



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Des Moines, Iowa 50319-0006
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Rob Sand
Auditor of State

NEWS RELEASE

Contact: Rob Sand
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Or Melissa Finestead
515/281-5834

FOR RELEASE

June 26, 2025

Auditor of State Rob Sand today released a reaudit report on the City of Waterloo (City) for the period July 1, 2017 through December 31, 2024. The reaudit petition was submitted to the Office of Auditor of State pursuant to Section 11.6(4)(a)(3) of the *Code of Iowa*. Based on the nature of the concerns present, certain reaudit procedures covered items applicable to the period of July 1, 2017 through December 31, 2024.

The reaudit was requested due to concerns regarding the grant's proceeds disbursed to a developer for the construction of a grocery store. In addition, concerns were raised regarding the City's Conflict of Interest policy and the employee disclosures.

Sand reported the reaudit did not identify any improper disbursements related to the All In Grocers Project Developer Agreement. The report includes recommendations to strengthen the City's internal controls, such as revising its Conflict-of-Interest policy.

A copy of the reaudit report is available for review on the Auditor of State's website at [Audit Reports – Auditor of State](#).

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CITY OF WATERLOO

**AUDITOR OF STATE'S REPORT ON REAUDIT
OF DEVELOPER AGREEMENT FOR THE ALL IN GROCERS PROJECT**

**FOR THE PERIOD
JULY 1, 2017 THROUGH DECEMBER 31, 2024**

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City of Waterloo

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
<u>As of January 2025</u>		
Quentin Hart	Mayor	December 2025
Ray Feuss	Council Member, Mayor Pro Term	December 2025
Robert Nichols	Council Member	December 2025
John Chiles	Council Member	December 2025
Nia Wilder	Council Member	December 2025
Steve Simon	Council Member	December 2027
Dave Boesen	Council Member	December 2027
Belinda Creighton-Smith	Council Member	December 2027

Appointed Officials

Bridgett Wood	Chief Financial Officer	Indefinite
Kelley Felche	City Clerk	Indefinite
Martin Petersen	City Attorney	Indefinite

City of Waterloo



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0006
Telephone (515) 281-5834

Rob Sand
Auditor of State

Auditor of State's Report on Reaudit

To the City Council and Mayor of
the City of Waterloo:

We received a request to perform a reaudit of the City of Waterloo (City) in accordance with Section 11.6(4)(a)(3) of the *Code of Iowa*. As a result of concerns regarding the potential misuse of City grants proceeds by a developer for the period July 1, 2017 through December 31, 2024. Based on discussions with City officials and personnel, discussions with the developer and its contractors, and a review of relevant information, we performed the following procedures.

1. Interviewed City officials to obtain an understanding of the policies and procedures followed to establish a developer agreement.
2. Reviewed disbursements related to the All In Grocers project developer agreement.
3. Interviewed the developer, owners of the grocery store, and members of the construction team to obtain an understanding of the usage of the funds and the role they play in establishing and performing the agreement.
4. Reviewed the Conflict-of-Interest policy and forms for relevant City personnel to ensure City representatives follow the City's policies and procedures.

No items of non-compliance were identified during the performance of the specific procedures listed above. However, a recommendation was made to strengthen the City's policies regarding Conflict-of-Interest forms. The procedures described above do not constitute an audit of financial statements conducted in accordance with U.S. generally accepted auditing standards. Had we performed additional procedures, or had we performed an audit of the City, additional matters might have come to our attention that would have been reported to you.

We would like to acknowledge the assistance extended to us by the officials and personnel of the City during the course of the reaudit.

A handwritten signature in black ink, appearing to read "Rob Sand".

ROB SAND
Auditor of State

June 17, 2025

City of Waterloo

For the period July 1, 2017 through December 31, 2024

Background Information

We received a citizens' petition to conduct a reaudit of the City of Waterloo (City). The request specified the concerns listed in the next section of this report, including:

- Policies and procedures followed for the All In Grocers project developer agreement.
- Potential misuse of City grants proceeds to a developer.
- Conflict of Interest policy and forms.

On September 30, 2024, the City's accounting firm communicated concerns to our office regarding past practices and procedures for developer agreements and disbursements related to it. It was also communicated that staff and citizens raised concerns related to the conflict-of-interest disclosures.

As a result of the request and review of the concerns, we determined it was necessary to perform reaudit procedures for the concerns identified. The reaudit procedures were performed for the period July 1, 2017 through December 31, 2024.

As part of our procedures, we prepared a timeline regarding the project is shown below:

Prior to August 4, 2017	<p>Rodney Anderson approached the City of Waterloo with the intent to obtain a developer agreement to build a grocery store in a USDA food desert area of the City. Mr. Anderson and the City Planning Department met to develop the idea and to figure out what would be the best parcel to use for this project. In addition to adding food security to an underserved area, the project would also bring new jobs to that community.</p> <p>Mr. Anderson identified Central Property Holdings, LLC as the developer for the project with an original partner.</p> <p>Mr. Anderson and his partner were attempting to secure funding for the project through local banks, which according to Mr. Anderson and others interviewed at the time the local bank seemed interested in being a part of the project. In addition, Mr. Anderson and his partner mentioned that they went to Philadelphia to meet with a company that at the time was in the process of doing similar projects across other communities. However, after some time they realized the advice given was not the right advice for the project and the size they were trying to achieve.</p> <p>Once a parcel/location was determined by the City Planning Department and the Developer, the agreement drafting began. However, in order to use the location for the store, the City had to relocate a women shelter. The shelters building was old and in need of major and costly repairs, which the City deemed it was more cost effective to relocate the shelter to a different location in the City.</p>
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August 4, 2017

An email was sent to two councilmen by an employee of Community Bank & Trust in Waterloo from their work email. According to the email, the individual expressed their concern with the grocery plan and its potential developer agreement. The individual mentioned they cannot support the City providing any kind of funding support via a development agreement for the store and listed multiple reasons. A copy of the email has been included in **Appendix A**.

During our interviews with City employees and residents, we were informed the letter was allegedly sent to the local banks, which caused the bank to be hesitant to fund the project. Therefore, Mr. Anderson was not able to secure local funding and had to secure funding from multiple out of state institutions for the project.

August 7, 2017

The developer agreement was established between Central Property Holdings, LLC and the City of Waterloo. Mr. Anderson and his original partner were the principals of the Central Property Holdings, LLC. The developer agreement is shown in **Appendix B**.

According to the agreement, the “City considers economic development within the City a benefit to the community and is willing for the overall good and welfare of the community to provide financial incentives so as to encourage that goal.” In addition, the agreement states the “Company (Central Property Holdings, LLC) was willing and able to undertake, or to cause to be undertaken, the financing and construction of a building and related improvements on property located in the East Waterloo Unified Urban Renewal and Redevelopment Plan Area.”

The agreement also states the “City believed that the development of the Property 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.”

Based on the original agreement, Central Property Holdings, LLC, was to purchase the pre-existing property, construct a new commercial building of no less than 18,000 square feet with a parking lot. Central Property Holdings, LLC was to begin improvements on the property within 3 years of the agreement and completed 12 months thereafter. Concurrently with closing on Central Property Holdings, LLC purchase of the Property, the City will provide a payment of \$400,000.00 to assist Central Property Holdings, LLC with acquisition of the property. The payment was to be made on behalf of Central Property Holdings, LLC to the seller of the property. The minimum assessment agreement was \$1,500,000.00.

In addition, once all the other provisions in the original agreement were met, the City agreed to rebate property tax annually for any taxable value over the January 1, 2016 value of \$48,130 for the property as follows: Years 1 through 10 at 80% and Year 11 at 25%.

Also, in the event Central Property Holdings, LLC desired to construct an additional project of equivalent or greater value, and provided that City had acquired title to adjacent properties, then the company had the option to purchase the expansion parcels for the sum of \$1.00. However, if Central Property Holdings, LLC chose to do so, then the company entered into a minimum assessment agreement to provide additional value of no less than \$500,000.00. The City also agreed to review the feasibility of allowing additional on-street parking in areas abutting or near the property. As well as proceed in good faith to evaluate opportunities for appropriate use of additional land for the project or in support of the project by means of vacation streets, alleys, or public right of way.

- February 19, 2018 The City and Central Property Holdings, LLC established Amendment #1 for the All In Grocers project. The amendment was to alter the structure of the parking lot acquisition for the grocery store project located at East 2nd Street and Frankling Street. In addition, it included the City would reimburse Central Property Holdings, LLC for the parking lot construction in the amount of \$148,566.00 per the general contractor quote. Amendment one can be seen in **Appendix C**.
- September 24, 2018 The City and Central Property Holdings, LLC established Amendment #2 for the All In Grocers project. The amendment was passed as an agreement of the City to provide an additional development grant in the amount of \$500,000.00 to Central Property Holdings payable within 30 days. Amendment two can be seen in **Appendix D**.
- November 5, 2018 The City and Central Property Holdings, LLC established Amendment #3 for the All In Grocers project. The amendment was passed to release Mr. Anderson's original partner from the personal guaranty that was executed as part of the original agreement. Rodney Anderson shall remain obligated as personal guarantor. Amendment three can be seen in **Appendix E**. During our conversations, they were not able to provide us with the exact date that the original partner left the partnership.
- Before Nov 23, 2020 After Mr. Anderson's original partner left, the City's Human Resource (HR) Director became Mr. Anderson's minority partner for the project, the LLC, and All In Grocers. However, as the HR Director for the City he did not have any voting capabilities; therefore, a new amendment was not deemed necessary. During our conversation, they were not able to provide us with the exact date for when the HR Director became a part owner.
- November 23, 2020 The City and Central Property Holdings established Amendment #4 for the All In Grocers project. It was amended that Central Property Holdings, LLC must begin construction of improvements on the property no later than November 30, 2020, and construction of improvements must be completed within twelve months thereafter. Amendment four can be seen in **Appendix F**.

During our interviews, we were informed the delays for the project were mostly due to funding given that the local banks were not willing to invest in the project. Mr. Anderson had to seek funding from out-of-state institutions, and it took a while to secure the capital needed for the project size. In addition, some of the other potential reasons for the delay that were mentioned were COVID-19 and material shortages, as well as the old foundations and rubble found during site preparation.

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|--------------------|--|
| October 18, 2021 | The City and Central Property Holdings, LLC established Amendment #5 for the All In Grocers project. It was amended that Central Property Holdings, LLC must begin construction of improvements on the property no later than November 30, 2021, and construction of improvements must be completed by December 1, 2022. Amendment five can be seen in Appendix G . |
| January 10, 2022 | The City and Central Property Holdings, LLC established Amendment #6 for the All In Grocers project. According to the amendment, sections 4 and 6 of the DA and Section 1 of the MAA were amended to strike \$2,500,000 therefrom and to substitute \$4,000,000 in its place. Amendment six can be seen in Appendix H . |
| December 19, 2022 | The City and Central Property Holdings, LLC established Amendment #7 for the All In Grocers project to amend project completion date to October 31, 2023. In addition, the City agrees to make to Central Property Holdings, LLC an additional development grant up to \$136,983.05 payable within 30 days after Company provides to City reasonable documentation showing costs and expenses actually incurred by Central Property Holdings, LLC to remove subsurface obstructions and debris. Amendment seven can be seen in Appendix I . |
| October 2, 2023 | Once the construction process wrapped up, All In Grocers held its grand opening. |
| September 16, 2024 | An announcement was made All In Grocers would close for a month in order to work with a new distributor; however, All In Grocers never reopened. Also, Mr. Anderson communicated through his Facebook that the store was going to be under new ownership; however, during our interviews with Mr. Anderson he informed us that the store is yet to be sold. |

No instances of non-compliance were identified related to the specific concerns presented with the reaudit request. In addition, information obtained while performing the procedures is included in the following section of this report along with the concerns provided to us. While the reaudit procedures performed addressed the concerns presented, additional procedures were not performed during our fieldwork for the reaudit. Had we performed additional procedures, additional matters might have been identified and included in this report.

Concerns and Auditor's Responses

- 1) **Developer Agreement** – Concerns were raised regarding the established All In Grocers project developer agreement and City funds proceeds given for the project to the developer or the payment of things related to the project. In addition, there were concerns the contractors were performing work at the personal residences of City officials and employees and the contractor(s) on this project.

Auditor's Response – We evaluated internal controls to determine whether adequate policies and procedures were in place and operating effectively. We obtained the developer agreement and all its amendments for the Central Property Holdings/All In Grocers project which was originally signed on August 7, 2017.

Prior to the approval of the agreement and the amendments, the Council discussed the project on several occasions and opened Council meeting to the public for public comments. The original agreement was passed by City Council unanimously and all amendments were passed with at least five of the votes in favor.

In addition, we requested the general ledger with payments to Central Property Holdings and any other expenses related to the project, as well as any supporting documentation the City received for the disbursements to Central Property Holdings to determine if the amounts paid were in accordance with the agreement and used for the project. According to City officials, supporting documentation is not a requirement for developers to provide when requesting the grant money for their agreements. However, Mr. Anderson was responsible for providing supporting documentation for the expenses related to the project in order to receive reimbursement from the grant funds held by the City. The City and Mr. Anderson provided supporting documentation related to expenses for which the City reimbursed Mr. Anderson. As part of our procedures, we reviewed the grant developer documents and supporting documentation and determined the expenses were related to the grocery store project.

Based on general ledger's provided by the City, Central Property Holdings received \$585,549.05 in grant funding from the City. In addition, the City paid an additional \$400,000.00 to acquire 207 Franklin Street and \$200,000.00 to Iowa Finance Authority for a borrower's settlement for the All In Grocers project. We determined all these payments were approved by City Council with either the original agreement or an amendment to the agreement.

As part of our procedures, we requested supporting documentation from Mr. Anderson and his attorney to show what the City funds were used for. We reviewed the support Mr. Anderson provided which far exceeded that amount he received from the City and confirmed that all the work was in relation to the All In Grocers project. The support included the checks from the City to Central Property Holdings, invoices from the vendors, and tellers checks from Central Property Holdings to the vendors. During our review of Mr. Anderson's support, we did not encounter any instances for personal payments to him or payments for any personal projects not related to All In Grocers.

As previously stated, Mr. Anderson secured financing from an out-of-state credit union for the All In Grocers project. During discussions with Mr. Anderson and his partners, they stated for the credit union to release funds for the project, the contractors had to complete a check list of the work performed in the time period and it had to be verified by the credit union. Once the check list was verified, then the funds would be released. Therefore, the outside funds that Mr. Anderson received could only be used for the project that they were intended for.

In addition to reviewing the use of the funding for the project, the other part of the concern was in relation to personal benefit or work performed in the personal residences of City officials or employees by the contractors of this project. Based on multiple conversations with the general contractor of the All In Grocers project, when we asked if any work was done at personal residences for City officials or employees, he stated "that is a bunch of bullshit and I'm starting to get pissed off". In addition, the general contractor stated he only performed work at All In Grocers. The general

contractor also provided a listing of each of the subcontractors who worked on the All In Grocers project. The general contractor provided the list of subcontractors which included the following types: excavation, HVAC, fencing, masonry, insulation, damp proofing, roofing, sheet metal, overhead doors, glass/glazing, acoustical, flooring, painting, plumbing, refrigeration, fire sprinklers, electrical, and alarm systems. Based on the listing of subcontractors and conversations with contractors, we did not identify any instances where work was performed in any of the personal residences as part of the All In Grocers project or using funds from this project.

We did not identify any instances of non-compliance in relation to the All In Grocers project developer agreement.

Auditor's Recommendation – None.

- 2) **Conflict of Interest** – Concerns were raised the conflict-of-interest policy and the employees' disclosures, because a City employee was part owner of Central Property Holdings LLC and All In Grocers.

Auditor's Response – At the beginning of their employment, all employees were responsible for completing a conflict-of-interest form. A copy of the form has been included in **Appendix J**. We reviewed the available conflict of interest forms for certain City employees to determine if there were any relations to the All In Grocers project. According to the City employee handbook, the policy states "Conflicts of interest could arise in the following circumstances: owning or having a substantial in a supplies or contractor". As part of the policy, before engaging in any activity, transaction, or relationship that might give rise to a conflict of interest, employees should seek advice from the Supervisor, Department Head, or HR.

However, during our review, we determined for six of the employees we reviewed, four of the six employees' conflict of interest forms were not available or could not be located in their employment record. In addition, one of the employees that had a form available in their employment record which did not have an updated form, see **Appendix K**. According to conversations with staff and officials, we determined that the employee was one of the owners of Central Property Holdings, LLC and All In Grocers, but that was not disclosed in their employment record. However, we also determined in their position they do not make any decisions as to whether an agreement gets approved, and their ownership started after the agreement with the City was established. The other employee had a filled-out form with nothing to disclose, see **Appendix L**.

Furthermore, the City does not require the employees to update their Conflict-of-Interest forms on a yearly basis nor do they make them update the forms when the City becomes aware of a potential conflict of interest, as it was the case with the employee and All In Grocers. It is not unusual for City officials or staff to not be aware of a potential Conflict of Interest if the forms are not required to be updated.

Auditor's Recommendation – City officials should revise the Conflict-of-Interest policy to implement all employees review and update their Conflict-of-Interest disclosures on an annual basis. In addition, City officials should ensure the forms are updated if they are aware an employee has a new conflict of interest.

Response – The City of Waterloo thanks the State Auditor's Office for its thorough review of the All-In Grocery Store development agreement. We appreciate the professionalism shown throughout this process and are pleased the audit confirmed no wrongdoing. While we have always followed applicable rules and state code, we welcome the Auditor's recommendation regarding Conflict-of-Interest disclosures. Moving forward, we will implement annual conflict of interest statements with flexibility for real-time updates. The City remains committed to ethical governance, transparency, and full compliance with Iowa state law.

Conclusion – Response accepted.

City of Waterloo

Staff

This reaudit was performed by:

Ryan T Jelsma CFE, Manager
Priscilla M Ruiz Torres, Senior II Auditor

A handwritten signature in black ink that reads "Melissa Finestead". The script is cursive and fluid, with the first name "Melissa" and last name "Finestead" clearly distinguishable.

Melissa Finestead, CFE
Deputy Auditor of State

Appendices

City of Waterloo
Copy of Bank Email

4/24/2018

Gmail - Fwd: Walnut Neighborhood Grocery Store



Fwd: Walnut Neighborhood Grocery Store

6 messages

Fri, Aug 4, 2017 at 10:53 AM

FYI.

Sent from my iPhone

Begin forwarded message:

From:
Date: August 4, 2017 at 10:32:34 AM CDT
To:

Subject: Walnut Neighborhood Grocery Store

Good morning Councilman and Councilman

First and foremost I need to make clear the views I am about to express are my personal views and not those of Community Bank and Trust.

Second, congratulations on the development agreement to rid the city of the 5 Sullivan Brothers Convention Center. I've met the folks at Leslie Hospitality. I am impressed. I think that is going to be an example of money well spent on a project that benefits the entire community.

Third, I am greatly concerned about the Grocery Plan that is making headway through Planning and Zoning and making its way into council chambers toward a vote on a development agreement. I totally understand that the Walnut Neighborhood wants a grocery store. But want and sustain are two different things. At this point I cannot support the City providing any kind of funding, let alone \$1MM of support via a development agreement for this store for the following reasons:

- 1) REMEMBER PUBLIC MARKET!
- 2) We don't need another Public Market.
- 3) REMEMBER LOGAN PLAZA!
- 4) We don't need another Logan Plaza.
- 5) Build it and they will come does not work in a price sensitive market. It may at first, but in the long run I don't see how this store can differentiate itself from chains or box stores at the proposed location and draw business from a low to moderate income neighborhood, and make the necessary margins to operate.
- 6) Independent Grocery Stores face their own challenges. Trends are negative and outlook is not for things to improve in the near future. <http://www.retailwire.com/discussion/will-independent-grocers-turn-it-around-in-2017/>

City of Waterloo

Copy of Bank Email

4/24/2018

Gmail - Fwd: Walnut Neighborhood Grocery Store

- 7) How well do we know the management and their ability to operate a grocery store? Who are the players?
- 8) Please consider what this will cost the City of Waterloo if it fails. First, the proposed \$1MM of tax payer money in the development agreement, Second, the cost of owning a 26,000 square foot building for a two, three or more years after the business fails. And third, another property the City gets to sell for \$1.00 and then give away more money through a second development agreement (i.e., Logan Plaza).
- 9) If there was a market need that could support a grocery store, you can probably assume Fareway, Hy-Vee or other operators would take on the task of providing this service to the Walnut Neighborhood. They've been approached and had no interest in working with this group. There's a reason they passed.
- 10) I am of the opinion citizen's tax dollars should not be spent on projects that do not benefit the community as a whole. I don't see how this project does that.

I urge you and your fellow council members to tread carefully. Vet this very thoroughly and weigh the reward vs. the worst case scenario, which I perceive as the most likely to happen. This business is far from a slam dunk and is not the type of business we should be using development agreements and tax payer dollars to establish in Waterloo.

Regards,

Waterloo, IA 50701

Waterloo, IA 50701

Fax: 319.291.6760



**COMMUNITY
BANK & TRUST**
A Division of Cedar Rapids Bank & Trust



City of Waterloo

City of Waterloo

Copy of Developer Agreement

Doc ID: 008266440013 Type: GEN
 Recorded: 11/01/2017 at 04:05:17 PM
 Fee Amt: \$67.00 Page 1 of 13
 Black Hawk County Iowa
 SANDIE L. SMITH RECORDER
 File **2018-00007765**

* City of Waterloo.

Prepared by Christopher S. Wendland, P.O. Box 596, Waterloo, IA 50704

Phone (319) 234-5701

DEVELOPMENT AGREEMENT

This Development Agreement (the "Agreement") is entered into as of August 7, 2017, by and between Central Property Holdings, LLC (the "Company") and the City of Waterloo, Iowa (the "City"). Rodney A. Anderson and Daniel E. Levi are principals of Company and execute the personal guaranty at the end of this Agreement for the purposes stated therein.

RECITALS

- A. City considers economic development within the City a benefit to the community and is willing for the overall good and welfare of the community to provide financial incentives so as to encourage that goal.
- B. Company is willing and able to undertake, or to cause to be undertaken, the financing and construction of a building and related improvements on property legally described on Exhibit "A" (the "Property"), located in the East Waterloo Unified Urban Renewal and Redevelopment Plan Area, formerly known as the Logan Plaza Urban Renewal and Redevelopment Plan Area ("Urban Renewal Area").
- C. City believes that the development of the Property 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.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the parties agree as follows:

1. **Purchase of Property.** Company is purchasing the Property from its current owner. Company shall take all steps necessary or advisable to complete the purchase of the Property and to obtain marketable title thereto as promptly as possible.

(67)

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City of Waterloo

Copy of Developer Agreement

2. **Improvements.** Company shall construct a new commercial building consisting of no less than 18,000 square feet and related infrastructure, parking and landscaping (collectively, the "Improvements"), all of which shall be located on the Property. The Improvements shall be constructed in accordance with all applicable City, state, and federal building codes and shall comply with all applicable City ordinances and other applicable law. The Property, the Improvements, and all site preparation and development-related work to make the Property usable for Company's purposes as contemplated by this Agreement are collectively referred to as the "Project".

3. **Timeliness of Construction.** The parties agree that Company's commitment to cause the Project to be undertaken and the Improvements to be constructed in a timely manner constitutes a material inducement for the City to extend the development incentives provided for in this Agreement, and that without said commitment City would not have done so. Company must begin construction of Improvements on the Property within three (3) years after the date of this Agreement, and construction of Improvements must be completed within twelve (12) months thereafter (the "Project Completion Date"). If Company has not obtained a building permit and begun in good faith the construction of the Improvements on the schedule set forth above, this Agreement may be cancelled at the sole option of City. If development has commenced but is stopped and/or delayed as a result of an act of God, war, civil disturbance, court order, labor dispute, fire, or other cause beyond the reasonable control of Company, the requirement that construction is to be completed by the Project Completion Date shall be tolled for a period of time equal to the period of such stoppage or delay, and thereafter if construction is not completed within the allowed period of extension the City may terminate this Agreement following the failure of Company to diligently undertake construction within thirty (30) days following written notice of default from City to Company. If at any time Company fails to diligently undertake construction and other activities necessary for completion of the Project, then City may terminate this Agreement following the failure of Company to resume and diligently carry on construction within thirty (30) days following written notice of default from City to Company.

4. **Development Grant; Contingent Repayment; Security.** Concurrently with closing on Company's purchase of the Property, City will provide a payment of \$400,000.00 (the "Grant") to assist Company with acquisition of the Property. The payment will be made on Company's behalf to the seller of the Property. If Company fails to complete the Project as required by Sections 2 and 3, then the Grant will be repayable to City in full, with interest thereon at the rate of six percent (6%) per annum, compounded monthly, from and after the date of disbursement and continuing until repaid in full. As security for repayment of the Grant, Company shall either (a) provide a mortgage against the Property to City, which City agrees to subordinate to any mortgage for acquisition or construction financing, or (b) obtain and keep in force one or more performance bonds in the amount of not less than \$1,500,000.00 and one or more payment bonds that guarantee the timely payment of all materials, services and labor. If Company elects to maintain performance and payment bonds, then certificates or copies of said bonds shall be delivered to City before City disburses the Grant

City of Waterloo

Copy of Developer Agreement

payment to Company, and until Project completion Company will not do or omit the doing of any act which would vitiate any bond.

5. **Utilities.** Company will be responsible for extending water, sewer, telephone, telecommunications, electric, gas and other utility services to any location on the Property and for payment of any associated connection fees.

6. **Minimum Assessment Agreement.** Company acknowledges and agrees that it, or any successor in title to the Property, will pay when due all taxes and assessments, general or special, and all other lawful charges whatsoever levied upon or assessed or placed against the Property. For itself and each of its successors in title to the Property, Company further agrees that, prior to the date set forth in Section 2 of Exhibit "B", neither it nor any successor in title will seek or cause a reduction in the taxable valuation for the Property, which shall be fixed for assessment purposes, below the amount of \$1,500,000.00 (the "Minimum Actual Value"), through:

- (i) willful destruction of the Property, Improvements, or any part of either;
- (ii) a request to the assessor of Black Hawk County; or
- (iii) any proceedings, whether administrative, legal, or equitable, with any administrative body or court within the City, Black Hawk County, the State of Iowa, or the federal government.

Company agrees to sign the agreement attached as Exhibit "B" concurrently with execution of this Agreement.

7. **Tax Rebates.** Provided that the Improvements have been completed as set forth herein, and provided that Company has executed the Minimum Assessment Agreement as set forth in Section 6, City agrees to rebate property tax annually (with the exceptions noted below) for any taxable value over the January 1, 2016 value of \$48,130 for the Property, as follows:

Years 1-10	80%
Year 11	25%

Rebates are payable in respect of a given year only to the extent that general property taxes due and owing for the Property for such year have actually been paid. To receive rebates for a given year, Company must, within twelve (12) months after the tax payment due date, submit a completed rebate request to City on the form provided by or otherwise satisfactory to City, or the rebate will be forfeited at City's option. The first year in which a rebate may be given ("Year 1") shall be the first full year for which the assessment is based on the completed value of the Improvements and not a prior year for which the assessment is based solely on the value of the land or on the value of the land and a partial value of the Improvements, due to partial completion of the Improvements or a partial tax year.

City of Waterloo

Copy of Developer Agreement

The assessed value of the Property as a result of the Improvements must be increased by a minimum of 10% and must increase the annual tax by a minimum of \$500.00. This rebate program is not applicable to any special assessment levy, debt service levy, or any other levy that is exempted from treatment as tax increment financing under the provisions of applicable law.

8. **Purchase Option.** In the event that Company desires to construct an additional project of equivalent or greater value on the Property, and provided that (a) City has acquired title to adjacent properties identified as assessor parcel nos. 8913-24-308-006 and 8913-24-308-025 (the "Expansion Parcels") and legally described as set forth on Exhibit "A", then Company shall have an option (the "Option") to purchase the Expansion Parcels for the sum of \$1.00, provided that Company shall enter into a minimum assessment agreement with respect to said project that provides for additional value of no less than \$500,000.00. The Option may be exercised at any time on or before the fourth (4th) anniversary of the date of this Agreement by delivery of written notice of exercise to City. Within ten (10) days following delivery of the Option notice, the parties shall execute a written purchase agreement in form acceptable to City. Closing shall occur on a date to be agreed upon by the parties following delivery of the Option notice, which date shall be within sixty (60) days of delivery of the Option notice. Other terms and conditions of the closing shall be as specified in the purchase agreement, but in any event shall include as a condition to closing City's determination that Company's plans for additional Improvements satisfy the requirements of this Section and would meet other development criteria substantially similar to the Project criteria set forth in this Agreement.

9. **Other City Assistance.** City will review the feasibility of allowing additional on-street parking in areas abutting or near the Property. City will also proceed in good faith to evaluate opportunities for appropriate use of additional land for the Project or in support of the Project by means of vacating streets, alleys or public right of way. Any such public lands identified for inclusion in the Project will be vacated and conveyed to Company by required procedures and upon conveyance will be deemed to be included within the provisions of this Agreement and eligible for tax rebates

10. **Obligations Contingent.** Each and every obligation of City under this Agreement is expressly made subject to and contingent upon City's completion of all procedures, hearings and approvals deemed necessary by City or its legal counsel for amendment of the urban renewal plan applicable to the Property and/or project area, all of which must be completed within 180 days from the date this Agreement is approved by the City council. If such completion does not occur, then this Agreement shall be deemed canceled and shall be null and void.

11. **Representations and Warranties of City.** City hereby represents and warrants as follows:

City of Waterloo

Copy of Developer Agreement

A. City is not prohibited from consummating the transaction contemplated in this Agreement by any law, regulation, agreement, instrument, restriction, order or judgment.

B. Each person who executes and delivers this Agreement and all documents to be delivered hereunder is and shall be authorized to do so on behalf of City.

12. **Representations and Warranties of Company.** Company hereby represents and warrants as follows:

A. Company is not prohibited from consummating the transaction contemplated in this Agreement by any law, regulation, agreement, instrument, restriction, order or judgment.

B. Company is duly organized, validly existing, and in good standing under the laws of the state of its organization and is duly qualified and in good standing under the laws of the State of Iowa.

C. Company has full right, title, and authority to execute and perform this Agreement and to consummate all of the transactions contemplated herein, and each person who executes and delivers this Agreement and all documents to be delivered to City hereunder is and shall be authorized to do so on behalf of Company.

13. **Materiality of Company's Promises, Covenants, Representations, and Warranties.** Each and every promise, covenant, representation, and warranty set forth in this Agreement on the part of Company to be performed is a material term of this Agreement, and each and every such promise, covenant, representation, and warranty constitutes a material inducement for City to enter this Agreement. Company acknowledges that without such promises, covenants, representations, and warranties, City would not have entered this Agreement. Upon breach of any promise or covenant, or in the event of the incorrectness or falsity of any representation or warranty, City may, at its sole option and in addition to any other right or remedy available to it, terminate this Agreement and declare it null and void.

14. **Notices.** Any notice under this Agreement shall be in writing and shall be delivered in person, by overnight air courier service, by United States registered or certified mail, postage prepaid, or by facsimile (with an additional copy delivered by one of the foregoing means), and addressed:

(a) if to City, at 715 Mulberry Street, Waterloo, Iowa 50703, facsimile number 319-291-4571, Attention: Mayor, *with copies to the City Attorney and the Community Planning and Development Director.*

(b) if to Company, at PO Box 4236 Waterloo, Iowa 50704, facsimile number _____, Attn: Rodney A. Anderson, Manager, with copy to Eric W. Johnson, Beecher Law Firm, P.O. Box 178, Waterloo, Iowa 50704.

City of Waterloo

Copy of Developer Agreement

Delivery of notice shall be deemed to occur (i) on the date of delivery when delivered in person, (ii) one (1) business day following deposit for overnight delivery to an overnight air courier service which guarantees next day delivery, (iii) three (3) business days following the date of deposit if mailed by United States registered or certified mail, postage prepaid, or (iv) when transmitted by facsimile so long as the sender obtains written electronic confirmation from the sending facsimile machine that such transmission was successful. A party may change the address for giving notice by any method set forth in this section.

15. **No Joint Venture.** Nothing in this Agreement shall, or shall be deemed or construed to, create or constitute any joint venture, partnership, agency, employment, or any other relationship between the City and Company nor to create any liability for one party with respect to the liabilities or obligations of the other party or any other person.

16. **Amendment, Modification, and Waiver.** No amendment, modification, or waiver of any condition, provision, or term of this Agreement shall be valid or of any effect unless made in writing, signed by the party or parties to be bound or by the duly authorized representative of same, and specifying with particularity the extent and nature of the amendment, modification, or waiver. Any waiver by any party of any default by another party shall not affect or impair any rights arising from any subsequent default.

17. **Severability.** Each provision, section, sentence, clause, phrase, and word of this Agreement is intended to be severable. If any portion of this Agreement shall be deemed invalid or unenforceable, whether in whole or in part, the offending provision or part thereof shall be deemed severed from this Agreement and the remaining provisions of this Agreement shall not be affected thereby and shall continue in full force and effect. If, for any reason, a court finds that any portion of this Agreement is invalid or unenforceable as written, but that by limiting such provision or portion thereof it would become valid and enforceable, then such provision or portion thereof shall be deemed to be written, and shall be construed and enforced, as so limited.

18. **Captions.** All captions, headings, or titles in the paragraphs or sections of this Agreement are inserted only as a matter of convenience and/or reference, and they shall in no way be construed as limiting, extending, or describing either the scope or intent of this Agreement or of any provisions hereof.

19. **Binding Effect.** This Agreement shall be binding and shall inure to the benefit of the parties and their respective successors, assigns, and legal representatives.

20. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same instrument.

City of Waterloo

Copy of Developer Agreement

21. **Entire Agreement.** This Agreement constitutes the entire agreement of the parties and supersedes all prior or contemporaneous negotiations, discussions, understandings, or agreements, whether oral or written, with respect to the subject matter hereof.

22. **Time of Essence.** Time is of the essence of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Development Agreement by their duly authorized representatives as of the date first set forth above.


[signatures on next page]

City of Waterloo

Copy of Developer Agreement

CITY OF WATERLOO, IOWA

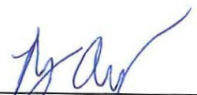
CENTRAL PROPERTY HOLDINGS,
LLC

By: 
Quentin M. Hart, Mayor

By: 
Rodney A. Anderson, Manager

Attest: 
Kelley Felchle, City Clerk

PERSONAL GUARANTY. The undersigned members and/or managers of Company hereby agree for themselves and their heirs, personal representatives, and assigns, to unconditionally guarantee to City, its successors and assigns, the full and prompt performance by Company, its successors and assigns, of all promises and covenants on the part of Company to be performed pursuant to the foregoing Agreement, including but not limited to the duties of indemnity set forth therein, if any. Liability of guarantors hereunder is joint and several.


Rodney A. Anderson


Daniel E. Levi

City of Waterloo

Copy of Developer Agreement

EXHIBIT "A"

Legal Description of Property

Lots 2 and 3 of Waterloo RX First and Franklin Subdivision;
And also, Lots 17 and 18 of Block 64 of Cooley Addition;
And also, that part of the 20 foot alley as platted in Block 64 of Cooley Addition lying
Southeasterly of a Southwesterly extension of the Northwesterly line of Lot 17 of Block
64 of Cooley Addition and lying Northwesterly of a Southwesterly extension of the
Southeasterly line of Lot 18 of Block 64 of Cooley Addition, all in the City of Waterloo,
Black Hawk County, Iowa.

City of Waterloo

Copy of Developer Agreement

EXHIBIT "B"

MINIMUM ASSESSMENT AGREEMENT

This Minimum Assessment Agreement (the "Agreement") is entered into as Aug 7, 2017, by and among the CITY OF WATERLOO, IOWA ("City"), Central Property Holdings, LLC ("Company"), and the COUNTY ASSESSOR of the City of Waterloo, Iowa ("Assessor").

WITNESSETH:

WHEREAS, on or before the date hereof the City and Company have entered into a development agreement (the "Development Agreement") regarding certain real property, described in Exhibit "A" thereto, located in the City; and

WHEREAS, it is contemplated that pursuant to the Development Agreement, the Company will undertake, or cause to be undertaken, the development of an area ("Project") within the East Waterloo Unified Urban Renewal and Redevelopment Plan Area, formerly known as the Logan Plaza Urban Renewal and Redevelopment Plan Area of the City; and

WHEREAS, pursuant to Iowa Code § 403.6, as amended, the City and the Company desire to establish a minimum actual value for the land and the building pursuant to this Agreement and applicable only to the Project, which shall be effective upon substantial completion of the Project and from then until this Agreement is terminated pursuant to the terms herein and which is intended to reflect the minimum actual value of the land and buildings as to the Project only; and

WHEREAS, the City and the Assessor have reviewed the preliminary plans and specifications for the improvements (the "Improvements") which the parties contemplate will be erected as a part of the Project.

NOW, THEREFORE, the parties hereto, in consideration of the promises, covenants, and agreements made by each other, do hereby agree as follows:

1. Upon substantial completion of construction of the Improvements, the minimum actual taxable value which shall be fixed for assessment purposes for the land and Improvements to be constructed thereon as a part of the Project shall not be less than \$1,500,000.00 (the "Minimum Actual Value") until termination of this Agreement. The parties agree that construction of the Improvements will be substantially completed on or before August 1, 2021.
2. The Minimum Actual Value herein established shall be of no further force and effect, and this Minimum Assessment Agreement shall terminate, on December 31, 2039. Nothing herein shall be deemed to waive Company's rights under Iowa Code § 403.6, as amended, to contest that portion of any actual value assignment made by the Assessor in excess of the Minimum Actual Value established herein. In no event,

City of Waterloo

Copy of Developer Agreement

however, shall Company seek or cause the reduction of the actual value assigned below the Minimum Actual Value established herein during the term of this Agreement.

3. This Agreement shall be promptly recorded by the City with the Recorder of Black Hawk County, Iowa. The City shall pay all costs of recording.

4. Neither the preambles nor provisions of this Agreement are intended to, or shall be construed as, modifying the terms of the Development Agreement.

5. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties, including but not limited to future owners of the Project property.

CITY OF WATERLOO, IOWA

CENTRAL PROPERTY HOLDINGS,
LLC

By: 
Quentin M. Hart, Mayor

By: 
Rodney A. Anderson
Manager

Attest: 
Kelley Felchle, City Clerk

STATE OF IOWA)
) ss.
COUNTY OF BLACK HAWK)

On this 2nd day of October, 2017, before me, a Notary Public in and for the State of Iowa, personally appeared Quentin M. Hart and Kelley Felchle, 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 municipal corporation, created and existing under the laws of the State of Iowa, and that the seal affixed to the foregoing instrument is the seal of said municipal corporation, and that said instrument was signed and sealed on behalf of said municipal corporation by authority and resolution of its City Council, and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said municipal corporation by it and by them voluntarily executed.




Notary Public

City of Waterloo

Copy of Developer Agreement

STATE OF IOWA)
) ss.
COUNTY OF BLACK HAWK)

Acknowledged before me on June 7, 2017, by Rodney A. Anderson as
Manager of Central Property Holdings, LLC.



Barbara J. Mostek
Notary Public

City of Waterloo

Copy of Developer Agreement

CERTIFICATION OF ASSESSOR

The undersigned, having reviewed the plans and specifications for the improvements to be constructed and the market value assigned to the land upon which the improvements are to be constructed for the development, and being of the opinion that the minimum market value contained in the foregoing Minimum Assessment Agreement appears reasonable, hereby certifies as follows: The undersigned Assessor, being legally responsible for the assessment of the property subject to the development, upon completion of improvements to be made on it and in accordance with the Minimum Assessment Agreement, certifies that the actual value assigned to such land, building and equipment upon completion of the development shall not be less than One Million Five Hundred Thousand Dollars (\$1,500,000) in the aggregate, until termination of this Minimum Assessment Agreement pursuant to the terms hereof.


Assessor for Black Hawk County, Iowa

11-1-17
Date

STATE OF IOWA)
) ss.
COUNTY OF BLACK HAWK)

Subscribed and sworn to before me on 11-1-17, by T.J.
Koenigsfeld, Assessor for Black Hawk County, Iowa.


Notary Public



City of Waterloo

Copy of Developer Agreement Amendment 1

Page 1 of 4

Doc ID: 009359980004 Type: GEN
Recorded: 08/17/2018 at 12:57:08 PM
Fee Amt: \$22.00 Page 1 of 4
Black Hawk County Iowa
SANDIE L. SMITH RECORDER
File 2019-00002747

Preparer: City of Waterloo
Information: Waterloo, Iowa 50704 (319) 234-5701
Name Address City Phone
SPACE ABOVE THIS LINE
FOR RECORDER

AMENDMENT TO DEVELOPMENT AGREEMENT

This Amendment to Development Agreement (the "Amendment") is entered into as of February 19, 2018, by and between Central Property Holdings, LLC (the "Company") and the City of Waterloo, Iowa (the "City").

RECITALS

- A. Company and City are parties to that certain Development Agreement dated August 7, 2017 (the "DA"), concerning the development of land (the "Property") described on Exhibit "A" to the DA. The DA has been filed in the land records of Black Hawk County, Iowa, as Doc. No. 2018-7765.
- B. Company will make improvements for placement of a grocery store and dining establishment, in furtherance of the purposes of the DA.
- C. The parties desire to amend the DA to modify the terms thereof as set forth in this Amendment.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the parties agree as follows:

1. The DA is hereby amended to strike the first sentence of Section 8 and to substitute in its place the following new first sentence:

"In the event that Company desires to construct an additional project of equivalent or greater value on the Property, and provided that City has acquired title to an adjacent property identified as assessor parcel no. 8913-24-308-006 (the "Expansion Parcel") and legally described as set forth on Exhibit "A", then Company shall have an option (the "Option") to purchase the Expansion Parcel for the sum of \$1.00, provided that Company shall enter into a minimum assessment agreement with respect to said project that provides for additional value of no less than \$500,000.00."

2. The DA is amended to add the following new Section 8.1:

File Number: 2019-00002747 Seq: 1

(39)

4

City of Waterloo

Copy of Developer Agreement Amendment 1

Page 2 of 4

Page 2

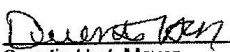
"8.1. **Lot 18.** The parties acknowledge that Company wishes to acquire for development purposes assessor parcel no. 8913-24-308-025, legally described as Lot 18, Block 64, Cooley Addition ("Lot 18"), which is currently owned by 315 Walnut Co-op (the "Co-op"). To achieve the transfer of Lot 18 to Company, City will arrange for the conveyance to Company of one or more parcels located in Block 69, Cooley Addition, to be identified hereafter (the "Parking Lot"), on which Company will construct a parking lot in accordance with a quote from Huff Contracting dated January 30, 2018, providing for work to be done as described therein for the sum of \$148,566. The work will be completed during the 2018 construction season, after Company receives title to the Parking Lot. Upon completion, City will arrange for a simultaneous exchange involving Company's transfer of the Parking Lot to the Co-op and the Co-op's transfer of Lot 18 to Company. Within 30 days after completion of the Parking Lot improvements, City will reimburse Company for Parking Lot construction costs incurred, or pay the contractor directly on Company's behalf, up to the amount of \$148,566."

3. Exhibit "A" of the DA is hereby amended to strike therefrom Lot 18 of Block 64 of Cooley Addition.

4. Except as modified herein, the DA shall continue unmodified in full force and effect. Terms in this Amendment that are capitalized but not defined will have the same meanings herein that are ascribed to them in the DA. The DA and this Amendment shall inure to the benefit of and be binding upon the parties and their respective successors and assigns.

IN WITNESS WHEREOF, the parties have executed this Amendment to Development Agreement by their duly authorized representatives as of the date first set forth above.

CITY OF WATERLOO, IOWA

By: 
Quentin Hart, Mayor

Attest: 
Kelley Felchle, City Clerk

CENTRAL PROPERTY HOLDINGS,
LLC

By: 
Rodney A. Anderson
Managing Member

File Number: 2019-00002747 Seq: 2

City of Waterloo

Copy of Developer Agreement Amendment 1

Page 3 of 4

EXHIBIT "A"

Legal Description of Property

Lots 2 and 3 of Waterloo RX First and Franklin Subdivision;
And also, Lots 17 of Block 64 of Cooley Addition;
And also, that part of the 20 foot alley as platted in Block 64 of Cooley Addition lying
Southeasterly of a Southwesterly extension of the Northwesterly line of Lot 17 of Block
64 of Cooley Addition and lying Northwesterly of a Southwesterly extension of the
Southeasterly line of Lot 18 of Block 64 of Cooley Addition, all in the City of Waterloo,
Black Hawk County, Iowa.

File Number: 2019-00002747 Seq: 3

City of Waterloo

Copy of Developer Agreement Amendment 1

Page 4 of 4

Prepared by LeAnn M. Even, Deputy City Clerk, City of Waterloo, 715 Mulberry Street,
Waterloo, IA 50703, (319) 291-4323.

RESOLUTION NO. 2018-108

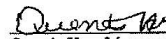
RESOLUTION APPROVING AN AMENDMENT TO THE DEVELOPMENT AGREEMENT WITH CENTRAL PROPERTY HOLDINGS, LLC, TO ALTER THE STRUCTURE OF THE PARKING LOT ACQUISITION FOR THE GROCERY STORE PROJECT LOCATED AT EAST 2ND STREET AND FRANKLIN STREET, AND AUTHORIZE THE MAYOR AND CITY CLERK TO EXECUTE ALL NECESSARY DOCUMENTS.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WATERLOO, IOWA, that an Amendment to Development Agreement dated February 19, 2018, between Central Property Holdings, LLC and the City of Waterloo, Iowa, to alter the structure of the parking lot acquisition for the Grocery Store project located at East 2nd Street and Franklin Street, is hereby approved, and the Mayor and City Clerk are authorized and directed to execute said document on behalf of the City of Waterloo, Iowa.

PASSED AND ADOPTED this 19th day of February 2018.




Kelley Felchle
City Clerk


Quentin Hart, Mayor

CERTIFICATE

I, Kelley Felchle, City Clerk of the City of Waterloo, Iowa, do hereby certify that the preceding is a true and complete copy of Resolution 2018-108, as passed and adopted by the Council of the City of Waterloo, Iowa, on the 19th day of February 2018.

Witness my hand and seal of office this 19th day of February 2018.




Kelley Felchle
City Clerk

File Number: 2019-00002747 Seq: 4

City of Waterloo

Copy of Developer Agreement Amendment 2

Preparer
Information: Name Address City Phone
Waterloo, Iowa 50704 (319) 234.5701
SPACE ABOVE THIS LINE
FOR RECORDER

AMENDMENT NO. 2 TO DEVELOPMENT AGREEMENT

This Amendment No. 2 to Development Agreement (the "Amendment") is entered into as of Sept 24, 2018, by and between Central Property Holdings, LLC (the "Company") and the City of Waterloo, Iowa (the "City").

RECITALS

- A. Company and City are parties to that certain Development Agreement dated August 7, 2017, as later amended on February 19, 2018 (collectively, the "DA"), concerning the development of land (the "Property") described on Exhibit "A" to the DA. The DA has been filed in the land records of Black Hawk County, Iowa, as Doc. No. 2018-7765 and as Doc. No. 2019-2747.
- B. The parties desire to amend the DA to modify the terms thereof as set forth in this Amendment.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the parties agree as follows:

1. City agrees to make to Company an additional development grant in the amount of \$500,000.00, payable within 30 days after the date hereof. The contingent repayment provisions stated in Section 4 of the DA shall apply to the additional grant.
2. Except as modified herein, the DA shall continue unmodified in full force and effect. Terms in this Amendment that are capitalized but not defined will have the same meanings herein that are ascribed to them in the DA. The DA and this Amendment shall inure to the benefit of and be binding upon the parties and their respective successors and assigns.

City of Waterloo

Copy of Bank Email

Page 2

IN WITNESS WHEREOF, the parties have executed this Amendment No. 2 to Development Agreement by their duly authorized representatives as of the date first set forth above.

CITY OF WATERLOO, IOWA

CENTRAL PROPERTY HOLDINGS,
LLC

By: Quentin Hart
Quentin Hart, Mayor

By: Rodney A. Anderson
Rodney A. Anderson
Managing Member

Attest: Kelley Felchle
Kelley Felchle, City Clerk

PERSONAL GUARANTY. The undersigned members and/or managers of Company hereby agree for themselves and their heirs, personal representatives, and assigns, to unconditionally guarantee to City, its successors and assigns, the full and prompt performance by Company, its successors and assigns, of all promises and covenants on the part of Company to be performed pursuant to the Agreement, as amended above, including but not limited to the duties of indemnity set forth therein, if any. Liability of guarantors hereunder is joint and several.

Rodney A. Anderson
Rodney A. Anderson

[Signature]

City of Waterloo

Copy of Developer Agreement Amendment 3

Preparer
Information: Name Address City Phone
Waterloo, Iowa 50704 (319) 234.5701
SPACE ABOVE THIS LINE
FOR RECORDER

AMENDMENT NO. 3 TO DEVELOPMENT AGREEMENT

This Amendment No. 3 to Development Agreement (the "Amendment") is entered into as of Nov 5, 2018, by and between Central Property Holdings, LLC (the "Company") and the City of Waterloo, Iowa (the "City").

RECITALS

- A. Company and City are parties to that certain Development Agreement dated August 7, 2017, as later amended on February 19, 2018 and September 24, 2018 (collectively, the "DA"), concerning the development of land (the "Property") described on Exhibit "A" to the DA. The DA has been filed in the land records of Black Hawk County, Iowa, as Doc. No. 2018-7765 and as Doc. No. 2019-2747.
- B. The parties desire to amend the DA to modify the terms thereof as set forth in this Amendment.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the parties agree as follows:

- 1. Daniel E. Levi is hereby released from the personal guaranty that he executed as part of the DA. Rodney A. Anderson shall remain obligated as personal guarantor.
- 2. Except as modified herein, the DA shall continue unmodified in full force and effect. Terms in this Amendment that are capitalized but not defined will have the same meanings herein that are ascribed to them in the DA. The DA and this Amendment shall inure to the benefit of and be binding upon the parties and their respective successors and assigns.

City of Waterloo

Copy of Developer Agreement Amendment 3

Page 2

IN WITNESS WHEREOF, the parties have executed this Amendment No. 3 to Development Agreement by their duly authorized representatives as of the date first set forth above.

CITY OF WATERLOO, IOWA

By: Quentin Hart
Quentin Hart, Mayor

CENTRAL PROPERTY HOLDINGS,
LLC

By: Rodney A. Anderson
Rodney A. Anderson
Managing Member

Attest: Kelley Felchle
Kelley Felchle, City Clerk

City of Waterloo

Copy of Developer Agreement Amendment 4

DocuSign Envelope ID: 3GEB6AA1-75A2-4F07-BEC6-CB204B6B846E

Doc ID: 010028930002 Type: GEN
Recorded: 12/17/2020 at 02:57:20 PM
Fee Amt: \$12.00 Page 1 of 2
Black Hawk County Iowa
SANDIE L. SMITH RECORDER
File 2021-00012976

City of Waterloo

Preparer Information: Address Waterloo, Iowa 50704 (319) 234-5701
City Phone
SPACE ABOVE THIS LINE
FOR RECORDER

AMENDMENT NO. 4 TO DEVELOPMENT AGREEMENT

This Amendment No. 4 to Development Agreement (the "Amendment") is entered into as of November 23, 2020, by and between Central Property Holdings, LLC (the "Company") and the City of Waterloo, Iowa (the "City").

RECITALS

- A. Company and City are parties to that certain Development Agreement dated August 7, 2017, as later amended on February 19, 2018, September 24, 2018 and November 5, 2018 (collectively, the "DA"), concerning the development of land (the "Property") described on Exhibit "A" to the DA. The DA has been filed in the land records of Black Hawk County, Iowa, as Doc. No. 2018-7765, Doc. No. 2019-2747, Doc. No. 2019-13537 and Doc. No. 2019-13538.
- B. The parties desire to amend the DA to modify the terms thereof as set forth in this Amendment.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the parties agree as follows:

1. Section 3 of the DA is hereby stricken from the Agreement in its entirety, and a new Section 3 is substituted in its place, as follows:

3. **Timeliness of Construction.** The parties agree that Company's commitment to cause the Project to be undertaken and the Improvements to be constructed in a timely manner constitutes a material inducement for the City to extend the development incentives provided for in this Agreement, and that without said commitment City would not have done so. Company must begin construction of Improvements on the Property no later than November 30, 2020, and construction of Improvements must be completed within twelve (12) months thereafter (the "Project Completion Date"). If Company has not obtained a building permit and begun in good faith the construction of the Improvements on the

City of Waterloo

Copy of Developer Agreement Amendment 4

DocuSign Envelope ID: 3CEB6AA1-75A2-4F07-BEC6-CB204B6B846E

Page 2

schedule set forth above, this Agreement may be cancelled at the sole option of City. If development has commenced but is stopped and/or delayed as a result of an act of God, war, civil disturbance, court order, labor dispute, fire, or other cause beyond the reasonable control of Company, the requirement that construction is to be completed by the Project Completion Date shall be tolled for a period of time equal to the period of such stoppage or delay, and thereafter if construction is not completed within the allowed period of extension the City may terminate this Agreement following the failure of Company to diligently undertake construction within thirty (30) days following written notice of default from City to Company. If at any time Company fails to diligently undertake construction and other activities necessary for completion of the Project, then City may terminate this Agreement following the failure of Company to resume and diligently carry on construction within thirty (30) days following written notice of default from City to Company.

2. Except as modified herein, the DA shall continue unmodified in full force and effect. Terms in this Amendment that are capitalized but not defined will have the same meanings herein that are ascribed to them in the DA. The DA and this Amendment shall inure to the benefit of and be binding upon the parties and their respective successors and assigns.

IN WITNESS WHEREOF, the parties have executed this Amendment No. 4 to Development Agreement by their duly authorized representatives as of the date first set forth above.

CITY OF WATERLOO, IOWA

By: Quentin Hart
Quentin Hart, Mayor

CENTRAL PROPERTY HOLDINGS,
LLC

By: Rodney A. Anderson
Rodney A. Anderson
Managing Member

Attest: Kelley Felchle
Kelley Felchle, City Clerk

City of Waterloo

Copy of Developer Agreement Amendment 5



Doc ID: 010354940002 Type: GEN
Recorded: 12/30/2021 at 08:58:08 AM
Fee Amt: \$12.00 Page 1 of 2
Black Hawk County Iowa
SANDIE L. SMITH RECORDER
File **2022-00013516**

Preparer: City of Waterloo
Information: Name Address City Phone
Waterloo, Iowa 50704 (319) 234.5701
Phone
SPACE ABOVE THIS LINE
FOR RECORDER

AMENDMENT NO. 5 TO DEVELOPMENT AGREEMENT

This Amendment No. 5 to Development Agreement (the "Amendment") is entered into as of October 18, 2021, by and between Central Property Holdings, LLC (the "Company") and the City of Waterloo, Iowa (the "City").

RECITALS

- A. Company and City are parties to that certain Development Agreement dated August 7, 2017, as later amended (collectively, the "DA"), concerning the development of land (the "Property") described on Exhibit "A" to the DA. The DA has been filed in the land records of Black Hawk County, Iowa, as Doc. No. 2018-7765, Doc. No. 2019-2747, Doc. No. 2019-13537, Doc. No. 2019-13538 and Doc. No. 2021-12976.
- B. The parties desire to amend the DA to modify the terms thereof as set forth in this Amendment.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the parties agree as follows:

- 1. Section 3 of the DA is hereby stricken from the Agreement in its entirety, and a new Section 3 is substituted in its place, as follows:

3. **Timeliness of Construction.** The parties agree that Company's commitment to cause the Project to be undertaken and the Improvements to be constructed in a timely manner constitutes a material inducement for the City to extend the development incentives provided for in this Agreement, and that without said commitment City would not have done so. Company must begin construction of Improvements on the Property no later than November 30, 2021, and construction of Improvements must be completed by December 31, 2022 (the "Project Completion Date"). If Company has not begun in good faith the construction of the Improvements on the schedule set forth above, this Agreement may be cancelled at the sole option of City. If development has commenced but is

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City of Waterloo

Copy of Developer Agreement Amendment 5


Page 2

stopped and/or delayed as a result of an act of God, war, civil disturbance, court order, labor dispute, fire, or other cause beyond the reasonable control of Company, the requirement that construction is to be completed by the Project Completion Date shall be tolled for a period of time equal to the period of such stoppage or delay, and thereafter if construction is not completed within the allowed period of extension the City may terminate this Agreement following the failure of Company to diligently undertake construction within thirty (30) days following written notice of default from City to Company. If at any time Company fails to diligently undertake construction and other activities necessary for completion of the Project, then City may terminate this Agreement following the failure of Company to resume and diligently carry on construction within thirty (30) days following written notice of default from City to Company.

2. Except as modified herein, the DA shall continue unmodified in full force and effect. Terms in this Amendment that are capitalized but not defined will have the same meanings herein that are ascribed to them in the DA. The DA and this Amendment shall inure to the benefit of and be binding upon the parties and their respective successors and assigns.


IN WITNESS WHEREOF, the parties have executed this Amendment No. 5 to Development Agreement by their duly authorized representatives as of the date first set forth above.

CITY OF WATERLOO, IOWA

By: Quentin Hart 
Quentin Hart, Mayor

CENTRAL PROPERTY HOLDINGS,
LLC

By: Rodney A. Anderson
Rodney A. Anderson
Managing Member

Attest: Kelley Felchle 
Kelley Felchle, City Clerk

City of Waterloo

Copy of Developer Agreement Amendment 6

Doc ID: 011867510002 Type: GEN
Recorded: 11/18/2022 at 01:21:45 PM
Fee Amt: \$12.00 Page 1 of 2
Black Hawk County Iowa
SANDIE L. SMITH RECORDER
File **2023-00007963**

** City of Waterloo*

Preparer: _____
Information: Name _____ Address _____ City Waterloo, Iowa 50704 Phone (319) 234.5701

SPACE ABOVE THIS LINE
FOR RECORDER

**AMENDMENT NO. 6 TO DEVELOPMENT AGREEMENT
and MINIMUM ASSESSMENT AGREEMENT**

This Amendment No. 6 to Development Agreement and Minimum Assessment Agreement (the "Amendment") is entered into as of January 10, 2022, by and between Central Property Holdings, LLC (the "Company") and the City of Waterloo, Iowa (the "City").

RECITALS

- A. Company and City are parties to that certain Development Agreement dated August 7, 2017, as later amended (collectively, the "DA"), concerning the development of land (the "Property") described on Exhibit "A" to the DA. The DA has been filed in the land records of Black Hawk County, Iowa, as Doc. No. 2018-7765, Doc. No. 2019-2747, Doc. No. 2019-13537, Doc. No. 2019-13538, Doc. No. 2021-12976 and Doc. 2022-13516. In connection with the DA, the parties also executed a certain Minimum Assessment Agreement dated August 7, 2017 (the "MAA").
- B. The parties desire to amend the DA to modify the terms thereof as set forth in this Amendment.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the parties agree as follows:

- 1. Sections 4 and 6 of the DA and Section 1 of the MAA are amended to strike "\$2,500,000.00" therefrom and to substitute "\$4,000,000.00" in its place.
- 2. Except as modified herein, the DA and MAA shall continue unmodified in full force and effect. Terms in this Amendment that are capitalized but not defined will have the same meanings herein that are ascribed to them in the DA or MAA, as applicable. The DA, the MAA and this Amendment shall inure to the benefit of and be binding upon the parties and their respective successors and assigns.

12.00007963

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City of Waterloo

Copy of Developer Agreement Amendment 6

Page 2

IN WITNESS WHEREOF, the parties have executed this Amendment No. 6 to Development Agreement and Amendment to Minimum Assessment Agreement by their duly authorized representatives as of the date first set forth above.

CITY OF WATERLOO, IOWA

By: Quentin Hart 
Quentin Hart, Mayor

CENTRAL PROPERTY HOLDINGS,
LLC

By: Rodney A. Anderson
Rodney A. Anderson
Managing Member

Attest: Kelley Felchle 
Kelley Felchle, City Clerk

City of Waterloo

City of Waterloo

Copy of Developer Agreement Amendment 7

Doc ID: 011904250003 Type: GEN
 Recorded: 02/17/2023 at 11:48:08 AM
 Fee Amt: \$17.00 Page 1 of 3
 Black Hawk County Iowa
 SANDIE L. SMITH RECORDER
 File **2023-00011530**

*city of waterloo

Preparer
Information:

Name

Address

Waterloo, Iowa 50704

(319) 234.5701

City

Phone

SPACE ABOVE THIS LINE
FOR RECORDER**AMENDMENT NO. 7 TO DEVELOPMENT AGREEMENT**

This Amendment No. 7 to Development Agreement (the "Amendment") is entered into as of 12/19/2022, by and between Central Property Holdings, LLC (the "Company") and the City of Waterloo, Iowa (the "City").

RECITALS

- A. Company and City are parties to that certain Development Agreement dated August 7, 2017, as later amended (collectively, the "DA"), concerning the development of land (the "Property") described on Exhibit "A" to the DA. The DA as amended has been filed in the land records of Black Hawk County, Iowa, as Doc. No. 2018-7765, Doc. No. 2019-2747, Doc. No. 2019-13537, Doc. No. 2019-13538, Doc. No. 2021-12976, Doc. No. 2022-13516 and Doc. No. 2023-79163.
- B. The parties desire to amend the DA to modify the terms thereof as set forth in this Amendment.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the parties agree as follows:

1. Section 3 is amended to state that the Project Completion Date is October 31st, 2023.
2. In addition to other incentives provided for in the DA, City agrees to make to Company an additional development grant of up to \$136,983.05, payable within 30 days after Company provides to City reasonable documentation showing costs and expenses actually incurred by Company to remove subsurface obstructions and debris unexpectedly found on the site during construction. The contingent repayment provisions stated in Section 4 of the DA shall apply to the additional grant.

17.00 x RK

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City of Waterloo

Copy of Developer Agreement Amendment 7


Page 2

parcel no. 8913-24-305-008, legally described as set forth in Amendment Exhibit A attached hereto (the "Development Lot"). "Closing" shall occur at the earliest practicable date within sixty (60) days after approval of this Amendment by the Waterloo City Council, but in any event after the approval of title to the Development Lot by City and satisfaction or waiver of contingencies, if any. At Closing, Company shall convey fee simple title of the Development Lot to City by special warranty claim deed, free and clear of all encumbrances arising by or through Company except: (a) easements, servitudes, conditions and restrictions of record; and (b) general utility and right-of-way easements serving the Development Lot. City may, at its own expense, prepare an updated abstract of title. If title is unmarketable or subject to matters not acceptable to City, Company shall remedy or remove such objectionable matters in timely fashion following written notice of such objections from City. Company shall provide any title documents it has in its possession, including any abstracts, to assist in title review. Conveyance of the Development Lot shall be made in an "AS-IS" condition.

4. Except as modified herein, the DA shall continue unmodified in full force and effect. Terms in this Amendment that are capitalized but not defined will have the same meanings herein that are ascribed to them in the DA. The DA and this Amendment shall inure to the benefit of and be binding upon the parties and their respective successors and assigns.


IN WITNESS WHEREOF, the parties have executed this Amendment No. 7 to Development Agreement by their duly authorized representatives as of the date first set forth above.

CITY OF WATERLOO, IOWA

By: Quentin Hart  12/19/2022
Quentin Hart, Mayor

CENTRAL PROPERTY HOLDINGS,
LLC

By: Rodney A. Anderson
Rodney A. Anderson
Managing Member

Attest: Kelley Felchle  12/19/2022
Kelley Felchle, City Clerk

City of Waterloo

Copy of Developer Agreement Amendment 7

AMENDMENT EXHIBIT A

Legal Description of Development Lot

Lot 3, Waterloo Rx First & Franklin Subdivision, City of Waterloo, Iowa.

City of Waterloo
Copy of Conflict-of-Interest Form

CITY OF WATERLOO
CONFLICT OF INTEREST STATEMENT

..... **Section I – Name & Position**

Name (*Printed*) _____

Department _____ Position _____

..... **Section II –
No Relationships Requiring Reporting**

I, my spouse or dependent children, do not own or control any business organizations. To the best of my knowledge, I have not been involved in any relationships or transactions that would be considered a conflict of interest with the City of Waterloo except as noted below.

Signature _____ Date _____

..... **Section III –
Relationships Required to be Reported**

EXCEPTIONS:

I, my spouse or dependent children own/control the following business organizations:

Business Name	Relationship	Percentage of Ownership
–		
Business Name	Relationship	Percentage of Ownership
–		
Business Name	Relationship	Percentage of Ownership

Relationships with non-profit organizations:

–	
Organization Name	Relationship
–	
Organization Name	Relationship

Signature _____ Date _____

..... **Section IV –
Approval by Finance Department**

Reviewed by _____

Date _____

City of Waterloo
Copy of Conflict-of-Interest Form

(6/01) Conflict of Interest Statement

City of Waterloo
Copy of Conflict-of-Interest Form HR

CITY OF WATERLOO		
CONFLICT OF INTEREST STATEMENT		
Section I – Name & Position		
Name (Printed) _____		
Department <u>Human Resources</u>	Position <u>HR Director</u>	
Section II – No Relationships Requiring Reporting		
I, my spouse or dependent children, do not own or control any business organizations. To the best of my knowledge, I have not been involved in any relationships or transactions that would be considered a conflict of interest with the City of Waterloo except as noted below.		
Signature _____		Date _____
Section III – Relationships Required to be Reported		
EXCEPTIONS:		
<u>I, my spouse or dependent children own/control the following business organizations:</u>		
<u>Crawings LLC</u>	<u>Owner</u>	<u>100</u>
Business Name	Relationship	Percentage of Ownership
_____	_____	_____
Business Name	Relationship	Percentage of Ownership
_____	_____	_____
Business Name	Relationship	Percentage of Ownership
_____	_____	_____
Relationships with non-profit organizations:		
Organization Name	Relationship	
_____	_____	
Organization Name	Relationship	
_____	_____	
Signature _____		Date <u>5-15-17</u>
Section IV – Approval by Finance Department		
Reviewed by _____		
Date _____		
(6/01) Conflict of Interest Statement		

City of Waterloo

Copy of Conflict-of-Interest Form CFO

CITY OF WATERLOO
CONFLICT OF INTEREST STATEMENT

..... **Section I – Name & Position**

Name (*Printed*) _____

Department _____ Position _____

..... **Section II –**
No Relationships Requiring Reporting

I, my spouse or dependent children, do not own or control any business organizations. To the best of my knowledge, I have not been involved in any relationships or transactions that would be considered a conflict of interest with the City of Waterloo except as noted below.

Signature _____ Date 9/7/2022

..... **Section III –**
Relationships Required to be Reported

EXCEPTIONS:

I, my spouse or dependent children own/control the following business organizations:

Business Name	Relationship	Percentage of Ownership
_____	_____	_____
Business Name	Relationship	Percentage of Ownership
_____	_____	_____
Business Name	Relationship	Percentage of Ownership
_____	_____	_____

Relationships with non-profit organizations:

Organization Name	Relationship
_____	_____
Organization Name	Relationship
_____	_____

Signature _____ Date _____

..... **Section IV –**
Approval by Finance Department

Reviewed by _____

Date _____

(6/01) Conflict of Interest Statement