

TechWorks Campus/Waterloo, IA Application for Iowa Reinvestment District
List of Attachments

Section B Attachments – District Plan

B.1 Project Plan #1: TechWorks Campus Mixed-Use Hotel, Corporate Training, Light Manufacturing, Industrial Incubator, and Makerspace

Sub-Attachments for Project Plan #1

- Attachment B.1.1 Memorandum of Understanding on Development Agreement Amendments (dated 1/23/15)
- Attachment B.1.2 Development Agreement between City of Waterloo, Financial District Properties, and Cedar Valley TechWorks (dated 10/14/13)
- Attachment B.1.3 Financial District Properties' Description of Sources for Tech 2
- Attachment B.1.4 Financial District Properties' Sources & Uses and Cash Flow Statement
- Attachment B.1.5 Terms and Conditions Letter from First Midwest Bank
- Attachment B.1.6 Supplemental Letter from First Midwest Bank on Next Steps for Underwriting for the Mixed-Use Hotel/Corporate Training Project
- Attachment B.1.7 State Historic Tax Credit Program Award Letter
- Attachment B.1.8 Letter from Commerce Bank re: Commitment to Selling Tax Credits
- Attachment B.1.9 State-Issued Brownfield Tax Credit Contract
- Attachment B.1.10 Hotel Ownership/Operator Memorandum of Understanding
- Attachment B.1.11 TechWorks Campus Rendering, Looking North (*Graphic B.1.11*)
- Attachment B.1.12 Tech 2 Lobby and First Floor, Second Floor, Fifth, and Sixth Floor Plans (*Graphic B.1.12*)
- Attachment B.1.13 Tech 2 Hotel and Corporate Training Building Cut Sheet (*Graphic B.1.13*)
- Attachment B.1.14 Tech 1 Light Manufacturing, Industrial Incubator, Makerspace Section (*Graphic B.1.14*)

B.2 Project Plan #2: TechWorks Outlots

Sub-Attachments for Project Plan #2

- Attachment B.2.1 TechWorks Bird's Eye – Looking West (*Graphic B.2.1*)

B.3 Project Plan #3: TechWorks Marina – Boat Sales/Fuel Sales/Fisherman's Pub

Sub-Attachments for Project Plan #3

- Attachment B.3.1 Cedar River Marina, Phase 1 – Boat Sales/Fuel Sales/Boat Slips (*Graphic B.3.1*)
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B.4 TechWorks Feasibility Study, Provided by Smart Solutions Group

B.5 Projected Annual Gross Revenues and Associated Sales and Hotel Tax for District Projects (*Table B.5*)

B.6 Estimated Cumulative Sales and Room Tax Revenue from TechWorks Reinvestment District – 20 years (*Table B.6*)

B.1: TechWorks Campus Mixed-Use Hotel, Corporate Training, Light Manufacturing, Industrial Incubator, Makerspace, and John Deere Tractor & Engine Museum

1. Description and type of project (i.e. new lessor, new retail establishment, public improvement, etc.)

The TechWorks Campus is a former John Deere Tractor manufacturing and assembly plant that is being repurposed as an economic development project for the Cedar Valley region and a downtown redevelopment project for Waterloo, IA. The mission of TechWorks is to be a centerpoint of applied research and commercialization of advanced manufacturing, bioproducts, and renewable energy technologies. *Attachment B.1.11* shows rendering of the Tech 2 and Tech 1 buildings on the campus.

The “Tech 2” building (180,000 gross sf, 167,000 of which is leasable) will be redeveloped into a unique and business traveler-oriented 156-room hotel with a dine-in restaurant, banquet space, catering services, and an additional small, on-site hotel breakfast and room-service restaurant. Conceptual plans are included in *Attachments B.1.12 and B.1.13*. In addition, there will be 15,800 sq. ft. of corporate training space to be leased by Deere & Company.

The “Tech 1” building will house light manufacturing tenants, private-sector lab tenants, an entrepreneur-driven industrial incubator and makerspace, UNI’s Metal Casting Center, and Hawkeye Community College classrooms. Currently, UNI’s Metal Casting Center is temporarily housed on the 3rd floor of Tech 1 (see *Attachment D.2*). The renovation of the first and second floors of Tech 1, currently underway, will be completed in 2015. At that time, UNI’s Metal Casting Center will move into the first floor. Plans to expand the presence, physical footprint, and services of UNI’s Metal Casting Center are being determined at the time of application (December 2014.)

The Iowa Economic Development Authority is also planning to house the Iowa Advanced Manufacturing Center in Tech 1, with a focus on providing services, technology, and advanced processes to support growth in advanced manufacturing businesses across the state. A preliminary business plan was completed for the Iowa Advanced Manufacturing Center in 2014, but additional operational planning including facility planning, is currently underway. *Attachment B.1.14* includes a building section with planned uses for Tech 1 identified.

A summary list of uses, owners, and tenants is included in Table B1.A.

Table B.1.A: TechWorks Project #1, Uses, Owners, and Preliminary Tenants

Project 1: Ownership Structure for TechWorks Campus Mixed-Use Hotel, Corporate Training, Light Manufacturing, Industrial Incubator, and Makerspace

Tech 2: Mixed-Use Hotel, Corporate Training & Campuswide Site (Private Developer)

SF	Use	Future Owner	Preliminary Tenant, Discussions Underway
141,190	156-room Business Class Hotel	Financial District Properties	Proposed Operator: Hospitality Specialists
8,290	Full Service Restaurant and Catering	Financial District Properties	TBD
1,720	Limited Service Restaurant	Financial District Properties	Proposed Operator: Hospitality Specialists
15,800	Corporate Training Space	Financial District Properties	John Deere Corporate Training
167,000	TOTAL LEASEABLE SQ FT for Tech 2 Building		

Tech 1 Light Manufacturing, Industrial Incubator, Makerspace (Economic Development, Not-for-Profit)

SF	Use	Owner	Preliminary Tenant, Discussions Underway
25,940	Light Industrial/Education/Shop - 1st Fl	Cedar Valley TechWorks	University of Northern Iowa's Metal Casting Center/Hawkeye Community College Advanced Manufacturing Program
25,940	Applied Research Lab/Advanced Manufacturing Training Space/TechWorks Incubator - 2nd Fl	Cedar Valley TechWorks	Iowa Advanced Manufacturing Center
25,940	Applied Research Lab/Private Wet Lab Space - 3rd Fl	Cedar Valley TechWorks	Iowa Advanced Manufacturing Center/Private Lab Tenant
25,940	Light Industrial - 4th Fl	Cedar Valley TechWorks	TBD
25,940	Light Industrial - 5th Fl	Cedar Valley TechWorks	TBD
25,940	Light Industrial - 6th Fl	Cedar Valley TechWorks	TBD
155,640	TOTAL SQ FT for Tech 1 Building		

2. *Expected Timeline*

The Tech 2 project has undergone design development and has secured the majority of its financing. If the Iowa Reinvestment District is approved within a week of January 31, 2015, the developer expects about 60 days needed to close the project. If the project construction kicks off on April 1, 2015, an expected completion date is April 1, 2016, contingent on prompt contract approval from the State of Iowa and the timely execution of City processes. The developer and the proposed hotel operator, Hospitality Specialists, intend to enter into an agreement to form a joint venture to own and manage the hotel. More information on the hotel ownership and operation is provided by Financial District Properties in *Attachment B.1.10: Hotel Ownership/Operator Memorandum of Understanding*.

The Tech 1 building is undergoing a floor-by-floor renovation as funding becomes available. Funds have been secured to begin renovation of floors 1 and 2 in 2014, with completion expected by second quarter of 2015. Additional floors and tenant features for floors 4-6 will be added as funding is secured.

3. Detailed budget for the project

Tech 2 Mixed-Use Hotel, Corporate Training & Campuswide Costs (Financial District Properties, Private Developer)			
Uses		Sources	
Hard Costs		Private Loan	\$12,973,225
Land/Building Acquisition	\$500,000	State Historic Tax Credit Equity	\$7,837,172
Site Improvements	\$6,000,000	Brownfield Tax Credit Equity	\$445,000
Shell & Core	\$4,270,400	City Development Agreement Funds (TIF loan)	\$12,750,000
Hotel	\$12,714,000	Iowa Reinvestment District Funds	\$8,000,000
Hotel FF&E	\$2,550,400	Developer Equity	\$4,717,575
Apartments	\$2,852,500		
6th Floor FF&E	\$560,000		
Office	\$1,094,709		
Indirect Costs	\$4,067,898		
Soft Costs			
Design & Planning Services	\$1,410,350		
General Contractor Soft Costs	\$869,155		
Closing Costs	\$426,732		
Construction Interest Reserve	\$849,738		
Bond repayment reserve - 2 years	\$1,125,777		
Environmental Reporting	\$135,000		
Other Soft Costs	\$156,213		
Operating Reserve	\$500,000		
Predevelopment Costs	\$1,265,384		
Developer's Fee	\$5,424,716		
Subtotal	\$46,772,972		\$46,722,972
Tech 1 Light Manufacturing, Industrial Incubator, Makerspace, (Not-for-Profit)			
Floors 1 & 2 Renovation to Vanilla Shell (underway)	\$2,300,000	Legislative Appropriation (Awarded 2013, underway)	\$2,300,000
Iowa Advanced Manufacturing Center Build-out, FF&E, and Equipment	\$3,000,000	Iowa Strategic Infrastructure Fund (requested 2014)	\$3,000,000
Floors 4 & 6 Renovation to Vanilla Shell, Building Exterior, Minor Demo, Wayfinding Signage	\$3,000,000	IRD Funds from Project #1 (expected in 2016)	\$3,000,000
**This project will be phased on a floor-by-floor basis as funds are available. Some of project costs, estimated \$3M-\$4M, are not currently funded and not shown in scope of this table.			
Subtotal	\$8,300,000		\$8,300,000
TOTAL	\$55,072,972		\$55,022,972

4. Expected debt associated with each project

Based on expected costs, the expected debt for the Tech 2 Mixed-Use Hotel/Corporate Training and Campuswide Costs is \$42 million. More detail on sources of funds was provided by Financial District Properties in *Attachments B.1.3 – B.1.9*, including letters from participating banks and other financing documents. The expected debt for the Tech 1 Light Manufacturing, Industrial Incubator, and Makerspace is \$2.156 million (source: Iowa Reinvestment District funds.)

5. *Status of expected financing and financing gap*

A development agreement for the Tech 2 building on the TechWorks Campus was signed by the City of Waterloo, Financial District Properties, and Cedar Valley TechWorks, and passed by City Council on October 14, 2013. National historic tax credits were pursued by the developer for the project, but were not granted, which was highly unusual since state historic tax credits were granted to the project. IRA funds of \$8 million will fill the gap that was created by the loss of potential national historic tax credits and thus significantly enhance the project's fit-and-finish and project features. The development agreement will be amended and finalized to reflect the use of Iowa Reinvestment District funds in the project. A Memorandum of Understanding outlining the expected amendments to the existing Development Agreement is included in *Attachment B.1.1*. Final terms on financing, development agreements, and documents will be finalized prior to closing on the financing/mortgage, per the enclosed document from First Midwest Bank (*Attachments B.1.5 and B.1.6*). More detail on sources of funds was provided by Financial District Properties in *Attachments B.1.2 – B.1.9*, including letters from participating banks and other financing documents.

The Tech 1 building on the TechWorks Campus is underway on a floor-by-floor/tenant-by-tenant basis as funds and tenants are being identified as part of a multi-partner redevelopment strategy. Renovation on the first and second floors started in summer of 2014. Iowa Reinvestment District funds of \$3 million would be used to continue fit-out this space, including needed HVAC and utility systems, wall insulation and window upgrades, floor and other interior finishes, and tenant improvements. TechWorks has met with local banks to discuss a future loan for the additional \$3 million of Iowa Reinvestment Districts funds in Project #1, which are allocated to the Tech 1 Light Manufacturing, Industrial Incubator, Makerspace building. The financing terms for this portion of Iowa Reinvestment District funds will be determined before the completion date of the Tech 2 Mixed-Use Hotel/Corporate Training project (anticipated in April 2016).

6. *Expected state hotel/motel tax and/or state sales tax projections over 20 years. (Provide assumptions and detail related to these projections.)*

The overall Project Area #1 is expected to produce approximately \$555,000 in annual state sales tax at full build-out, with that revenue level scaling up over the first five years of the project (2016-2020). Project Area #1 is expected to produce \$307,476 in annual state room tax. Over 20 years, these revenues add up to a cumulative level of over \$4.7 million in sales tax and over \$6 million in room tax. Please see the attached spreadsheet, labeled *Attachments B5 and B6* for assumptions and detail.

7. *Visual aids and supporting project plan documents which enhance the understanding of the project*

Attachment B.1.1	Memorandum of Understanding on Development Agreement Amendments (dated 1/22/15)
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8. A feasibility study for the proposed TechWorks Campus Reinvestment District, including each project, was provided by Smart Solutions Group and is included in *Attachment B.4*.



CITY OF WATERLOO, IOWA

CITY HALL • 715 Mulberry Street • Waterloo, IA 50703 • (319) 291-4301 Fax (319) 291-4286

January 22, 2015

Via E-Mail

David Bernstein, Committee Chair
Iowa Reinvestment District Committee
Iowa Economic Development Authority
200 E Grand Ave
Des Moines, Iowa 50319

Re: City of Waterloo TechWorks Reinvestment District

Dear Mr. Bernstein,

Thank you for your consideration of final funding for the proposed TechWorks Reinvestment District in the City of Waterloo (the "City"). The City believes this project will have a significant economic impact on not only the Reinvestment District area, but also the surrounding region and State of Iowa. We appreciate working with the IEDA Board and especially this committee to further this unique and exciting project.

The purpose of this letter is to respond to your informal request for additional information regarding our proposed revisions to the Development Agreement entered into by and among the City, Cedar Valley Tech Works, Inc., and FDP WTC, L.L.C., on January 30, 2012, as last Amended and Restated on October 14, 2013 (the "Agreement"). As proposed in the Final Application, the City will issue general obligation bonds for the project, which would be repaid with tax increment revenues, incremental sales taxes generated within the TechWorks Campus Reinvestment District and other available funds.

As you know, the Agreement did not contemplate the specific use of Reinvestment District sales taxes as a project revenue source. The parties recently have discussed how to update and revise the Agreement to accomplish that, and I am pleased to report that our discussions have been productive. I intend to recommend to the City Council that it approve a further amendment and restatement of the Agreement which would incorporate the use of Reinvestment District funds for this project, and include the following changes:

1. Section 1.1 of the Agreement includes various definitions that would need to be updated and/or revised in a Second Amended and Restated Agreement, including the terms "First Issue Closing Date," "Second Issue Closing Date," "Original Agreement," "Equity Investor," and "Historic Tax Credit Transaction." The First Issue has closed and therefore a firm date can be ascertained. The timeline for the Second Issue will need to be updated. The Project is no longer relying on

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federal historic tax credits, so the definitions of Equity Investor and Historic Tax Credit Transaction should be revised to confirm that only state tax credits will be used. In addition, to incorporate the use of Reinvestment District proceeds, a definition of "City Bonds (Third Issue)" will need to be incorporated, specifying that the City will issue General Obligation bonds to fund the project, with the expectation that the bonds will be repaid in part with sales tax revenues from the Reinvestment District. The "FDP Grant" will be made with proceeds from the City Bonds (Second Issue), and a new "FDP Forgivable Loan" will be made to the Developer with the newly defined City Bonds (Third Issue).

2. Subsection 2.3(d) of the Agreement represents that there are no actions, suits or proceedings pending or threatened against or affecting the Developer. This subsection will be revised to exclude pending litigation affecting the Developer that has been separately disclosed to the City in writing.
3. Subsection 2.3(l) will be updated to reflect March 31, 2016 as the current date for Substantial Completion of the FDP Improvements.
4. Section 3.3 will be revised to state that the TechWorks Campus Site Improvements will be Substantially Complete no later than March 31, 2016.
5. Section 4.3 will be revised to state that the Developer shall cause the FDP Improvements to be Substantially Complete no later than March 31, 2016.
6. Section 5.1 (third paragraph) will be revised to allow the City to use any and all incremental sales and hotel-motel tax revenue from the Reinvestment District for repayment of the City Bonds (Third Issue).
7. Section 5.2 will be revised to acknowledge deposit of the FDP Forgivable Loan in an escrow account similar to the FDP Grant to allow proceeds of the FDP Grant and the FDP Forgivable Loan to be used to construct the FDP Improvements. The Developer shall utilize funds received from the City and its Lender on an equal, pro-rata basis for payment of project costs. The Developer shall make all interest payments on the City Bonds (Third Issue), and deposit \$1,125,777 of the net proceeds from the City Bonds (Third Issue) with an agreed-upon escrow agent---- on the Third Issue Closing Date to cover capitalized interest payments upon such terms as the parties shall mutually agree.
8. Section 5.3 will be revised to increase the required amount of the Collateral to be provided for the benefit of the City. Collateral in the form of a second mortgage will be given to secure the Developer's obligation to make supplementary or "shortfall" payments towards the City Bonds (Second Issue) under Section 3 of the Assessment Agreement. As the City receives incremental sales and hotel-motel tax revenue from the Reinvestment District, the City will reduce or "forgive" the principal balance of the FDP Forgivable Loan made with the City Bonds (Third Issue). A promissory note from the Developer, personally

guaranteed by Rodney Blackwell, will be given as Collateral for the repayment of the FDP Forgivable Loan, as well as the obligation to make supplementary or shortfall payments to the City under Section 3 of the Assessment Agreement. In addition to the promissory note and personal guaranty, FDP will unconditionally grant a security interest in, and assign all rights to, a working capital account to be held in trust for the benefit of the City upon the Substantial Completion of the FDP Improvements. Such account shall contain a continual balance of not less than \$500,000. The Developer shall also unconditionally assign its interest in Waterloo Hotel, LCC including all rights to proceeds resulting from a lease with the hotel operator. Rights to lease payments may be a second lien obligation, junior and subordinate to the extent and in the manner approved by the City to a lien on such collateral securing a first lien obligation to Developer's Lender. Developer shall execute all documents required by the City to perfect the City's interest in the account and the hotel interest.

9. Section 5.4 will be revised to make reference to the City Bonds (Third Issue).
10. Article VII will be revised to include the issuance of the City Bonds (Third Issue) as a source of funding for the FDP Forgivable Loan, subject to the same conditions precedent as those applicable to the issuance of the City Bonds (Second Issue). The City intends to repay a portion of the City Bonds (Third Issue) with the Reinvestment District proceeds.
11. Section 8.3 will be revised to change the initial date of the minimum assessment of the completed FDP Improvements and the FDP Property from January 1, 2015 to January 1, 2017.
12. Section 10.1 will be revised to provide that, if the FDP Improvements are sold to a third party, the net sale proceeds will first be used to pay off the City's bonds, prior to any payment of proceeds to the Developer.
13. Section 12.12 will be revised to change the Termination Date to December 31, 2036, or the date that is one year after all of the City Bonds (First Issue), City Bonds (Second Issue) and City Bonds (Third Issue) are paid in full.
14. The form of Minimum Assessment Agreement included as Exhibit C to the Agreement will be revised to change the date of the initial minimum assessment in Section 1 to "as of January 1, 2017."
15. The Minimum Actual Value set forth in the Minimum Assessment Agreement included in Exhibit C will be revised from not less than Fifteen Million Five Hundred Thousand Dollars (\$15,500,000) to not less than Seventeen Million Dollars (\$17,000,000).
16. The Minimum Assessment Agreement in Exhibit C will be revised to incorporate the City Bonds (Third Issue) into paragraph 3. Specifically, if for any reason the

amount of tax increment revenues generated from the properties described in the Minimum Assessment Agreement are insufficient to pay payments of principal and interest on the City Bonds (Second Issue), or the City Bonds (Third Issue), the Developer will make supplemental payments in lieu of taxes (shortfall payments) which are sufficient, in the aggregate, to pay debt service on both the Second and Third Issue bonds.

17. The Developer acknowledges that it executed a lease for a term of 7 years with two 5 year extension options with Deere & Company for a 15,000 square foot training center in the Tech II building.
18. The Developer agrees that sales tax permits for any entities located in the District will not be obtained prior to April 2016.
19. The City and the Developer acknowledge that time is of the essence to complete the financing for the project.

We appreciate your consideration of this project and look forward to our continued partnership.

Sincerely,



Ernest G. Clark, Mayor

We agree that the foregoing summarizes our discussions regarding proposed changes to the Agreement, and being in support of the changes, we intend to enter into a Second Amended and Restated Agreement documenting such changes, subject to final language approval.

CEDAR VALLEY TECH WORKS, INC.

FDP WTC, L.L.C.

By:



Steven J. Dust, President

By:



Rodney Blackwell, Managing Member

AMENDED AND RESTATED DEVELOPMENT AGREEMENT

By and Among

CITY OF WATERLOO, IOWA

and

CEDAR VALLEY TECH WORKS, INC.

and

FDP WTC, L.L.C.

Dated October 14, 2013

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- Exhibit A-2 - Tech I Building Property
- Exhibit B-1 - FDP Improvements
- Exhibit B-2 - Tech I Building Improvements
- Exhibit B-3 TechWorks Campus Site Improvements
- Exhibit C - Minimum Assessment Agreement
- Exhibit D - Additional TIF Properties

AMENDED AND RESTATED DEVELOPMENT AGREEMENT

This Amended and Restated Development Agreement ("Agreement") is made as of the ____ day of October, 2013, by and among the CITY OF WATERLOO, IOWA, a municipal corporation with its principal offices located at 715 Mulberry Street, Waterloo, Iowa (the "City"), CEDAR VALLEY TECH WORKS, INC., an Iowa corporation with its principal offices located at 10 West 4th Street, Suite 310, Waterloo, Iowa ("TechWorks") and FDP WTC, L.L.C., an Iowa limited liability company with its principal offices located at 201 North Harrison Street, Suite 402, Davenport, Iowa ("Developer"); collectively referred to as the "Parties" to this Agreement.

WITNESSETH:

WHEREAS, in furtherance of the objectives of Chapter 403 of the Code of Iowa, 2011, as amended (the "Urban Renewal Act"), the City is engaged in carrying out urban renewal project activities in an area known as the Downtown Waterloo Urban Renewal and Redevelopment Area ("Urban Renewal Area"); and

WHEREAS, the Developer and TechWorks each own, or will own, certain property located within the foregoing Urban Renewal Area, as more particularly described in Exhibits A-1 and A-2 attached hereto and made a part hereof, which properties together comprise an area referred to herein as the TechWorks Campus; and

WHEREAS, the Developer and TechWorks each are willing to cause certain building improvements to be constructed on their respective properties, as described herein; and

WHEREAS, the City anticipates issuing municipal bonds to finance the economic development grants described herein, and Developer and TechWorks have each agreed to pay, or cause to be paid, certain projected real estate taxes by execution of a Minimum Assessment Agreement applicable to their respective properties; and

WHEREAS, the Developer anticipates obtaining additional financing for the development of the FDP Improvements and the FDP Property through the use of federal and state historic tax credits and other available debt and equity financing instruments; and

WHEREAS, the Parties have heretofore executed and entered into a Development Agreement dated as of January 30, 2012 ("Original Agreement") relating to the foregoing activities, and now desire to amend and restate the Original Agreement and memorialize their current understandings with respect to the foregoing project activities and other

matters related to this development; and

WHEREAS, the City believes that the development of the TechWorks Campus is in the vital and best interests of the City and in accordance with the public purposes and provisions of the applicable State and local laws and requirements under which the project has been undertaken and is being assisted.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and other valuable consideration the receipt and sufficiency of which are hereby acknowledged, it is agreed 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:

Additional TIF Properties means those properties described on Exhibit D hereto.

Affiliate means, with respect to the Developer, any other corporation or limited liability company that at such time directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, the Developer. As used in this definition, "Control" or "Controlled" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such corporation or limited liability company, whether through the ownership of voting securities, by contract or otherwise.

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

Assessment Agreement means the Minimum Assessment Agreements entered into by and between the City and each of the Developer and TechWorks pursuant to Section 8.3, substantially in the form of the Agreement contained in Exhibit C attached hereto in the case of the Developer, and in the case of TechWorks, in such form and content as shall be acceptable to City and TechWorks, and in each case hereby made a part of this Agreement.

Assessor's Minimum Actual Value means the agreed minimum actual taxable value of (i) the FDP Improvements and the FDP Property in the case of the Developer's Assessment Agreement, and (ii) the Tech I Building and the Tech I Building Property in the case of TechWork's Assessment Agreement for calculation and assessment of ad

valorem real property taxes, as set forth in each of the Developer and TechWork's respective Assessment Agreements.

City means the City of Waterloo, Iowa.

City Bonds (First Issue) mean the general obligation bonds or notes to be issued by the City to fund the TechWorks Campus Grant to Developer, which shall be limited to a principal amount of not to exceed \$3,500,000, the proceeds of which shall be used for the costs of construction of the TechWorks Campus Site improvements for the benefit of all property owners on the TechWorks Campus and the costs of issuance of the City Bonds (First Issue).

City Bonds (Second Issue) mean the general obligation bonds or notes to be issued by the City to fund the FDP Grant to Developer, which shall be limited to a principal amount of not to exceed \$9,250,000, the proceeds of which shall be used for the costs of construction of the FDP Improvements and the costs of issuance of the City Bonds (Second Issue).

Code means the Code of Iowa, 2013, as amended.

Collateral means the security instruments provided to the City by the Developer under Section 5.3 hereof, which may include a Mortgage on the FDP Property, one or more mortgages on other property owned by the Developer, assignment of rights or interests in other property owned by the Developer, guaranty agreements, letters of credit, or other security arrangements or interests, in each case which is acceptable to the City in its sole discretion.

Construction Plans means the plans, specifications, drawings and related documents reflecting the construction work to be performed by the Developer and TechWorks on the TechWorks Campus, FDP Property and Tech I Building Property, as applicable. In each case, the Construction Plans shall be as detailed as the plans, specifications, drawings and related documents which are submitted to the building inspector of the City as required by applicable City codes, and shall include at least the following: (i) site plan, (ii) floor plan for each floor, (iii) cross-sections of each floor (length and width), (iv) building elevations (all sides) and (v) adjacent parking improvements and landscaping.

County means Black Hawk County, Iowa.

Developer means FDP WTC, L.L.C., an Iowa limited liability company, and its successors and assigns.

Equity Investor means the federal historic tax credit investor with respect to the FDP Improvements, and its successors and assigns.

Escrow Agreement means the agreement described in Section 5.1 and 5.2 hereof.

Event of Default means any of the events described in Section 11.1 of this Agreement.

FDP Grant means the economic development grant to be made by the City to Developer under the provisions of Article VII hereof, which shall be equal in amount to the net proceeds of the City Bonds (Second Issue) remaining after the payment of all normal and customary bond issuance costs are paid.

FDP Improvements shall mean the hotel and office space improvements to be constructed by the Developer on the FDP Property, together with all related site improvements described in the Construction Plans for the same, described generally in Exhibit B-1 hereto.

FDP Property means that portion of the TechWorks Campus owned by the Developer and described in Exhibit A-1 hereto upon which the FDP Improvements will be constructed.

First Issue Closing Date means on or before January 31, 2014, or such other date as the parties hereto may agree upon in writing.

First Mortgage means one or more Mortgages granted to the Lender to secure loans made pursuant to the Lender Loan Agreement or such other agreements entered into by the Developer for the benefit of bond investors, a commercial lender or other financial institution to fund any portion of the construction costs and initial operating capital requirements of the FDP Improvements as may be consented to by the Lender, which may be recorded prior to the recording of the Assessment Agreement.

Full Time Employees means either (i) a permanent "full time" employee who works at least 40 hours per week or 2,080 hours per year or (ii) any combination of "part-time" employees who, in the aggregate, work at least 2,080 hours per year.

Historic Tax Credit Transaction means the making of one or more equity investments by the Equity Investor, or other investor, in "qualified rehabilitation expenditures" (as defined in Section 47(C)(2) of the Internal Revenue Code and the Treasury Regulations issued thereunder) for purposes of obtaining federal and state historic tax credits for the benefit of the Developer and the construction of the FDP Improvements.

Lender means one or more qualified lenders, each of which may make a loan to the Developer, which loans will be repaid from income resulting from the operation of the FDP Property and FDP Improvements.

Lender Loan Agreement means one or more loan agreements by and between or among, a Lender and the Developer, pursuant to which the Lender will make one or more loans to the Developer to finance the acquisition of the FDP Property and/or construction of the FDP Improvements.

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

Original Agreement means the Development Agreement dated as of January 30, 2012 between and among the City, Developer and TechWorks.

Second Issue Closing Date means on or before June 30, 2014, or such other date as the parties hereto may agree upon in writing.

State means the State of Iowa.

Substantial Completion or Substantially Complete means the date on which the FDP Improvements have been completed in accordance with the Construction Plans to the extent necessary for the City to issue a certificate of occupancy relating thereto.

Tax Increment means the tax increment revenues collected by the City under the authority of Section 403.19 of the Code and the City's ordinance implementing the division of taxes under Section 403.19 in respect of (i) the FDP Property and the FDP Improvements constructed thereon by the Developer, (ii) the Tech I Building Property and the Tech I Building Improvements constructed thereon by TechWorks and (iii) the Additional TIF Properties.

Tech I Building means the approximately 156,000 square foot building located on the Tech I Building Property being rehabilitated and renovated as part of the Tech I Building Improvements.

Tech I Building Improvements means the redevelopment and rehabilitation of the Tech I Building by TechWorks, together with all related site improvements described in the Construction Plans for the same, described generally in Exhibit B-2 hereto.

Tech I Building Property means that portion of the TechWorks Campus owned by

TechWorks and described in Exhibit A-2 hereto, upon which the Tech I Building Improvements will be constructed.

TechWorks means Cedar Valley Tech Works, Inc., an Iowa corporation, and its successors and assigns.

TechWorks Campus means that portion of the Urban Renewal Area generally bounded by Westfield Avenue, West Commercial Street arching between the John Deere Advanced Manufacturing Plant and Jefferson Street extended to River Drive.

TechWorks Campus Grant means the economic development grant to be made by the City to the Developer under the provisions of Article VII hereof, which shall be equal in amount to the net proceeds of the City Bonds (First Issue) remaining after the payment of all normal and customary bond issuance costs are paid.

TechWorks Campus Site Improvements means the [curbing, sidewalk, parking and landscaping improvements] to be constructed by the Developer on the TechWorks Campus under the provisions of Article III hereof, as described in Exhibit B-3 attached hereto and made a part hereof.

Termination Date means the date of termination of this Agreement, as established in Section 12.12 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 or failure to act of any federal, State or local governmental unit (other than the City when acting in good faith).

Urban Renewal Plan means the Urban Renewal Plan approved in respect of the Downtown Waterloo Urban Renewal and Redevelopment Area, described in the preambles hereof.

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 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) This Agreement and any other documents and instruments to be executed and delivered by the City pursuant to this Agreement, when executed and delivered pursuant hereto, will constitute the duly authorized, valid and legally binding obligations of the City and are enforceable in accordance with their respective 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 TechWorks. TechWorks makes the following representations and warranties:

(a) TechWorks is a corporation duly organized and validly existing under the laws of the State of Iowa, and it 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 TechWorks and, assuming due authorization, execution and delivery by the other parties hereto, is in full force and effect and is a valid and legally binding instrument of TechWorks 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 the articles of organization or bylaws of TechWorks or of any contractual restriction, evidence of indebtedness, agreement or instrument of whatever nature to which TechWorks 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 TechWorks 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 TechWorks or which in any manner raises any questions affecting the validity of the Agreement or TechWorks' ability to perform its obligations under this Agreement.

(e) TechWorks will cause the Tech I Building Improvements to be constructed 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 Tech I Building Improvements contemplated in the Construction Plans.

(f) TechWorks 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 Tech I Building Improvements may be lawfully constructed.

(g) Subject to Section 6.2, TechWorks will spend enough in construction of the Tech I Building Improvements, when combined with the value of the Tech I Building Property and related site improvements, to equal or exceed the Assessor's Minimum Actual Value for the Tech I Building Property and the Tech I Building Improvements, as set forth in Section 8.3 of this Agreement.

(h) The financing commitments, which TechWorks will proceed with due diligence to obtain, to finance the construction of the Tech I Building Improvements will be sufficient to enable TechWorks to successfully complete the construction of the Tech I Building Improvements as contemplated in this Agreement.

(i) Subject to Section 6.2, TechWorks agrees that the Assessor's Minimum Actual Value of the Tech I Building Property and the Tech I Building Improvements described in Section 8.3 hereof will be a reasonable estimate of the actual value of the same for ad valorem property tax purposes.

(j) TechWorks has not received any notice from any local, State or federal official that the activities of TechWorks with respect to the Tech I Building 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). TechWorks 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 Tech I Building, and TechWorks 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.

(k) TechWorks will cooperate fully with the City in resolution of any traffic, parking, trash removal or public safety problems which may arise in connection with the construction of the Tech I Building Improvements.

(l) Subject to Section 6.2, TechWorks will proceed with reasonable diligence and in good faith to substantially complete the construction of the Tech I Building Improvements within four (4) years after the First Issue Closing Date barring Unavoidable Delays or unavailability of funding.

(m) TechWorks would not undertake its obligations under this Agreement without the payment by the City of the TechWorks Campus Grant pursuant to this Agreement.

(n) TechWorks reasonably expects that the construction of the Tech I Building Improvements will result in the creation of approximately 50 temporary construction jobs and approximately 240 Full Time Employees employed by tenants in the completed facility.

Section 2.3. Representations and Warranties of Developer. Developer makes the following representations and warranties:

(a) Developer is a limited liability company duly organized and validly existing under the laws of the State of Iowa, is authorized to conduct business in the State of Iowa, and it 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 Developer and, assuming due authorization, execution and delivery by the other parties hereto, is in full force and effect and is a valid and legally binding instrument of 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 the certificate of organization or operating agreement of Developer or of any contractual restriction, evidence of indebtedness, agreement or instrument of whatever nature to which

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 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 Developer or which in any manner raises any questions affecting the validity of the Agreement or Developer's ability to perform its obligations under this Agreement.

(e) Developer will cause the TechWorks Campus Site Improvements and the FDP Improvements to be constructed 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 TechWorks Campus Site Improvements and FDP Improvements contemplated in the Construction Plans.

(f) 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 TechWorks Campus Site Improvements and FDP Improvements may be lawfully constructed.

(g) Developer will spend enough in construction of the FDP Improvements, when combined with the value of the FDP Property and related site improvements, to equal or exceed the Assessor's Minimum Actual Value thereof, as set forth in Section 8.3 of this Agreement.

(h) The financing commitments, which Developer will proceed with due diligence to obtain, to finance the construction and rehabilitation of the FDP Improvements will be sufficient to enable Developer to successfully complete the construction of the FDP Improvements as contemplated in this Agreement, subject to additional costs incurred due to Unavoidable Delays.

(i) Developer agrees that the Assessor's Minimum Actual Value of the FDP Improvements is a reasonable estimate of the actual value of the same for ad valorem property tax purposes.

(j) Developer has not received any notice from any local, State or federal official that the activities of Developer with respect to the FDP 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). 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 FDP Property, and 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.

(k) Developer will cooperate fully with the City in resolution of any traffic, parking, trash removal or public safety problems which may arise in connection with the construction and operation of the TechWorks Campus Site Improvements and the FDP Improvements.

(l) Developer expects that, subject to any Unavoidable Delays, the FDP Improvements will be substantially completed by June 15, 2015, barring Unavoidable Delays.

(m) Developer would not undertake its obligations under this Agreement without the payment by the City of the FDP Grant, being made to Developer pursuant to this Agreement.

(n) Developer reasonably expects that the construction of the FDP Improvements will result in the creation of approximately 50 temporary construction jobs and approximately 210 Full Time Employees of the hotel and restaurant facilities and of tenants in the office space portion of the facility.

ARTICLE III. TECHWORKS CAMPUS SITE IMPROVEMENTS.

Section 3.1. Construction of TechWorks Campus Site Improvements. The Developer, either directly or acting through the Developer Affiliate, agrees that it will cause the TechWorks Campus Site Improvements to be constructed on the TechWorks Campus in conformance with the Construction Plans submitted to the City. The Developer agrees that the scope and scale of the TechWorks Campus Site Improvements to be constructed shall not be significantly less than the scope and scale of the TechWorks Campus Site Improvements as detailed and outlined in the Construction Plans. The Developer reasonably expects that the construction of the TechWorks Campus Site Improvements will require a total investment of not less than Six Million Dollars (\$6,000,000.00).

Section 3.2. Construction Plans. The Developer shall cause Construction Plans to be provided for the TechWorks Campus Site Improvements, which shall be subject to approval by the City as provided in this Section 4.2. 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 and design review requirements; (d) the Construction Plans are adequate for purposes of this Agreement to provide for the construction of the TechWorks Campus Site 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 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 Construction Plans must be rejected in writing by the City within thirty (30) days of submission or shall be deemed to have been approved by the City. If the City rejects the Construction Plans in whole or in part, the Developer shall submit new or corrected Construction Plans within thirty (30) days after receipt by the Developer of written notification of the rejection, accomplished by a written statement of the City specifying the respects in which the Construction Plans submitted by the Developer fail to conform to the requirements of this Section. The provisions of this Section relating to approval, rejection and resubmission of corrected Construction Plans shall continue to apply until the Construction Plans have been approved by the City; provided, however, that in any event the Developer shall submit Construction Plans which are approved by the City prior to commencement of construction of the TechWorks Campus Site Improvements. 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 TechWorks Campus Site Improvements as constructed.

Section 3.3. Commencement and Completion of Construction. Subject to Unavoidable Delays, the Developer shall cause the TechWorks Campus Site Improvements to be Substantially Complete no later than December 31, 2014 or by such other date as the parties shall mutually agree 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

TechWorks Campus Site Improvements to be constructed or provided by the Developer shall be in conformity with the Construction Plans.

Until the TechWorks Campus Site Improvements are Substantially Complete, the Developer shall make such reports to the City, in such details and at such times as may be reasonably requested by the City, as to the actual progress of the Developer with respect to the construction of the TechWorks Campus Site Improvements.

Section 3.4. Certificate of Completion. Upon written request of the Developer after Substantial Completion of the TechWorks Campus Site Improvements, the City will promptly furnish the Developer with a Certificate of Completion in recordable form. Such Certificate of Completion shall be conclusive determination of satisfactory termination of the covenants and conditions of this Agreement with respect to the obligations of the Developer to construct the TechWorks Campus Site Improvements.

The Certificate of Completion may be recorded in the proper office for the recordation of deeds and other instruments pertaining to the TechWorks Campus at the Developer's sole expense. If the City shall refuse or fail to provide a Certificate of Completion in accordance with the provisions of this Section, the City shall, within twenty (20) days after written request, provide the Developer with a written statement indicating in adequate detail in what respects the Developer has failed to complete the TechWorks Campus Site 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 reasonable opinion of the City, for the Developer to take or perform in order to obtain such Certificate of Completion; provided, however, if the Developer has constructed the TechWorks Campus Site Improvements in accordance with the Construction Plans as approved by the City, the City shall not require the Developer to take or perform any additional actions relating thereto to obtain such Certificate of Completion.

ARTICLE IV. CONSTRUCTION OF FDP IMPROVEMENTS BY DEVELOPER

Section 4.1. Construction of FDP Improvements. (a) The Developer, either directly or acting through the Developer Affiliate, agrees that it will cause the FDP Improvements to be constructed on the FDP Property in conformance with the Construction Plans submitted to the City. The Developer agrees that the scope and scale of the FDP Improvements to be constructed shall not be significantly less than the scope and scale of the FDP Improvements as detailed and outlined in the Construction Plans. The Developer reasonably expects that the construction of the FDP Improvements will require a total investment of not less than Forty Million Dollars (\$40,000,000).

(b) For purposes of constructing the FDP Improvements, the City hereby agrees

that Developer, or its Affiliate, may form one or more Affiliates for the purpose of consummating a Historic Tax Credit Transaction in connection with the construction of the FDP Improvements. In furtherance of such transaction, the Developer may transfer or lease the FDP Property to such Affiliate in the form of a master lease, as customarily used in Historic Tax Credit Transactions (the "Master Lease"), so long as the terms of any such transfer of the FDP Property are consented to in writing by the City, which consent shall not be unreasonably withheld, conditioned or delayed. The Developer shall remain fully responsible for all of its obligations under this Agreement, notwithstanding any transfer of the FDP Property to an Affiliate and the assumption of any of the Developer's obligations hereunder.

Section 4.2. Construction Plans. The Developer shall cause Construction Plans to be provided for the FDP Improvements, which shall be subject to approval by the City as provided in this Section 4.2. 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 and design review requirements; (d) the Construction Plans are adequate for purposes of this Agreement to provide for the construction of the FDP 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 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 Construction Plans must be rejected in writing by the City within thirty (30) days of submission or shall be deemed to have been approved by the City. If the City rejects the Construction Plans in whole or in part, the Developer shall submit new or corrected Construction Plans within thirty (30) days after receipt by the Developer of written notification of the rejection, accomplished by a written statement of the City specifying the respects in which the Construction Plans submitted by the Developer fail to conform to the requirements of this Section. The provisions of this Section relating to approval, rejection and resubmission of corrected Construction Plans shall continue to apply until the Construction Plans have been approved by the City; provided, however, that in any event the Developer shall submit Construction Plans which are approved by the City prior to commencement of construction of the FDP Improvements. 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 FDP Improvements as constructed.

Section 4.3. Commencement and Completion of Construction. Subject to Unavoidable Delays, the Developer shall cause the FDP Improvements to be Substantially Complete no later than June 15, 2015 or by such other date as the parties shall mutually agree 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. However, an extension of the completion date for the FDP Improvements shall not affect the Assessor's Minimum Actual Value thereof. All work with respect to the FDP Improvements to be constructed or provided by the Developer shall be in conformity with the Construction Plans.

Until the FDP Improvements are Substantially Complete, the Developer shall make such reports to the City, in such details and at such times as may be reasonably requested by the City, as to the actual progress of the Developer with respect to the construction of the FDP Improvements.

Section 4.4. Certificate of Completion. Upon written request of the Developer after issuance of an occupancy permit for the FDP Improvements, the City will promptly furnish the Developer with a Certificate of Completion in recordable form. Such Certificate of Completion shall be conclusive determination of satisfactory termination of the covenants and conditions of this Agreement with respect to the obligations of the Developer to construct the FDP Improvements.

The Certificate of Completion may be recorded in the proper office for the recordation of deeds and other instruments pertaining to the FDP Property at the Developer's sole expense. If the City shall refuse or fail to provide a Certificate of Completion in accordance with the provisions of this Section, the City shall, within twenty (20) days after written request, provide the Developer with a written statement indicating in adequate detail in what respects the Developer has failed to complete the FDP 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 reasonable opinion of the City, for the Developer to take or perform in order to obtain such Certificate of Completion; provided, however, if the Developer has constructed the FDP Improvements in accordance with the Construction Plans as approved by the City, the City shall not require the Developer to take or perform any additional actions relating thereto to obtain such Certificate of Completion.

ARTICLE V. SECURITY PROVISIONS

Section 5.1. Execution of TechWorks Campus Escrow Agreement. On or before the First Issue Closing Date, (i) the Developer shall provide evidence, satisfactory to the City in its sole discretion, that Developer has all necessary access rights, construction easements and/or ownership of the properties upon which the TechWorks Campus Site Improvements are to be constructed, and (ii) the Developer, TechWorks, the City, an agreed upon escrow agent (the "Escrow Agent"), and such other parties as they consider appropriate, shall execute and enter into an Escrow Agreement (which shall be in form satisfactory to all parties relating thereto, including the City, in its sole discretion), relating to the deposit of the proceeds of the TechWorks Campus Grant.

Subsequent to the time all or a portion of the TechWorks Campus Grant is placed in escrow, Developer may draw upon the TechWorks Campus Grant proceeds in order to be reimbursed for costs and expenses incurred according to the Construction Plans and other related development costs associated with the TechWorks Campus Site Improvements. Developer shall be required to provide the Escrow Agent with satisfactory evidence of such expenses according to the terms of the Escrow Agreement in order for the Escrow Agent to release the requested portion of the TechWorks Campus Grant proceeds to the Developer.

In the event that all or any portion of the TechWorks Campus is included in a "reinvestment district" under Chapter 15J of the Code during the term of this Agreement, the City may apply any or all resulting incremental sales and hotel-motel tax revenue authorized to be collected in respect of properties or from businesses located within such reinvestment district, other than the revenues generated from the FDP Improvements, for the payment of debt service on the City Bonds (First Issue), and Developer shall have no rights to the proceeds of the same. The use of such incremental sales and hotel-motel tax revenues generated from the FDP Improvements shall not be governed by this Agreement.

Section 5.2. Execution of FDP Escrow Agreement. To the extent agreed upon by the Lender and Developer, on or before the Second Issue Closing Date, the Developer, the City, an agreed upon Escrow Agent, and such other parties as they consider appropriate, shall execute and enter into an Escrow Agreement (which shall be in form satisfactory to all parties relating thereto, including the City, in its sole discretion), relating to the deposit of the proceeds of the FDP Grant and such other proceeds of the construction financing obtained by the Developer, if applicable, which may include the funds obtained through the Historic Tax Credit Transaction and any private activity bonds issued on behalf of the Developer to construct the FDP Improvements in accordance with the Construction Plans.

Subsequent to the time all or a portion of the FDP Grant is placed in escrow, the Developer may draw upon the FDP Grant proceeds in order to be reimbursed for costs and expenses incurred according to the Construction Plans and other related development costs associated with the FDP Improvements and FDP Property. The Developer shall be required to provide the Escrow Agent with satisfactory evidence of such expenses according to the terms of the Escrow Agreement in order for the Escrow Agent to release the requested portion of the FDP Grant proceeds to the Developer.

Section 5.3. Execution of Mortgage or Other Collateral. (a) To the extent, and in the form, permitted by the Lender, in its sole and absolute discretion, on or before the Second Issue Closing Date, the Developer shall execute and deliver a Mortgage in favor of the City, or shall execute and deliver such other Collateral as may be acceptable to the City, in its sole discretion, and which is agreed upon by the Lender, City and Developer or its Affiliate, as applicable. The Collateral is intended to secure the Developer's obligation to make supplementary payments to the City under Section 3 of the Assessment Agreement and any secured interest held by the City shall be reduced and terminate in accordance with Section 5.4 below. In exchange for the Developer providing the Collateral, as described under this Article V, the City shall execute and/or provide: (i) to the Developer or Lender a standstill agreement relating to the Mortgage in favor of the First Mortgage Lender, and (ii) any applicable Lender or Equity Investor with a Subordination, Non-Disturbance, and Attornment Agreement (the "SNDA"), customarily used in Historic Tax Credit Transactions, for the benefit of the Developer, any applicable Lender, and the Equity Investor.

(b) On the Second Issue Closing Date, the fair market value of the Collateral shall be not less than \$3,450,000, or such other amount as City may reasonably determine to be necessary to secure the Developer's obligation to make supplementary payments to the City under Section 3 of the Assessment Agreement. In determining fair market value of any Collateral, the City may rely on appraisals or such other indications of market value as it determines to be acceptable, in its reasonable discretion. Developer shall pay all reasonable costs associated with establishing the fair market value of any Collateral under this Section and under Section 5.4, including all appraisal costs, and shall hold the City harmless therefrom.

Section 5.4. Release of Collateral; Additions to Same. The City and Developer intend, and the Developer covenants and agrees, that the fair market value of the Collateral shall at all times be equal to, or in excess of, the amount determined by the City to be necessary to fully pay all debt service on the City Bonds (Second Issue) that is not expected to be paid by the Tax Increment collected by the City (a) under the Assessment Agreement with the Developer, and (b) as otherwise described in this Section. For this purpose, the City shall annually calculate, on or before June 30 of each year, the amount of the Tax Increment available to pay debt service on the City Bonds

(Second Issue) during the following fiscal year, which shall include (i) 100% of the Tax Increments to be collected with respect to the FDP Property and (ii) 50% of any Tax Increment to be collected in respect of other new construction valuation growth of any and all of the other Additional TIF Properties during that fiscal year, and not otherwise obligated to be used for payment or reimbursement of any incentives paid or costs incurred by the City with respect to the development of such Additional TIF Properties. The City shall release a portion of the Collateral by June 30 of any year if it determines that the committed Tax Increment from properties subject to a minimum assessment agreement that are described in (i) and (ii) above is sufficient to pay an increased amount of the debt service on the City Bonds (Second Issue) in the next fiscal year and in future fiscal years. At any time the City may request that Developer deliver additional Collateral to the City, in form satisfactory to the City in its sole discretion, if the City determines that the above-described Tax Increment is not sufficient, for whatever reason, to meet the requirements of this Section. In such event, Developer shall deliver the additional Collateral to the City within ten (10) business days of the City's request for the same. All determinations to be made by the City under this Section shall be in writing and be executed by the Mayor, shall be based on such information and documents as the City considers appropriate, and shall be made by the City in the City's reasonable discretion.

Following the payment in full of the City Bonds (First Issue), the City agrees to negotiate in good faith with the Developer concerning the future use of Tax Increment collected in respect of other properties located within the Urban Renewal Area.

Section 5.5. Interest in Collateral. On or before the Second Issue Closing Date, the City and Developer understand that it may be requested to amend, modify this Agreement and/or replace or reduce any Collateral or increase the amount of Collateral to be delivered, or cause to be delivered, to the City, as the same may be agreed upon by any applicable Lender, City and Developer.

ARTICLE VI. CONSTRUCTION OF TECH I BUILDING IMPROVEMENTS

Section 6.1. Construction of Tech I Building Improvements. TechWorks agrees that it will cause the Tech I Building Improvements to be constructed on the Tech I Building Property in conformance with the Construction Plans submitted to the City. TechWorks agrees that the scope and scale of the Tech I Building Improvements to be constructed shall not be significantly less than the scope and scale of the Tech I Building Improvements as detailed and outlined in the Construction Plans.

Section 6.2. Commencement and Completion of Construction. Subject to Unavoidable Delays, TechWorks shall use reasonable efforts to cause construction of the

the Tech I Building Improvements to be undertaken immediately following the First Issue Closing Date and completed as soon as possible according to the Construction Plans, or by such other date as the City and TechWorks shall mutually agree upon in writing. Time lost as a result of Unavoidable Delays shall be added to extend any completion 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 Tech I Building Improvements to be constructed or provided by TechWorks shall be in conformity with the Construction Plans for the Tech I Building Improvements.

Until Substantial Completion of the Tech I Building Improvements, TechWorks will provide reports to the City, in such details and at such times as may be reasonably requested by the City, as to the actual progress of TechWorks with respect to the construction of the Tech I Building Improvements.

ARTICLE VII. FDP GRANT AND TECHWORKS GRANT

Section 7.1. FDP Grant. For and in consideration of the obligations being assumed by the Developer as set forth herein, and as a necessary means of achieving the goals and objectives of the Urban Renewal Plan, the City agrees (subject to the conditions set forth in this Article) to make the FDP Grant to Developer. The FDP Grant shall be disbursed to the Escrow Agent (as defined in Section 5.2 above), for the benefit of the Developer, in one or more installments commencing on the Second Issue Closing Date, subject to the provision of Section 7.4 hereof. Proceeds of the FDP Grant shall be used by Developer solely and only for the purposes of paying costs of constructing the FDP Improvements, and shall be drawn upon by the Developer according to Section 5.2 herein.

Section 7.2. TechWorks Campus Grant. For and in consideration of the obligations being assumed by TechWorks and Developer as set forth herein, and as a necessary means of achieving the goals and objectives of the Urban Renewal Plan, the City agrees (subject to the conditions set forth in this Article) to make the TechWorks Campus Grant to Developer. The TechWorks Campus Grant shall be disbursed to the Escrow Agent (as defined in Section 5.1 above), for the benefit of the Developer, in one or more installments commencing on the First Issue Closing Date, subject to the provision of Section 7.4 hereof. Proceeds of the TechWorks Campus Grant shall be used by Developer solely and only for the purposes of paying costs of the TechWorks Campus Site improvements, and shall be drawn upon by Developer according to Section 5.1 herein. TechWorks shall have no responsibilities under the TechWorks Campus Grant.

Section 7.3. Source of FDP Grant and TechWorks Campus Grant Funds Limited. The TechWorks Campus Grant and the FDP Grant shall be payable solely and only from the proceeds of the City Bonds (First Issue) and City Bonds (Second Issue), respectively,

and shall not be payable in any manner by general taxation or from any other City funds. The parties further acknowledge and agree that the City Bonds (First Issue) and City Bonds (Second Issue) shall be sold at such times, on such terms and conditions, bear such interest rates, mature at such times and in such amounts as the City, in its sole discretion, shall determine to be acceptable to it. The City's obligation to issue the City Bonds (First Issue) and City Bonds (Second issue) and make the TechWorks Campus Grant and FDP Grant as described in this Article shall be subject in all respects to Unavoidable Delays, the provisions of this Article, and to the satisfaction of all conditions and procedures required (in the judgment of bond counsel for the City), by Chapters 384 and 403 of the Code with respect to the issuance of the City Bonds (First Issue) and City Bonds (Second Issue), including the holding of all required public hearings relating to the same.

Section 7.4. Closing; Conditions Precedent to Funding by City.

(a) The complete or initial funding by the City of the TechWorks Campus Grant and the FDP Grant on the First Issue Closing Date and Second Issue Closing Date, respectively, shall be deemed an agreement of the parties that the applicable conditions of closing shall have been satisfied or waived. If the conditions set forth in this Section are not satisfied at the First Issue Closing Date or the Second Issue Closing Date, as applicable, this Agreement shall terminate unless a new First Issue Closing Date or Second Issue Closing Date, as applicable, is established by amendment to this Agreement. The termination of this Agreement shall be the sole remedy available to City, TechWorks or Developer if, for whatever reason, a condition set forth in this Section is not satisfied at the First Issue Closing Date or Second Issue Closing Date, as applicable, it being understood that each party shall nonetheless incur costs and liabilities prior to the First Issue Closing Date or Second Issue Closing Date for which they alone are responsible. The City, TechWorks and Developer each expressly assume all responsibility for the costs and liabilities they may each so incur prior to the First Issue Closing Date and Second Issue Closing Date, respectively, and agree to indemnify and hold each other harmless therefrom.

(b) It is recognized and agreed that the ability of the City to perform the obligations described in this Agreement, including the payment of the TechWorks Campus Grant and FDP Grant, is subject to completion and satisfaction of certain separate City Council actions and required legal proceedings relating to the issuance of the City Bonds (First Issue) and City Bonds (Second Issue), including the holding of a public hearing on the same, and the approval of the Collateral and Escrow Agreement. Specifically, the closing of the transactions contemplated by this Agreement and all the obligations of City, TechWorks and Developer, as applicable, under this Agreement are subject to fulfillment, on or before the First Issue Closing Date and Second Issue Closing Date, respectively, of each of the following conditions precedent:

(i) The representations and warranties made by TechWorks in Section 2.2 and by the Developer in Section 2.3 shall be true and correct as of the First Issue Closing Date with the same force and effect as if made at such date. The representations and warranties made by Developer in Section 2.3 shall be true and correct as of the Second Issue Closing Date with the same force and effect as if made at such time.

(ii) The City shall have approved all applicable zoning, subdivision, or platting of the Techworks Property necessary for immediate development and construction of the Tech I Building Improvements, and shall have amended the Urban Renewal Plan to include the project activities described in this Agreement, by the First Issue Closing Date. The City shall have approved all applicable zoning, subdivision, or platting of the FDP Property necessary for immediate development and construction of the FDP Improvements by the Second Issue Closing Date.

(iii) Developer and TechWorks shall be in material compliance with all the terms and provisions of this Agreement as of the First Issue Closing Date. The Developer shall be in material compliance with all the terms and provisions of this Agreement as of the Second Issue Closing Date.

(iv) The City shall have completed the sale of all or a portion of the authorized City Bonds (First Issue) and City Bonds (Second Issue), as applicable, on such terms and conditions as it shall deem necessary or desirable in its sole discretion.

(v) The City Council shall have approved the Construction Plans for the TechWorks Campus Site Improvements by the First Issue Closing Date. The City Council shall have approved the Construction Plans for the FDP Improvements by the Second Issue Closing Date.

(vi) The Developer shall have furnished the City with evidence, in a form satisfactory to the City, that Developer has firm contractual commitments, including guaranteed maximum prices for all components thereof, for construction of the TechWorks Campus Site Improvements and the FDP Improvements in conformance with the Construction Plans by the First Issue Closing Date and the Second Issue Closing Date, respectively.

(vii) The Developer shall have provided the City with evidence, in a form satisfactory to the City in its sole discretion, that Developer has firm contractual commitments from Lenders and investors for funds that are sufficient, without further reinvestment or the deposit of additional proceeds, to complete the

construction of the TechWorks Campus Site Improvements and the FDP Improvements in accordance with the Construction Plans, including reasonable contingencies for change orders and other customary matters.

(viii) Execution and recording of the Developer Assessment Agreement between the City and the Developer pursuant to Section 8.3 of this Agreement shall have occurred by the Second Issue Closing Date.

(ix) The City Council shall have approved the Collateral to be delivered to the City under Section 5.3 hereof, and the form, execution and delivery of the Escrow Agreement by the Second Issue Closing Date.

(x) Execution and delivery to the City of the Mortgage or other Collateral required under Section 5.3 of this Agreement by the Second Issue Closing Date;

(xi) Execution by TechWorks, Developer, City and all other parties of the Escrow Agreement required under Section 5.1 of this Agreement on or before the First Issue Closing Date. Execution by the Developer, City and all other parties of the Escrow Agreement required under Section 5.2 of this Agreement shall be required on or before the Second Issue Closing Date.

(xii) Receipt by the City of legal opinions rendered on behalf of the Developer related to the authority and enforceability of this Agreement and any and all other agreements entered into between the City and the Developer, in the form reasonably requested by the City on or before the First Issue Closing Date and Second Issue Closing Date.

(xiii) There has not been a substantial change for the worse in the financial resources and ability of the Developer, or a substantial decrease in the financing commitments secured by the Developer for construction of the FDP Improvements, which change(s) makes it likely, in the reasonable judgment of the City, that the Developer will be unable to fulfill its covenants and obligations under this Agreement.

ARTICLE VIII. COVENANTS

Section 8.1. Covenants of TechWorks. TechWorks agrees with the City as follows:

(a) TechWorks will maintain, preserve and keep its properties (whether owned in fee or a leasehold interest), including but not limited to the Tech I Building, in good repair and working order, ordinary wear and tear excepted, and from time to time will make all necessary repairs, replacements, renewals and additions.

(b) In carrying out the construction and operation of the Tech I Building Improvements, TechWorks shall not discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, age, religion, marital status, familial status, or physical disability. TechWorks 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, religion, marital status, familial status, or physical disability.

(c) TechWorks shall pay, or cause to be paid, when due, all real property taxes and assessments payable with respect to all and any parts of the Tech I Building Property. TechWorks agrees that (i) it will not seek administrative review or judicial review of the applicability or constitutionality of any Iowa tax statute relating to the taxation of property contained on the Tech I Building Property determined by any tax official to be applicable to the Tech I Building Property, or TechWorks or raise the inapplicability or constitutionality of any such tax statute as a defense in any proceedings, including delinquent tax proceedings and (ii) it will not seek any tax deferral, credit or abatement, either presently or prospectively authorized under Iowa Code Chapter 403 or 404, or any other State law, of the taxation of real property contained on the Tech I Building Property, except on such terms as shall be acceptable to City in connection with any phase or segment of the Tech I Building Improvements for the benefit of a tenant or occupant other than Tech Works.

(d) TechWorks will comply with all applicable land development laws and City ordinances, and all laws, rules and regulations relating to its businesses, other than laws, rules and regulations where the failure to comply with the same 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 TechWorks.

(e) TechWorks agrees during construction of the Tech I Building Improvements and thereafter until the Termination Date to maintain builder's risk, property damage, and liability insurance coverages with respect to the Tech I Building in such amounts as are customarily carried by like organizations engaged in activities of comparable size and liability exposure with insurance companies reasonably satisfactory to the City, together with such additional coverages as the City may reasonably request, and shall provide evidence of such coverages to the City upon request.

(f) On or before the First Issue Closing Date, and no less than quarterly thereafter, TechWorks shall report to the City the status of its efforts to secure firm commitments for construction and permanent financing for the Tech I Building Improvements in an amount sufficient, together with all funding commitments, to complete the Tech I Building Improvements in conformance with the applicable Construction Plans. When such commitments have been secured to the reasonable satisfaction of TechWorks and the City, TechWorks shall undertake construction of the Tech I Building Improvements as provided in Article VI. Before undertaking such Improvements or any phase of Improvements for a limited portion of the Tech I Building, TechWorks shall execute one or more Assessment Agreements in the form and content acceptable to City to fix the Assessor's Minimum Actual Value for the Tech I Building Improvements and the Tech I Building Property, or any portion of such Improvements or Property if developed in phases.

Section 8.2. Covenants of Developer. The Developer agrees with the City as follows:

(a) The Developer will maintain, preserve and keep the FDP Property (whether owned in fee or a leasehold interest), including but not limited to the FDP Improvements, in good repair and working order, ordinary wear and tear excepted, and from time to time will make all necessary repairs, replacements, renewals and additions.

(b) In carrying out the construction and operation of the FDP Improvements, the Developer shall not discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, age, religion, marital status, familial status, or physical 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, religion, marital status, familial status, or physical disability.

(c) The Developer shall pay, or cause to be paid, when due, all real property taxes and assessments payable with respect to all and any parts of the FDP Property. The Developer agrees that (i) it will not seek administrative review or judicial review of the applicability or constitutionality of any Iowa tax statute relating to the taxation of property contained on the FDP Property determined by any tax official to be applicable to the FDP Property, or the Developer, or raise the inapplicability or constitutionality of any such tax statute as a defense in any proceedings, including delinquent tax proceedings and (ii) it will not seek any tax deferral, credit or abatement, either presently or prospectively authorized under Iowa Code Chapter 403 or 404, or any other State law, of the taxation of real property contained on the FDP Property.

(d) The Developer will comply with all applicable land development laws and City and County ordinances, and all laws, rules and regulations relating to its businesses, other than laws, rules and regulations where the failure to comply with the same 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.

(e) The Developer agrees during construction of the FDP Improvements and thereafter until the Termination Date to maintain builder's risk, property damage, and liability insurance coverages with respect to the FDP Improvements in such amounts as are customarily carried by like organizations engaged in activities of comparable size and liability exposure with insurance companies reasonably satisfactory to the City, together with such additional coverages as the City may reasonably request, and shall provide evidence of such coverages to the City upon request.

(f) To assist the City in monitoring the performance of the Developer hereunder, a duly authorized officer of the Developer shall determine and certify to the City, on an annual basis, the number of Full Time Employees employed at the FDP Improvements as of the date of the certification and as the first day of each of the preceding eleven (11) months. The first such certification shall be provided within 10 days of November 1, 2014, with subsequent certifications being provided within 10 days of November 1 of each year until November 1, 2034 or such earlier date in which no City Bonds (Second Issue) are outstanding. Developer shall collect the information required from tenants of the FDP Improvements to verify the employment information provided by Developer in the annual certifications; provided, however, that employee names and other personal information need not be provided.

Section 8.3. Execution of Assessment Agreements. (a) The Developer and TechWorks (and the holders of any applicable First Mortgages, including the Lender) each shall agree to, and with the City shall execute, an Assessment Agreement pursuant to the provisions of Section 403.6(19) of the Code of Iowa specifying the Assessor's Minimum Actual Value of the FDP Property and the Tech I Building Property, respectively, and the improvements located thereon for calculation of real property taxes.

(b) The Developer (and the holders of any First Mortgages or lienholders, including the Lender) shall agree to a minimum actual value for the FDP Improvements and the FDP Property which will result in an assessment as of January 1, 2015 of not less than Fifteen Million Five Hundred Thousand Dollars (\$15,500,000) for the completed improvements (such minimum actual value at the time applicable is herein referred to as the "Assessor's Minimum Actual Value").

(c) TechWorks shall enter into an Assessment Agreement prior to commencing any construction of the Tech I Building Improvements, or any separate phase of

Improvements for a limited portion of the Tech I Building, fixing the Assessor's Minimum Actual Value for the completed improvements as of January 1 of the year following substantial completion of the Tech I Building Improvements, or such phase of Improvements as are the subject of the Assessment Agreement.

(d) Nothing in the Assessment Agreements shall limit the discretion of the Assessor to assign an actual value to the property in excess of the applicable Assessor's Minimum Actual Value nor prohibit the Developer or TechWorks, as applicable, from seeking through the exercise of legal or administrative remedies a reduction in such actual value for property tax purposes; provided, however, that the Developer or TechWorks, as applicable, shall not seek a reduction of such actual value below the applicable Assessor's Minimum Actual Value in any year so long as the Assessment Agreement shall remain in effect. The Assessment Agreements shall remain in effect until the Termination Date set forth in Section 12.12 hereof. The Assessment Agreements shall be certified by the County Assessor as provided in Iowa Code Section 403.6(19) and shall be filed for record in the office of the County Recorder of the County, and such filing shall constitute notice to any subsequent encumbrancer or purchaser of the applicable property (or part thereof), whether voluntary or involuntary, and such Assessment Agreement shall be binding and enforceable in its entirety against any such subsequent purchaser or encumbrancer, including the holder of any First Mortgage or lienholder.

ARTICLE IX. INDEMNIFICATION

Section 9.1. Release and Indemnification Covenants.

(a) The Developer and TechWorks each releases the City and the governing body members, officers, agents, servants and employees thereof (hereinafter, for purposes of this Article, the "indemnified parties") from, covenant and agree that the indemnified parties shall not be liable for, and agree 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 FDP Improvements or the Tech I Building Improvements, as applicable.

(b) Except for any willful misrepresentation, any willful or wanton misconduct, or any unlawful act of the indemnified parties, the Developer and TechWorks each agree to protect and defend the indemnified parties, now or forever, and further agree 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 agreement or condition of this Agreement (except with respect to any suit, action, demand or other proceeding brought by the Developer or TechWorks against the City to enforce its rights under this Agreement), or (ii) the

acquisition and condition of the FDP Property or the Tech I Building Property, as applicable, and the construction, installation, ownership, and operation of the FDP Improvements and Tech I Building Improvements or (iii) any hazardous substance or environmental contamination located in or on the FDP Property or the Tech I Building Property, as applicable, but only to the extent such liability has not been previously transferred to and accepted by the City in writing.

(c) The indemnified parties shall not be liable for any damage or injury to the persons or property of the Developer and TechWorks or their officers, agents, servants or employees or any other person who may be about the FDP Improvements or the Tech I Building Improvements, respectively, 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) The enforcement of the indemnification provisions under this Article IX, and elsewhere in this Agreement, shall only be enforced individually against the Developer or TechWorks depending on the party responsible for the occurrence resulting in the need for such indemnification. The City agrees that if such occurrence resulted on or as a result of the FDP Property and FDP Improvements, such indemnification may be sought only from the Developer. The City agrees that if such occurrence resulted on or as a result of the Tech I Building Property or the Tech I Building Improvements, such indemnification may be sought only from TechWorks. It shall be the City's responsibility to show cause consistent with this Section 9.1(d) to request such indemnification from either the Developer or Techworks.

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

ARTICLE X. ASSIGNMENT OR TRANSFER

Section 10.1. Status of Developer; Transfer of Substantially All Assets. As security for the obligations of the Developer under this Agreement, to the extent expressly permitted by the Lender, the Developer represents and agrees that prior to the Termination Date, the Developer will not transfer the FDP Property or the FDP Improvements or wind up or dispose of all or substantially all of its assets or assign its interest in this Agreement to any other party; provided that the Developer may sell or otherwise transfer the FDP Improvements to a partnership, corporation or limited liability company organized under the laws of one of the United States, or an individual, or dispose of all or substantially all of its assets as an entirety or assign its interest in this Agreement to any other party and thereafter wind up and be discharged from liability hereunder if (i) the Lender, or assignee thereof, or the transferee partnership, corporation, limited liability company or individual assumes in writing all of the obligations of the

Developer or its Affiliate under this Agreement and the Assessment Agreement; and (ii) the City receives such new security from the successor developer to assure the completion of construction and the continued operation of the FDP Improvements during the term of this Agreement as the City deems necessary or desirable and receives such evidence as the City shall reasonably require, including an opinion of counsel, that the existing guarantees and security provided pursuant to this Agreement will remain in effect and will be enforceable against the existing Developer upon a default by the successor developer with respect to completion or operation of the FDP Improvements. Notwithstanding the provisions of clauses (i) or (ii) to the contrary, if the Lender is the successor developer, the Lender shall not be required to provide any additional security to the City. Notwithstanding this Section 10.1 to the contrary, the City affirmatively acknowledges that leasing the FDP Property and FDP Improvements by the Developer according to the terms of a Master Lease used in accordance to customary Historic Tax Credit Transactions shall not be considered an assignment or transfer of substantially all assets as such term is used in this Section 10.1.

Section 10.2. Status of TechWorks; Transfer of Substantially All Assets. As security for the obligations of TechWorks under this Agreement, TechWorks represents and agrees that prior to the Termination Date, TechWorks will not transfer the Tech I Building or wind up or dispose of all or substantially all of its assets or assign its interest in this Agreement to any other party; provided that TechWorks may sell or otherwise transfer the Tech I Building to a partnership, corporation or limited liability company organized under the laws of one of the United States, or an individual, or assign its interest in this Agreement to any other party and thereafter wind up and be discharged from liability hereunder if (i) the transferee partnership, corporation, limited liability company or individual assumes in writing all of the obligations of TechWorks under this Agreement and the Assessment Agreement; and (ii) the City receive such new security from the successor developer to assure the completion of construction and the continued operation of the Tech I Building Improvements during the term of this Agreement as the City deem reasonably necessary or desirable.

ARTICLE XI. DEFAULT AND 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 continuing beyond any applicable cure periods:

(a) Failure by the Developer or TechWorks to cause the construction of the TechWorks Campus Site Improvements, FDP Improvements or Tech I Building Improvements, respectively, to be commenced and completed pursuant to the terms, conditions and limitations of this Agreement;

(b) Transfer by the Developer or TechWorks of any interest (either directly or indirectly) in the FDP Improvements or the Tech I Building, respectively, or in this Agreement or any other assignment in violation of the provisions of Article X of this Agreement;

(c) Failure by the Developer or TechWorks to timely pay (before delinquency) all ad valorem property taxes levied on the FDP Property or Tech I Building, respectively;

(d) Failure by the City, Developer or TechWorks to substantially observe or perform any covenant, condition, obligation or agreement on their part to be observed or performed under this Agreement or the Assessment Agreement;

(e) The Developer:

(A) files 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

(B) makes an assignment for the benefit of its creditors; or

(C) admits in writing its inability to pay its debts generally as they become due; or

(D) is 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 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 or TechWorks 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.

(g) The City acknowledges and affirms that the Events of Default listed in this Article 11, and elsewhere in this Agreement, shall only be applied against the defaulting party. An Event of Default by TechWorks will not result in an Event of Default by the Developer under this Agreement, and any remedies sought by the City due to such Event of Default by TechWorks shall solely be sought from TechWorks and not the Developer. An Event of Default by the Developer will not result in an Event of Default by TechWorks under this Agreement, and any remedies sought by the City due to such Event of Default by the Developer shall solely be sought from the Developer and not TechWorks.

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 City, as specified below, may take any one or more of the following actions against the defaulting party, and only the defaulting party, after giving of thirty (30) days' written notice by the City to the defaulting party 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 defaulting party does not provide assurances reasonably satisfactory to the City that the Event of Default will be cured as soon as reasonably possible:

(a) The City may suspend its performance under this Agreement until it receives assurances from the defaulting party, deemed adequate by the City, that the defaulting party will cure its default and continue its performance under this Agreement;

(b) Subject to the SNDA, if the Event of Default is attributable to the Developer, the City shall be entitled to recover, and Developer shall pay to the City, an amount equal to the amount remaining to be paid on the principal and interest on the outstanding City Bonds (Second Issue), and the City may take any action, including any legal action, it considers necessary or desirable to recover such amount from Developer; or

(c) Subject to the SNDA, the City may take any other action, including legal, equitable or administrative action, which may appear necessary or desirable to enforce performance and observance of any obligation, agreement, or covenant of the defaulting party, as the case may be, under this Agreement; provided, however, the City shall not be permitted to exercise any remedy that would adversely impact the Historic Tax Credit Transaction.

The Lender shall have the right, but not the obligation, to cure any default by the Developer during the period described above.

Section 11.3. Remedies on Default by City. Whenever any Event of Default referred to in Section 11.1(d) of this Agreement occurs and is continuing by the City, the Developer or TechWorks may take or cause to be taken, such action against the City to require it to specifically perform its obligations set forth herein.

Section 11.4. No Remedy Exclusive. No remedy herein conferred upon or reserved to any party herein 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 11.5. 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.

Section 11.6. Agreement to Pay Attorneys' Fees and Expenses. Whenever any Event of Default occurs and the City shall employ attorneys or incur other expenses for the collection of payments due or to become due or for the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it shall, on demand therefor, pay to the City the reasonable fees of such attorneys and such other expenses as may be reasonably and appropriately incurred by the City in connection therewith. In the event any suit, action or proceeding is brought by any party to establish, obtain or enforce any rights under this Agreement or for the breach of any warranty, representation, covenant, term or condition hereof, the prevailing party in such suit, action or proceeding, including an appeal to an appellate court arising therefrom, shall be entitled to recover reasonable attorneys' fees in addition to costs. For purposes of this paragraph prevailing party shall mean the party in whose favor any final, non-appealable judgment is entered.

ARTICLE XII. MISCELLANEOUS

Section 12.1. Notices. Any notice, demand, or other communication under this Agreement by either party to the other shall be effective upon receipt or refusal of receipt to the following addresses:

(a) in the case of Developer, is addressed or delivered personally to Developer at:

FDP WTC, L.L.C.
201 North Harrison Street, Suite 402
Davenport, Iowa 52801
Attention: Rodney A. Blackwell

(b) in the case of TechWorks, is addressed or delivered personally to TechWorks at:

Cedar Valley Tech Works, Inc.
10 West 4th Street, Suite 300
Waterloo, Iowa 50701
Attention: President

(c) in the case of the City, is addressed to or delivered personally to the City at:

City of Waterloo, Iowa
715 Mulberry Street
Waterloo, Iowa 50703
Attn: City Clerk

Any party may change the address for notices to be delivered to it, and copies thereof to any address other than a post office box by serving not less than ten (10) days prior written notice to the other party in accordance with the provisions contained in this paragraph.

Section 12.2. Governing Law. The parties intend that this Agreement and the relationship of the parties shall be governed by the laws of the State of Iowa applicable to contracts wholly to be performed therein. The parties agree that any action, suit or proceeding based upon any matter, claim or controversy arising hereunder or relating hereto shall be brought solely in the state or federal courts located in Black Hawk County, Iowa. The parties irrevocably waive objection to the venue of the above-mentioned courts, including any claim that such action, suit or proceeding has been brought in an inconvenient forum.

Section 12.3. Entire Agreement. This Agreement and exhibits attached constitute the entire agreement of the parties and supersedes and replaces the Original Agreement and all other prior offers, agreements, arrangements and contracts, whether oral or

written, concerning the subject matter hereof. The Original Agreement is hereby terminated and no longer binding upon the Parties.

Section 12.4. Severability. If any provision of this Agreement or the application of such provision to any person or circumstance shall be held invalid, then the remainder of this Agreement or the application of such provision to persons or circumstances other than those to which it is held invalid shall not be affected thereby and the parties shall thereupon amend this Agreement to legally and most closely embody the spirit and intent of the invalid provisions.

Section 12.5. Performance by City. (a) Developer and TechWorks each acknowledge and agree that all of the obligations of the City under this Agreement shall be subject to, and performed by the City in accordance with, all applicable statutory, common law or constitutional provisions and procedures consistent with the City's lawful authority.

(b) All covenants, stipulations, promises, agreements and obligations of the City contained in this Agreement 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.

Section 12.6. No Third Party Beneficiaries. No rights or privileges of any party hereto shall inure to the benefit of any landowner, contractor, subcontractor, material supplier, or any other person or entity and no such contractor, landowner, subcontractor, material supplier, or any other person or entity shall be deemed to be a third-party beneficiary of any of the provisions contained in this Agreement.

Section 12.7. Interpretation. Section headings are for convenience of reference only and are in no way intended to interpret, define or limit the scope or content of this Agreement or any provision hereof and shall be given no legal effect in the interpretation of this Agreement. This Agreement shall not be construed more strictly against one party than against the other merely by virtue of the fact that it may have been prepared by counsel for one of the parties, it being recognized that the parties hereto and their respective attorneys have contributed substantially and materially to the preparation of each and every provision of this Agreement.

Section 12.8. Amendment; Waiver. This Agreement may not be amended, waived or modified in any respect unless the same shall be in writing and signed by all parties. No waiver by a party of any default by another party shall constitute a waiver of any other breach or default by another party, whether of the same or any other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a party shall give another party any contractual right by custom, estoppel, or otherwise.

Section 12.9. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the City, Developer and TechWorks and their affiliates, and their respective successors and assigns, including any and all covenants and conditions contained in this Agreement.

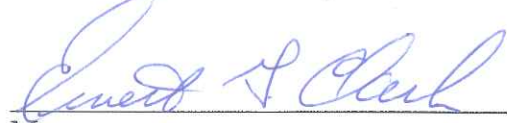
Section 12.10. Assignment of Benefits. The Developer may, to the extent not otherwise prohibited by law, assign the payments and benefits under this Agreement to an investor or lender previously approved by the City, said approval not to be unreasonably withheld; provided, however, that the City hereby approves the collateral assignment of this Agreement by the Developer to the Lender. It is anticipated by the parties that Developer will assign its rights to payments and benefits hereunder to the lender financing the development of the FDP Improvements. Notwithstanding the foregoing, the Developer may transfer the payments and benefits under this Agreement, under the constraints of the Urban Renewal Act, to any Affiliate of the Developer, so long as such transfer or payment is not done to avoid Developer's responsibilities hereunder.

Section 12.11. Agreement. The parties may agree to file of record a Memorandum of Development Agreement in a form and content to be mutually agreed upon by the parties. If no such memorandum can be mutually agreed upon, then this Agreement may be recorded in its entirety. The Assessment Agreements shall be filed of record as required by law.

Section 12.12. Termination Date. This Agreement will terminate on a date which is the earlier to occur of the December 31, 2032 or the date that is one year after all of the City Bonds (First Issue) and City Bonds (Second Issue) are paid in full.


IN WITNESS WHEREOF, the parties have set their hands and seals the day and year above first written.

CITY OF WATERLOO, IOWA



Mayor

ATTEST:



City Clerk

STATE OF IOWA)
) SS
COUNTY OF BLACK HAWK)

On this _____ day of _____, 2013, before me a Notary Public in and for said State, personally appeared Ernest G. Clark and Suzy Schares, to me personally known, who being duly sworn, did say that they are the Mayor and City Clerk, respectively, of the City of Waterloo, Iowa, a Municipality 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 Municipality, and that said instrument was signed and sealed on behalf of said Municipality by authority and resolution of its City Council, and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said Municipality by it voluntarily executed.





Notary Public in and for the State of Iowa


CEDAR VALLEY TECH WORKS,
INC.

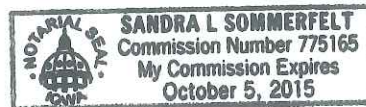
By:


Steven J. Dust, President

STATE OF IOWA)
) SS
COUNTY OF BLACK HAWK)

On this 22 day of October, 2013, before me the undersigned, a Notary Public in and for said State, personally appeared Steven J. Dust, to me personally known, who, being by me duly sworn, did say that he is the President of Cedar Valley Tech Works, Inc., and that said instrument was signed on behalf of said corporation; and that the said Steven J. Dust, as such officer, acknowledged the execution of said instrument to be the voluntary act and deed of said company, by it voluntarily executed.


Notary Public in and for the State of Iowa



FDP WTC, L.L.C.

By: _____

Its: _____

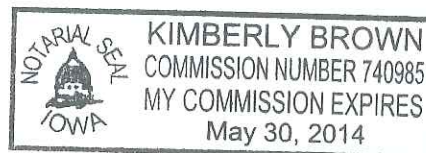
[Signature]

MANAGING MEMBER

STATE OF Iowa)
) SS
COUNTY OF Scott)

On this 23rd day of October, 2013, before me the undersigned, a Notary Public in and for said State, personally appeared Rodney Blackwell, to me personally known, who, being by me duly sworn, did say that he/she is the Managing Member of FDP WTC, L.L.C., and that said instrument was signed on behalf of said limited liability company; and that the said Managing Member as such officer acknowledged the execution of said instrument to be the voluntary act and deed of said limited liability company, by it voluntarily executed.

Kimberly Brown
Notary Public in and for said City and State



Description of Sources of Funding for Tech 2: Mixed-Use Hotel, Corporate Training, & Campuswide Site Improvements

Provided by: Financial District Properties

Tax Credit Equity: State Historic Preservation Tax Credits of \$8.5 million and State Brownfield/Grayfield Tax Credits of \$0.5 million¹ have been awarded and will be sold to generate cash flows for the project. Funding from the sale of tax credits is contingent on certification of cost, determined by an independent audit upon the completion of the project. This source of funds will be covered during the construction period by a bridge loan. Currently, Financial District Properties has a commitment to sell tax credits through Commerce Bank in St. Louis, with purchase of credits planned by Enhanced Historic Credit Partners of St. Louis. Only 89% of credits are able to finance construction because of the terms of the tax credit sale.

City Development Agreement Funds (TIF Loan): Financial District Properties (FDP) entered into a development agreement with the City of Waterloo, which includes “City Development Agreement Funds” (as listed in the sources/uses table) as a source of \$12,750,000. This source of funding includes a requirement of \$6 million of site improvements, which is made up of \$3.4 million for the west end of the TechWorks Campus (nearly complete) and an additional \$2.6 million of site work costs for both Tech 1 and Tech 2.

TechWorks Campus Reinvestment District Funds: TechWorks Campus Reinvestment District funds of \$8 million will be included as a source of funding (listed as “City Iowa Reinvestment Act Funds” in sources/uses table). These funds are anticipated to be borrowed by the City of Waterloo and the terms will be outlined in an amendment to the existing development agreement. Repayment is planned to be covered by revenues generated in the TechWorks Campus Reinvestment District. The developer will make payments on the IRD fund interest, which will also be required in the terms of the revised development agreement. The project budget includes two years of bond payments (\$1,126,000) to cover the project during the construction period and an additional commitment from Financial District Properties of \$130,000 of annual payments to ensure timely repayment of bonds. TechWorks Campus Reinvestment District revenues are estimated based on 70% hotel occupancy rates at an average nightly rate of \$112 per room. Estimated restaurant gross annual revenues include restaurant and room service revenues estimated at \$3.9 million and catering revenue estimated at \$2.3 million. Total estimated state room tax and sales tax revenues to be generated by Tech 2 will be approximately \$477,000 in its second full year of operation.

Financial District Properties has invested 4.5 years and hundreds of thousands of dollars into the Tech 2: Mixed-Use Hotel, Corporate Training, and Campuswide Site Improvements project. Most of the developer fees will be deferred beyond construction. In addition, the principal of Financial District Properties will be providing personal guarantees on the mortgages and loans.

¹ State Brownfield/Grayfield Tax Credits may not be available due to recently passed Iowa legislation. The developer is pursuing clarity on use of the credits as of 1/23/15.

Waterloo TechWorks Green Hotel
Sources & Uses

Private Loan	12,973,227
State Historic Tax Credit Equity	7,837,172
Brownfield Tax Credit Equity	445,000
City Development Agreement Funds	12,750,000
City Iowa Reinvestment Act Funds	8,000,000
Developer Equity	4,717,575
Total Sources	46,722,973

Soft Costs

Design & Planning Services	1,410,350
General Contractor Soft Costs	869,155
Closing Costs	426,732
Construction Interest Reserve	849,738
Bond repayment Reserve - 2 years	1,125,777
Environmental Reporting	135,000
Other Soft Costs	156,213
Operating Reserve	500,000
Predevelopment Costs	1,265,384
Developer's Fee	5,424,716
Total Soft Costs	12,163,066

Hard Costs:

Land/Building Acquisition	500,000
Site Improvements	6,000,000
Shell & Core:	4,270,400
Hotel	12,714,000
Hotel FF&E	2,550,400
Apartments	2,852,500
6th Floor FF&E	560,000
Office:	1,094,709
In-Direct Costs	
General Conditions (% of Hard Costs)	907,879
Contractor Overhead (% of Hard Costs excludes site)	1,787,430
Contractor Preconstruction Agreement	166,000
Finishing Reserve	471,840
Construction Contingency Reserve	734,749
Total Hard Costs	34,609,907

Total Uses	46,772,973
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Waterloo TechWorks Green Hotel Cashflows

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Total Revenue	\$ 1,666,426	\$ 2,189,511	\$ 2,262,828	\$ 2,276,381	\$ 2,290,173	\$ 2,368,185	\$ 2,382,470	\$ 2,404,510	\$ 2,419,308	\$ 2,434,369
Total Operating Expense	655,759	668,173	680,831	693,738	706,900	720,321	734,006	747,961	762,191	776,702
Net Operating Income	1,010,666	1,521,338	1,581,997	1,582,642	1,583,273	1,647,864	1,648,464	1,656,548	1,657,116	1,657,666
City Debt Retirement Payment	130,456	130,456	130,456	130,456	130,456	130,456	130,456	130,456	130,456	130,456
Principal & Interest	956,927	956,927	956,927	956,927	956,927	956,927	956,927	956,927	956,927	956,927
Return of Working Capital Reserve	450,000									
Adjusted Net Cash	\$ 373,283	\$ 433,955	\$ 494,614	\$ 495,259	\$ 495,890	\$ 560,481	\$ 561,081	\$ 569,165	\$ 569,733	\$ 570,283

Revenue from hotel, restaurant, training center and long term residential unit leases

Operating expenses include property taxes, CAM and office expenses.

City debt retirement is part of future developer fee agreement associated with IRD revenue. To bridge shortfall of sales/use tax revenue and redeem bonds in 20 years.



January 15, 2015

Financial District Properties Entity
Or Entity to be determined
201 N. Harrison Street
Davenport, IA 52801

RE: Real estate construction and refinance.

Dear Mr. Blackwell:

As a result of our previous conversation, First Midwest Bank, (the "Bank") is pleased to present for your consideration the following financing proposal:

Terms:

Loan 1:

Borrowers: Financial District Properties Entity (Or Entity to be determined).

Loan

Purpose Construction Line of Credit. Loan proceeds used for the purchase and build out of the property located at 360 Westfield Avenue, Waterloo IA.

Loan Amount: Up to \$13,000,000

Interest

Rate : Prime + 1% floating

Loan Fee: ½ point

Term: Up to 18-months

Amortization: Interest monthly principal at maturity.

Collateral:

First Midwest will require a first mortgage position and assignment of rents and leases on the property being financed. First Midwest Bank's security interest in the entities mortgage and assignment of rents will be further perfected through the assignment of various membership interests in the proposed overall ownership structure.

Loan to

Value: The property in question is subject to a satisfactory appraisal completed by a firm engaged by First Midwest. This appraisal may also be reviewed by a third party review firm chosen by the bank. The loan amount will be limited to the lesser of 75% of the reviewed appraised value or 75% of the cost of the project.

Guarantors: Rodney Blackwell

Environmental: The loan is subject to environmental due diligence acceptable to First Midwest Bank.

Balances: The operating accounts for the entity in question must be maintained at First Midwest Bank for the life of the loan.

Loan 2:

Borrowers: Financial District Properties Entity (Or Entity to be determined).

Loan Purpose

Term refinance of First Midwest Bank construction financing (Loan 1) used for rehabilitation of the property located at 360 Westfield Avenue, Waterloo IA.

Loan Amount: Up to \$13,000,000

Interest Rate :

The 5-year SWAP rate plus 325 basis points (currently 4.91%)

Loan Fee: \$15,000

Term: Up to 60-months

Amortization: Up to 25-years

Collateral: First Midwest will require a first mortgage position and assignment of rents and leases on the property being financed. First Midwest Bank's security interest in the entities mortgage and assignment of rents will be further perfected through the assignment of various membership interests in the proposed overall ownership structure.

Loan to Value:

The property in question is subject to a satisfactory appraisal completed by a firm engaged by First Midwest. This appraisal may also be reviewed by a third party review firm chosen by the bank. The loan amount will be limited to the lesser of 75% of the reviewed appraised value or 75% of the cost of the project.

Guarantors: Rodney Blackwell

Environmental: The loan is subject to environmental due diligence acceptable to First Midwest Bank.

Balances: The operating accounts for the entity in question must be maintained at First Midwest Bank for the life of the loan.

Additional Conditions:

Construction Financing (Loan 1)

- Third party construction commitments sufficient to complete the project will be required prior to closing. All construction draws (inclusive of third party funds) will be facilitated by First Midwest Bank.
- First Midwest Construction proceeds will be utilized subsequent to all other third party sources of funding.
- Construction draws to be processed through a title company construction escrow account. These costs plus architectural inspections will be paid by the borrower.
- A guaranteed maximum price contract within budget will be required/reviewed prior to loan funding.
- Ryan Construction to provide a completion bond with content satisfactory to First Midwest Bank.
- Executed leases for the commercial portion of the project similar to those provided to the bank during the due diligence process will be required prior to funding.
- The TIF Agreement to be reviewed by outside counsel at the borrower's expense. Said agreement must not conflict with First Midwest first lien position. TIF district must have sufficient tax increment to cover Waterloo Bond debt service. First Midwest must also approve the funding structure of the TIF proceeds.

Term Financing (Loan 2)

- The Bank will require a 3%(year one) 3%(year two) 3%(year three) 2%(year four) 2%(year five) prepayment penalty.
- A real estate tax escrow will be required.
- The Bank will require a corporate guaranty of the hotel lease from the hotel operating entity. Said guarantee shall be in a form and substance acceptable to the Bank.

Condition required during both construction and term financing (For both notes 1 and 2)

- Developer fee, overhead and management totaling \$1,477,475 will be distributed as follows: 33% (\$500,000) will be released during the construction period. \$500,000 will be released upon satisfactory completion solely determined by First Midwest Bank and Its inspecting architect. \$477,475 will be held through the maturity of the term note (Loan 2).

Loan Covenants (Covenants pertain to loan 2 only):

- Minimum Debt Service Coverage (DSC) of 1.20x calculated annually as of 12/31
- Debt service coverage will be defined as: $((\text{Net Income} + \text{Depreciation and Amortization} + \text{Interest Expense} - \text{Withdrawals} + \text{Paid In Capital} + \text{Cash Flow Reserve Account}) / \text{Total Annual Debt Requirements})$.

Additional Bank Requirement:

- The Bank will seek a minimum of \$4MM participation of both loans 1 and 2.

The borrower would be responsible for customary loan documentation and closing fees, including but not limited to: appraisal, inspection, environmental analysis, legal and title charges.

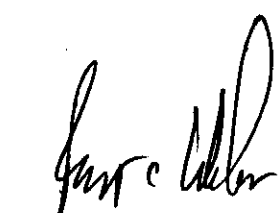
This letter is not a commitment, undertaking or offer by the Bank to provide the financing described above, but is rather a preliminary and tentative proposal based upon our recent discussions with you and our analysis and review to date of your financial condition, business prospects and operations. The possible issuance hereafter by the Bank of a commitment to provide the financing described above (and on the terms described above or such other terms as you and the Bank shall agree) is subject to the completion of our review and analysis of your financial condition, business prospects and operations [and our evaluation of your assets which would be provided as collateral]; the negotiation execution and delivery of loan documentation acceptable to the Bank and its counsel; the approval of the proposed financing by the appropriate officials of the Bank; and the Bank's continued satisfaction with your financial condition, business prospects and operations.

This proposal shall be valid through February 2, 2015. Please sign and return a copy of this letter with a check for \$20,000 as an application fee, if the terms and conditions of this letter are acceptable to you. The application fee shall become nonrefundable in the event the Bank approves a loan commitment substantially consistent with this proposal. Fees will be refunded less out of pocket costs if the Bank is not able to provide a loan commitment.

Sincerely,

FIRST MIDWEST BANK


Drew E. Lawrence
Senior Vice President


Robert C. Wareham
Regional President

Accepted and agreed to:

By: _____

Its: _____

Date: _____



January 22, 2015

David Bernstein, Committee Chair
Iowa Reinvestment District Committee
Iowa Economic Development Authority
200 E Grand Ave
Des Moines, Iowa 50319

Dear Mr. Bernstein,

Re: City of Waterloo Techworks Reinvestment District

Last week we renewed a terms and conditions letter for the TechWorks 2 project, at 360 Westfield Avenue, Waterloo IA. It is not a commitment letter, we do not issue those letters until we have gone through the underwriting process. As part of the underwriting process, we examine all sources of funding for the project, including the proposed reinvestment district funding. Until that funding is in place, we cannot begin this process.

We have been working with Rodney Blackwell and Financial District Properties for 12- years. Currently, we have loans on five of his properties totaling in excess of \$18 million. We recently worked with them on their \$14 million rehabilitation project for their Wells Fargo Building in Davenport, IA, completed in January 2014. We enjoy our relationship with Financial District Properties and Mr. Blackwell and look forward to many more years together.

We do anticipate that we will seek a partner for a portion of the loan. We will probably seek a Waterloo banking partner.

Sincerely,

A handwritten signature in black ink, appearing to read 'Drew Lawrence', with a long horizontal line extending to the right.

Drew Lawrence
Senior Vice President
First Midwest Bank

CULTURAL
AFFAIRS

MARY TIFFANY COWNIE, DIRECTOR

TERRY E. BRANSTAD, GOVERNOR
KIM REYNOLDS, LT. GOVERNOR

September 20, 2012

Rodney Blackwell
Financial District Properties WTC, LLC
201 N Harrison Street
Suite 402
Davenport, IA 52801-

RE: STC12-07-015 - John Deere Tractor Company C-2 Manufacturing Building

Dear Rodney Blackwell:

Based on the information provided in the Part 2 application your project was approved with conditions. Please see the attachment for those conditions. Tax credits for the rehabilitation project have been provisionally reserved in the amount of:

\$8,180,246.00 for Taxable Calendar Year 2014

\$569,754.00 for Taxable Calendar Year 2014

Upon completion of the project and receipt of a tax credit certificate, the applicant may claim the tax credits on a tax return for the respective taxable calendar year(s) noted above or any later year. Pursuant to 223 Iowa Administrative Code 48.10, the project must commence before the end of the current state fiscal year. Therefore, please notify us in writing before **June 30, 2013** of the commencement date of the actual construction. A statement confirming expenditure of estimated qualified rehabilitation costs and a Qualified Rehabilitation Cost form is also due prior to the end of the state fiscal year (June 30) in which the State Historic Preservation Office (SHPO) approved the Part 2 application. The statement must be certified by a certified public accountant. The instructions and form are available on our website at the bottom of the application page.

This letter is a preliminary determination only, since a formal "certification of rehabilitation" can be issued only to the applicant after the rehabilitation work is completed and the applicant has satisfied all applicable laws, rules, requirements and standards. To request certification upon the completion of the project, a Request for Certification of Completed Work (Part 3 of the application), along with interior and exterior photographs of the completed work documenting the fulfillment of any conditions set forth in the Part 2 approval must be returned to this office within 6 months of the date the building was placed in service. At the same time, the Iowa Department of Revenue's Historic Preservation Tax Credits Survey must be sent to the Iowa Department of Revenue. Any submission of a Part 3 of the application with qualified rehabilitation costs of more than \$500,000 shall include a certified statement by a certified public accountant verifying that the expenses statement includes only qualified rehabilitation costs incurred in the time period established in 223 Iowa Administrative Code 48.4(5). An onsite inspection of the completed work by an authorized representative of the State Historic Preservation Office may be undertaken prior to issuance of the final Certification of Rehabilitation.

Tax credits will only be issued in accordance with Iowa law. An applicant's failure to comply with any applicable state and federal laws, rules, requirements or standards may result in the recapture of the tax credit reservation.

The reviewer for the technical aspects of this project is Jack Porter. If you have questions or issues concerning technical requirements, particularly issues concerning the Secretary of Interior Standards for Treatment of Historic Properties, please contact Jack at 515/242-6152 or by e-mail at jack.porter@iowa.gov. If you have any other questions concerning the State Tax Credit Program, you may contact Beth Foster Hill at 515-281-4137 or beth.foster@iowa.gov.

Sincerely,



Mary Tiffany Cownie
Director, Department of Cultural Affairs



JEROME THOMPSON
ADMINISTRATOR



MATTHEW HARRIS
ADMINISTRATOR

600 E. LOCUST
DES MOINES, IOWA
50319

T. (515) 281-5111
F. (515) 242-6498

CULTURALAFFAIRS.ORG

CONDITIONS SHEET

Historic Preservation Certification Application

Property name: John Deere Tractor Company C-2 Manufacturing Building

Project Number: STC12-07-015

Property address: 360 Westfield Avenue, Waterloo, IA. 50701

The rehabilitation of this property as described in the Historic Certification Application will meet the Secretary of the Interior's Standards for Rehabilitation provided the following condition(s) is/are met:

SPECIFIC CONDITIONS:

Item 1, Site: Provide Iowa SHPO with detailed site plan illustrating location of solar panels, wind energy generators and landscaping design. Keep in mind this site historically was to manufacture tractors and as such should retain a manufacturing environment.

Item 4, Façade Brick, This work will be specified to follow recommendations in Preservation Brief Number 2, Repointing Mortar Joints in Historic Masonry Buildings. Good quality overall and close-up color photographs of the masonry before and after repointing must be submitted with the Part 3, Request for Certification of Completed Work. If masonry needs cleaning, specify Preservation Brief Number 1, Assessing Cleaning and Water-Repellent Treatments for Historic Masonry Buildings.

Number 6, Windows, Window condition survey is accepted, however design of proposed replacement windows are not acceptable. Provide Iowa SHPO with revised profiles which more closely reflect proportions of existing historic window. Steel windows must follow Preservation Brief Number 13, The Repair and Thermal Upgrading of Historic Steel Windows. If low-e glass is to be used, it must be completely clear and without tint. Final performance glazing specifications and sample of glazing must be submitted to IA SHPO for review and comment. Recommend installing a full sized mock-up window, photograph interior and exterior and provide to Iowa SHPO for review and comment.

Number 9, Entries: Provide Iowa SHPO with detailed drawings including elevation for review and comment.

Item 11, HVAC; Item 12, electrical and Item 13, Plumbing/Sprinklers: Because plans for the systems have not been submitted for review, this aspect of the project cannot be evaluated. Please be advised systems must be installed in a manner which does not cause damage to the historic building material or cause visual loss of historic character. Also, ductwork for HVAC systems must not block or negatively impact the windows. Please provide detailed drawings of the proposed systems for review and approval to the Iowa SHPO before proceeding with this work to insure conformance with the Standards. Proposed work must follow Preservation Brief Number 24: Heating, Ventilating, and Cooling Historic Buildings: Problems and Recommended Approaches.

Item 16, Second-Fifth Floor: Proposed window treatments on each elevation are not approved. Submit revised elevation plans to Iowa SHPO for review and comment.

Item 18, Addition: Proposed design must be submitted to Iowa SHPO for review and comment.

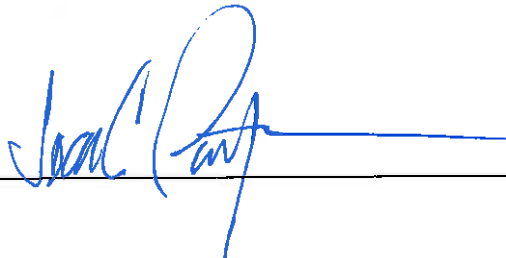
GENERAL CONDITIONS:

Interior architectural features and finishes throughout the building, consisting of, but not limited to plaster walls and ceilings, wood floors, historic trim and doors must be preserved to the greatest extent possible. Throughout the building, the interior must have a warehouse/manufacturing appearance. Where the severity of deterioration requires replacing the finish, finish must be replaced in kind or with an appropriate substitute material. Exposed brick or stud walls and ceilings are not acceptable. Furring-out or resurfacing interior walls must not change the historic relationship of trim and wall surfaces. Photographs showing this condition has been met must be submitted with the Part 3, Request for Certification on Completed Work.

Recommend following Preservation Briefs No. 06: Dangers of Abrasive Cleaning to Historic Buildings.

Date: 9/18/2012

State Signature



State Contact Telephone Number: (515) 242-6152



Commerce Bank

8000 Forsyth Boulevard
Saint Louis, Missouri 63105-1797
314-726-2255
commercebank.com

October 1, 2012

Bryce Henderson
Financial District Properties
201 N. Harrison St.
Suite 402
Davenport, IA 52801

Re: Acquisition of Iowa Historic Preservation and Cultural and Entertainment District Tax Credits

Dear Bryce:

This letter sets forth the commitment of Commerce Bancshares, Inc. or its subsidiary ("Commerce") to purchase, and the commitment of FDP WTC, LLC ("Owner") or its assigns to sell, certain Iowa Historic Preservation and Cultural and Entertainment District Tax Credits issued pursuant to Iowa Code 404A.1 et seq. ("Tax Credits").

1. Description of Project -- This project is the rehabilitation of the **Techworks Building** located in Waterloo, Iowa.

2. Amount of Tax Credit -- Pursuant to Iowa Code 404A.1 et seq., the amount of available Tax Credits is 25% of the total amount of qualified rehabilitation expenditures. The anticipated amount of the qualified rehabilitation expenditures of this project is \$34,000,000, with anticipated **Tax Credits of \$8,500,000** (25% x \$34,000,000).

3. Purchase Price -- Upon receipt of a tax certificate issued in the name of Commerce and Commerce's ownership of the Tax Credits has been certified by the State Historical Society of Iowa and the Iowa Department of Revenue, Commerce will pay to Owner the amount of **\$0.94 per \$1.00 of Tax Credit**.

The Tax Credits have been allocated as Calendar Year 2014. The earliest date that Commerce could fund would be the first business day of the calendar year in which the credits may be actually used on a tax return, or approximately January 1, 2015.

WA 2564689.3

4. Fees. -- Owner shall pay any and all fees charged by the State of Iowa, the State Historical Society of Iowa, the Iowa Department of Revenue or any other agency, to process the tax credit application and to transfer the Tax Credits to Commerce.

5. Expiration -- Commerce's obligation to acquire the Tax Credits shall **expire on December 31, 2018**. Commerce shall send written notice to Owner if Commerce desires to terminate this commitment after such expiration date. In no event shall Commerce's obligation to acquire the Tax Credits extend beyond the useable date for the Tax Credits. In addition, Commerce may terminate this commitment, and Commerce shall have no obligation under this commitment, if any of the following shall occur: (a) Owner shall become subject to any bankruptcy, reorganization or insolvency proceeding, (b) any default has occurred in the performance of any of Owner's obligations with respect to the Tax Credits or with respect to this commitment, (c) any material adverse change occurs in the financial condition of Owner or the State of Iowa, (d) the Iowa legislature, the State Historical Society of Iowa, the Iowa Department of Revenue or any other agency or department, changes the statutes, regulations, interpretations or procedures with respect to any aspect of Iowa historic preservation and cultural and entertainment district tax credits in general or the Tax Credits specifically, or (e) the State Historical Society of Iowa, the Iowa Department of Revenue or any other agency or department adopt regulations or rules after the date of this commitment which Commerce determines in its sole discretion to be unacceptable with respect to Commerce's purchase of the Tax Credits.

6. Exclusivity -- Owner grants Commerce the exclusive right to purchase the Tax Credits from Owner pursuant to the terms and conditions hereof. Owner shall not negotiate with any other party during the term of this commitment. Owner agrees that they will cause the Tax Credits to be sold to Commerce, whether the Tax Credits are owned by Owner or any affiliate.

7. Owner Authority -- Owner represents and warrants to Commerce as follows:

(a) Owner has the authority to enter into this commitment and to consummate the transactions contemplated hereby. This commitment shall be binding upon Owner and its successors and assigns.

(b) Owner will diligently pursue the applicable approval of the Tax Credits from the State Historical Society of Iowa, the Iowa Department of Revenue and any other appropriate agency or department, including without limitation, making all the appropriate filings in a timely manner. Owner will diligently prosecute such application and do and perform all acts necessary to obtain the applicable approval and necessary documents to transfer the Tax Credits to Commerce. Owner will provide Commerce with a copy of all such applications and correspondence within five days of filing or receipt. The application and cost certification submitted by Owner will be true and correct in all material respects, including without limitation, the computation of qualified rehabilitation basis for the project.

(c) Owner will develop, rehabilitate, construct, operate, use and manage the project in such manner so as to not cause the revocation, cancellation, termination or disallowance of the Tax Credits, or otherwise prevent Buyer from receiving the Tax Credits.

(d) Upon receipt of approval of the Tax Credits, Owner will execute Commerce's standard Tax Credit Purchase Agreement which includes Owner's indemnity of Commerce and its assigns in the event of a recapture or reduction in the amount of Tax Credits after they are purchased by Commerce. Owner will execute such other documents and will take such other action, as may be reasonably requested by Commerce.

(e) Owner is the rightful owner of the Tax Credits, the Tax Credits when issued are assignable to Commerce, the Tax Credits can be used by Commerce to offset its tax liability, the Iowa Department of Revenue shall refund to Commerce the amount by which the Tax Credits exceed the tax liability of Commerce for that tax year, and Owner shall transfer the Tax Credits to Commerce or its successors and assigns. Commerce may assign its right to purchase the Tax Credits to a third party provided such assignment shall not relieve Commerce of its obligations hereunder and such assignment shall not result in the inability of Owner to sell the Tax Credits.

(f) Owner has disclosed to Commerce all material facts concerning the Tax Credits. Owner will provide Commerce with such other information as Commerce shall request from time to time.

(g) Owner shall provide Commerce copies of the Iowa application for the Tax Credits and the approved State Part 3 within five (5) days of Commerce's request therefor.

8. Commerce Authority -- Commerce represents and warrants to Owner as follows:

(a) Commerce has the authority to enter into this commitment and to consummate the transactions contemplated hereby.

(b) This commitment shall be binding upon Commerce and its successors and assigns.

9. No tax advice -- Each party acknowledges that it has relied upon its own tax and legal consultants. Except as otherwise provided herein, each party is responsible for paying its own costs and expenses associated with the establishment and transfer of the Tax Credits.

10. Commerce Default -- In the event Commerce defaults under its obligations to purchase the Tax Credits pursuant to the terms and conditions of this commitment letter, Owner shall have the right to terminate this commitment letter and sell the Tax Credits to another purchaser, provided however that such termination shall not relieve Commerce of its obligations hereunder and Commerce shall be liable to Owner for any loss, damage or expenses, including reasonable attorney fees and including an amount equal to the difference, if any, by which the amount received by Owner from the sale of the Tax Credits to another purchaser is less than the amount which Commerce would have paid under this commitment in the absence of such default.

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11. Special State Investor - Owner has the authority to allocate the Tax Credits to a special state tax credit investor provided that such investor is obligated to sell the Tax Credits to Commerce under the terms of this commitment letter.

12. Governing Law -- This commitment shall be governed by and construed in accordance with the laws of the State of Iowa.

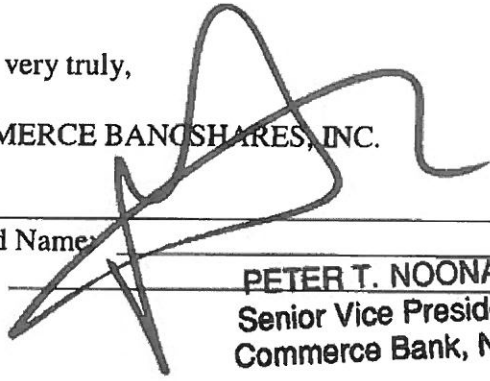
13. Final Agreement -- All prior representations and agreements between the parties with respect to the Tax Credits are merged into this commitment. This commitment can be changed only by a writing signed by the parties hereto.

If this commitment is acceptable to you, please sign a copy of this letter and return it by October 15, 2012 to Commerce Bank. If Commerce does not receive your executed copy of this letter by such date, this commitment will expire unless Commerce extends this commitment by signing a written extension agreement.

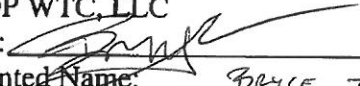
We are pleased to have the opportunity to work with you.

Yours very truly,

COMMERCE BANCSHARES, INC.

By: 
Printed Name: _____
Title: _____ **PETER T. NOONAN**
Senior Vice President
Commerce Bank, N.A.

The undersigned, on behalf of FDP WTC, LLC, by his/her signature hereto agrees to the terms and conditions contained in this letter.

FDP WTC, LLC
By: 
Printed Name: _____ **BRUCE T. HENDERSON**
Title: _____ **CFO/COO**
Date: _____ **10/3/12**