



City of Grand Island

Tuesday, March 22, 2005

Council Session

Item G15

**#2005-88- Approving Authorization for Mayor to Execute
Development Agreement and Loan Documents with Standard Iron,
Inc.**

Staff Contact: Doug Walker

Council Agenda Memo

From: Douglas R. Walker, City Attorney

Meeting: March 22, 2005

Subject: Resolution Authorizing Mayor to Execute Development Agreement and Loan Documents with Standard Iron, Inc.

Item #'s: G-15

Presenter(s): Douglas R. Walker, City Attorney

Background

On September 14, 2004, the City Council authorized the City of Grand Island to proceed with seeking Community Development Block Grant Funds from the Nebraska Department of Economic Development so that the city could make a grant of Community Development Block Grant Funds to Standard Iron, Inc. The city has been successful in obtaining a grant for \$429,947.00 in Community Development Block Grant Funds to extend to Standard Iron, Inc., as part of the incentives to induce Standard Iron, Inc., to locate their new manufacturing facility in the City of Grand Island. This item is now before the City Council to authorize the Mayor to sign the development agreement and all of the final loan documents necessary to complete the process of extending economic incentives to Standard Iron, Inc.

Discussion

The city has been successful in obtaining Community Development Block Grant Funding in the amount of \$429,947.00. This money will be loaned to Standard Iron, Inc., for building, construction and equipment purchases with the city retaining \$4,000.00 for auditing and administrative expenses. The city will also be extending another \$74,053.00 of Economic Development Program Funds to complete the total incentive package of \$500,000.00. Of this total amount, \$250,000.00 will be in the form of a forgivable loan which will not have to be paid back if all employment objectives are met. The other \$250,000.00 will be extended in the form of a term note that would be paid back in 168 installments at no interest unless Standard Iron defaults. It is necessary to obtain City Council approval for completing the documents associated with extending the CDBG and Economic Development Funds to Standard Iron, Inc. The resolution will authorize the Mayor to sign the necessary documents to complete the process of extending the incentives to Standard Iron, Inc.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve the resolution authorizing the Mayor to sign the necessary documents to complete the process of extending the Community Development Block Grant Funds and Economic Development Funds to Standard Iron, Inc.
2. Not approve the resolution which would not permit the process to be concluded.
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council approve the resolution authorizing the Mayor to sign the Economic Development Agreement and all other documents necessary to complete the process of extending financial incentives to Standard Iron, Inc.

Sample Motion

Motion to approve the resolution authorizing the Mayor to sign the necessary documents to complete the process of extending Community Development Block Grant Funds and Economic Development Funds to Standard Iron, Inc.

DEVELOPMENT AGREEMENT

By and Among

**CITY OF GRAND ISLAND, NEBRASKA, INDIVIDUALLY AND AS
AGENT FOR
STATE OF NEBRASKA, DEPARTMENT OF ECONOMIC
DEVELOPMENT,**

and

STANDARD IRON, INC.,

and

DEMEULES FAMILY LIMITED PARTNERSHIP

Dated as of: _____, 200__

This document was drafted by:

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DEVELOPMENT AGREEMENT

This *Agreement* is made on or as of the ____ day of _____, 200__, by and among the City of Grand Island, Nebraska (the "City") individually and as agent for the State of Nebraska, Department of Economic Development ("Department" or "DED") having its principal office at 100 East First Street, P.O. Box 1968, Grand Island, Nebraska 68802-1968, and Standard Iron, Inc., a Nebraska corporation (the "Business"), having its principal office at 4160 Gold Core Drive, Grand Island, Nebraska 68802, and the Demeules Family Limited Partnership, a Minnesota limited partnership ("Demeules Partnership"), having its principal office at 207 Dundas Road, Monticello, Minnesota 55362-8916.

WITNESSETH:

WHEREAS, the Department has been designated by the United States Department of Housing and Urban Development ("HUD") to administer, and HUD has awarded the Department funds for, the Department's Community Development Block Grant ("CDBG") Program.

WHEREAS, the Demeules Partnership and the Business have presented to the Department and City a proposal for the development of certain real property located within the Platte Valley Industrial Park in Grand Island, Nebraska which real property is more particularly described in *Exhibit A* attached hereto and made a part hereof (herein the "Property") which includes the construction, equipping and staffing of a new 100,000 square foot manufacturing facility to be owned by SEC Accommodator XXIX, LLC, a Nebraska limited liability company and wholly-owned subsidiary of Demeules Partnership and used by the Business (herein the "Project"); and

WHEREAS, in order to promote the objectives of CDBG and the national objective of creating new jobs for LMI persons (as hereinafter defined) the City has determined to assist the Demeules Partnership and the Business with financing of certain costs of the Project; and

WHEREAS, the City believes that the development and construction of the Project, and the creation of jobs and job opportunities for Low-To-Moderate Income Persons are vital and are in the best interest of the City, the health, safety, morals and welfare of residents of the City, and in accordance with the public purposes and provisions of the applicable federal, state and local laws and requirements under which the Project has been undertaken and is being assisted; and

WHEREAS, the requirements of the Housing and Community Development Act of 1974, as amended (herein the "Act"), apply to this Agreement; and

WHEREAS, the Department and the City have adopted criteria for awarding funds pursuant to the CDBG program for the purpose of funding projects that will undertake community development activities authorized under the Act, such as the Project.

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other parties as follows:

ARTICLE I DEFINITIONS

Section 1.1. Definitions. In this Agreement, unless a different meaning clearly appears from the context:

“Act” has the meaning given in the Recitals.

“Affiliate” means SEC Accommodator XXIX, LLC or a corporation, limited liability company, partnership, joint venture, or other legal entity controlled by or subject to common control of the Demeules Partnership or the Business; where “control” means the ownership of at least 50% of the voting power for election of the Board of Directors of a corporation or ownership of at least 50% of the members’ or general partners’ interests in a limited liability company, partnership, joint venture, or other legal entity.

“Agreement” means this Agreement, as the same may be from time to time modified, amended, or supplemented.

“Approval Date” means the later of (i) the date that the Improvements are completed and the Business has fully occupied and has commenced operations from the Property or, (ii) the date that the Borrowers have received the final installment of the CDBG Funds available under this Agreement.

“Bank” means U.S. Bank National Association, a national banking association together with any other commercial lender to one or more of the Demeules Partnership, Business or its/their respective Affiliates providing financing for the Property, the Project, the Improvements or to fund working capital or capital expenditures of the operations to be conducted at the Property that are contemplated by this Agreement. The City, the Department and the GIAEDC are specifically excluded from the definition of “BANK”.

“Borrowers” means the Demeules Partnership and the Business, individually and collectively.

“CDBG” means the HUD sponsored community development block grant program.

“CDBG Funds” means the aggregate amount of the CDBG award advanced to the Borrowers in accordance with the provisions of this Agreement, in an amount not to exceed \$500,000 in aggregate.

“CDBG Performance Default” means the failure of the Business to satisfy, in whole or in part, the (i) Job Creation; (ii) Job Retention; and/or (iii) the Job Maintenance requirements of this Agreement by the dates or within the periods set forth for performance therein.

“City” means the City of Grand Island, Nebraska.

“Demeules Partnership” means Demeules Family Limited Partnership, a Minnesota limited partnership, its successors and assigns.

“Entity Guarantors” means Standard Iron & Wire Works, Inc., a Minnesota corporation and SEC Accommodator XXIX, LLC, a Nebraska limited liability company, individually and collectively.

“Event of Default” means an action by the Borrowers listed in Article 7 of this Agreement.

“Forgivable Note” has the meaning given in Section 5.2 of this Agreement.

“Full-Time Equivalent Position” or **“FTE”** means a culmination of 2,080 work hours per annum per position by a person in a permanent position of employment with the Business at the Property.

“GIAEDC” means the Grand Island Area Economic Development Corporation.

“GIAEDC Funding” means an amount up to \$200,000 to be issued by the GIAEDC in the form of a forgivable, unsecured loan to the Business, the terms and conditions of which are set forth in a separate agreement between the Business, the Demeules Partnership and the GIAEDC.

“Guarantors” means, the Entity Guarantors and the Individual Guarantors, individually and collectively.

“Holder” means the owner of a Mortgage.

“HUD” has the meaning given in the Recitals.

“Improvements” means the improvements to be constructed by or under the direction of the Demeules Partnership on the Property consisting of an approximately 100,000 square foot industrial building, together with related and incidental improvements.

“Individual Guarantors” means Richard Demeules, William Demeules and Joseph Demeules, individually and collectively.

“Interest Rate” means the generally accepted rate of “New York Prime” extant at the time of the occurrence of an CDBG Performance Default, which shall be simple interest per annum.

“Low-To-Moderate Income Person” or **“LMI”** means a person defined as a member of a family (single-person or multi-person) where the family has an income equal to or less than the most recent HUD-established income limits for the family residence location. For purposes of this Agreement, the HUD-established income limits currently in effect are identified on **Exhibit B** and are made a part of this Agreement, as the same may be amended by HUD from time to time as determined by reference to the HUD website “www.huduser.org/datasets/il.html” or such other source publishing equivalent data promulgated by HUD. Reference is made to the low income limits by applicable county in the State of Nebraska based on the location of the family residence at the time an application of employment is submitted. Specifics about how an employment position is considered to be “*held by*” or “*made available to*” an LMI person shall be made in accordance with the Act and the regulations promulgated thereunder, which provisions are specifically incorporated herein by this reference.

“Matching Funds” has the meaning given in the definition of Reimbursement Ratio.

“Mortgage” means any mortgage granted by the fee owner of the Property to any Bank which is secured, in whole or in part, by the Property.

“Net Proceeds” means any proceeds paid by an insurer under a policy or policies of insurance required to be provided and maintained by the Borrowers pursuant to Article 6 of this Agreement and remaining after deducting all expenses (including fees and disbursements of counsel) incurred in the collection of such proceeds.

“Notes” means the Term Note and the Forgivable Note.

“Project” means the constructing, equipping, and staffing a 100,000 square foot manufacturing facility to be located on the Property.

“Property” means the real property located in the Platte Valley Industrial Park in Grand Island, Nebraska more commonly known as 4160 Gold Core Drive, Grand Island, Nebraska and legally described on *Exhibit A* of this Agreement.

“Reimbursement Ratio” means 14.5%, said amount determined by dividing (i) \$500,000, said amount representing the maximum authorized CDBG Funds available to the land and building portion of the Project for which CDBG Funds have been authorized; by (ii) \$3,449,114, said amount representing the anticipated total costs of the CDBG-assisted portion of the Project net of maximum available GIAEDC Funding (herein collectively the **“Matching Funds”**).

“Security Documents” means the Subordinated Mortgage and the Subordinated Security Agreement.

“State” means the State of Nebraska.

“Subordinated Mortgage” has the meaning given in Section 5.4 of this Agreement.

“Subordinated Security Agreement” has the meaning given in Section 5.4 of this Agreement.

“Term Note” has the meaning given in Section 5.2 of this Agreement.

ARTICLE II REPRESENTATIONS

Section 2.1. Representations by the City. The City makes the following representations as the basis for the undertaking on its part herein contained:

(a) The City is a public body politic and corporate and a political subdivision of the State duly organized and existing under the laws of the State. The City, individually and as agent for the Department, has all requisite power and authority to enter into this Agreement and carry out its obligations hereunder.

(b) The activities of the City are undertaken for the purpose of creating jobs for LMI Persons and is consistent with the provisions of the CDBG program promulgated by the Act.

(c) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in a breach of, the terms, conditions or provisions of any law, rule or regulation, any current evidence of indebtedness, any agreement or instrument to which the City is now a party or by which it is bound, or constitutes a default under any of the foregoing.

Section 2.2. Representations by the Demeules Partnership and the Business. The Borrowers, jointly and severally, represent that:

(a) The Demeules Partnership is a Minnesota limited liability partnership, is not in violation of any provision of its partnership agreement or the laws of the State of Minnesota and has all requisite power and authority to enter into this Agreement and has duly authorized the execution, delivery and performance of this Agreement by proper action of its general partners.

(b) The Business is a corporation, duly organized and validly existing under the laws of the State and has all requisite power and authority to enter into this Agreement and has duly authorized the execution, delivery and performance of this Agreement by proper action of its Board of Directors.

(c) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in a breach of, the terms, conditions or provisions of any evidences of indebtedness, agreement or instrument of whatever nature to which either of the Borrowers are now a party or by which the Borrowers are bound.

(d) There are no legal actions, suits or other proceedings pending or, to the knowledge of the Borrowers threatened, before any court or administrative agency which, if determined adversely to the Business, could reasonably be expected to have a material adverse effect on the financial condition of the Business or on the ability of the Borrowers to complete the Project.

(e) The Borrowers will cooperate with the City with respect to any litigation commenced with respect to the Project, the Property or the Improvements.

ARTICLE III FINANCING FOR THE PROJECT

Section 3.1. Project Financing. The Demeules Partnership shall secure from Bank, a commitment for funds necessary to complete the Project.

Section 3.2. Demeules Partnership Equity and Other Financing. The Demeules Partnership shall commit not less than \$750,000 of equity to the Project.

Section 3.3. Provision of Evidentiary Materials. Disbursements of CDBG Funds shall be made in accordance with the provisions of this Agreement once all evidentiary materials required by the Agreement have been submitted and approved by the City, such approval not to be unreasonably withheld, delayed or conditioned. For purposes of this Agreement, the documentation accepted by any Bank for purposes of obtaining an approved construction draw

for Improvements made to the land and building portion of the Project shall be deemed acceptable evidentiary materials for purposes of meeting Borrower's documentation requirements for obtaining a reimbursement from the CDBG Funds pursuant to this Agreement.

Section 3.4. Subordination. In order to facilitate the Borrowers' ability to obtain financing for the Project, the City, individually and as agent for the Department, agrees to execute any and all debt subordination agreements, lien subordination agreements and guaranty subordination agreements (collectively the "Subordination Agreements"), each in form and substance as any Bank may from time to time reasonably require to provide for (i) the subordination of the payment and performance of the Notes to the prior payment of any and all indebtedness of the Borrowers to the Bank, and (ii) the subordination of the liens granted by the Borrowers or any Affiliate pursuant to the Security Documents to the liens granted and to be granted by the Borrowers or any Affiliate to any Bank, and (iii) the subordination of any guaranty granted by any Guarantor for the payment and performance of the Notes and related indebtedness to the guaranty granted by any Guarantor as security for the payment and performance of any and all indebtedness of the Borrowers or any Affiliate to the Bank.

ARTICLE IV JOB CREATION, JOB RETENTION, JOB MAINTENANCE AND REPORTING REQUIREMENTS

Section 4.1. Job Creation. The Business agrees to take affirmative action to ensure that within 24 months of the Approval Date at least 38 new permanent jobs (on an FTE basis) will be created by the Project, over and above the agreed baseline of 22 existing permanent jobs (on an FTE basis), each with an hourly wage of not less than \$8.25 per hour. At a minimum, 51% of all jobs (on an FTE basis) created as a result of the CDBG assisted project must be "*held by*" or must have been "*made available to*" LMI Persons; provided that this requirement will terminate upon the earlier of (A) once all of the CDBG Funds have been disbursed and the 38 new permanent jobs (on an FTE basis) have been created or (B) on the date that is 24 months following the Approval Date. The provisions of this Section 4.1 may be referred to generally as the "Job Creation" requirement.

Section 4.2. Job Retention. The Business agrees to take affirmative action to ensure that the minimum 38 new permanent jobs (on an FTE basis) created pursuant to Section 4.1 above, are maintained for a period of 36 months measured from the date of initial hire for each respective job. The provisions of this Section 4.2 may be referred to generally as the "Job Retention" requirement.

Section 4.3. Job Maintenance. The Business agrees to take affirmative action to ensure that the existing 22 permanent jobs (on an FTE basis) establishing the agreed baseline of employment of the Business pursuant to Section 4.1 above, are maintained for a period of not less than 36 months measured from the Approval Date. The provisions of this Section 4.3 may be referred to generally as the "Job Maintenance" requirement.

Section 4.4. Wage Commitment. The Business shall pay all employees a minimum hourly rate of \$8.25 per hour and shall provide all employees of the Business with a reasonably appropriate package of employee benefits which may take into account reasonable factors including tenure, meritorious performance, and the like.

Section 4.5. Employment Documentation. The Business shall complete and provide to the City notification of employment semi-annually or more frequently at the option of the Business. This notification requirement will not be necessary after 2 years from the Approval Date provided the job creation objective set forth in Section 4.1 has been met. In addition, the Business agrees to provide verification that jobs are available to LMI persons by documenting that:

- (a) The skill level of the jobs available meets that of the general LMI population;
- (b) The education and experience required for the jobs meets that of the general LMI population;
- (c) The training will be provided by the Business, if training is needed, to make the jobs available to the general LMI population; and
- (d) The advertising, recruitment and other outreach efforts are made to contact and involve the general LMI population.

Section 4.6. Job Creation Documentation. The Business must include job creation information in each semi-annual progress report. This information shall be provided by the Business and must include the Department's "Employee Certification" form from each employee for which LMI status is relevant together with the following information for each LMI employee:

- (a) Jobs created;
- (b) Job title for each created job;
- (c) Dates employees hired;
- (d) Hourly wage;
- (e) Employee benefits provided.

Section 4.7. First Source Employment Referral Agreement. In order to ensure that LMI persons receive "first consideration" under the Act, for filling available jobs, in addition to the requirements of the Act, the Business agrees to list any vacant or new positions with the jobs services of the Commissioner of Job and Economic Security Services or a local service unit operated by a county or counties operating under a joint powers agreement, one or more cities of the first class operating under a joint powers agreement, or a city of a first class or equivalent governmental agency acting with authority in the area in which the Project and Property are located.

Section 4.8. Financial Reporting. During the first two calendar years following the date of this Agreement, the Business shall cause the following financial statements to be provided to the City of Grand Island Finance Director and the GIAEDC:

- (a) Within thirty (30) days following the close of each semi-annual period (e.g., June 30th and December 31st), internally prepared financial statements of the Business including statements of income and a balance sheet.

(b) Within 150 days after the end of each fiscal year of the Business, management prepared financial statements on a consolidated basis for the business and SIWW, consisting of at least statements of income, and changes in owners equity, a balance sheet at the end of such year setting forth in each case and comparative form corresponding figures from the previous annual statements.

ARTICLE V CDBG LOAN TERMS

Section 5.1. CDBG Amount and Program Use Requirement. The City shall advance CDBG Funds to the Borrowers promptly upon the Borrowers submitting the evidentiary materials required by Section 3.3 of this Agreement. The amount of each such eligible reimbursement (herein a "CDBG Advance") shall be an amount determined by multiplying the Reimbursement Ratio by the amount of the Matching Funds invested by the Borrowers as reflected in the Evidentiary Materials.

Section 5.2. Application of CDBG Advance to Notes. Each CDBG Advance shall be applied to the promissory notes to be delivered by the Borrowers, as co-makers, as follows:

(a) Concurrent with the execution of this Agreement, the Borrowers shall deliver their promissory note (herein the "Forgivable Note") pursuant to which the first two hundred fifty thousand and no/100 dollars (\$250,000) of the CDBG Funds advanced by the City to the Borrowers pursuant to this Agreement shall be subject to contingent repayment. The parties agree that the Forgivable Note proceeds shall bear no interest (except as provided herein) and shall constitute a forgivable loan, repayable by the Borrowers only upon the occurrence of a CDBG Performance Default, in which event the City's remedies set forth in Section 5.3 of this Agreement shall apply with respect to the calculation of interest and the repayment of some or all of the principal balance and interest referable thereto. In the event the Borrowers satisfy the Job Creation, Job Retention and Job Maintenance requirements of this Agreement, the Forgivable Note shall be fully forgiven and discharged by the City without any further act required by the City or the Borrowers.

(b) Concurrent with the execution of this Agreement, the Borrowers shall deliver their promissory note (herein the "Term Note") pursuant to which the balance of the CDBG Funds in excess of the Forgivable Note proceeds referenced in Section 5.2(a) above shall be subject to repayment (with or without interest, as determined pursuant to Section 5.3 of this Agreement). The parties agree that the Term Note proceeds shall bear no interest (except upon the occurrence of a CDBG Performance Default) and shall provide for repayment of the principal balance thereof, without interest (except upon the occurrence of a CDBG Performance Default as provided herein) in equal monthly installments amortized over a period beginning one year from the Approval Date and ending with a final maturity of Fifteen (15) years from the Approval Date.

Section 5.3. CDBG Loan Terms; Effect of CDBG Performance Default. In the event of a CDBG Performance Default, the following provisions shall apply with respect to the Notes:

(a) A CDBG Performance Default shall have the following effect on the Term Note:

(i) Interest, at the Interest Rate, on each respective CDBG Advance constituting Term Note proceeds shall be calculated from the date of each such respective CDBG Advance and shall be repaid within a reasonable period following written demand from the City; and

(ii) The unpaid principal balance of the Term Note then outstanding shall be re-amortized together with interest at the Interest Rate, such that all outstanding principal, together with interest accruing thereon from and after the date of the CDBG Performance Default shall be fully repaid, in consecutive equal monthly installments over the remaining term of the Term Note.

(b) A CDBG Performance Default shall have the following effect on the Forgivable Note:

(i) The portion of the Forgivable Note proceeds that are subject to repayment shall be determined in accordance with the following provisions:

(A) If the Business fails to meet the national objective by not having at least 51% of the created/retained jobs benefiting LMI persons (the "51% LMI Test"), then the Borrowers shall be required to repay the entire Forgivable Note, with interest (calculated on the Forgivable Note proceeds in accordance with the provisions of Section 5.3(a)(i) of this Agreement); or

(B) If the 51% LMI Test is met but the Business failed to meet one or more of the Job Creation, Job Retention or Job Maintenance provisions, then the "pro-rata share" of the Forgivable Proceeds that are required to be repaid shall be determined as follows:

(1) if the failure relates to the Job Creation obligation, then the sum of the jobs required less the jobs created divided by the jobs required; or

(2) if the failure relates to the Job Maintenance obligation, then the required maintenance period in months less the number of months the jobs were maintained, divided by the required maintenance period in months; or

(3) If the failure relates to a combination of the events described in (1) and (2) above, then the amount determined by subtracting from 1, the resultant arithmetic product of the two ratios in paragraphs (1) and (2) above.

(ii) The portion of the Forgivable Note proceeds that are subject to repayment determined pursuant to (i) above shall:

(1) bear interest at the Interest Rate from the date of the respective CDBG Advance. For purposes of this calculation, the forgivable proceeds shall be deemed to be the CDBG Proceeds which were last advanced. Interest shall be determined thereon in accordance with 5.3(a)(i) of this Agreement and shall be paid within a reasonable period following written demand from the City;

(2) be payable in full on the fifth anniversary of the Approval Date, provided that interest accruing thereon from and after the date of the CDBG Performance Default shall be paid not less than annually, on or before the last day of December (or on the maturity date, if earlier).

Section 5.4. Collateral Agreements. In order to secure the payment and performance of the obligations of the Borrowers pursuant to the Notes, the Borrowers shall deliver, or cause to be delivered to the City, each of the following (herein collectively the "Security Documents"):

(a) A Mortgage (herein the "Subordinated Mortgage") encumbering the Property; *provided that* the City's lien encumbering the Property shall be junior and subordinate to the lien of any Bank.

(b) A security agreement (the "Subordinated Security Agreement") pursuant to which the Business shall have granted a security interest in personal property owned by the Business, *provided that* the City's lien encumbering the Property shall be junior and subordinate to the lien of any Bank.

(c) One or more instruments pursuant to which the Guarantors, jointly and severally, will guaranty the repayment of the CDBG Funds advanced by the City to the Borrowers pursuant to this Agreement, *provided that* the obligations of the Guarantors shall be junior and subordinate to the obligations of the Guarantors, as guarantors of indebtedness owing to any Bank.

(d) A Collateral Assignment of the Lease between the Business, as tenant, and SEC Accommodator XXIX, LLC, as landlord, *provided that* the City's lien shall be junior and subordinate to the lien of any Bank.

ARTICLE VI INSURANCE

Section 6.1. Insurance. The Borrowers shall maintain, or shall cause to be maintained, at their cost and expense, and from time to time at the request of the City shall furnish the City with insurance binders on insurance as follows:

(a) Insurance against loss and/or damage to the Property and other collateral for the CDBG Funds under a policy or policies covering such risk as are ordinarily insured against by similar businesses, including (without limiting the generality of the foregoing) fire, extended coverage, all risk vandalism and malicious mischief, boiler explosion, water damage, demolition cost, debris removal, and collapse in an amount not less than their full insurable replacement value; and

(b) Comprehensive general liability insurance, including personal injury liability, and automobile insurance, including owned, non-owned and hired automobiles, against liability for injuries to persons and/or property, in the minimum amount for each occurrence and for each year of \$2,000,000.00, for public liability and shall be endorsed to show the City as additional insured.

Section 6.2. Certificates. All insurance required in Section 6.1 of this Agreement shall be taken out and maintained in responsible insurance companies selected by the Borrowers

which are authorized under the laws of the State to assume the risk covered thereby. Unless otherwise provided in this Agreement each policy shall contain a provision that the insurer shall not cancel or modify it without giving written notice to the Borrowers and the City at least thirty (30) days before the cancellation or modification becomes effective. Not less than fifteen (15) days prior to the expiration of any policy, the Borrowers shall furnish the City evidence satisfactory to the City that the policy has been renewed or replaced by another policy conforming to the provisions of Section 6.1. In lieu of separate policies, the Borrowers (and its Affiliates) may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required herein.

Section 6.3. Subordination. The City agrees that upon request by any Bank, the City will execute an agreement subordinating its rights with respect to the receipt and application of Net Proceeds to the lien of a Mortgage or security interest in any other collateral securing the repayment of the CDBG Funds. The obligation of the City to subordinate pursuant to this Section 6.3 is in addition to the obligations of subordination set forth in other provisions of this Agreement.

ARTICLE VII EVENTS OF DEFAULT

Section 7.1. 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 (unless the context otherwise provides), any one or more of the following events:

- (a) Failure by the Borrowers to pay when due any payments required to be paid under the Notes (and such default is not remedied within 30 days after the City gives written notice of such default to the Borrowers).
- (b) Failure by the Borrowers to obtain financing for construction of the Improvements or to provide evidence that the Borrowers have sufficient funds committed for such purpose.
- (c) Failure of the Business to observe or substantially perform any other material covenant, condition, obligation or agreement on its part to be observed or performed hereunder, including the failure of the Business to provide, in a timely manner, reports and other administrative documents required hereunder, after notice and opportunity of not less than twenty (20) days to effect cure.
- (d) There occurs any of the following: (i) the Business files any petition in bankruptcy or for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under United States Bankruptcy Laws or any similar Federal or State Laws; or (ii) the Business makes an assignment for the benefit of its creditors; or (iii) the Business admits, in writing, its inability to pay its debts generally as they become due; or (iv) the Business is adjudicated, bankrupt or insolvent.
- (e) There occurs a default by the Borrowers or any Affiliate under a Mortgage or other instrument securing Bank financing acquired to facilitate the Project, the Holder of such Mortgage or security interest exercises its remedies as a result of such default, such exercise of remedies adversely affects the Borrowers’ (or such Affiliates) interest in the Property or other

collateral pledged hereunder to secure the Notes, and the Borrowers (or such Affiliate) do not cure the basis for the default within the applicable notice and cure period.

(f) If the Business, or the officers or employees of the Business engage in (i) any intentional material misrepresentation concerning the CDBG Funds; or (ii) unauthorized use or theft of the CDBG Funds which is not promptly remedied by the Business following discovery of such unauthorized use or theft.

(g) The sale, lease or other disposition (whether in one or more transactions), to one or more persons or entities, of all or substantially all of the assets of the Business without the consent of the City, which shall not be unreasonable withheld, delayed or conditioned.

Section 7.2. City's Remedies on Default. Whenever any Event of Default by a Borrower referred to in Section 7.1 of this Agreement occurs, the City may immediately suspend its performance under this Agreement until it receives assurances from the Borrowers, deemed adequate by the City, that the Borrowers will cure their default and continue their performance under this Agreement, and may take any one or more of the following actions after providing thirty (30) days written notice to the Borrowers of the Event of Default, but only if the Event of Default has not been cured within said thirty (30) days (or such longer period as may be reasonably required to cure the default if Borrowers are diligently proceeding with good faith efforts to cure same), take whatever action, including legal, equitable or administrative action, which may appear necessary or desirable to the City to collect any payments due under the Notes, or to enforce performance and observance of any obligation, agreement, or covenant of the Borrowers under this Agreement or the Security Documents, subject to any restrictions imposed by applicable Subordination Agreements

Section 7.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the City or Borrowers is intended to be exclusive of any other available remedy or remedies, but each and every such 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. In order to entitle the City or the Borrowers to exercise any remedy reserved to it, it shall not be necessary to give notice, other than such notice as may be required in this Article VII.

Section 7.4. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the 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 7.5. Costs of Enforcement. 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 of performance or observance of any obligation or agreement on the part of the Borrowers under this Agreement, the Borrowers agree that they shall, within thirty (30) days of written demand by the City, pay to the City the reasonable fees of such attorneys and such other expenses so incurred by the City, but only to the extent the City is the prevailing party in any such action or proceeding.

**ARTICLE VIII
ADDITIONAL PROVISIONS**

Section 8.1. Representatives Not Individually Liable.

(a) No member, official, or employee of the City or Department shall be personally liable to the Borrowers, or any successor in interest, in the event of any default or breach or for any amount which may become due to the Borrowers or successor or on any obligations under the terms of the Agreement.

(b) No partner, official, or employee of the Borrowers (other than the Individual Guarantors pursuant to the provisions of their respective guaranty) shall be personally liable to the City or Department, or any successor in interest, in the event of any default or breach or for any amount which may become due to the City or Department or successor or on any obligations under the terms of the Agreement.

Section 8.2. Titles of Articles and Sections. Any titles of the several parts, Articles, and Sections of the Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 8.3. Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand, or other communication under the Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally; and

(a) in the case of the Borrowers, is addressed to or delivered personally to the Borrowers at 207 Dundas Road, Monticello, Minnesota 55362-8916, in each instance Attention: Richard Demeules; and

(b) in the case of the City, is addressed to or delivered personally to the City at 100 East First Street, Grand Island, Nebraska 68802-1968, Attention: Executive Director, or at such other address with respect to either such party as that party may, from time to time, designate in writing and forward to the other as provided in this Section.

Section 8.4. Disclaimer of Relationships. The Borrowers acknowledge that nothing contained in this Agreement nor any act by the City or the Borrowers shall be deemed or construed by the Borrowers or by any third person to create any relationship of third-party beneficiary, principal and agent, limited or general partner, or joint venture between the City, the Borrowers and/or any third party.

Section 8.5. Modifications. This Agreement may be modified solely through written amendments hereto executed by the Borrowers and the City.

Section 8.6. Counterparts. This Agreement is executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 8.7. Judicial Interpretation. Should any provision of this Agreement require judicial interpretation, the court interpreting or construing the same shall not apply a presumption that the terms hereof shall be more strictly construed against one party by reason of the rule of construction that a document is to be construed more strictly against the party who itself or

through its agent or attorney prepared the same, it being agreed that the agents and attorneys of both parties have participated in the preparation hereof.

Section 8.8. Law Governing. This Agreement will be governed and construed in accordance with the laws of the State of Nebraska.

Section 8.9. Binding Effect. This Agreement will be binding upon and will inure to the benefit of the successors, assigns and legal representatives of the parties.

Section 8.10. Severability. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby.

Section 8.11. Amendment. This Agreement may not be modified, altered or changed in any way except by written agreement signed by all of the parties hereto.

Section 8.12. Fees and Expenses. The City acknowledges that it has voluntarily undertaken to review the provisions of this Agreement and the documents, instruments and agreements that are contemplated by this Agreement, including the Subordinated Security Agreement, the Subordinated Mortgage, instruments of guaranty of the respective Guarantors and that it will be responsible for all costs and expenses incident to the same, except to the extent expressly set forth in this Agreement. The Borrowers shall not be obligated to reimburse the City for any such costs and expenses that are not expressly set forth in this Agreement. Any costs and expenses of the City that are required to be reimbursed by the Borrowers shall be reimbursed solely out of the CDBG Funds if and when made available to the Borrowers hereunder.

Section 8.13. Memorandum of Agreement. In the event of a conflict between the provisions of this Agreement and the provisions of that certain Memorandum of Agreement by and among the parties hereto, the GIAEDC, SIWW and the Guarantors, the provisions of this Agreement shall control.

IN WITNESS WHEREOF, the City has caused this Agreement to be duly executed in its name and behalf and as agent for the Department and the Borrowers have caused this Agreement to be duly executed in their name and behalf on or as of the date first above written.

City of Grand Island, Nebraska

Standard Iron, Inc.

By: _____
(Signature of Elected Official)

By: _____

Type or Print Name

Type or Print Name

Date: _____

Date: _____

The Demeules Family Limited Partnership

By: _____

Type or Print Name

Date: _____

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

**Lot One (1), Platte Valley Industrial Park Fourth Subdivision, in
the City of Grand Island, Hall County, Nebraska.**

EXHIBIT B

HUD INCOME LIMITS – LMI PERSON STATUS

[ATTACH EXHIBIT FROM MEMORANDUM OF AGREEMENT]

ATTACHMENT A
INCOME LIMITS (80%)
State of Nebraska
(LMI limits in nonmetropolitan areas)
Approved and Effective February 28, 2004

The income limits of these guidelines are determined for each county on the higher of either: 80% of the median income of the county, or 80% of the median income of the entire nonmetropolitan area of the state.

COUNTY NAME	1 PERSON	2 PERSONS	3 PERSONS	4 PERSONS	5 PERSONS	6 PERSONS	7 PERSONS	8 PERSONS
Adams County	\$ 30,050	\$ 34,350	\$ 38,650	\$ 42,950	\$ 46,400	\$ 49,850	\$ 53,250	\$ 56,700
Antelope County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Arthur County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Banner County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Blaine County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Boone County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Box Butte County	\$ 30,750	\$ 35,150	\$ 39,550	\$ 43,900	\$ 47,450	\$ 50,950	\$ 54,450	\$ 57,950
Boyd County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Brown County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Buffalo County	\$ 31,200	\$ 35,650	\$ 40,100	\$ 44,550	\$ 48,100	\$ 51,700	\$ 55,250	\$ 58,800
Burt County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Butler County	\$ 28,600	\$ 32,700	\$ 36,800	\$ 40,900	\$ 44,150	\$ 47,400	\$ 50,700	\$ 53,950
Cass County	\$ 36,050	\$ 41,200	\$ 46,350	\$ 51,500	\$ 55,650	\$ 59,750	\$ 63,900	\$ 68,000
Cedar County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Chase County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Cherry County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Cheyenne County	\$ 30,050	\$ 34,350	\$ 38,650	\$ 42,950	\$ 46,400	\$ 49,850	\$ 53,250	\$ 56,700
Clay County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Coffax County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Cuming County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Custer County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Dakota County	\$ 29,450	\$ 33,650	\$ 37,850	\$ 42,100	\$ 45,450	\$ 48,800	\$ 52,200	\$ 55,550
Dawes County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Dawson County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Deuel County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Dixon County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Dodge County	\$ 29,850	\$ 34,100	\$ 38,400	\$ 42,650	\$ 46,050	\$ 49,450	\$ 52,850	\$ 56,300
Douglas County	\$ 36,050	\$ 41,200	\$ 46,350	\$ 51,500	\$ 55,650	\$ 59,750	\$ 63,900	\$ 68,000
Dundy County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Fillmore County	\$ 27,950	\$ 31,950	\$ 35,950	\$ 39,900	\$ 43,100	\$ 46,300	\$ 49,500	\$ 52,700
Franklin County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Frontier County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Furnas County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Gage County	\$ 28,850	\$ 32,950	\$ 37,100	\$ 41,200	\$ 44,500	\$ 47,800	\$ 51,100	\$ 54,400
Garden County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Garfield County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Gosper County	\$ 30,150	\$ 34,450	\$ 38,750	\$ 43,050	\$ 46,500	\$ 49,950	\$ 53,350	\$ 56,800
Grant County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Greeley County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Hall County	\$ 29,300	\$ 33,450	\$ 37,650	\$ 41,850	\$ 45,200	\$ 48,550	\$ 51,900	\$ 55,250
Hamilton County	\$ 29,850	\$ 34,100	\$ 38,400	\$ 42,650	\$ 46,050	\$ 49,450	\$ 52,850	\$ 56,300
Harlan County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Hayes County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Hitchcock County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Holt County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Hooker County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Howard County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500

ATTACHMENT A
INCOME LIMITS (80%) - continued
State of Nebraska
(LMI limits in nonmetropolitan areas)
Approved and Effective February 28, 2004

The income limits of these guidelines are determined for each county on the higher of either: 80% of the median income of the county, or 80% of the median income of the entire nonmetropolitan area of the state.

COUNTY NAME	1 PERSON	2 PERSONS	3 PERSONS	4 PERSONS	5 PERSONS	6 PERSONS	7 PERSONS	8 PERSONS
Jefferson County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Johnson County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Kearney County	\$ 29,300	\$ 33,450	\$ 37,650	\$ 41,850	\$ 45,200	\$ 48,550	\$ 51,900	\$ 55,250
Keith County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Keya Paha County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Kimball County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Knox County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Lancaster County	\$ 35,600	\$ 40,700	\$ 45,900	\$ 50,900	\$ 54,950	\$ 59,000	\$ 63,100	\$ 67,150
Lincoln County	\$ 30,650	\$ 35,000	\$ 39,400	\$ 43,750	\$ 47,250	\$ 50,750	\$ 54,250	\$ 57,750
Logan County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Loup County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
McPherson County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Madison County	\$ 28,650	\$ 32,750	\$ 36,850	\$ 40,950	\$ 44,250	\$ 47,500	\$ 50,800	\$ 54,050
Merrick County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Morrill County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Nance County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Nemaha County	\$ 32,300	\$ 36,950	\$ 41,550	\$ 46,150	\$ 49,850	\$ 53,550	\$ 57,250	\$ 60,950
Nuckolls County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Otoe County	\$ 29,500	\$ 33,750	\$ 37,950	\$ 42,150	\$ 45,550	\$ 48,900	\$ 52,300	\$ 55,650
Pawnee County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Perkins County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Phelps County	\$ 30,300	\$ 34,600	\$ 38,950	\$ 43,300	\$ 46,750	\$ 50,200	\$ 53,650	\$ 57,150
Pierce County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Platte County	\$ 31,100	\$ 35,500	\$ 39,950	\$ 44,400	\$ 47,950	\$ 51,500	\$ 55,050	\$ 58,600
Polk County	\$ 31,700	\$ 36,200	\$ 40,750	\$ 45,300	\$ 48,900	\$ 52,500	\$ 56,150	\$ 59,750
Red Willow County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Richardson County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Rock County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Saline County	\$ 30,750	\$ 35,150	\$ 39,550	\$ 43,900	\$ 47,450	\$ 50,950	\$ 54,450	\$ 57,950
Sarpy County	\$ 36,050	\$ 41,200	\$ 46,350	\$ 51,500	\$ 55,650	\$ 59,750	\$ 63,900	\$ 68,000
Saunders County	\$ 32,500	\$ 37,100	\$ 41,750	\$ 46,400	\$ 50,100	\$ 53,800	\$ 57,550	\$ 61,250
Scotts Bluff County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Seward County	\$ 35,000	\$ 40,000	\$ 45,000	\$ 50,000	\$ 54,000	\$ 58,000	\$ 62,000	\$ 66,000
Sheridan County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Sherman County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Sioux County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Stanton County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Thayer County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Thomas County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Thurston County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Valley County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Washington County	\$ 36,050	\$ 41,200	\$ 46,350	\$ 51,500	\$ 55,650	\$ 59,750	\$ 63,900	\$ 68,000
Wayne County	\$ 28,300	\$ 32,300	\$ 36,350	\$ 40,400	\$ 43,850	\$ 46,850	\$ 50,100	\$ 53,350
Webster County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
Wheeler County	\$ 27,850	\$ 31,800	\$ 35,800	\$ 39,750	\$ 42,950	\$ 46,100	\$ 49,300	\$ 52,500
York County	\$ 31,300	\$ 35,800	\$ 40,250	\$ 44,700	\$ 48,300	\$ 51,900	\$ 55,450	\$ 59,050

RESOLUTION 2005-88

WHEREAS, on September 14, 2004, the Grand Island City Council authorized the Mayor to proceed with the formulation of documents, contracts and memorandum between the City of Grand Island and the Nebraska Department of Economic Development to effect the application for acceptance for Community Development Block Grant Program funds for Standard Iron, Inc.'s building construction and equipment costs; and

WHEREAS, the city has been successful in obtaining such funds and has proceeded to have the necessary economic development agreement and financing documents drafted to secure the Community Development Block Grant Program loan; and

WHEREAS, it is necessary for the Grand Island City Council to authorize the Mayor to sign the development agreement and the necessary financing documents to conclude the process of extending the Community Development Block Grant Program funds to Standard Iron, Inc.,

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the Mayor is hereby authorized and directed to proceed with executing the Development Agreement with Standard Iron, Inc., and the Demeules Family Limited Partnership as well as all other documents necessary to complete the process of extending Community Development Block Grant Funds to Standard Iron, Inc.

- - -

Adopted by the City Council of the City of Grand Island, Nebraska, March 22, 2005.

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
March 17, 2005	☐ City Attorney