improvements as detailed and outlined in the Construction Plans, and shall in no event require a total investment of less than \$7.25 million. In addition, the Minimum Improvements will include on-site parking for at least 80 vehicles.

Section 4.3. Construction Plans. The Developer shall cause Construction Plans to be provided for the Minimum Improvements which shall be subject to approval by the City and which shall be approved prior to the consummation of the transactions contemplated by this Agreement. The Construction Plans shall provide for the Minimum Improvements to be constructed on the Development Property and shall be in conformity with the Urban Renewal Plan, this Agreement, and all applicable State and local laws and regulations. The City shall approve the Construction Plans in writing if: (a) the Construction Plans conform to the terms and conditions of this Agreement; (b) the Construction Plans conform to the terms and conditions of the Urban Renewal Plan; (c) the Construction Plans conform to all applicable federal, state and local laws, ordinances, rules and regulations and City permit requirements; (d) the Construction Plans are adequate for purposes of this Agreement to provide for the construction of the Minimum Improvements and (e) no Event of Default under the terms of this Agreement has occurred; provided, however, that any such approval of the Construction Plans pursuant to this Section 4.2 shall constitute approval for the purposes of this Agreement only and shall not be deemed to constitute approval or waiver by the City with respect to any building, fire, zoning or other ordinances or regulations of the City, and shall not be deemed to be sufficient plans to serve as the basis for the issuance of a building permit if the Construction Plans are not as detailed or complete as the plans otherwise required for the issuance of a building permit. The

site plans submitted for the Development Property by the Developer to the building official of the City shall be adequate to serve as the Construction Plans, if such site plans are approved by the building official and the Cedar Rapids Community Development Department.

Approval of the Construction Plans by the City shall not relieve the Developer of any obligation to comply with the terms and provisions of this Agreement, or the provision of applicable federal, State and local laws, ordinances and regulations, nor shall approval of the Construction Plans by the City be deemed to constitute a waiver of any Event of Default.

Approval of Construction Plans hereunder is solely for purposes of this Agreement, and shall not constitute approval for any other City purpose nor subject the City to any liability for the Minimum Improvements as constructed.

Section 4.4. Commencement and Completion of Construction. Subject to Unavoidable Delays, the Developer shall cause construction of the Minimum Improvements to be undertaken and completed (i) by no later than November 5, 2011 or (ii) by such other date as the parties shall mutually agreed upon in writing. Time lost as a result of Unavoidable Delays shall be added to extend this date by a number of days equal to the number of days lost as a result of Unavoidable Delays. All work with respect to the Minimum Improvements to be constructed or provided by the Developer shall be in conformity with the Construction Plans approved by the building official or any amendments thereto as may be approved by the building official.

The Developer agrees that it shall permit designated representatives of the City, upon reasonable notice to the Developer (which does not have to be written), to enter upon the Development Property during the construction of the Minimum Improvements to inspect such construction and the progress thereof to evaluate progress toward completion in the timeframe stated above. Entry and inspection for purposes of permitting or code compliance will be allowed as provided for by those processes.

Section 4.5. Certificate of Completion. Upon written request of the Developer after issuance by the City of an occupancy permit for the Minimum Improvements (the date of such issuance being referred to herein as the "Commencement Date"), provide the Developer with a written statement indicating either (a) that Developer has completed the Minimum Improvements in accordance with the provisions of this Agreement, or is otherwise in default under the terms of this Agreement or (b) in adequate detail in what respects the Developer has failed to complete the Minimum Improvements in accordance with the provisions of this Agreement, or is otherwise in default under the terms of this Agreement, and what measures or acts it will be necessary, in the opinion of the City, for the Developer to take or perform in order to obtain such Certificate of Completion. If the City shall refuse or fail to provide a written statement in accordance with the provisions of this Section 4.5, then City shall, within thirty (30) days after written request for the Certificate of Completion by the Developer, furnish the Developer with a Certificate of Completion in recordable form, in substantially the form set forth in Exhibit D attached hereto. Such Certificate of Completion shall be a conclusive determination of satisfactory completion and termination of the covenants and conditions of this Agreement with respect to the obligations of the Developer to construct the Minimum Improvements.

The Certificate of Completion may be recorded in the proper office for the recordation of deeds and other instruments pertaining to the Development Property at the Developer's sole expense.

## ARTICLE V. INSURANCE

### Section 5.1. Insurance Requirements.

(a) The Developer will provide and maintain or cause to be maintained at all times during the process of constructing the Minimum Improvements (and, from time to time at the request of the City, furnish the City with proof of payment of premiums on):

(i) Builder's risk insurance, written on the so-called "Builder's Risk -- Completed Value Basis", in an amount equal to one hundred percent (100%) of the insurable value of the Minimum Improvements at the date of completion, and with coverage available in non-reporting form on the so-called "all risk" form of policy;

(ii) Comprehensive general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations and contractual liability insurance) together with an Owner's Contractor's Policy with limits against bodily injury and property damage of not less than \$500,000 for each occurrence (to accomplish the above-required limits, an umbrella excess liability policy may be used); and

(iii) Worker's compensation insurance, with statutory coverage.

(b) Upon completion of construction with issuance of the Certificate of Completion with respect to the Minimum Improvements and prior to the Termination Date, the Developer shall maintain, or cause to be maintained, at its cost and expense (and from time to time at the request of the City shall furnish proof of the payment of premiums on) insurance as follows:

(i) Insurance against loss and/or damage to the Minimum Improvements under a policy or policies covering such risks as are ordinarily insured against by similar businesses, including (without limitation the generality of the foregoing) fire, extended coverage, vandalism and malicious mischief, explosion, water damage, demolition cost, debris removal, and collapse in an amount not less than the full insurable replacement value of the Minimum Improvements, but any such policy may have a deductible amount of not more than \$50,000. No policy of insurance shall be so written that the proceeds thereof will produce less than the minimum coverage required by the preceding sentence, by reason of co-insurance provisions or otherwise, without the prior consent thereto in writing by the City. The term "full insurable replacement value" shall mean the actual replacement cost of the Minimum Improvements (excluding foundation and excavation costs and costs of underground flues, pipes, drains and other uninsurable items) and equipment, and shall be determined from time to time at the request of the City, but not more frequently than once every three years, by an insurance consultant or insurer selected and paid for by the Developer and approved by the City.

(ii) Comprehensive general public liability insurance, including personal injury liability for injuries to persons and/or property, including any injuries resulting from the operation of automobiles or other motorized vehicles on or about the Development Property, in the minimum amount for each occurrence and for each year of \$1,000,000.

(iii) Such other insurance, including worker's compensation insurance respecting all employees of the Developer, in such amount as is customarily carried by like organizations engaged in like activities of comparable size and liability exposure; provided that the Developer may be self-insured with respect to all or any part of its liability for worker's compensation.

(c) All insurance required by this Article V to be provided prior to the Termination Date shall be taken out and maintained in responsible insurance companies selected by the Developer which are authorized under the laws of the State to assume the risks covered thereby. The Developer, upon request, will deposit annually with the City copies of policies evidencing all such insurance, or a certificate or certificates or binders of the respective insurers stating that such insurance is in force and effect. Unless otherwise provided in this Article V, each policy shall contain a provision that the insurer shall not cancel or modify it without giving written notice to the Developer and the City at least thirty (30) days before the cancellation or modification becomes effective. Not less than fifteen (15) days prior to the expiration of any policy, the Developer, upon request, shall furnish the City evidence satisfactory to the City that the policy has been renewed or replaced by another policy conforming to the provisions of this Article V, or that there is no necessity therefore under the terms hereof. In lieu of separate policies, the Developer may maintain a single policy, or blanket or umbrella policies, or a combination thereof, which provide the total coverage required herein, in which event the Developer shall deposit with the City a certificate or certificates of the respective insurers as to the amount of coverage in force upon the Minimum Improvements.

(d) The Developer agrees to notify the City immediately in the case of damage exceeding \$500,000 in amount to, or destruction of, the Minimum Improvements or any portion thereof resulting from fire or other casualty. Net Proceeds of any such insurance shall be paid directly to the Developer, and the Developer will forthwith repair, reconstruct and restore the Minimum Improvements to as closely as reasonably possible to the same condition or value as they existed prior to the event causing such damage and the Developer will apply the Net Proceeds of any insurance relating to such damage received by the Developer to the payment or reimbursement of the costs thereof.

## ARTICLE VI. COVENANTS OF THE DEVELOPER

Section 6.1. Maintenance of Properties. The Developer will maintain, preserve and keep its properties (whether owned in fee or a leasehold interest), including but not limited to the Minimum Improvements, in good repair and working order, ordinary wear and tear accepted, and from time to time will make all commercially reasonable repairs, replacements, renewals and additions.

Section 6.2. Maintenance of Records. During the term of this Agreement the Developer will keep at all times proper books of record and account in which full, true and correct entries will be made of all dealings and transactions of or in relation to the business and affairs of the Developer as such dealings and transactions relate to this Agreement and the Developer will provide reasonable protection against loss or damage to such books of record and account.

Section 6.3. Compliance with Laws. The Developer will comply with all laws, rules and regulations relating to its businesses, other than laws, rules and regulations the failure to comply with which or the sanctions and penalties resulting therefrom, would not have a material adverse effect on the business, property, operations, or condition, financial or otherwise, of the Developer.

Section 6.4. Non-Discrimination. In carrying out the construction and operation of the Minimum Improvements, the Developer shall not discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, age or disability. The Developer shall ensure that applicants for employment are considered, and that employees are treated during employment, without regard to their race, creed, color, sex, national origin, age or disability.

Section 6.5 Continued Operations. The Developer shall continue to operate the improvements made to the Development Property until at least the Termination Date set forth in Section 12.9 hereof.

Section 6.6. Employment Commitments. The Developer agrees to secure and maintain occupants or tenants in the building, including but not limited to TrueNorth Companies, L. C. and its affiliated entities, who have 120 existing full-time employment units ("Employment Units") as of and create an addition 50 full-time employment units on or before November 5, 2016. Any failure by the Developer to comply fully with the provisions of this Section shall be governed exclusively by Article VII hereof, and shall not constitute an Event of Default under Article 11 hereof.

Section 6.7. Annual Certification. To assist the City in monitoring and performance of the Developer hereunder, a duly authorized officer of the Developer shall annually certify to the City (a) the number of Employment Units as of the anniversary of the Commencement Date, and (b) to the effect that such officer has re-examined the terms and provisions of this Agreement and that at the date of such certificate, and during the preceding twelve (12) months, the Developer is not, or was not, in default in the fulfillment of any of the terms and conditions of this Agreement and that no Event of Default (or event which, with the lapse of time or the giving of notice, or both, would become an Event of Default) is occurring or has occurred as of the date of such certificate or during such period, or if the signer is aware of any such default, event or Event of Default, said officer shall disclose in such statement the nature thereof, its period of existence and what action, if any, has been taken or is proposed to be taken with respect thereto. Such certificates shall be provided not later than December 1 of each year, commencing December 1, 2011 and ending on December 1<sup>st</sup> of the last year for which the Developer shall be entitled to urban revitalization tax abatement contemplated in Article VII.

ARTICLE VII. ECONOMIC DEVELOPMENT GRANTS

Section 7.1. Allocation of Tax Increments. During the term hereof, the City agrees to utilize the Tax Increments collected in respect of the assessments imposed by the County on the Development Property and the Minimum Improvements (hereinafter referred to as the "Developer Tax Increments") on and after January 1, 2012, as such Tax Increments are collected as taxes are paid during the following fiscal year, as described in this Article VII.

Section 7.2. City Share of Tax Increments. On or before December 1 of the years 2012 through 2021, the City shall be entitled to certify to the County, as provided in the Urban Renewal Act and the Ordinance, its request for up to one-hundred percent (100%) of the Developer Tax Increments expected to be collected in respect of the assessments imposed by the County on the Development Property and Minimum Improvements as of January 1 of each of said years.

Section 7.3. Economic Development Grants.

(a) For and in consideration of the obligations being assumed by the Developer hereunder, and in furtherance of the goals and objectives of the Urban Renewal Plan for the Project Area and the Urban Renewal Act, the City agrees, subject to the Developer being and remaining in compliance with the terms of this Agreement and to the terms of this Article VII, to make ten (10) consecutive annual payments to the Developer, in amounts equal to the identified percentage of the actual amount of Tax Increment revenues collected by the City under the terms of the Ordinance (without regard to any averaging that may otherwise be utilized under Section 403.19 and excluding any interest that may accrue thereon prior to payment to the Developer) during the preceding twelve-month period in respect of the Development Property and the Minimum Improvements, but subject to adjustment as provided in this Article (such payments being referred to collectively as the "Economic Development Grants"):

<u>Year</u>	<u>Percentage of Total Tax Increment Received by City &amp; Paid to Developer</u>
1	80%
2	70%
3	60%
4	50%
5	40%
6	40%
7	30%
8	30%
9	20%
10	20%

(b) The obligation of the City to make an Economic Development Grant to the Developer in any year shall be subject to and conditioned upon the timely filing by the Developer of the annual certificate required under Section 6.7 hereof. If the Developer's annual

certificate is timely filed and contains the information required under Section 6.7 and the City is not otherwise entitled to reduce the amount of or terminate the payment of the Economic Development Grants under this Article, the City shall certify to the County prior to December 1 of that year its request for the applicable percentage of the available Developer Tax Increments resulting from the assessments imposed by the County as of January 1 of that year, to be collected by the City as taxes are paid during the following fiscal year and which shall thereafter be disbursed to the Developer on June 1 of that fiscal year pursuant to a schedule that the parties will agree upon prior to the first collection of Tax Increments and that is consistent with the Developer's proposal to acquire the Development Property dated May 28, 2010. When said schedule is agreed upon and reduced to writing it will be attached to this Agreement and become part hereof.

(c) In the event that the annual certificate required to be delivered by the Developer under Section 6.7 is not delivered to the City by November 1 of any year, the Developer recognizes and agrees that the City may have insufficient time to review the same and certify its request for Tax Increments to the County and that, as a result, no Economic Development Grant may be made to the Developer in respect thereof. The City covenants to act in good faith to appropriately review and consider any such late certification on the part of the Developer, but the City shall not be obligated to make any certification to the County for the available Tax Increments or make any corresponding payment of the Economic Development Grant to the Developer if, in the reasonable judgment of the City, it is not able to give appropriate consideration (which may include, but not be limited to, specific discussion before the City Council at a regular City Council meeting with respect thereto) to the Developer's certification due to its late filing.

(d) The aggregate amount of the Economic Development Grants that may be paid to the Developer under this Agreement shall be equal to the percentage (or maximum amount indicated) of the Developer Tax Increments collected in respect of the assessments imposed on the Development Property and Minimum Improvements that is indicated for each year in the table included in subparagraph (b) above for the above-described ten-year period, but such Economic Development Grants shall at all times be subject to reduction or termination in accordance with the terms of this Article VII.

(e) In the event that any certificate filed by the Developer under Section 6.7 discloses the existence or prior occurrence of an Event of Default that was not cured or cannot reasonably be cured under the provisions of Section 10.2 (or an event that, with the passage of time or giving of notice, or both, would become an Event of Default that cannot reasonably be cured under the provisions of Section 10.2), the City shall have no obligation thereafter to make any payments to the Developer in respect of the Economic Development Grants and the provisions of this Article shall terminate and be of no further force or effect.

Section 7.4. Source of Grant Funds Limited. The Economic Development Grants shall be payable from and secured solely and only by amounts deposited and held in the Central Business TIF Account of the City. The City hereby covenants and agrees to maintain the Ordinance in force during the term hereof and to apply the incremental taxes collected in respect of the Development Property and Minimum Improvements and allocated to the Central Business

TIF Account to pay the Economic Development Grants, as and to the extent set forth in Section 7.3 hereof. The Economic Development Grants shall not be payable in any manner by other tax increment revenues or by general taxation or from any other City funds. The City makes no representation with respect to the amounts that may finally be paid to the Developer as the Economic Development Grants, and under no circumstances shall the City in any manner be liable to the Developer so long as the City timely applies the Tax Increments actually collected and held in the Central Business TIF Account (regardless of the amounts thereof) to the payment of the Economic Development Grants to the Developer as and to the extent described in this Article.

Section 7.5. Reduction or Termination of Grant Payments.

(a) No Event of Default shall be deemed to occur under Section 10.2(d) hereof if the annual certificate delivered by the Developer under Section 6.7 hereof discloses that the Developer has not complied with the employment commitments set forth in Section 6.6 hereof during the preceding year. In such event, however, the City shall be entitled to reduce the amount of the next Economic Development Grant to be paid to the Developer as provided in this Section.

(b) If the City determines, by reference to the certificates to be filed on and after December 1, 2012, that the Developer has not maintained the Employment Units required hereunder, the City shall be entitled to reduce the amount of the next Economic Development Grant to be paid to the Developer in accordance with the schedule following:

<u>Number of Full Time Employment Units Certified</u>	<u>Percentage of Economic Development Grant to be paid</u>
120 or more	100%
between 100 and 120	75%
between 80 and 99	50%
between 60 and 79	25%
less than 60	0%

(c) Each annual certificate filed by the Developer under Section 6.7 hereof shall be considered separately in determining whether the City shall be entitled to reduce the amount or eliminate any of the Economic Development Grant payments available to the Developer under Section 7.3 hereof. Under no circumstances shall the failure by the Developer to qualify for an Economic Development Grant in any year serve to extend the term of this Agreement beyond the Termination Date or the years during which Economic Development Grants may be awarded to the Developer, it being the intent of parties hereto to provide the Developer with an opportunity to receive up to ten (10) Economic Development Grants only if the Developer fully complies with the provisions hereof and becomes entitled thereto.

Section 7.6. Use of Other Tax Increments. Subject to this Article VII, the City shall be free to use any and all Tax Increments collected in respect of any other properties within the

Project Area, or any available Tax Increments resulting from the reduction or termination of the annual Economic Development Grants under Section 7.5 hereof, for any purpose for which the Tax Increments may lawfully be used pursuant to the provisions of the Urban Renewal Act, and the City shall have no obligations to the Developer with respect to the use thereof.

#### ARTICLE VIII. CONVEYANCE OF TRUENORTH PROPERTY

Section 8.1 The Developer agrees to convey to the City the TrueNorth Parcel located at 421 4<sup>th</sup> Avenue SE, Cedar Rapids Iowa, including the surface parking lot adjoin that building and property to the southeast along 5<sup>th</sup> Street SE and 5<sup>th</sup> Avenue SE, Cedar Rapids, Iowa, Linn County, pursuant to the terms and conditions of a TrueNorth Real Estate Contract, in a form and substance as is substantially the same as a copy of which is attached hereto as Exhibit E.

#### ARTICLE IX. ASSIGNMENT AND TRANSFER

Section 9.1. Status of the Developer; Transfer of Substantially All Assets. As security for the obligations of the Developer under this Agreement, the Developer represents and agrees that prior to the Termination Date, the Developer or its successor in interest will maintain its existence as a limited liability company and will not wind up or otherwise dispose of all or substantially all of its assets or assign its interest in this Agreement to any other party unless the transferee partnership, corporation, limited liability company or individual assumes in writing all of the obligations of the Developer under this Agreement.

#### ARTICLE X. INDEMNIFICATION

##### Section 10.1. Release and Indemnification Covenants.

(a) Upon consummation of the transactions contemplated by this Agreement, the Developer releases the City and the governing body members, officers, agents, servants and employees thereof (hereinafter, for purposes of this Article X, the "City indemnified parties") from, covenants and agrees that the indemnified parties shall not be liable for, and agrees to indemnify, defend and hold harmless the indemnified parties against, any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Minimum Improvements.

(b) Except for any willful misrepresentation or any willful or wanton misconduct or any unlawful act of the indemnified parties, the Developer agrees to protect and defend the indemnified parties, now or forever, and further agrees to hold the indemnified parties harmless, from any claim, demand, suit, action or other proceedings whatsoever by any person or entity whatsoever arising or purportedly arising from (i) any violation of any condition of this Agreement (except with respect to any suit, action, demand or other proceeding brought by the Developer against the City to enforce its rights under this Agreement), (ii) the condition of the Development Property and the construction, installation, ownership, and operation of the

Minimum Improvements or (iii) any hazardous substance or environmental contamination located in or on the Development Property.

(c) The indemnified parties shall not be liable for any damage or injury to the persons or property of the Developer or its officers, agents, servants or employees or any other person who may be about the Minimum Improvements due to any act of negligence of any person, other than any act of negligence on the part of any such indemnified party or its officers, agents, servants or employees.

(d) All covenants, stipulations, promises, agreements and obligations of the City contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City, and not of any governing body member, officer, agent, servant or employee of the City in the individual capacity thereof.

(e) The provisions of this Article X shall survive the termination of this Agreement.

Section 10.2. Release and Indemnification Covenants of City.

(a) Upon consummation of the transactions contemplated by this Agreement, the Developer releases the City and the governing body members, officers, agents, servants and employees thereof (hereinafter, for purposes of this Article X, the "Developer's indemnified parties") from, covenants and agrees that the indemnified parties shall not be liable for, and agrees to indemnify, defend and hold harmless the indemnified parties against, any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Transferred Property.

(b) Except for any willful misrepresentation or any willful or wanton misconduct or any unlawful act of the indemnified parties, the Developer agrees to protect and defend the indemnified parties, now or forever, and further agrees to hold the indemnified parties harmless, from any claim, demand, suit, action or other proceedings whatsoever by any person or entity whatsoever arising or purportedly arising from (i) any violation of any condition of this Agreement (except with respect to any suit, action, demand or other proceeding brought by the City against the Developer to enforce its rights under this Agreement), (ii) the condition of the Transferred Property and the construction, installation, ownership, and operation of the any improvements on the Transferred Property or (iii) any hazardous substance or environmental contamination located in or on the Transferred Property.

(c) The indemnified parties shall not be liable for any damage or injury to the persons or property of the City or its officers, agents, servants or employees or any other person who may be about the Transferred Property due to any act of negligence of any person, other than any act of negligence on the part of any such indemnified party or its officers, agents, servants or employees.

(d) All covenants, stipulations, promises, agreements and obligations of the Developer contained herein shall be deemed to be the covenants, stipulations, promises,

agreements and obligations of the Developer, and not of any member, manager, officer, agent, servant or employee of the Developer in the individual capacity thereof.

- (e) The provisions of this Article X shall survive the termination of this Agreement.

#### ARTICLE XI. REMEDIES

Section 11.1. Events of Default Defined. The following shall be "Events of Default" under this Agreement and the term "Event of Default" shall mean, whenever it is used in this Agreement, any one or more of the following events:

- (a) Failure by the Developer to cause the construction of the Minimum Improvements to be commenced and completed pursuant to the terms, conditions and limitations of Article IV of this Agreement;

- (b) Transfer of any interest in the Minimum Improvements in violation of Article IX by the Developer or other violation of the provisions of Article IX of this Agreement;

- (c) Failure by either party to substantially observe or perform any covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement

- (d) The holder of any Mortgage on the Development Property, or any improvements thereon, or any portion thereof, commences foreclosure proceedings as a result of any default under the applicable Mortgage documents;

- (e) The Developer (prior to the issuance of the Certificate of Completion) shall:

- (i) file any petition in bankruptcy or for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the United States Bankruptcy Act of 1978, as amended, or under any similar federal or state law; or

- (ii) make an assignment of any part of the Minimum Improvement for the benefit of its creditors; or

- (iii) admit in writing its inability to pay its debts generally as they become due;

or

- (iv) be adjudicated a bankrupt or insolvent; or if a petition or answer proposing the adjudication of the Developer as a bankrupt or its reorganization under any present or future federal bankruptcy act or any similar federal or state law shall be filed in any court and such petition or answer shall not be discharged or denied within ninety (90) days after the filing thereof; or a receiver, trustee or liquidator of the Developer or of the Minimum Improvements, or part thereof, shall be appointed in any proceedings brought against the Developer, and shall not be discharged within ninety (90) days after such appointment, or if the Developer shall consent to or acquiesce in such appointment; or

(f) Any representation or warranty made by the Developer in this Agreement, or made by the Developer in any written statement or certificate furnished by the Developer pursuant to this Agreement, shall prove to have been incorrect, incomplete or misleading in any material respect on or as of the date of the issuance or making thereof.

Section 11.2. Remedies on Default. Whenever any Event of Default referred to in Section 11.1 of this Agreement occurs and is continuing, the party not in default may take any one or more of the following actions after (except in the case of an Event of Default under subsections (e) or (f) of said Section 11.1) the giving of thirty (30) days' written notice by the party not in default to the other party, and in the case of Developer, the holder of the First Mortgage (but only to the extent the City has been informed in writing of the existence of a First Mortgage and been provided with the address of the holder thereof) of the Event of Default, but only if the Event of Default has not been cured within said thirty (30) days, or if the Event of Default cannot reasonably be cured within thirty (30) days and the party in default does not provide assurance which is reasonably satisfactory to the other party, satisfaction which shall not be unreasonably withheld, that the Event of Default will be cured as soon as reasonably possible:

(a) The party not in default may suspend its performance under this Agreement until it receives assurances from the party in default, deemed adequate by the party not in default, that the party in default will cure its default and continue its performance under this Agreement;

(b) The party not in default may terminate this Agreement;

(c) The City may withhold the Certificate of Completion;

(d) The party not in default may take any action, including legal, equitable or administrative action, which may appear necessary or desirable to enforce performance and observance of any obligation, agreement, or covenant under this Agreement;

Section 11.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the City is intended to be exclusive of any other available remedy or remedies, but each and every remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 11.4. No Implied Waiver. In the event any agreement contained in this Agreement should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

## ARTICLE XII. CONDITIONS.

Section 12.1 Developer Obligations. All obligations of the Developer under this Agreement are conditioned upon the completion or satisfaction of the following matters:

- (a) The Development Property being rezoned to C4.
- (b) The City's vacation of real estate rights to eliminate any encroachment shown by survey and to accommodate the actions contemplated by the final site development plan for the Development Property.
- (c) The consummation of the real estate transactions contemplated by Articles III & VIII.

## ARTICLE XIII. MISCELLANEOUS

Section 13.1. Conflict of Interest. The Developer represents and warrants that, to its best knowledge and belief after due inquiry, no officer or employee of the City, or its designees or agents, nor any consultant or member of the governing body of the City, and no other public official of the City who exercises or has exercised any functions or responsibilities with respect to the Project during his or her tenure, or who is in a position to participate in a decision-making process or gain insider information with regard to the Project, has had or shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work or services to be performed in connection with the Project, or in any activity, or benefit therefrom, which is part of the Project at any time during or after such person's tenure.

Section 13.2. Notices and Demands. A notice, demand or other communication under this Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, and

(a) In the case of the Developer, is addressed or delivered personally to: TrueNorth Real Estate, L.C., attn: Randy Rings, General Counsel, 421 4<sup>th</sup> Avenue SE, Cedar Rapids, Iowa 52241, or such other designated individual or to such other address as Developer may provide in writing and

(b) In the case of the City, is addressed to or delivered personally to the City at City Hall, 3851 River Ridge Drive NE, Cedar Rapids, Iowa 52401, and Attn: City Manager; or to such other designated individual or officer or to such other address as either party shall have furnished to the other in writing in accordance herewith.

Section 13.3. Memorandum of Agreement. The parties agree to execute and record a Memorandum of Agreement for Private Redevelopment, in substantially the form attached as Exhibit 'F', to serve as notice to the public of the existence and provisions of this Agreement, and the rights and interests held by the City by virtue hereof.

Section 13.4. Titles of Articles and Sections. Any titles of the several parts, Articles, and Sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 13.5. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 13.6. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Iowa.

Section 13.7. Entire Agreement. This Agreement and the exhibits hereto reflect the entire agreement between the parties regarding the subject matter hereof, and supersedes and replaces all prior agreements, negotiations or discussions, whether oral or written. This Agreement may not be amended except by a subsequent writing signed by all parties hereto.

Section 13.8. Successors and Assigns. This Agreement is intended to and shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

Section 13.9. Termination Date. Except as may be specifically provided herein, the provisions of this Agreement shall terminate and be of no further force or effect as of June 30 of the year after all Developer's obligations have been satisfied or after December 31, 2021, whichever is later.

Section 13.10. Cost-Sharing Arrangements. The parties understand, acknowledge and agree that:

- (a) there is a substantial likelihood the transactions contemplated by Exhibits C & E will not be consummated until after November 5, 2010; and,
- (b) in order for Developer to have an opportunity to meet the completion deadline for the improvements stated in Section 4.4 it has incurred costs of approximately \$400,000 in good faith based on its confidence that the transactions contemplated by Exhibits C & E will be by November 5, 2010; and,
- (c) in order for Developer to have an opportunity to meet the completion deadline for the improvements stated in Section 4.4 it must order certain materials for construction of the improvements before November 5, 2010; and,
- (d) there is a substantial likelihood that Developer would not be able to meet the completion deadline for the improvements stated in Section 4.4 if it does not order certain materials for construction of the improvements before the transactions contemplated by Exhibits C & E are consummated; and,
- (e) there is some likelihood the transactions contemplated by Exhibits C & E will not be consummated at any time; and,
- (f) the parties wish to share the risks and costs associated with Developer ordering certain materials for construction of the improvements before the transactions contemplated by Exhibits C & E are consummated.

Accordingly, the parties agree to share the risks and costs associated with Developer ordering certain materials for construction of the improvements before the transactions contemplated by Exhibits C & E are consummated pursuant to a Cost-Sharing Agreement, in a form and substance as is substantially the same as a copy of which is attached hereto as Exhibit G, which shall be entered into concurrently with this Agreement.

IN WITNESS WHEREOF, the City has caused this Agreement to be duly executed in its name and behalf by its Mayor and its seal to be hereunto duly affixed and attested by its City Clerk, the Developer has caused this Agreement to be duly executed in its name, and the Developer has caused this Agreement to be duly executed in its name all on or as of the day first above written.

(SEAL)

CITY OF CEDAR RAPIDS, IOWA

By:   
Jeffrey A. Pomeranz, City Manager

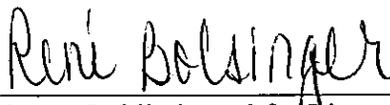
ATTEST:

By:   
Amy Stevenson, City Clerk

STATE OF IOWA                    )  
  ) SS  
COUNTY OF LINN                    )

On this 7th day of October, 2010, before me a Notary Public in and for said County, Linn, Jeffrey A. Pomeranz and Amy Stevenson to me personally known, who being duly sworn, did say that they are the City Manager and City Clerk, respectively of the City of Cedar Rapids, Iowa, a Municipal Corporation, created and existing under the laws of the State of Iowa, and that the seal affixed to the foregoing instrument is the seal of said Municipal Corporation, and that said instrument was signed and sealed on behalf of said Municipal Corporation by authority and resolution of its City Council and said City Manager and City Clerk acknowledged said instrument to be the free act and deed of said Municipal Corporation by it voluntarily executed.



  
Notary Public in and for Linn  
County, Iowa

TRUE NORTH REAL ESTATE, L.C.

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

STATE OF IOWA            )  
                                      ) SS  
COUNTY OF LINN        )

On this 30th day of September, 2010, before me a Notary Public in and for said County, Randall Rings as Secretary of TrueNorth Real Estate, L.C. personally appeared and to me personally known, who being duly sworn, did say 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 in and for Linn  
County, Iowa



## EXHIBIT A

DESCRIPTION OF DEVELOPMENT PROPERTY The former Cedar Rapids Public Library  
located at: 500 1 ST STREET SE CEDAR RAPIDS, IOWA 52401; and legally described as: O  
T VAC ALLEY THEREIN & ALL LOTS 1 THRU STR/LB 10 7

EXHIBIT B

CERTIFICATION OF COMPLETION

WHEREAS, the City of Cedar Rapids, Iowa (the "City") and TrueNorth Real Estate L.C. ("Developer") did on or about the 29<sup>th</sup> day of September, 2010, make, execute and deliver, each to the other, an Agreement for Private Redevelopment (the "Agreement"), wherein and whereby the Developer agreed, in accordance with the terms of the Agreement, to develop and maintain certain real property located within the City at 500 1<sup>st</sup> Street SE and as more particularly described as follows:

O T VAC ALLEY THEREIN & ALL LOTS 1 THRU STR/LB 10 7

WHEREAS, the Agreement incorporated and contained certain covenants and restrictions with respect to the development of the Development Property, and obligated the Developer to construct certain Minimum Improvements (as defined therein) in accordance with the Agreement; and

WHEREAS, the Developer has to the present date performed said covenants and conditions insofar as they relate to the construction of said Minimum Improvements in a manner deemed by the City to be in conformance with the approved building plans to permit the execution and recording of this certification.

NOW, THEREFORE, pursuant to the Agreement, this is to certify that all covenants and conditions of the Agreement with respect to the obligations of the Developer, and its successors and assigns, to construct the Minimum Improvements on the Development Property have been completed and performed by the Developer and are hereby released absolutely and forever terminated insofar as they apply to the land described herein. The County Recorder of Linn County is hereby authorized to accept for recording and to record the filing of this instrument, to be a conclusive determination of the satisfactory termination of the covenants and conditions of said Agreement with respect to the construction of the Minimum Improvements on the Development Property.

All other provisions of the Agreement shall otherwise remain in full force and effect until termination as provided therein.

(SEAL)

CITY OF CEDAR RAPIDS, IOWA

By: \_\_\_\_\_  
Jeffrey A. Pomeranz, City Manager

ATTEST:

By: \_\_\_\_\_  
City Clerk

STATE OF IOWA        )  
                                  ) SS  
COUNTY OF LINN     )

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, before me a Notary Public in and for said County, personally appeared Jeffrey A. Pomeranz and Amy Stevenson, to me personally known, who being duly sworn, did say that they are the City Manager and City Clerk, respectively of the City of Cedar Rapids, Iowa, a Municipal Corporation, created and existing under the laws of the State of Iowa, and that the seal affixed to the foregoing instrument is the seal of said Municipal Corporation, and that said instrument was signed and sealed on behalf of said Municipal Corporation by authority and resolution of its City Council and said City Manager and City Clerk acknowledged said instrument to be the free act and deed of said Municipal Corporation by it voluntarily executed.

\_\_\_\_\_  
Notary Public in and for Linn  
County, Iowa

EXHIBIT C

PREPARED BY AND RETURN TO: JAMES FLITZ CEDAR RAPIDS CITY ATTORNEY, 3851 RIVER RIDGE DRIVE NE, CEDAR RAPIDS, IOWA 52401 (319) 286-5025

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ADDRESS TAX STATEMENT TO: TrueNorth Real Estate, L. C., c/o Randall Rings, Secretary 421 4<sup>th</sup> Avenue, Cedar Rapids, IA 52401

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**REAL ESTATE CONTRACT**

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

**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:

The former Cedar Rapids Public Library located at: 500 1 ST STREET SE CEDAR RAPIDS, IOWA 52401; and legally described as: O T VAC ALLEY THEREIN & ALL LOTS 1 THRU STR/LB 10 7

**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 \$250,000 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 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 Seller, which survey shall also include the setting of corner pins, 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. Buyer closing, on or before the Closing Date, a sale of all and singular the rights, title, interests and appurtenances pertaining to the office building and underlying real property at 421 4<sup>th</sup> Avenue SE, Cedar Rapids, Iowa together with the surface parking lot adjoining that building and property to the southeast along 5<sup>th</sup> Street SE and 5<sup>th</sup> Avenue SE, Cedar Rapids, Linn County, Iowa, on terms acceptable to Buyer.

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: \_\_\_\_\_

STATE OF IOWA            )  
  ) ss:  
LINN COUNTY                )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2010, before me a Notary Public in and for said County, \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ personally appeared and to me personally known, who being duly sworn, did say that they are the \_\_\_\_\_ and \_\_\_\_\_, respectively 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

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 Resolution No. 1126-09-10 adopted by the City Council on the 28<sup>th</sup> 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.

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NOTARY PUBLIC - STATE OF IOWA

EXHIBIT D

MINIMUM IMPROVEMENTS

The Minimum Improvements shall consist of reconstruction and remodeling the former Cedar Rapids Public Library, consisting of about 90,000 square feet, on the Development Property to a Class A Commercial facility, together with all related site improvements described in the Construction Plans. The construction of the Minimum Improvements will require a total investment of not less than \$7.25 million, including construction of the Minimum Improvements, and other improvement related costs.

All improvements shall be in accordance with said site plan and with the Construction Plans, the Urban Renewal Plan, and the Urban Revitalization Plan.

Schedule of Performance

Activity to be Completed

Projected Completion Date

Issuance of Permits for Construction

Site Preparation Completed

Substantial Completion

Issuance of Occupancy Permit

EXHIBIT E

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

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

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**REAL ESTATE CONTRACT**

IT IS AGREED this 30<sup>th</sup> 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 1<sup>st</sup> 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.

\_\_\_\_\_  
NOTARY PUBLIC – STATE OF IOWA

CITY OF CEDAR RAPIDS, IOWA

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

\_\_\_\_\_  
Amy Stevenson, City Clerk

STATE OF IOWA, LINN COUNTY, SS:

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 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. 1126-09010 adopted by the City Council on the 28<sup>th</sup> 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.

\_\_\_\_\_  
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 4<sup>th</sup> 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 1<sup>st</sup> 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

## EXHIBIT F

### MEMORANDUM OF AGREEMENT FOR PRIVATE REDEVELOPMENT

WHEREAS, the City of Cedar Rapids, Iowa (the "City"), TrueNorth Real Estate L.C., (the "Developer"), did on or about the 29<sup>th</sup> day of September, 2010, make, execute and deliver an Agreement for Private Redevelopment (the "Agreement"), wherein and whereby the Developer agreed, in accordance with the terms of the Agreement and the Urban Renewal Plan for the Central Urban Renewal Area (the "Project Area"), to develop certain real property located within the City and within the Project Area and as more particularly described as follows:

#### LEGAL DESCRIPTION

OT VAC ALLEY THEREIN & ALL LOTS 1 THRU STR/LB 10 7

(the "Development Property"); and

WHEREAS, the term of this Agreement shall commence on the date executed by the City of Cedar Rapids, Iowa and terminate as set forth in the Agreement; and

WHEREAS, the City and the Developer desire to record a Memorandum of the Agreement referring to the Development Property and their respective interests therein.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. That the recording of this Memorandum of Agreement for Private Redevelopment shall serve as notice to the public that the Agreement contains provisions restricting development and use of the Development Property and the improvements located and operated on such Development Property.

2. That all of the provisions of the Agreement and any subsequent amendments thereto, if any, even though not set forth herein, are by the filing of this Memorandum of Agreement for Private Redevelopment made a part hereof by reference, and that anyone making any claim against any of said Development Property in any manner whatsoever shall be fully advised as to all of the terms and conditions of the Agreement, and any amendments thereto, as if the same were fully set forth herein.

3. That a copy of the Agreement and any subsequent amendments thereto, if any, shall be maintained on file for public inspection during ordinary business hours in the office of the City Clerk, City Hall, Cedar Rapids, Iowa.

IN WITNESS WHEREOF, the City and the Developer have executed this Memorandum of Agreement for Private Redevelopment as of the \_\_\_\_ day of \_\_\_\_\_, 2010.

(SEAL)

CITY OF CEDAR RAPIDS, IOWA

By: \_\_\_\_\_  
Jeffrey A. Pomeranz, City Manager

ATTEST:

By: \_\_\_\_\_  
Amy Stevenson, City Clerk  
STATE OF IOWA            )  
  ) SS  
COUNTY OF LINN        )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2010, before me a Notary Public in and for said County, personally appeared Jeffrey A. Pomeranz and Amy Stevenson to me personally known, who being duly sworn, did say that they are the City Manager and City Clerk, respectively of the City of Cedar Rapids, Iowa, a Municipal Corporation, created and existing under the laws of the State of Iowa, and that the seal affixed to the foregoing instrument is the seal of said Municipal Corporation, and that said instrument was signed and sealed on behalf of said Municipal Corporation by authority and resolution of its City Council and said City Manager and City Clerk acknowledged said instrument to be the free act and deed of said Municipal Corporation by it voluntarily executed.

\_\_\_\_\_  
Notary Public in and for Linn  
County, Iowa

TRUENORTH REAL ESTATE L.C.

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

STATE OF IOWA            )  
                                  ) SS  
COUNTY OF LINN        )

On this 30th day of September, 2010, before me a Notary Public in and for said County, Randall Rings as Secretary of TrueNorth Real Estate, L.C. personally appeared and to me personally known, who being duly sworn, did say 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 in and for Linn  
County, Iowa

## EXHIBIT G

### COST-SHARING AGREEMENT

WHEREAS, the City of Cedar Rapids, Iowa (the "City"), TrueNorth Real Estate L.C., (the "Developer," and collectively with City the "Parties"), did on or about the 29<sup>th</sup> day of September, 2010, make, execute and deliver an Agreement for Private Redevelopment (the "Agreement"), wherein and whereby the Developer agreed, in accordance with the terms of the Agreement and the Urban Renewal Plan for the Central Urban Renewal Area (the "Project Area"), to develop certain real property located within the City and within the Project Area and as more commonly known as 500 1<sup>st</sup> Street SE, Cedar Rapids, Iowa or the 1985 Cedar Rapids Public Library building (the "Development Property"); and,

WHEREAS, pursuant to the Agreement the Parties have, or soon will, enter into real estate contracts for the City to convey the Development Property to Developer and for Developer to convey its current facilities at 421 Fourth Avenue SE, Cedar Rapids, Iowa to City (the "Real Estate Contracts"); and,

WHEREAS, there is a substantial likelihood the transactions contemplated by the Real Estate Contracts will not be consummated until after November 5, 2010; and, in order for Developer to have an opportunity to meet the completion deadline for the improvements stated in the Agreement it has incurred costs of approximately \$400,000 in good faith based on its confidence that the transactions contemplated by Real Estate Contracts will be by November 5, 2010; and,

WHEREAS, in order for Developer to have an opportunity to meet the completion deadline for the improvements stated in the Agreement it must order certain materials for construction of the improvements before November 5, 2010; and,

WHEREAS, there is a substantial likelihood that Developer would not be able to meet the completion deadline for the improvements stated in the Agreement if it does not order certain materials for construction of the improvements before the transactions contemplated by Real Estate Contracts are consummated; and,

WHEREAS, there is some likelihood the transactions contemplated by Real Estate Contracts will not be consummated at any time; and,

WHEREAS, the Parties wish to share the risks and costs associated with Developer ordering certain materials for construction of the improvements before the transactions contemplated by Real Estate Contracts are consummated.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. In the event all of the following occur, then the Parties will share the risks as costs as provided in Section 2 below:

- a. Developer incurs costs and expenses directly related to the development of the Development Property subsequent to the Parties entering into this Cost-Sharing Agreement; and,
  - b. The transactions contemplated by the Real Estate Contracts are not consummated within the timeframes set forth in the Real Estate Contracts; and,
  - c. The Real Estate Contracts are terminated without the transactions contemplated thereby being consummated.
2. City will compensate or reimburse Developer in an amount calculated as follows:
- a. Developer will submit invoices for all costs and expenses incurred subsequent to the Parties entering into this Cost-Sharing Agreement which were directly related to the development of the Development Property (the "New Costs"); and,
  - b. The total of all New Costs multiplied by fifty percent (50%) shall be the amount reimbursed by City to Developer, up to a maximum reimbursement of Three hundred, Seventy-Five Thousand Dollars (\$375,000.00).
3. The Parties will use their commercially reasonable best efforts to determine the amount of reimbursement, if any, within forty-five days after the events described in Section 1 above have occurred and City agrees to make payment of the amount to be reimbursed, if any, within thirty (30) days after calculation of such amount.
4. The provisions of Sections 13.2, and 13.4-13.8 of the Agreement are incorporated here by this reference.

IN WITNESS WHEREOF, the City and the Developer have executed this Memorandum of Agreement for Private Redevelopment as of the \_\_\_\_ day of \_\_\_\_\_, 2010.

(SEAL)

CITY OF CEDAR RAPIDS, IOWA

By: \_\_\_\_\_  
 Jeffrey A. Pomeranz, City Manager

ATTEST:

By: \_\_\_\_\_  
 Amy Stevenson, City Clerk

STATE OF IOWA            )  
                                   ) SS  
 COUNTY OF LINN         )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2010, before me a Notary Public in and for said County, personally appeared Jeffrey A. Pomeranz and Amy Stevenson to me personally known, who being duly sworn, did say that they are the City Manager and City Clerk, respectively of the City of Cedar Rapids, Iowa, a Municipal Corporation, created and existing under the laws of the State of Iowa, and that the seal affixed to the foregoing instrument is the seal of said Municipal Corporation, and that said instrument was signed and sealed on behalf of said Municipal Corporation by authority and resolution of its City Council and said City Manager and City Clerk acknowledged said instrument to be the free act and deed of said Municipal Corporation by it voluntarily executed.

\_\_\_\_\_  
Notary Public in and for Linn  
County, Iowa

TRUENORTH REAL ESTATE L.C.

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

STATE OF IOWA            )  
                                      ) SS  
COUNTY OF LINN        )

On this 30th day of September, 2010, before me a Notary Public in and for said County, Randall Rings as Secretary of TrueNorth Real Estate, L.C. personally appeared and to me personally known, who being duly sworn, did say 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 in and for Linn  
County, Iowa