

SMALL BUSINESS FORGIVABLE LOAN AGREEMENT

This Agreement is entered into as of the **18th day of December, 2018** (“Award Date”) among the City of Muscatine, Iowa (the “City”), **Bosch Pest Control** (the “Company”) and **Jeff Cochran** (the “Individual(s)”) and together with the Company, the “Borrower”).

WHEREAS, the City, pursuant to and in strict compliance with all laws applicable to the City, and in particular the provisions of Chapter 15A and Chapter 403 of the Code of Iowa, has established its Small Business Forgivable Loan Program (the “Program”) in order to make available public funds for the support of economic development initiatives and business development in the community; and

WHEREAS, the Program includes the funding of forgivable economic development loans to private entities for the funding of improvements to local businesses and business facilities; and

WHEREAS, this Small Business Forgivable Loan Agreement (the “Agreement”) between the City and the Borrower has been prepared to facilitate the funding of a forgivable economic development loan in the maximum amount of **\$24,562.00** (the “Forgivable Loan”) from the City to the Borrower in connection with certain improvements to be undertaken by the Borrower (the “Improvements”), which Improvements are described on Exhibit A hereto; and

WHEREAS, the Improvements are for the benefit of the Borrower’s business (the “Business”), which Business and the regular operations thereof are described on Exhibit B hereto; and

WHEREAS, Chapter 15A of the Code of Iowa authorizes cities to provide grants, loans, guarantees, tax incentives and other financial assistance to or for the benefit of private persons;

NOW THEREFORE, the parties hereto agree as follows:

A. Borrower’s Covenants

1. The Borrower agrees to undertake and complete the Improvements by **December 18, 2019**, subject to any extensions granted to the Borrower by the City, and to use the proceeds of the Forgivable Loan solely in connection therewith. All improvements must be completed by the first anniversary of the origination of the loan.

2. The Borrower agrees that it will own and operate the Business as described on Exhibit B throughout the term of the Forgivable Loan, aside from any interruptions in regular operations resulting from construction of the Improvements and with any exceptions from such regular operations as are agreed to in writing by the City.

3. The Borrower agrees to repay all un-forgiven principal of the Forgivable Loan in five (5) equal annual installments due on the first, second, third, fourth and fifth anniversary of the Award Date (**\$4,912.40, \$4,912.40, \$4,912.40, \$4,912.40, and \$4,912.40**) (each, an “Anniversary Date”), unless the loan is otherwise forgiven in accordance with the conditions hereinafter set forth in Section B.2. The Borrower hereby acknowledges and agrees to the loan repayment forgiveness conditions set forth in Section B.2 of this Agreement. The Borrower reserves the right to prepay such principal in

any amount at any time without penalty. Payment of principal on the Forgivable Loan shall be made to the City of Muscatine at 215 Sycamore, Muscatine, Iowa 52761-3840 (the "City Administrator's Office") by 4:00 p.m. on each Anniversary Date, as set forth herein. The Borrower shall execute a promissory note in favor of the City to evidence its obligations with respect to the Forgivable Loan. The promissory note shall be in substantially the form as set forth on Exhibit C hereto.

4. The Borrower agrees to submit an annual report to the City not more than 45 days not less than 30 days before each Anniversary Date demonstrating to the satisfaction of the City that the Borrower continues to maintain ownership of the Business and is operating the Business in accordance with its regular operations, as described on Exhibit B hereto. The Annual Report shall include such information, documentation and/or records as the City may require, which information, documents and/or records are listed on Exhibit B hereto.

5. Borrower agrees to complete additional improvements equal to or in excess of the loan award to meet the required 1:1 (applicant investment v. grant funding) match. (See exhibit "A" for additional improvements detail)

6. The Borrower understands the city will file UCC-1 form.

7. The Borrower shall allow the City of Muscatine permission to use photographs, logos, published and printed information, and additional materials the borrower may supply in press releases and publications.

B. City's Obligations

1. The City hereby agrees to deliver to the Borrower proceeds of the Forgivable Loan in its entirety in the amount of **twenty-four thousand and five hundred and sixty two dollar and no cents (\$24,562)** on the date hereof.

2. The City will file UCC-1 form to secure a position as a creditor for its loan until expiration.

3. Subject to the adequate demonstration (as set forth in Section A.4 above) by the Borrower, the City agrees to forgive one-fifth (1/5th) of the principal amount of the Forgivable Loan on each Anniversary Date such that if the Borrower continues to own and operate the Business as covenanted in Section A.2 above until the fifth Anniversary Date (**December 18, 2023**), the Forgivable Loan would be entirely forgiven.

4. Promptly following discharge of the Borrower's obligations under the Forgivable Loan, whether by repayment as set forth in Section A.3. above, forgiveness as set forth in Section B.2. above, or a combination of repayment and forgiveness, the City agrees to cooperate with Borrower to file a release of the Mortgage or the Financing Statement at Borrower's expense.

C. Events of Default, Remedies & Offset.

1. The occurrence of any of the following shall constitute an Event of Default:

- a. The Borrower shall fail to complete the Improvements by the Completion Date.
- b. The Borrower shall cease to own and operate the Business as covenanted in Section A.2 above.
- c. The Borrower shall fail to make when due, whether by acceleration or otherwise, any payment of principal of the Forgivable Loan.

2. If any Event of Default described in Section C.1 shall occur and be continuing for a period of five (5) days after notice of such Event of Default has been given to the Borrower, then the City may declare the outstanding unpaid principal balance of the Forgivable Loan to be forthwith due and payable, whereupon the Forgivable Loan shall immediately become due and payable, in each case without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived, anything in this Agreement to the contrary notwithstanding.

D. Administrative Provisions

1. This Agreement may not be amended or assigned by either party without the written consent of the other party.
2. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties.
3. This Agreement shall be deemed to be a contract made under the laws of the State of Iowa and for all purposes shall be governed by and construed in accordance with laws of the State of Iowa.
4. This Agreement shall remain in full force and effect during the time period (the "Term") commencing with the date first written above and terminating on **December 18, 2023** (the fifth Anniversary Date).

The City, the Company and the Individuals have caused this Agreement to be signed, in their names and on their behalf by their duly authorized officers, all as of the day and date written above.



CITY OF MUSCATINE, IOWA

By [Signature]
Mayor

Date: _____

Attest:

[Signature]
City Administrator

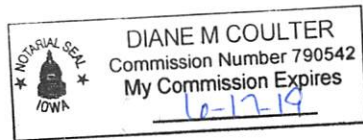
Bosch Pest Control
COMPANY

By [Signature]
Title: Co-Owner
Date: 12/27/18

Jeff Cochran
INDIVIDUAL

By [Signature]
Title: business Assistant
Date: 12-27-18

Notary Public:



State of Iowa
County of Muscatine
Signed and sworn to (or affirmed) before me on
Date: 12-27-18
By: Diane M. Coulter
Signature: [Signature]

EXHIBIT A – IMPROVEMENTS

(Describe the improvements to be undertaken with the Forgivable Loan.)

Bosch Pest Control Project Budget:

Eligible: Doors – Installation/Interior - \$2,517
 Windows - \$6,197
 Walls – Reface Front Exterior - \$15,525
 Floor Covering - \$4,290
 Total: \$28,529

Eligible Code Improvements:

 Electrical outlets, phone openings,
 and bathroom outlet - \$3,849
 Handicap Doors – Installation (two doors) - \$7,634
 Total: \$11,483

Ineligible: Desk/Chair - \$450
 Computer/Monitor - \$637
 Mattress Covers - \$4,063
 Heat Treatment Machine - \$3,962
 Total: \$9,112

The award amount: \$24,562 (\$15,000 for startup and \$9,562 for code)

Award amount is determined using the following; the award must meet all criteria.

- Maximum of \$25,000 total award
- Maximum of \$15,000 towards startup improvements
- Maximum of \$10,000 towards code compliance improvements
- 1:1 Match requirement based on submitted total project cost

Forgivable loan funds can only be used for eligible project cost items (Up to \$15,000 for eligible startup cost and up to \$9,562 for eligible code compliance cost, in this case the eligible code compliance cost is the handicap accessible doorway and electrical outlets). Owners' personal investment (\$24,562 minimum) can go towards eligible and ineligible project cost.

EXHIBIT B – BUSINESS AND OPERATIONS

(Describe the Borrower's business and the regular operations of that business.)

Bosch Pest Control helps to terminate insects invading homes. They strive to have the latest technology and tools to meet growing and changing needs of their consumers. Some of their services include home or business treatment for bed bugs, Asian beetles, spiders, amongst other pests, rodent control programs, termite inspections and treatment, fumigation services, mole treatment, and nuisance wildlife.

(List any and all information, documents and/or records Borrower will be required to present pursuant to Section A.4. of the Loan Agreement.)

- **Annual report detailing**
 - Ongoing business operations
 - Sales and revenue
 - Payroll totals
 - Improvements completed
 - Receipts for all project expenses (year 1)
 - Receipts for all project investment match expenses (year 1)
 - Future business improvement plans
 - Thoughts on how this program could be improved to better support small businesses
 - Can the city suggest any additional resources to support your business

EXHIBIT C – FORM OF PROMISSORY NOTE

MAXIMUM PRINCIPAL AMOUNT: \$24,562

Interest Rate: 0%

Dated: December 18, 2018

Bosch Pest Control (the "Company") and Jeff Cochran (the "Individual(s)" and together with the Company, the "Borrower") for value received, promises to pay, to the City of Muscatine, Iowa (the "City"), its successors or assigns, the principal sum of twenty-four thousand and five hundred and sixty-two dollars (\$24,562), in lawful money of the United States of America, in five equal annual installments on December 18 in each of the years 2019 to 2023, inclusive.

The City has made a forgivable loan to the Borrower the principal amount of \$24,562.00 (the "Forgivable Loan") under this Promissory Note (the "Note") and under a certain Small Business Forgivable Loan Agreement (the "Agreement") between the City and the Borrower dated December 18, 2018, and reference is hereby made to the Agreement for a more complete description of the rights and obligations of the parties.

The Forgivable Loan shall be forgiven by the City in accordance with the terms and schedule set forth in the Agreement.

Payment of principal of the Forgivable Loan shall be made to the City of Muscatine at 215 Sycamore, Muscatine, Iowa 52761-3840 at 4:00 p.m. on December 18 in each of the years 2018 to 2023, unless sooner forgiven in The Borrower reserves the right to prepay principal of this Note, in whole or in part, without penalty, at any time prior to maturity.

In the event of a default under the Agreement which has not been cured in accordance with the terms of the Agreement, including the failure to make payments of principal as they come due under the terms of the Agreement, the Borrower agrees to pay all costs and expenses of collection, including reasonable attorney's fees. The Borrower waives demand, presentment, notice of non-payment, protest, notice of protest and notice of dishonor.

This Note is secured, and its maturity is subject to acceleration in each case upon the terms provided in the Agreement.

The validity, construction and enforceability of this Note shall be governed by the internal laws of the State of Iowa without giving effect to the conflict of laws principles thereof.

Bosch Pest Control
COMPANY

By: [Signature]
Title: Co-Owner

INDIVIDUAL
Title: _____

Notary Public:



State of Iowa

County of Muscatine

Signed and sworn to (or affirmed) before me on

Date: 12-31-18

By: Diane M Coulter

Signature: Diane M Coulter

SECURITY AGREEMENT

On this **18th day of December 2018 Bosch Pest Control** ("Debtor"), for valuable consideration, receipt of which is acknowledged, grants to **City of Muscatine** ("Secured Party") a security interest in the following property of Debtor (the "Collateral")

- A. Installation/Interior - \$2,517
- B. Windows - \$6,197
- C. Walls – Reface Front Exterior - \$15,525
- D. Floor Covering - \$4,290
- E. Electrical outlets, phone openings, and bathroom outlet - \$3,849
- F. Handicap Doors – Installation (two doors) - \$7,634

to secure payment of the following obligations of Debtor to Secured Party (the "Obligations"): City of Muscatine – Small Business Forgivable Loan, **\$24,562** Forgivable Loan to **Bosch Pest Control**

1. **Warranties and Covenants of Debtor.** Debtor warrants and covenants that:
 - (a) No other creditor has a security interest in the Collateral.
 - (b) Debtor is the owner of the Collateral free from any adverse lien or encumbrance except this lien and the others described in this Security Agreement.
 - (c) Debtor will defend the Collateral against all claims of other persons.
 - (d) Debtor will immediately notify the Secured Party in writing of any change in name or address.
 - (e) Debtor will do all such things as Secured Party at any time or from time to time may reasonably request to establish and maintain a perfected security interest in the Collateral.
 - (f) Debtor will pay the cost of filing this agreement in all public offices where recording is deemed by Secured Party to be necessary or desirable. A photographic or other reproduction of this agreement is sufficient as a financing statement.
 - (g) Debtor will not transfer or encumber the Collateral without the prior written consent of Secured Party.
 - (h) Debtor will keep the Collateral insured against risk of loss or damage upon such terms as Secured Party may reasonably require.
 - (i) Debtor will pay promptly when due all taxes and assessments upon the Collateral or for its use or operation or upon this Agreement or upon any note evidencing the Obligations.

2. **Events of Default.** Debtor shall be in default under this Agreement upon the occurrence of any of the following events or conditions: (a) the failure to perform any of the Obligations or this Agreement; (b) the loss, theft, substantial damage, destruction, transfer or encumbrance of the Collateral; (c) the making of any levy, seizure or attachment upon the Collateral; or (d) the filing by Debtor or by any third party against Debtor of any petition under any Federal bankruptcy statute, the appointment of a receiver of any part of the property of Debtor, or any assignment by Debtor for the benefit of creditors.

4. **Remedies.** UPON DEFAULT AND AT ANY TIME THEREAFTER, SECURED PARTY MAY DECLARE ALL OBLIGATIONS IMMEDIATELY DUE AND PAYABLE AND

SHALL HAVE THE REMEDIES OF A SECURED PARTY UNDER THE UNIFORM COMMERCIAL CODE OF TENNESSEE.

[Signature]
City Administrator

Bosch Pest Control,
COMPANY

By: [Signature]
Title: Co Owner
Date: 12/27/18

Notary Public:



State of Iowa
County of Muscatine
Signed and sworn to (or affirmed) before me on
Date: 12-27-18
By: Diane M Coulter
Signature: Diane M Coulter

INSTALLMENT CONTRACT

THIS INSTALLMENT CONTRACT (“**Agreement**”) is made and entered into as of the **18th day of December 2018** by and among **James W. Norris Estate, by Theresa A. Norris** having an address of **319 E. 2nd St., Ste 301, Muscatine IA, 52761** (“**Seller**”); **Bosch Pest Control**, having an address of **1103 Grandview Ave., Muscatine, IA, 52761** (“**Purchaser**”), and **City of Muscatine**, having an address at **215 Sycamore Street, Muscatine IA, 52761** (“**Lender**”).

WITNESSETH:

A. Landlord and Tenant are parties to a contract dated the **25th day of November 2009** (the “**Installment Contract**”) for the property as described therein and commonly known as **1103 Grandview Ave., Muscatine, IA, 52761** (the “**Installment Contract Premises**”).

B. Tenant has requested that the Lender make and extend to Tenant (“**Purchaser**”) certain loans (the “**Loan**”), pursuant to the terms of a loan agreement and certain related loan documents (as amended, extended or renewed from time to time, collectively the “**Loan Documents**”).

C. As security for the obligations of the Borrower under the Loan Documents, the Tenant and the Lender will enter into a Continuing Security Agreement (the “**Security Agreement**”) pursuant to which the Tenant will grant a lien and security interest to the Lender in all of Tenant’s Secured Collateral which is located on the Leased Premises (collectively the “**Collateral**”).

NOW THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which are expressly acknowledged, the parties, with the intent to be legally bound hereby, agree as follows:

1. Seller’s Waiver.

(a) Any and all security interests, liens, claims, demands, interests or rights, including but not limited to the right to levy or distrain for unpaid payments or failure to perform, which the Seller now has or may hereafter acquire in the Collateral by statute, agreement or otherwise, shall be subordinate and inferior to the lien or security interest of the Lender therein, and, as to the Lender, the Landlord waives and relinquishes all rights of levy, distrain or execution with respect to the Collateral.

(b) All or part of the Collateral may be affixed to or installed upon the Installment Contract Premises but shall remain personal property and shall not constitute an accession, addition or fixture on or become a part of the Installment Contract Premises until the Purchaser’s obligations to the Lender are satisfied in full, and the Seller shall acquire no title to or interest in the Collateral by virtue of any such installation or attachment.

(c) The Lender may, in the exercise of its rights against Purchaser, enter upon the Installment Contract Premises and take immediate possession of the Collateral and sell or otherwise dispose of the Collateral from the Installment Contract Premises, or remove the Collateral from the Installment Contract Premises. The Seller will make no objection to such removal or to the performance of whatever acts are necessary for such removal or sale, provided the Lender shall repair any damage to the Installment Contract Premises directly resulting thereby. Seller agrees that, at the Lender’s option, the Collateral may remain upon

the Installment Contract Premises for a reasonable period of time in order for the Lender to prepare for disposition or removal of, or to remove, dispose of, or otherwise deal with, the Collateral.

(d) Except as specifically provided herein, no rights or benefits of Seller under the Installment Contract shall be affected by this Agreement, including, without limitation, (i) Sellers rights and benefits arising from or related to any insurance required by the Installment Contract, and (ii) Sellers rights to indemnification as set forth in the Installment Contract.

2. Purchaser's Right to Cure. Notwithstanding anything in the Installment Contract to the contrary, in the event of a default by Purchaser under the Installment Contract, Seller agrees to provide written notice of such an event of default, pursuant to the terms stated herein, to allow Lender, without obligation, to cure such default within thirty (30) days after receipt of such written notification from the Seller of such default. Seller agrees that the Installment Contract shall remain in full force and effect, unrevoked and unmodified, during such thirty (30) day period so long as the Lender, its agents or representatives, endeavor to cure the default with due diligence and dispatch and thereafter (absent any subsequent default) so long as said cure is affected.

3. Representations, Warranties and Covenants. Seller and Purchaser jointly and severally represent, warrant and covenant to and with the Lender that the Installment Contract is in full force and effect, and constitutes the entire understanding of Seller and Purchaser with respect to the Installment Contract Premises. There exists no current default or breach under the Installment Contract by either party, and, to the best knowledge of each of them, no event has occurred at this time which could constitute an event of default or breach thereunder, with the giving of notice, the passage of time, or both.

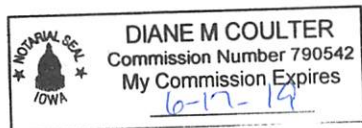
4. Miscellaneous.

(a) This Agreement shall be governed in all respects by the laws of the State of Iowa.

(b) The Installment Contract shall in no way be altered, limited or otherwise affected by this Agreement.



City Administrator



Notary Public:

State of Iowa
County of Muscatine
Signed and sworn to (or affirmed) before me on
Date: 12-27-18
By: Diane M Coulter
Signature: Diane M Coulter

Seller
By _____

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DIANE M COULTER
Commission Number 190542
My Commission Expires

