

DEVELOPMENT AGREEMENT

This Agreement is entered into between the City of Burlington, Iowa (the "City") and the Greater Burlington Partnership (the "Company") as of the 15<sup>th</sup> day of October, 2012.

WHEREAS, the City has established the Flint Hills Urban Renewal Area (the "Urban Renewal Area"), and has adopted a tax increment ordinance for the Urban Renewal Area; and

WHEREAS, the Company has recently sold certain real property which is situated within the Urban Renewal Area and specifically described as:

Lot 1A, in Replat of Lot 1 in Twelfth Addition to Flint Ridge Business Park, a Subdivision in the City of Burlington, Des Moines County, Iowa, as per Plat filed September 6, 2012, recorded as Document No. 2012-004274 in the Office of the Recorder of Des Moines County, Iowa.

(the "Property")

and;

WHEREAS, the purchaser of the Property intends to develop a commercial/industrial facility on the Property (the "Project"); and

WHEREAS, the Company has requested economic development financing assistance in connection with the sale of the Property; 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. Company's Covenants**

1. The Company agrees that the purchaser of the Property will complete the Project and will use the Project as a commercial/industrial facility throughout the term of this Agreement.
2. The Company agrees that the purchaser of the Property will make timely payment of all property taxes imposed against the Property as such payments come due throughout the term of this Agreement.

**B. City's Obligations**

In recognition of the Company's obligations set out above, the City agrees to make economic development tax increment payments (the "Payments") to the Company in each fiscal year during the term of this Agreement, pursuant to Chapters 15A and 403 of the Code of Iowa, provided, however, that the aggregate, total amount of the Payments shall not exceed \$500,000, and all Payments shall be subject to annual appropriation by the City Council.

The Payments will be made on December 1 and June 1 of each fiscal year, beginning in the first fiscal year for which the City receives incremental property tax revenues with respect to an increase in the taxable valuation of the Property over the valuation shown on the tax rolls as of January 1, 2012 (the “Incremental Property Tax Revenues”), and continuing for a total of ten fiscal years or until such earlier date upon which total Payments equal to \$500,000 have been made. For example, if an increase in taxable valuation of the Property is placed on the Des Moines County tax rolls as of January 1, 2013, the first Payment will be made on December 1, 2014. Each Payment shall be in an amount equal to 100% of the Incremental Property Tax Revenues received by the City during the six months immediately preceding each Payment Date.

Incremental Property Tax Revenues are produced by multiplying the consolidated property tax levy (city, county, school, etc.) times the incremental valuation of the Property, then subtracting debt service levies of all taxing jurisdictions, subtracting the school district physical plant and equipment and instructional support levies and subtracting any other levies which may be exempted from such calculation by action of the Iowa General Assembly.

The Payments shall not constitute general obligations of the City, but shall be made solely and only from Incremental Property Tax Revenues attributable to the Property that are received by the City from the Des Moines County Treasurer.

Each Payment shall be subject to annual appropriation by the City Council. Prior to November 15 of each year during the term of this Agreement, the City Council shall consider the question of obligating for appropriation to the funding of the Payments due in the next succeeding fiscal year, an amount of Incremental Property Tax Revenues to be collected in such following fiscal year equal to the City’s estimate of the amount of Incremental Property Tax Revenues that could be collected in such year (the “Appropriated Amount”). Each such estimate shall be based on then current consolidated property tax levy and most recent incremental valuation of the Property.

To the extent the City Council decides to obligate funds for appropriation to the Payments, the City agrees to certify to the Des Moines County Auditor by December 1 of each year during the term of this Agreement, an amount equal to the most recently determined Appropriated Amount.

**C. Administrative Provisions**

1. This Agreement may not be amended or assigned by either party without the express permission of the other party. However, the City hereby gives its permission that the Company’s rights to receive the economic development tax increment payments hereunder may be assigned by the Company to a lender, as security, without further action on the part of the City.

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.

The City and the Company 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 BURLINGTON, IOWA

By: Jim Rawdon  
Mayor

Attest:

Heather Chung  
City Clerk

GREATER BURLINGTON  
PARTNERSHIP

By: Da [Signature]  
President / CEO