

Annual Urban Renewal Report, Fiscal Year 2011 - 2012

Levy Authority Summary

Local Government Name: NORWALK
 Local Government Number: 91G878

Active Urban Renewal Areas	U.R. #	# of Tif Taxing Districts
NORWALK URBAN RENEWAL	91005	10

TIF Debt Outstanding: 12,718,015

**TIF Sp. Rev. Fund Cash Balance
 as of 07-01-2011: 1,723,262**

TIF Revenue:	2,086,709
TIF Sp. Revenue Fund Interest:	0
Asset Sales & Loan Repayments:	-2,054
Total Revenue:	2,084,655

Rebate Expenditures:	523,440
Non-Rebate Expenditures:	2,379,011
Returned to County Treasurer:	0
Total Expenditures:	2,902,451

**TIF Sp. Rev. Fund Cash Balance
 as of 06-30-2012: 905,466**

**Year-End Outstanding TIF
 Obligations, Net of TIF Special
 Revenue Fund Balance: 8,910,098**

Urban Renewal Area Data Collection

Local Government Name: NORWALK (91G878)
 Urban Renewal Area: NORWALK URBAN RENEWAL
 UR Area Number: 91005
 UR Area Creation Date: 01/1996
 UR Area Purpose: economic development

Tax Districts within this Urban Renewal Area

	Base No.	Increment No.
NORWALK CITY/NORWALK SCH/ORIGINAL UR TIF INCREM	91214	91215
NORWALK CITY/NORWALK SCH/AMEND 2 HOUSE UR TIF INCREM	91220	91221
NORWALK CITY AG/NORWALK SCH/AMEND 3 COL MED UR TIF INCREM	91222	91223
NORWALK CITY/NORWALK SCH/AMEND 4 LEGACY UR TIF INCREM	91237	91238
NORWALK CITY AG/NORWALK SCH/LEGACY AMEND 4 UR TIF INCREM	91239	91240
NORWALK CITY/NORWALK SCH/AMEND 3 COL MED UR TIF INCREM	91241	91242
NORWALK CITY/NORWALK SCH/AMEND 1 NBC UR TIF INCREM	91243	91244
NORWALK CITY AG/NORWALK SCH/ORIGINAL UR TIF INCREM	91245	91246
NORWALK CITY/NORWALK SCH/AMEND 5 ECHO VALLEY UR TIF INCREM	91252	91253
NORWALK CITY AG/NORWALK SCH/AMEND 5 ECHO VAL UR TIF INCRE	91254	91255

Urban Renewal Area Value by Class - 1/1/2010 for FY 2012

	Agricultural	Residential	Commercial	Industrial	Other	Military	Total	Gas/Electric Utility	Total
Assessed	213,100	48,218,010	40,873,705	935,435	0	-33,336	90,206,914	0	90,206,914
Taxable	147,072	23,400,198	40,873,705	935,435	0	-33,336	65,323,074	0	65,323,074
Homestead Credits									96

Projects For NORWALK URBAN RENEWAL

2005 Fire Station

Description:	expanded the public safety building
Classification:	Municipal and other publicly-owned or leased buildings
Physically Complete:	Yes
Payments Complete:	No

2001 Police Station/Fire Station

Description:	construction of a police/fire station
Classification:	Municipal and other publicly-owned or leased buildings
Physically Complete:	Yes
Payments Complete:	No

2001 McIninch Sports Complex

Description:	municipal ball fields
Classification:	Municipal and other publicly-owned or leased buildings
Physically Complete:	Yes
Payments Complete:	No

Expanded Fire (2005B Bond issue)

Description:	expanded fire station at the public safety building
Classification:	Municipal and other publicly-owned or leased buildings
Physically Complete:	Yes
Payments Complete:	No

City Hall (2010D Bond Issue)

Description:	City Hall renovation
Classification:	Municipal and other publicly-owned or leased buildings
Physically Complete:	Yes
Payments Complete:	No

Public Works (2010A Bond Issue)

Description:	Public Works Facility Construction
Classification:	Municipal and other publicly-owned or leased buildings
Physically Complete:	Yes
Payments Complete:	No

Echo Valley Golf Course

Description:	Private golf course development Recreational facilities (lake development, parks, ball fields, trails)
Classification:	
Physically Complete:	Yes

Payments Complete: No

Holmes Chevrolet

Description: construction of Chevrolet dealership

Classification: Commercial - retail

Physically Complete: Yes

Payments Complete: No

Fiber Optics

Description: connecting city facilities via fiber optics

Classification: Municipal and other publicly-owned or leased buildings

Physically Complete: Yes

Payments Complete: No

NBC Storm Water

Description: storm water detention for Norwalk Business Center

Classification: Industrial/manufacturing property

Physically Complete: Yes

Payments Complete: Yes

Westcom

Description: upgrading public safety communications per federal mandates

Classification: Municipal and other publicly-owned or leased buildings

Physically Complete: No

Payments Complete: No

Public Works

Description: expanding public works storage and work facilities (additional expenditures outside of bond proceeds)

Classification: Municipal and other publicly-owned or leased buildings

Physically Complete: Yes

Payments Complete: No

City Hall

Description: expanding and rennovating city hall (additional expenses outside of bond proceeds)

Classification: Municipal and other publicly-owned or leased buildings

Physically Complete: Yes

Payments Complete: No

Colonial Parkway

Description: road construction for Capital City Fruit Project

Classification: Industrial/manufacturing property

Physically Complete: No

Payments Complete: No

2001 Norwalk Business Center

Description: land acquisition and infrastructure
Classification: Industrial/manufacturing property
Physically Complete: Yes
Payments Complete: No

2001 Legacy Infrastructure

Description: streets, right-of-way acquisition, construction
Classification: Mixed use property (ie: a significant portion is residential and significant portion is commercial)
Physically Complete: Yes
Payments Complete: No

Debts For NORWALK URBAN RENEWAL

2005B GO Urban Renewal Fire Station Bonds

Debt Type:	Gen. Obligation Bonds/Notes
Principal:	165,000
Interest:	58,520
Total:	223,520
Annual Appropriation Debt:	No
Date Debt Incurred:	06/16/2005
FY of Last Debt Payment:	2013

2005 GO Urban Renewal Fire Station Bonds Series 2005C

Debt Type:	Gen. Obligation Bonds/Notes
Principal:	0
Interest:	37,101
Total:	37,101
Annual Appropriation Debt:	No
Date Debt Incurred:	11/03/2005
FY of Last Debt Payment:	2013

GO Urban Renewal Bonds, 2010A

Debt Type:	Gen. Obligation Bonds/Notes
Principal:	4,375,000
Interest:	1,479,745
Total:	5,854,745
Annual Appropriation Debt:	No
Date Debt Incurred:	08/05/2010
FY of Last Debt Payment:	2030

GO Refunding 2010C

Debt Type:	Gen. Obligation Bonds/Notes
Principal:	415,000
Interest:	7,405
Total:	422,405
Annual Appropriation Debt:	No
Date Debt Incurred:	08/05/2010
FY of Last Debt Payment:	2015

GO Urban Renewal Bonds, Series 2010D

Debt Type:	Gen. Obligation Bonds/Notes
Principal:	1,385,000
Interest:	462,800
Total:	1,847,800
Annual Appropriation Debt:	No
Date Debt Incurred:	09/16/2010
FY of Last Debt Payment:	2030

GO Bonds 2012A

Debt Type:	Gen. Obligation Bonds/Notes
Principal:	1,095,000
Interest:	101,480
Total:	1,196,480
Annual Appropriation Debt:	No
Date Debt Incurred:	03/15/2012
FY of Last Debt Payment:	2022

GO Refunding Bonds 2012B

Debt Type:	Gen. Obligation Bonds/Notes
Principal:	1,770,000
Interest:	113,501
Total:	1,883,501
Annual Appropriation Debt:	No
Date Debt Incurred:	03/15/2012
FY of Last Debt Payment:	2020

Fiber Optics Internal Loan

Debt Type:	Internal Loans
Principal:	22,908
Interest:	0
Total:	22,908
Annual Appropriation Debt:	No
Date Debt Incurred:	03/05/2012
FY of Last Debt Payment:	2012

NBC Storm Water Internal Loan

Debt Type:	Internal Loans
Principal:	48,192
Interest:	0
Total:	48,192
Annual Appropriation Debt:	No
Date Debt Incurred:	06/07/2012
FY of Last Debt Payment:	2012

Westcome Internal Loan

Debt Type:	Internal Loans
Principal:	300,000
Interest:	0
Total:	300,000
Annual Appropriation Debt:	No
Date Debt Incurred:	11/17/2011
FY of Last Debt Payment:	2012

Public Works Internal Loan

Debt Type:	Internal Loans
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Principal:	170,213
Interest:	0
Total:	170,213
Annual Appropriation Debt:	No
Date Debt Incurred:	07/21/2011
FY of Last Debt Payment:	2012

City Hall Internal Loan

Debt Type:	Internal Loans
Principal:	211,205
Interest:	0
Total:	211,205
Annual Appropriation Debt:	No
Date Debt Incurred:	04/27/2011
FY of Last Debt Payment:	2012

Colonial Parkway Internal Loan

Debt Type:	Internal Loans
Principal:	499,945
Interest:	0
Total:	499,945
Annual Appropriation Debt:	No
Date Debt Incurred:	05/16/2011
FY of Last Debt Payment:	2012

Project/Debt Link For NORWALK URBAN RENEWAL

Projects For 2005B GO Urban Renewal Fire Station Bonds

2005 Fire Station

Projects For Westcome Internal Loan

Westcom

Projects For Public Works Internal Loan

Public Works

Projects For City Hall Internal Loan

City Hall

Projects For Colonial Parkway Internal Loan

Colonial Parkway

Projects For 2005 GO Urban Renewal Fire Station Bonds Series 2005C

2005 Fire Station

Projects For GO Urban Renewal Bonds, 2010A

Public Works (2010A Bond Issue)

Projects For GO Refunding 2010C

Colonial Parkway

2001 Norwalk Business Center

2001 Legacy Infrastructure

Projects For GO Urban Renewal Bonds, Series 2010D

City Hall

Projects For GO Bonds 2012A

Westcom

Projects For GO Refunding Bonds 2012B

2005 Fire Station

2001 Police Station/Fire Station

2001 McIninch Sports Complex

Projects For Fiber Optics Internal Loan

Fiber Optics

Projects For NBC Storm Water Internal Loan

NBC Storm Water

Rebates For NORWALK URBAN RENEWAL

2501 Sunset

TIF Expenditure Amount:	68,183
Rebate Paid To:	Holmes Chevrolet
Projected Final FY of Rebate:	2020

801 Colonial Circle

TIF Expenditure Amount:	59,088
Rebate Paid To:	Iowa Health
Projected Final FY of Rebate:	2015

3150 Echo Valley Drive

TIF Expenditure Amount:	88,766
Rebate Paid To:	Colonial Meadows, LC (Priebe)
Tied To Project:	Echo Valley Golf Course
Projected Final FY of Rebate:	2020

Echo Valley/The Ridge

TIF Expenditure Amount:	307,403
Rebate Paid To:	United Properties
Projected Final FY of Rebate:	2024

Jobs For NORWALK URBAN RENEWAL

Project:	Holmes Chevrolet
Company Name:	Holmes Chevrolet
Date Agreement Began:	09/06/2007
Date Agreement Ends:	09/16/2007
Number of Jobs Created or Retained:	25
Total Annual Wages of Required Jobs:	780,000
Total Estimated Private Capital Investment:	4,351,800
Total Estimated Cost of Public Infrastructure:	0

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TIF Taxing District Data Collection

Local Government Name: NORWALK (91G878)
 Urban Renewal Area: NORWALK URBAN RENEWAL (91005)
 TIF Taxing District Name: NORWALK CITY/NORWALK SCH/ORIGINAL UR TIF INCREM
 TIF Taxing District Inc. Number: 91215

TIF Taxing District Base Year: 1997

FY TIF Revenue First Received: 1999

Is this TIF Taxing District Subject to a Statutory end date? No

	UR Designation	Designation Date
Slum	No	
Blighted	No	
Economic Development	Yes	11/1997

TIF Taxing District Value by Class - 1/1/2010 for FY 2012

	Agricultural	Residential	Commercial	Industrial	Other	Military	Total	Gas/Electric Utility	Total
Assessed	0	10,424,310	21,716,640	0	0	-25,928	32,115,022	0	32,115,022
Taxable	0	5,058,919	21,716,640	0	0	-25,928	26,749,631	0	26,749,631
Homestead Credits									53

	Frozen Base Value	Max Increment Value	Increment Used	Increment Not Used	Increment Revenue Not Used
Fiscal Year 2012	8,565,627	23,575,323	23,575,319	4	0

FY 2012 TIF Revenue Received: 785,714

TIF Taxing District Data Collection

Local Government Name: NORWALK (91G878)
 Urban Renewal Area: NORWALK URBAN RENEWAL (91005)
 TIF Taxing District Name: NORWALK CITY/NORWALK SCH/AMEND 2 HOUSE UR TIF INCREM
 TIF Taxing District Inc. Number: 91221

TIF Taxing District Base Year: 1998

FY TIF Revenue First Received: 1999

Is this TIF Taxing District Subject to a Statutory end date? No

	UR Designation	Designation Date
Slum	No	
Blighted	No	
Economic Development	Yes	11/1997

TIF Taxing District Value by Class - 1/1/2010 for FY 2012

	Agricultural	Residential	Commercial	Industrial	Other	Military	Total	Gas/Electric Utility	Total
Assessed	0	0	0	0	0	0	0	0	0
Taxable	0	0	0	0	0	0	0	0	0
Homestead Credits									0

	Frozen Base Value	Max Increment Value	Increment Used	Increment Not Used	Increment Revenue Not Used
Fiscal Year 2012	103,931	0	0	0	0

FY 2012 TIF Revenue Received: 0

TIF Taxing District Data Collection

Local Government Name: NORWALK (91G878)
 Urban Renewal Area: NORWALK URBAN RENEWAL (91005)
 TIF Taxing District Name: NORWALK CITY AG/NORWALK SCH/AMEND 3 COL MED UR TIF INCREM
 TIF Taxing District Inc. Number: 91223

TIF Taxing District Base Year: 2002

FY TIF Revenue First Received: 2004

Is this TIF Taxing District Subject to a Statutory end date? Yes
 Fiscal year this TIF Taxing District statutorily ends: 2024

	UR Designation	Designation Date
Slum	No	
Blighted	No	
Economic Development	Yes	12/2002

TIF Taxing District Value by Class - 1/1/2010 for FY 2012

	Agricultural	Residential	Commercial	Industrial	Other	Military	Total	Gas/Electric Utility	Total
Assessed	0	0	0	0	0	0	0	0	0
Taxable	0	0	0	0	0	0	0	0	0
Homestead Credits									0

	Frozen Base Value	Max Increment Value	Increment Used	Increment Not Used	Increment Revenue Not Used
Fiscal Year 2012	59,276	0	0	0	0

FY 2012 TIF Revenue Received: 0

TIF Taxing District Data Collection

Local Government Name: NORWALK (91G878)
 Urban Renewal Area: NORWALK URBAN RENEWAL (91005)
 TIF Taxing District Name: NORWALK CITY/NORWALK SCH/AMEND 4 LEGACY UR TIF INCREM
 TIF Taxing District Inc. Number: 91238

 TIF Taxing District Base Year: 2003

 FY TIF Revenue First Received: 2005

Is this TIF Taxing District Subject to a Statutory end date? Yes
 Fiscal year this TIF Taxing District statutorily ends: 2025

	UR Designation	Designation Date
Slum	No	
Blighted	No	
Economic Development	Yes	09/2003

TIF Taxing District Value by Class - 1/1/2010 for FY 2012

	Agricultural	Residential	Commercial	Industrial	Other	Military	Total	Gas/Electric Utility	Total
Assessed	0	2,435,500	2,096,100	0	0	-5,556	4,526,044	0	4,526,044
Taxable	0	1,181,968	2,096,100	0	0	-5,556	3,272,512	0	3,272,512
Homestead Credits									12

	Frozen Base Value	Max Increment Value	Increment Used	Increment Not Used	Increment Revenue Not Used
Fiscal Year 2012	51,900	3,272,512	3,272,512	0	0

FY 2012 TIF Revenue Received: 111,008

TIF Taxing District Data Collection

Local Government Name: NORWALK (91G878)
 Urban Renewal Area: NORWALK URBAN RENEWAL (91005)
 TIF Taxing District Name: NORWALK CITY AG/NORWALK SCH/LEGACY AMEND 4 UR TIF INCREM
 TIF Taxing District Inc. Number: 91240

TIF Taxing District Base Year: 2003

FY TIF Revenue First Received: 2005

Is this TIF Taxing District Subject to a Statutory end date? Yes
 Fiscal year this TIF Taxing District statutorily ends: 2020

	UR Designation	Designation Date
Slum	No	
Blighted	No	
Economic Development	Yes	09/2003

TIF Taxing District Value by Class - 1/1/2010 for FY 2012

	Agricultural	Residential	Commercial	Industrial	Other	Military	Total	Gas/Electric Utility	Total
Assessed	73,500	0	0	0	0	0	73,500	0	73,500
Taxable	50,726	0	0	0	0	0	50,726	0	50,726
Homestead Credits									0

	Frozen Base Value	Max Increment Value	Increment Used	Increment Not Used	Increment Revenue Not Used
Fiscal Year 2012	53,000	20,500	20,500	0	0

FY 2012 TIF Revenue Received: 0

TIF Taxing District Data Collection

Local Government Name: NORWALK (91G878)
 Urban Renewal Area: NORWALK URBAN RENEWAL (91005)
 TIF Taxing District Name: NORWALK CITY/NORWALK SCH/AMEND 3 COL MED UR TIF INCREM
 TIF Taxing District Inc. Number: 91242

TIF Taxing District Base Year: 2000

FY TIF Revenue First Received: 2002

Is this TIF Taxing District Subject to a Statutory end date? Yes
 Fiscal year this TIF Taxing District statutorily ends: 2022

	UR Designation	Designation Date
Slum	No	
Blighted	No	
Economic Development	Yes	11/2000

TIF Taxing District Value by Class - 1/1/2010 for FY 2012

	Agricultural	Residential	Commercial	Industrial	Other	Military	Total	Gas/Electric Utility	Total
Assessed	0	17,506,000	10,382,125	0	0	-1,852	27,886,273	0	27,886,273
Taxable	0	8,495,650	10,382,125	0	0	-1,852	18,875,923	0	18,875,923
Homestead Credits									15

	Frozen Base Value	Max Increment Value	Increment Used	Increment Not Used	Increment Revenue Not Used
Fiscal Year 2012	481,673	18,875,923	18,875,923	0	0

FY 2012 TIF Revenue Received: 634,888

TIF Taxing District Data Collection

Local Government Name: NORWALK (91G878)
 Urban Renewal Area: NORWALK URBAN RENEWAL (91005)
 TIF Taxing District Name: NORWALK CITY/NORWALK SCH/AMEND 1 NBC UR TIF INCREM
 TIF Taxing District Inc. Number: 91244

TIF Taxing District Base Year: 1997

FY TIF Revenue First Received: 1999

Is this TIF Taxing District Subject to a Statutory end date? No

	UR Designation	Designation Date
Slum	No	
Blighted	No	
Economic Development	Yes	11/1997

TIF Taxing District Value by Class - 1/1/2010 for FY 2012

	Agricultural	Residential	Commercial	Industrial	Other	Military	Total	Gas/Electric Utility	Total
Assessed	0	877,600	3,279,840	935,435	0	0	5,092,875	0	5,092,875
Taxable	0	425,902	3,279,840	935,435	0	0	4,641,177	0	4,641,177
Homestead Credits									1

	Frozen Base Value	Max Increment Value	Increment Used	Increment Not Used	Increment Revenue Not Used
Fiscal Year 2012	14,937	4,641,177	4,641,177	0	0

FY 2012 TIF Revenue Received: 162,105

TIF Taxing District Data Collection

Local Government Name: NORWALK (91G878)
 Urban Renewal Area: NORWALK URBAN RENEWAL (91005)
 TIF Taxing District Name: NORWALK CITY AG/NORWALK SCH/ORIGINAL UR TIF INCREM
 TIF Taxing District Inc. Number: 91246

TIF Taxing District Base Year: 1997

FY TIF Revenue First Received: 1999

Is this TIF Taxing District Subject to a Statutory end date? No

	UR Designation	Designation Date
Slum	No	
Blighted	No	
Economic Development	Yes	11/1997

TIF Taxing District Value by Class - 1/1/2010 for FY 2012

	Agricultural	Residential	Commercial	Industrial	Other	Military	Total	Gas/Electric Utility	Total
Assessed	16,200	0	0	0	0	0	16,200	0	16,200
Taxable	11,181	0	0	0	0	0	11,181	0	11,181
Homestead Credits									0

	Frozen Base Value	Max Increment Value	Increment Used	Increment Not Used	Increment Revenue Not Used
Fiscal Year 2012	3,051	11,181	11,181	0	0

FY 2012 TIF Revenue Received: 0

TIF Taxing District Data Collection

Local Government Name: NORWALK (91G878)
 Urban Renewal Area: NORWALK URBAN RENEWAL (91005)
 TIF Taxing District Name: NORWALK CITY/NORWALK SCH/AMEND 5 ECHO VALLEY UR TIF INCREM
 TIF Taxing District Inc. Number: 91253

TIF Taxing District Base Year: 2002

FY TIF Revenue First Received: 2004

Is this TIF Taxing District Subject to a Statutory end date? Yes
 Fiscal year this TIF Taxing District statutorily ends: 2024

	UR Designation	Designation Date
Slum	No	
Blighted	No	
Economic Development	Yes	09/2003

TIF Taxing District Value by Class - 1/1/2010 for FY 2012

	Agricultural	Residential	Commercial	Industrial	Other	Military	Total	Gas/Electric Utility	Total
Assessed	0	16,974,600	3,399,000	0	0	0	20,373,600	0	20,373,600
Taxable	0	8,237,759	3,399,000	0	0	0	11,636,759	0	11,636,759
Homestead Credits									15

	Frozen Base Value	Max Increment Value	Increment Used	Increment Not Used	Increment Revenue Not Used
Fiscal Year 2012	2,474,600	11,636,759	11,636,759	0	0

FY 2012 TIF Revenue Received: 392,994

TIF Taxing District Data Collection

Local Government Name: NORWALK (91G878)
 Urban Renewal Area: NORWALK URBAN RENEWAL (91005)
 TIF Taxing District Name: NORWALK CITY AG/NORWALK SCH/AMEND 5 ECHO VAL UR TIF INCRE
 TIF Taxing District Inc. Number: 91255

TIF Taxing District Base Year: 2002

FY TIF Revenue First Received: 2004

Is this TIF Taxing District Subject to a Statutory end date? Yes
 Fiscal year this TIF Taxing District statutorily ends: 2024

	UR Designation	Designation Date
Slum	No	
Blighted	No	
Economic Development	Yes	09/2003

TIF Taxing District Value by Class - 1/1/2010 for FY 2012

	Agricultural	Residential	Commercial	Industrial	Other	Military	Total	Gas/Electric Utility	Total
Assessed	123,400	0	0	0	0	0	123,400	0	123,400
Taxable	85,165	0	0	0	0	0	85,165	0	85,165
Homestead Credits									0

	Frozen Base Value	Max Increment Value	Increment Used	Increment Not Used	Increment Revenue Not Used
Fiscal Year 2012	86,900	36,500	36,500	0	0

FY 2012 TIF Revenue Received: 0

**Urban Renewal Plan
Norwalk Urban Renewal Area #1
City of Norwalk, Iowa**

A. INTRODUCTION

This Urban Renewal Plan has been developed to help local officials promote economic development in the City of Norwalk. The primary goal of the plan is to stimulate, through public involvement and commitment, private investment in new commercial and industrial development.

In order to achieve this objective, Norwalk (the "City") intends to undertake Urban Renewal activities pursuant to the powers granted to it under Chapters 403 and 15A of the Code of Iowa, 1997, as amended.

In response to a national initiative, an Urban Renewal Program for cities in Iowa was created during the mid-1950's. It was intended to give cities the power to deal with conditions of blight and deterioration. The enabling legislation acknowledged that the existence of such conditions inevitably led to a declining tax base, an increase in the costs for public services, and a long list of other negative impacts on the community.

In 1985, the Iowa General Assembly expanded the scope of urban renewal legislation to allow the use of this program to alleviate and prevent conditions of unemployment within a city. The legislation authorized municipalities to designate areas as "economic development areas" for commercial, industrial and low-and-moderate-income residential development.

The significance of this new addition to cities' powers under the Urban Renewal Act is the recognition of the importance of economic activity to a community's vitality and survivability.

Overall, the Urban Renewal Act allows city councils to formulate a program for using public and private resources to encourage development. In the past, local officials and community leaders may have taken the position of letting only market conditions determine the growth potential of the area. However, in some cases, more can be accomplished if community leaders take an active role in the recruitment of new development through various financial and physical incentives.

In order to help achieve its objectives in the Norwalk Urban Renewal Area #1, the City has prepared this plan in a manner that fulfills the requirements of Chapter 403, Code of Iowa.

B. TAX INCREMENT DISTRICT

One of the most significant and widely-used powers given to city councils under the Urban Renewal Act is the authority to utilize “tax increment financing (TIF).” TIF enables a city to use the property tax dollars produced from new private development to pay for certain public improvements within an Urban Renewal Area.

In order to utilize TIF, a special taxing district will be established by ordinance in the Urban Renewal Area as shown in Exhibit B. Assuming the district is legally established and debt is certified prior to December 31, 1997, the total taxable valuation within the district as of January 1, 1996, will be considered the “base valuation.” When the value of the property inside the special district increases due to new construction or reevaluation, the difference between the base valuation and the new property value is called the “increment.”

After a City incurs tax increment debt to finance improvements within the district, property taxes levied by all local jurisdictions (city, county, school, area college) against the “increment,” with the exception of taxes levied to repay current or future debt incurred by local jurisdictions, are allocated to the City’s tax increment fund rather than to each jurisdiction. These new tax dollars are then used to retire any tax increment debt incurred by the City. Only the portion of the increment needed to pay off the City’s tax increment debt is affected. Any additional incremental taxes go to the usual taxing bodies. If the City has incurred no debt, taxes from the entire increment go to each taxing district.

The City, county, school and area college will not receive any less tax money than had been previously realized, because property taxes levied by these local jurisdictions against the “base valuations” will continue to be distributed just as before. In addition, once the City tax increment debt is paid off, property taxes produced from the increment, as well as from the base valuation, are distributed to the local jurisdictions.

This type of financing tool delays a local government’s ability to immediately realize the direct tax benefits from new construction until public debt in the district

is paid. On the other hand, tax increment financing may be used to promote development which would not otherwise occur. If new development does not take place and property values do not increase as a result, the county and school district will never receive the benefit of the larger tax base.

Costs incurred by the City to make improvements or provide incentives for new development are paid back with the new taxes generated from that development. Unless a tax abatement program is utilized in conjunction with TIF, developers will be paying the going rate for taxes.

The idea behind tax increment financing is that public investment generates private investment, which increases the taxable value of an area, and over time strengthens the tax base. This increased tax base is the long-term return on the public's investment.

C. DESCRIPTION OF THE URBAN RENEWAL AREA

The boundaries of the Norwalk Urban Renewal Area #1 are described in Exhibit A and are illustrated on Exhibit B.

The City reserves the right to modify the boundaries of the area at some future date. Any amendments to the property included within the area will be completed in accordance with Chapter 403 of the Code of Iowa.

D. DISTRICT DESIGNATION

With the adoption of this plan, the City of Norwalk will designate this Urban Renewal Area #1 as an economic development district that is appropriate for the promotion of new commercial and industrial development.

E. LAND USE PLAN AND ZONING

Norwalk has a general plan for the physical development of the City outlined in a 1997 Land Use Plan. The goals and objectives of this Urban Renewal Plan are consistent with the goals and land use policy which were identified and adopted as part of the planning process.

January 1, 1998 zoning classifications located within the Norwalk Urban Renewal Area #1 include:

- C-0 Commercial Office District
- C-1 Neighborhood Commercial District
- C-2 Community Commercial District
- C-3 Highway Service Commercial District
- C-4 Old Town Business District
- R-3 Medium Density Multiple-Family Residential District
- R-4 High Density Multiple-Family Residential District

The City's primary objective in the Norwalk Urban Renewal Area #1 is to promote new commercial and industrial development. This Urban Renewal Plan does not in any way replace the City's current land use planning or zoning regulation process.

F. PROJECT AREA OBJECTIVES

Renewal activities are designed to provide opportunities, incentives, and sites for new and expanded commercial and industrial development within the district.

More specific objectives for development within the Norwalk Urban Renewal Area are as follows:

1. To stimulate through public action and commitment, private investment in new commercial and industrial development and redevelopment.
2. To plan for and provide sufficient land for new development in a manner that is efficient from the standpoint of providing municipal services.
3. To help finance the cost of streets, water, sanitary sewer, storm sewer, or other public improvements in support of new development.

4. To provide a more marketable and attractive investment climate.
5. To achieve a diversified, well-balanced economy providing a desirable standard of living, creating job opportunities, and strengthening the tax base.

G. TYPE OF RENEWAL ACTIVITIES

To meet the objectives of this Urban Renewal Plan and to encourage the development of the area, the City intends to utilize the powers conferred under Chapter 403 and Chapter 15A, Code of Iowa. Activities may include:

1. To undertake and carry out Urban Renewal Projects through the execution of contracts and other instruments.
2. To arrange for or cause to be provided the construction or repair of public infrastructure including streets, water and sewer systems, public utilities or other facilities in connection with Urban Renewal Projects.
3. To provide for the construction of specific site improvements such as grading and site preparation activities, access roads and parking, fencing, utility connections, and related activities.
4. To make loans or grants to private persons or businesses for economic development purposes on such terms as may be determined by the City Council.
5. To borrow money and to provide security therefor.
6. To make or have made surveys and plans necessary for the implementation of the Urban Renewal Program or specific Urban Renewal Projects.
7. To use tax increment financing to achieve a more marketable and competitive land offering price and to provide for necessary physical improvements and infrastructure.
8. To use any or all other powers granted by the Urban Renewal Act to develop and provide for improved economic conditions for the City of Norwalk and the State of Iowa.

H. DEBT LIMIT

- 1) Current constitutional debt limit: \$8,535,721.
- 2) Current general obligation debt: \$3,075,000.
- 3) Proposed amount of indebtedness to be incurred: A specific amount of indebtedness to be incurred in the district has not yet been determined. Preliminary cost estimates to provide water, sewer, and street access to the new industrial park are estimated at between \$400,000 and \$600,000.

I. PROJECT REVIEW

The City of Norwalk will give consideration to the following conditions when determining whether or not to participate in a project with a developer.

1. A developer requests the participation of the City in the development process through the use of tax increment financing.
2. A development agreement can be established which provides acceptable assurance to both the City and the developer that the project will be completed and that contingencies for default are adequately provided for.
3. The developer has a specific proposal which is found to be compatible with the urban renewal goals and is found to be in the best interest of the City.
4. The developer can prove commitment and ability to complete the project.
5. City financial involvement is necessary to allow the project to proceed.

J. PROPERTY ACQUISITION

No property acquisition by the City is anticipated at this time. However, if property acquisition becomes necessary to accomplish the objectives of the plan, urban renewal powers will be carried out, without limitation, in accordance with the State of Iowa Urban Renewal Law.

K. PROPERTY DISPOSITION

If the City does acquire property as part of an Urban Renewal Project, it may be made available to developers after City Council approval. Selection of proposals shall be based on the following criteria:

1. Greatest benefit for the City as a whole and within the Norwalk Urban Renewal Area in particular.
2. Compatibility with neighboring land uses, architecture and design.
3. Conformance to the Urban Renewal Plan and Zoning Ordinance.
4. Willingness of a developer to enter into an agreement with respect to payment of property taxes necessary to retire tax increment debt incurred by the City.
5. Any other conditions and criteria developed and adopted with respect to specific property dispositions.

L. RELOCATION

The need for relocation of residents or businesses by the City is not anticipated. If, however, it becomes necessary for the City to become involved, and before a project is approved, a relocation plan will be developed that complies with the Iowa Act.

M. URBAN RENEWAL PLAN AMENDMENTS

This Norwalk Urban Renewal Area Plan may be amended from time to time to include change in the area, to add or change land use controls and regulations, to modify goals or types of renewal activities, or to amend property acquisition and disposition provisions.

The City Council may amend this plan by resolution after holding a public hearing on the proposed change in accordance with applicable State law.

N. EFFECTIVE PERIOD

This Urban Renewal Plan will become effective upon its adoption by the City Council and will remain in effect as a plan until it is repealed by the City Council. During the life of this plan, the City Council may designate all or any portion of the property covered by this plan as a "tax increment area." With respect to any property covered by this plan which is included in an ordinance which designates that property as a tax increment area, the use of incremental property tax revenues, or the "division of revenue," as those words are used in Chapter 403 of the Code of Iowa, is limited to twenty (20) years from the calendar year following the calendar year in which the City first certifies to the County Auditor the amount of any loans, advances, indebtedness, or bonds which qualify for payment from the incremental property tax revenues attributable to that property.

ORDINANCE NO. 97-07

An ordinance providing for the division of taxes levied on taxable property in the Norwalk Urban Renewal Area No. 1 of the City of Norwalk, Iowa, pursuant to Section 403.19 of the Code of Iowa

BE IT ENACTED by the Council of the City of Norwalk, Iowa:

Section 1. Purpose. The purpose of this ordinance is to provide for the division of taxes levied on the taxable property in the Norwalk Urban Renewal Area No. 1 of the City of Norwalk, Iowa, each year by and for the benefit of the state, city, county, school districts or other taxing districts after the effective date of this ordinance in order to create a special fund to pay the principal of and interest on loans, moneys advanced to or indebtedness, including bonds proposed to be issued by the City of Norwalk to finance projects in such area.

Section 2. Definitions. For use within this ordinance the following terms shall have the following meanings:

"City" shall mean the City of Norwalk, Iowa.

"County" shall mean the County of Warren, Iowa.

"Urban Renewal Area" shall mean the Norwalk Urban Renewal Area No. 1 of the City of Norwalk, Iowa, the boundaries of which are set out below, such area having been identified in the Urban Renewal Plan approved by the City Council by resolution adopted on November 6, 1997:

	Norwalk Land in Sec. Comm Bldg-PT Hwy	Parcel#63-200-00-0960 (13-77-25)
Legal Description	NE NE Lot 1 & Lot 2 Ex W 233.48 NE NE	North Norwalk, North 79' Lot 6
	Lot 3 NE NE	Parcel#63-200-00-0051 (13-77-25)
	Parcel# 63-400-13-0224	North Norwalk 50' x 140' Lot 6
Parcel#63-400-12-0882 (12-77-25)	Norwalk Land in Section PT NW NE NE Lot 1 &	Parcel#63-200-00-0052 (13-77-25)
Norwalk Land in Sec. 12.09AC, SE SE	Lot 2 Ex W 233.48' NE NE of 13-77-25	North Norwalk 20' x 35' South Side Lot
West of H-Way No. 28 Ex. 27 ac & Ext		S & 1' Adj on South Lot 5
North 325' South 365' West 325'	Parcel# 63-400-13-0221	Parcel#63-200-00-0051 (13-77-25)
Parcel#63-400-12-0860 (12-77-25)	Norwalk Land in Sec. Part NE NE E of H-Way	North Norwalk 45' x 74' SW Cor & 10'
Norwalk Land in Sec SE SE East of	& 75' Former R.R. ROW Adj on W	Easement Lot 5 & 1' Adj On South
H-Way No. 28 Ex. Road R.O.W.	Parcel# 63-400-13-0220	Parcel#63-200-00-0050 (13-77-25)
Parcel# 63-400-12-0081	Norwalk Land in Sec. Part NE NE east of	North Norwalk Lot 6 Ex East 20' & Ex 45'
Norwalk Land in Sec N 325' S 365' W 325'	Hwy Ex. SW, 4313	x 74' SW Cor & Ex 20' x 35' South
SE SE	Parcel# 63-400-13-0239	Parcel#63-200-00-0040 (13-77-25)
Parcel#63-400-12-0883 (12-77-25)	Norwalk Land in Sec. 4313 Ac, SW Cor	North Norwalk West 85' Lot 4 & East 20'
Norwalk Land in Sec East 66' North	NE NE East of Hwy.	Lot 6 & West 85' East 160
310.86' South 813.23' SE 6E	Parcel# 63-400-13-0237	Parcel#63-200-00-0250 (13-77-25)
Parcel# 63-280-00-0050	Norwalk Land in Sec. Part Lot 3 NE NE	North Norwalk, 528' E92' Lot 25
Norwalk Trend Heights, Lot 5, Ex Highway	Parcel# 63-400-13-0281	Parcel#63-200-00-0241 (13-77-25)
Parcel# 63-280-00-0040	Norwalk Land in Sec. North 173' of Lot E &	North Norwalk, Lot 24 Ex N 10 1/2' & W T
Norwalk Trend Heights, Lot 4, Ex W 4' Highway	Parcel# 63-140-00-0070	S 28' & N 55' Lot 25 & Lot 26
Parcel# 63-280-00-0030	Norwalk Knolls, Lots 67, 68 & 69 13-77-25	Ex W 16' S 53' & Lot 27 Ex S 63'
Norwalk Trend Heights, Lot 3 Ex W 8' Highway	Parcel# 63-140-00-700	Parcel#63-200-00-240 (13-77-25)
	Norwalk Knolls, Lot 70 13-77-25	North Norwalk, H 10 1/2' Lot 24, All Lot 23
Parcel# 63-280-00-0020	Parcel# 63-140-00-710	Parcel#63-200-00-220 (13-77-25)
Norwalk Trend Heights, Lot 2 Ex Highway	Norwalk Knolls, Lot 71 13-77-25	North Norwalk, S 16 1/2' Lot 22
Parcel# 63-280-00-0010	Parcel# 63-140-00-720	Parcel#63-200-00-221 (13-77-25)
Norwalk Trend Heights, Lot 1 Ex Highway	Norwalk Knolls, Lot 72 13-77-25	North Norwalk, S 55', North 70' Lot 22
Parcel# 63-400-13-0222	Parcel# 63-140-00-730	Parcel#63-200-00-210 (13-77-25)
Norwalk Land in Sec. At Ex E 85' of the W 170'	Norwalk Knolls, Lot 73 13-77-25	North Norwalk, S 48' Lot 21 & H 14' Lot 22
Parcel# 63-400-13-0223	Parcel# 63-140-00-740	Parcel#63-200-00-211 (13-77-25)
Norwalk Land in Sec E 85' of the W 170' of Lot	Norwalk Knolls, East 1/2 Lot 74 13-77-25	North Norwalk, North 60', Lot 21
Parcel# 63-400-13-0233	Parcel# 63-140-00-650	Parcel#63-200-00-200 (13-77-25)
Norwalk Land in Sec. Part NW NE NE	Norwalk Knolls, Lot 65 Ex 25' Highway 13-77-25	North Norwalk, Lot 20 & South 14' Lot 19
Parcel# 63-400-13-0232	Parcel# 63-140-00-650	Parcel#63-200-00-190 (13-77-25)
Norwalk Land in Sec. Part NW NE NE	Norwalk Knolls, Lot 66 Ex 25' Highway 13-77-25	North Norwalk, Lot 18 & North 43' Lot 19
Parcel# 63-400-13-0236	Parcel# 63-400-13-0260	Parcel#63-200-00-170 (13-77-25)
Norwalk Land in Sec. N 1/2 of North 256.5'	Norwalk Land in Sec. S 60' Lot E	North Norwalk, Lot 17
NW Cor NE NE	SE NE & R.R. Adj Lot E	Parcel#63-200-00-0181 (13-77-25)
Parcel# 63-400-13-0238	Parcel# 63-400-13-0282	North Norwalk, South 1/2 Lot Lot 16
Norwalk Land in Sec. S 1/2 of North 256.5'	Norwalk Land in Sec. Lot F SE NE	Parcel#63-200-00-0160 (13-77-25)
NW Cor NE NE	Parcel# 63-380-00-340	North Norwalk, North 1/2 Lot 16 Ex W 15'
Parcel#63-400-13-0234	Norwalk Out Lots Part 66 1/2 Kx 34	Parcel#63-200-00-1152 (13-77-25)
Norwalk Land in Sec. Part NW NE NE	Roadroad Adjustment 13-77-25	North Norwalk, 46'x63' SW Corner Lot
Parcel#63-400-13-1232	Parcel# 63-380-00-0330	15 & West 15' North 1/2 Lot 16 & 16A
Norwalk Land in Sec. 13-77-25 Pt NW NE NE	Norwalk Out Lots W 60' x 300' Lot 33 13-77-25	Parcel#63-200-00-151 (13-77-25)
	Parcel#63-200-00-140 (13-77-25)	North Norwalk, E Part Lot E
Parcel# 63-400-13-0227	North Norwalk, Lot 14	Parcel#63-200-00-150 (13-77-25)
Norwalk Land in Sec. North 85' West	Parcel#63-200-00-130 (13-77-25)	North Norwalk, Lot 16 EX 46'x63' SW
233.48' Lot 2 NE NE	North Norwalk, Lot 13	Corner 15
Parcel# 63-400-13-0228	Parcel#63-200-00-120 (13-77-25)	Parcel#
Norwalk Land in Sec. South 80' West 233.48'	North Norwalk, Lot 12	Norwalk Land in Sec. N 100' of 78/100 Acre
Lot 2 NE NE	Parcel#63-200-00-0110 (13-77-25)	SW NE 13-77-25
	North Norwalk, West 135' Lot 11	Parcel#
	Parcel#63-200-00-100 (13-77-25)	Norwalk Land in Sec; S 65' of 78/100 Acre
	North Norwalk, Lot 10 and E 164' Lot 11	N 1/2 of SW NE 13-77-25
Parcel# 63-400-13-0229	Parcel#63-200-00-0091 (13-77-25)	
Norwalk Land in Sec. Part Lot 3 NE NE	North Norwalk, North 1/2 Lot 9	
Ex Street & Highway	Parcel#63-200-00-0090 (13-77-25)	
Parcel# 63-400-13-0228	North Norwalk, South 1/2 Lot 9	
Norwalk Land in Sec. Part Lot 3 NE NE	Parcel#63-200-00-0080 (13-77-25)	Parcel#63-260-00-0080 (13-77-25)
Parcel# 63-400-13-231	North Norwalk, Lot 8	Summers NW Subdivision Lot A of Lot 8
Norwalk Land in Sec. 89' x 150' NW Corner	Parcel#63-200-00-0070 (13-77-25)	Parcel# 63-260-00-0160
Parcel# 63-400-13-225	North Norwalk, Lot 7	Summers NW Subdivision Lot 16

North Norwalk, Lot 32	Parcel# 63-260-00-170	Stiffers NW Subdivision Lot 1 Ex 48' x 35' BW Corner Lot 1
Parcel# 63-163-00-0020	Stiffers NW Subdivision Lot 17 Ex SE 15' x 100'	Parcel# 63-260-00-011 (13-77-25)
Nor Lanes 3rd Add, Lot 2	Parcel# 63-260-00-169	Stiffers NW Subdivision 18' x 132' Adj on East Lot 1
	Stiffers NW Subdivision Lot 18 Ex SW 15' x 100'	Parcel# 63-260-00-0020 (13-77-26)
Parcel# 63-163-00-0030	Parcel# 63-260-00-160	Stiffers NW Subdivision Lot 2
Nor Lanes 3rd Add, Lot 3	Stiffers NW Subdivision Lot 16 & 78' x 15' East of Lot 18	Parcel# 63-260-00-0030 (13-77-26)
	Parcel# 63-260-00-140	Stiffers NW Subdivision Lot 3
Parcel# 63-163-00-0040	Stiffers NW Subdivision Lot 14	Parcel# 63-260-00-0040 (13-77-25)
Norwalk Lanes 3rd Add, S 1/2 Lots 4&5 13-77-2	Parcel# 63-260-00-0130	Stiffers NW Subdivision Lot 4
Parcel# 63-163-00-0050	Stiffers NW Subdivision Lot 13	Assessed by State of Iowa, No WVC Records
Nor Lanes 3rd Addition, N 1/2 Lots 4&5 13-77-26	Parcel# 63-260-00-0060	
Parcel# 63-163-00-0010	Stiffers NW Subdivision Lot 9	Parcel# 63-020-01-0033
Norwalk Lanes 3rd Add, Lot 1 13-77-25	Parcel# 63-260-00-0061	Norwalk OTP, Part Lot 3, Bk 1 13-77-25
	18' x 168' Adj on East S Lot 9	Parcel# 63-020-01-0040
Norwalk Land In Sec 174' x 176.6' in NW Corner, NW SE East of Hwy 28 13-77-25	Parcel# 63-260-00-0100	Norwalk OTP, Lot 4 Ex S 149' Bk 1 13-77-25
Leased Land for Building Within above Legal WVC checking into values & separation 8/10/97	Stiffers NW Subdivision Lot 10	
	Parcel# 63-260-00-0110	Parcel# 63-020-01-0030
	Stiffers NW Subdivision Lot 11	Norwalk OTP, Part Lots 2 & 3, Bk 1 13-77-25
	Parcel# 63-260-00-0120	Parcel# 63-020-01-0030
	Stiffers NW Subdivision Lot 12	Norwalk OTP, Part of Lots 1, 2 & 3, Bk 1 13-77-2
Parcel# 63-400-13-0262	Parcel# 63-260-00-0083 (13-77-25)	
Norwalk Land In Sec; Part SW, NE	Stiffers NW Subdivision Lot 6 of Lot 8	Parcel# 63-020-01-0030
Parcel# 63-400-13-0260	Parcel# 63-260-00-0070 (13-77-25)	Norwalk DTP, N 54' Lot 1 Bk 1 13-77-25
Norwalk Land In Sec; Part SW NE 13-77-26	Stiffers NW Subdivision Lot 7	
	Parcel# 63-260-00-0090 (13-77-25)	Parcel# 63-200-00-0280 (13-77-26)
Parcel# 63-400-131-0232	Stiffers NW Subdivision Lot 6	North Norwalk Lot 28
Norwalk Land In Sec; PT NW NE NE 13-77-25	Parcel# 63-260-00-0050 (13-77-25)	Parcel# 63-200-00-010 (13-77-25)
Parcel# 63-400-131-0264	Stiffers NW Subdivision Lot 6	North Norwalk, Lot 31
Norwalk Land In Sec; Part SW NE 13-77-25	Parcel# 63-260-00-0010 (13-77-25)	Parcel# 63-260-00-0320 (13-77-25)
Parcel# 63-400-130-0263		
Norwalk Land In Sec, Part SW NE 13-77-25		
Parcel# 63-400-130-0267		
Norwalk Land In Sec, SW Cor SW NE 13-77-25		
Parcel# 63-400-130-040		
Norwalk Land In Sec, 43/100 AC NW SE Ex. Highway 13-77-25		
Parcel# 63-400-130-0623		
Norwalk Land In Sec Parcel D NE SW 13-77-26		
Parcel# Not Yet Assigned		
Norwalk Land as Surveyed SE SE 13-77-25		
Parcel# Not Yet Assigned		
Norwalk Land as Surveyed NW NW Sec 14		

AND

The Northeast Quarter of the Southeast Quarter of Section 14, except the West 400.00 feet; and the North 550.00 feet of the West 400.00 feet of the Northeast Quarter of the Southeast Quarter of Section 14; all in Township 77 North, Range 26 West of the Fifth Principal Meridian, City of Norwalk, Warren County, Iowa

AND

The area includes the full right-of-way of all streets forming the boundary.

Section 3. Provisions for Division of Taxes Levied on Taxable Property in the Urban Renewal Area. After the effective date of this ordinance, the taxes levied on the taxable property in the Urban Renewal Area each year by and for the benefit of the State of Iowa, the City, the County and any school district or other taxing district in which the Urban Renewal Area is located, shall be divided as follows:

(a) that portion of the taxes which would be produced by the rate at which the tax is levied each year by or for each of the taxing districts upon the total sum of the assessed value of the taxable property in the Urban Renewal Area, as shown on the assessment roll as of January 1 of the calendar year preceding the first calendar year in which the City certifies to the County Auditor the amount of loans, advances, indebtedness, or bonds payable from the special fund referred to in paragraph (b) below, shall be allocated to and when collected be paid into the fund for the respective taxing district as taxes by or for said taxing district into which all other property taxes are paid. For the purpose of allocating taxes levied by or for any taxing district which did not include the territory in the Urban Renewal Area on the effective date of this ordinance, but to which the territory has been annexed or otherwise included after the effective date, the assessment roll applicable to property in the annexed territory as of January 1 of the calendar year preceding the effective date of the ordinance which amends the plan for the Urban Renewal Area to include the annexed area, shall be used in determining the assessed valuation of the taxable property in the annexed area.

(b) that portion of the taxes each year in excess of such amounts shall be allocated to and when collected be paid into a special fund of the City to pay the principal of and interest on loans, moneys advanced to or indebtedness, whether funded, refunded, assumed or otherwise, including bonds issued under the authority of Section 403.9(1), of the Code of Iowa, incurred by the City to finance or refinance, in whole or in part, projects in the Urban Renewal Area, except that taxes for the payment of bonds and interest of each taxing district shall be collected against all taxable property within the taxing district without limitation by the provisions of this ordinance. Unless and until the total assessed valuation of the taxable property in the Urban Renewal Area exceeds the total assessed value of the taxable property in such area as shown by the assessment roll referred to in subsection (a) of this section, all of the taxes levied and collected upon the taxable property in the Urban Renewal Area shall be paid into the funds for the respective taxing districts as taxes by or for said taxing districts in the same manner as all other property taxes. When such loans, advances, indebtedness, and bonds, if any, and interest thereon, have been paid, all money thereafter received from taxes upon the taxable property in the Urban Renewal Area shall be paid into the funds for the respective taxing districts in the same manner as taxes on all other property.

(c) the portion of taxes mentioned in subsection (b) of this section and the special fund into which that portion shall be paid may be irrevocably pledged by the City for the payment of the principal and interest on loans, advances, bonds issued under the authority of Section 403.9(1) of the Code of Iowa, or indebtedness incurred by the City to finance or refinance in whole or in part projects in the Urban Renewal Area.

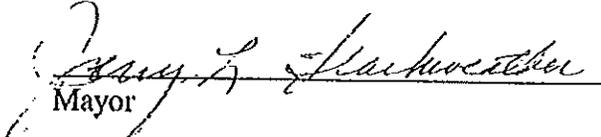
(d) as used in this section, the word "taxes" includes, but is not limited to, all levies on an ad valorem basis upon land or real property.

Section 4. Repealer. All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

Section 5. Saving Clause. If any section, provision, or part of this ordinance shall be adjudged invalid or unconstitutional, such adjudication shall not affect the validity of the ordinance as a whole or any section, provision or part thereof not adjudged invalid or unconstitutional.

Section 6. Effective Date. This ordinance shall be effective after its final passage, approval and published as provided by law.

Passed by the Council of the City of Norwalk, Iowa, the 20TH day of NOVEMBER, 1997.



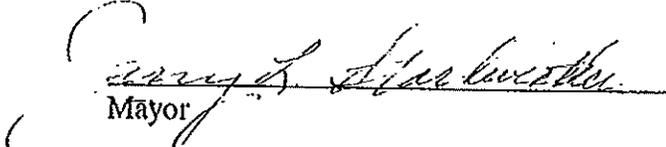
Mayor

Attest:



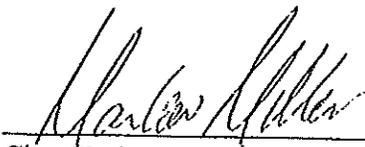
City Clerk

Approved this 20TH day of NOVEMBER, 1997.



Mayor

Attest:



City Clerk

after outstanding
debt paid

ORDINANCE NO. 99-01

"Ordinance No. 99-01. An Ordinance providing for the division of taxes levied on taxable property in the 1999 Addition to the Norwalk Urban Renewal Area No. 1, pursuant to Section 403.19 of the Code of Iowa."

BE IT ENACTED by the Council of the City of Norwalk, Iowa:

WHEREAS, Ordinance No. 97-07 entitled "An Ordinance Providing For The Division Of Taxes Levied On Taxable Property In The Norwalk Urban Renewal Area No. 1 of the City of Norwalk, Iowa, Pursuant To Section 403.19 of the Code of Iowa" was enacted by the Council of the City of Norwalk, Iowa on the 20th of November, 1997; and

WHEREAS, pursuant to Ordinance No. 97-07 the Norwalk Urban Renewal Area No. 1 in the City of Norwalk was designated a "tax increment area"; and

WHEREAS, the City Council now desires to increase the size of the "tax increment area" designated by Ordinance 97-07 by adding additional property and also desires to delete certain property from the definition of "Urban Renewal Area" contained in that Ordinance;

Section 1. Purpose. The purpose of this ordinance is to provide for the division of taxes levied on the taxable property in the 1999 Addition to the Norwalk Urban Renewal Area No. 1, each year by and for the benefit of the state, city, county, school districts or other taxing districts after the effective date of this ordinance in order to create a special fund to pay the principal of and interest on loans, moneys advanced to or indebtedness, including bonds proposed to be issued by the City of Norwalk to finance projects in such area.

Section 2. Definitions. For use within this ordinance the following terms shall have the following meanings:

"City" shall mean the City of Norwalk, Iowa.

"County" shall mean the County of Warren, Iowa.

"Urban Renewal Area Amendment" shall mean the 1999 Addition to the Norwalk Urban Renewal Area No. 1, the boundaries of which are set out below, approved by the City Council by resolution adopted on February 4, 1999:

first year of collection - F402?

A tract of land in Section 12, Township 77 North, Range 24 and Section 7, Township 77 North Range 23 West of the 5th P.M., City of Norwalk, Warren County, Iowa, more particularly described as follows:

Beginning at the Southeast corner of lot 32, David Gordon Heights, an official subdivision now in and forming a part of the City of Norwalk, Warren County, Iowa;

Thence North, along the East line of lots 32, 33, 34, 35 and 36 said David Gordon Heights and its extension, to the North right-of-way line of Gordon Avenue as presently established;

Thence East, along the North right-of-way line of Gordon Avenue, to the Southwest corner of Lot 37, said David Gordon Heights;

Thence North, along the West line of said Lot 32, said David Gordon Heights, to the Northwest corner of said Lot 37, said David Gordon Heights;

Thence West, along the north boundary line of said David Gordon Heights subdivision and its extension, to a point on the West line of the Southeast Quarter of Section 12, Township 77 North, Range 24 West of the 5th P.M., City of Norwalk, Warren County, Iowa;

Thence North, along the West line of the Southeast Quarter of said Section 12, to the Southeast corner of the Northwest Quarter of said Section 12;

Thence West, along the South line of the Northwest Quarter of said Section 12, to the Southwest corner of the East half of the Northwest Quarter of said Section 12;

Thence North, along the West line of the East half of the Northwest Quarter of said Section 12, to the Northwest corner of the East half of the Northwest Quarter of said Section 12;

Thence East, along the North line of said Section 12, to the Northwest corner of Section 7, Township 77 North, Range 23 West of the 5th P.M., City of Norwalk, Warren County, Iowa;

Thence East along the North line of said Section 7, to the East right-of-way line of Iowa Highway Number 28 (Sunset Drive) as presently established, extended;

Thence South along the East right-of-way line of Iowa Highway Number 28 (Sunset Drive) to a point of intersection with the south line extended, of lots 25, 26, 27, 28, 29, 30 and 31, said David Gordon Heights subdivision;

Thence West along the south line extended, of lots 25, 26, 27, 28, 29, 30 and 31, said David Gordon Heights subdivision to the point of beginning.

Section 3. Provisions for Division of Taxes Levied on Taxable Property in the Urban Renewal Area Amendment. After the effective date of this ordinance, the taxes levied on the taxable property in the Urban Renewal Area Amendment each year by and for the benefit of the State of Iowa, the City, the County and any school district or other taxing district in which the Urban Renewal Area Amendment is located, shall be divided as follows:

(a) that portion of the taxes which would be produced by the rate at which the tax is levied each year by or for each of the taxing districts upon the total sum of the assessed value of the taxable property in the Urban Renewal Area Amendment, as shown on the assessment roll as of January 1 of the calendar year preceding the first calendar year in which the City certifies to the County Auditor the amount of loans, advances, indebtedness, or bonds payable from the special fund referred to in paragraph (b) below, shall be allocated to and when collected be paid into the fund for the respective taxing district as taxes by or for said taxing district into which all other property taxes are paid. For the purpose of allocating taxes levied by or for any taxing district which did not include the territory in the Urban Renewal Area Amendment on the effective date of this ordinance, but to which the territory has been annexed or otherwise included after the effective date, the assessment roll applicable to property in the annexed territory as of January 1 of the calendar year preceding the effective date of the ordinance which amends the plan for the Urban Renewal Area Amendment to include the annexed area, shall be used in determining the assessed valuation of the taxable property in the annexed area.

(b) that portion of the taxes each year in excess of such amounts shall be allocated to and when collected be paid into a special fund of the City to pay the principal of and interest on loans, moneys advanced to or indebtedness, whether funded, refunded, assumed or otherwise, including bonds issued under the authority of Section 403.9(1), of the Code of Iowa, incurred by the City to finance or refinance, in whole or in part, projects in the Urban Renewal Area Amendment, except that taxes for the payment of bonds and interest of each taxing district shall be collected against all taxable property within the taxing district without limitation by the provisions of this ordinance. Unless and until the total assessed valuation of the taxable property in the Urban Renewal Area Amendment exceeds the total assessed value of the taxable property in such area as shown by the assessment roll referred to in subsection (a) of this section, all of the taxes levied and collected upon the taxable property in the Urban Renewal Area Amendment shall be paid into the funds for the respective taxing districts as taxes by or for said taxing districts in the same manner as all other property taxes. When such loans, advances, indebtedness, and bonds, if any, and interest thereon, have been paid, all money thereafter received from taxes upon the taxable property in the Urban Renewal Area Amendment shall be paid into the funds for the respective taxing districts in the same manner as taxes on all other property.

(c) the portion of taxes mentioned in subsection (b) of this section and the special fund into which that portion shall be paid may be irrevocably pledged by the City for the payment of the principal and interest on loans, advances, bonds issued under the authority of Section 403.9(1) of the Code of Iowa, or indebtedness incurred by the City to finance or refinance in whole or in part projects in the Urban Renewal Area Amendment.

(d) as used in this section, the word "taxes" includes, but is not limited to, all levies on an ad valorem basis upon land or real property.

Section 4. Repealer. All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

Section 5. Saving Clause. If any section, provision, or part of this ordinance shall be adjudged invalid or unconstitutional, such adjudication shall not affect the validity of the ordinance as a whole or any section, provision or part thereof not adjudged invalid or unconstitutional.

Section 6. Effective Date. This ordinance shall be effective after its final passage, approval and publication as provided by law.

Passed and approved by the Council of the City of Norwalk, Iowa, on February 4, 1999.



Mayor ProTem

Attest:



City Clerk

ORDINANCE NO.	<u>99-01</u>
Activity	Date
1st Reading	<u>2/4/99</u>
2nd Reading	<u>waived</u>
3rd Reading	<u>waived</u>
Tabled	_____
Defeated	_____
Published	<u>2/11/99</u>

**AN ORDINANCE AMENDING ORDINANCE NO. 99-01
WITH RESPECT TO THE LEGAL DESCRIPTION OF
PROPERTY IN THE NORWALK URBAN RENEWAL AREA NO. 1**

WHEREAS, pursuant to Ordinance No. 99-01, adopted February 4, 1999, the Norwalk Urban Renewal Area No. 1 was established as a tax increment area; and

WHEREAS, it has been determined that certain property should be deleted from the legal description of the tax increment area;

BE IT ENACTED by the Council of the City of Norwalk, Iowa:

Section 1. Section 2 of Ordinance No. 99-01 is hereby repealed and the following is substituted in lieu thereof:

“Section 2. Definitions. For use within this ordinance the following terms shall have the following meanings:

“City” shall mean the City of Norwalk, Iowa.

“County” shall mean the County of Warren, Iowa.

“Urban Renewal Area Amendment” shall mean the 1999 Addition to the Norwalk Urban Renewal Area No. 1, the boundaries of which are set out below:

A tract of land in Section 12, Township 77 North, Range 24 and Section 7, Township 77 North Range 23 West of the 5th P.M., City of Norwalk, Warren County, Iowa, more particularly described as follows:

Beginning at the Southeast corner of Lot 32, David Gordon Heights, an official subdivision now in and forming a part of the City of Norwalk, Warren County, Iowa;

Thence North, along the East line of Lots 32, 33, 34, 35 and 36 said David Gordon Heights and its extension, to the North right-of-way line of Gordon Avenue as presently established;

Thence East, along the North right-of-way line of Gordon Avenue, to the Southwest corner of Lot 37, said David Gordon Heights;

Thence North, along the West line of said Lot 32, said David Gordon Heights, to the Northwest corner of said Lot 37, said David Gordon Heights;

Thence West, along the North boundary line of said David Gordon Heights subdivision and its extension, to a point on the West line of the Southeast Quarter of Section 12, Township 77 North, Range 24 West of the 5th P. M., City

of Norwalk, Warren County, Iowa;

Thence North, along the West line of the Southeast Quarter of said Section 12, to the Southeast corner of the Northwest Quarter of said Section 12;

Thence West, along the South line of the Northwest Quarter of said Section 12, to the Southwest corner of the East half of the Northwest Quarter of said Section 12;

Thence North, along the West line of the East half of the Northwest Quarter of said Section 12, to the Northwest corner of the East half of the Northwest quarter of said Section 12;

Thence East, along the North line of Said Section 12, to the Northwest corner of Section 7, Township 77 North, Range 23 West of the 5th P.M., City of Norwalk, Warren County, Iowa;

Thence East along the North line of said Section 7, to the East right-of-way line of Iowa Highway Number 28 (Sunset Drive) as presently established, extended;

Thence South along the East right-of-way line of Iowa Highway Number 28 (Sunset Drive) to a point of intersection with the south line extended of lots 25, 26, 27, 28, 29, 30 and 31, said David Gordon Heights subdivision;

Thence West along the south line extended, of lots 25, 26, 27, 28, 29, 30 and 31, said David Gordon Heights subdivision to the point of beginning.

EXCEPT:

All of Colonial Meadows Plat 3, an Official Plat, now included in and forming a part of the City of Norwalk, Warren County, Iowa.

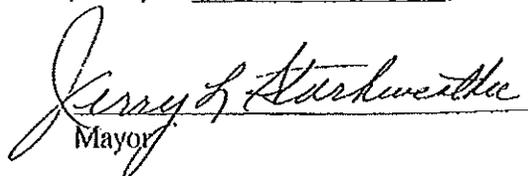
Lots 1, 2, 3, 4 and 5 of Colonial Meadows Plat 4, an Official Plat, now included in and forming a part of the City of Norwalk, Warren County, Iowa.

Section 2. All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

Section 3. If any section, provision, or part of this ordinance shall be adjudged invalid or unconstitutional, such adjudication shall not affect the validity of the ordinance as a whole or any section, provision or part thereof not adjudged invalid or unconstitutional.

Section 4. This ordinance shall be effective after its final passage, approval and publication as provided by law.

Passed by the Council of the City of Norwalk, Iowa, on NOVEMBER 16, 2000.


Mayor

Attest:

Deepe Cortum
City Clerk

ORDINANCE NO. DO-116
Activity Date
1st Reading 11/16/00
2nd Reading Waived
3rd Reading Waived
Tabled _____
Defeated _____
Published 11-23-00

ORDINANCE NO. 00-17

AN ORDINANCE PROVIDING FOR THE DIVISION OF TAXES LEVIED ON TAXABLE PROPERTY IN THE 2000 ADDITION TO THE NORWALK URBAN RENEWAL AREA, PURSUANT TO SECTION 403.19 OF THE CODE OF IOWA

WHEREAS, Ordinance No.97-07 entitled "An Ordinance Providing For The Division Of Taxes Levied On Taxable Property In The Norwalk Urban Renewal Area of the City of Norwalk, Iowa, Pursuant To Section 403.19 of the Code of Iowa" was enacted by the Council of the City of Norwalk, Iowa on the 20th day of November, 1997; and

WHEREAS, pursuant to Ordinance No.97-07 the Norwalk Urban Renewal Area was designated a "tax increment area"; and

WHEREAS, the City Council now desires to increase the size of the "tax increment area" designated by Ordinance 97-07 by adding additional property;

BE IT ENACTED by the Council of the City of Norwalk, Iowa:

Section 1. Purpose. The purpose of this ordinance is to provide for the division of taxes levied on the taxable property in the 2000 Addition to the Norwalk Urban Renewal Area of the City of Norwalk, Iowa, each year by and for the benefit of the state, city, county, school districts or other taxing districts after the effective date of this ordinance in order to create a special fund to pay the principal of and interest on loans, moneys advanced to or indebtedness, including bonds proposed to be issued by the City of Norwalk to finance projects in the area.

Section 2. Definitions. For use within this ordinance the following terms shall have the following meanings:

"City" shall mean the City of Norwalk, Iowa.

"County" shall mean the County of Warren, Iowa.

"Urban Renewal Area Amendment" shall mean the 2000 Addition to the Norwalk Urban Renewal Area of the City of Norwalk Iowa, the boundaries of which are set out below, approved by the City Council by resolution adopted on the 16TH day of NOVEMBER, 2000:

The East Half (E ½) of the Southeast Quarter (SE ¼) of Section 11, and the Southwest Quarter (SW ¼) of Section 12, and the West Half (½) of the Southwest Quarter (SW ¼) of the Southeast Quarter (SE ¼) of Section 12, EXCEPT the South 210 feet (S 210') thereof, all in Township 77 North, Range 25 West of the 5th P.M., Warren County, Iowa; together with any easements and servient estates appurtenant thereto, and subject to (a) any covenants and restrictions of record as of the date of this agreement, and (b) any easements of record as of the date of this agreement, (the "3-W Corporation Property").

Section 3. Provisions for Division of Taxes Levied on Taxable Property in the Urban Renewal Area Amendment. After the effective date of this ordinance, the taxes levied on the taxable property in this Urban Renewal Area Amendment each year by and for the benefit of the State of Iowa, the City, the County and any school district or other taxing district in which the Urban Renewal Area Amendment is located, shall be divided as follows:

(a) that portion of the taxes which would be produced by the rate at which the tax is levied each year by or for each of the taxing districts upon the total sum of the assessed value of the taxable property in the Urban Renewal Area Amendment, as shown on the assessment roll as of January 1 of the calendar year preceding the first calendar year in which the City certifies to the County Auditor the amount of loans, advances, indebtedness, or bonds payable from the special fund referred to in paragraph (1) below, shall be allocated to and when collected be paid into the fund for the respective taxing district as taxes by or for said taxing district into which all other property taxes are paid. For the purpose of allocating taxes levied by or for any taxing district which did not include the territory in the Urban Renewal Area Amendment on the effective date of this ordinance, but to which the territory has been annexed or otherwise included after the effective date, the assessment roll applicable to property in the annexed territory as of January 1 of the calendar year preceding the effective date of the ordinance which amends the plan for the Urban Renewal Area Amendment to include the annexed area, shall be used in determining the assessed valuation of the taxable property in the annexed area.

(b) that portion of the taxes each year in excess of such amounts shall be allocated to and when collected be paid into a special fund of the City to pay the principal of and interest on loans, moneys advanced to or indebtedness, whether funded, refunded, assumed or otherwise, including bonds issued under the authority of Section 403.9(1), of the Code of Iowa, incurred by the City to finance or refinance, in whole or in part, projects in the Urban Renewal Area Amendment, except that taxes for the payment of bonds and interest of each taxing district shall be collected against all taxable property within the taxing district without limitation by the provisions of this ordinance. Unless and until the total assessed valuation of the taxable property in the Urban Renewal Area Amendment exceeds the total assessed value of the taxable property in such area as shown by the assessment roll referred to in subsection (a) of this section, all of the taxes levied and collected upon the taxable property in the Urban Renewal Area Amendment shall be paid into the funds for the respective taxing districts as taxes by or for said taxing districts in the same manner as all other property taxes. When such loans, advances, indebtedness, and bonds, if any, and interest thereon, have been paid, all money thereafter received from taxes upon the taxable property in the Urban Renewal Area Amendment shall be paid into the funds for the respective taxing districts in the same manner as taxes on all other property.

(c) the portion of taxes mentioned in subsection (1) of this section and the special fund into which that portion shall be paid may be irrevocably pledged by the City for the payment of

the principal and interest on loans, advances, bonds issued under the authority of Section 403.9(1) of the Code of Iowa, or indebtedness incurred by the City to finance or refinance in whole or in part projects in the Urban Renewal Area Amendment.

(d) as used in this section, the word "taxes" includes, but is not limited to, all levies on an ad valorem basis upon land or real property.

Section 4. Repealer. All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

Section 5. Saving Clause. If any section, provision, or part of this ordinance shall be adjudged invalid or unconstitutional, such adjudication shall not affect the validity of the ordinance as a whole or any section, provision or part thereof not adjudged invalid or unconstitutional.

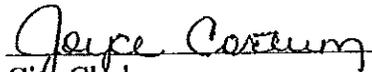
Section 6. Effective Date. This ordinance shall be effective after its final passage, approval and publication as provided by law.

Passed and approved by the Council of the City of Norwalk, Iowa, on the 21st day of December, 2000.



Mayor

Attest:



City Clerk

ORDINANCE NO	<u>00-17</u>
Active	Date
1st	<u>12-21-00</u>
2nd	<u>waived</u>
3rd	<u>waived.</u>
Tabled	_____
Defeated	_____

ORDINANCE NO. 02-12

**AN ORDINANCE AMENDING ORDINANCE NO. 00-16
WITH RESPECT TO THE LEGAL DESCRIPTION OF
PROPERTY IN THE NORWALK URBAN RENEWAL AREA NO. 1**

WHEREAS, pursuant to Ordinance No. 00-16, adopted November 16, 2000, amending the Norwalk Urban Renewal Area No. 1 that was established as a tax increment area in Ordinance No. 99-01; and

WHEREAS, it has been determined that certain property should be deleted from the legal description of the tax increment area;

BE IT ENACTED by the Council of the City of Norwalk, Iowa:

Section 1. Section 2 of Ordinance No. 00-16 is hereby repealed and the following is substituted in lieu thereof:

“Section 2. Definitions. For use within this ordinance the following terms shall have the following meanings:

“City” shall mean the City of Norwalk, Iowa.

“County” shall mean the County of Warren, Iowa.

“Urban Renewal Area Amendment” shall mean the 1999 Addition to the Norwalk Urban Renewal Area No. 1, the boundaries of which are set out below:

A tract of land in Section 12, Township 77 North, Range 24 and Section 7, Township 77 North Range 23 West of the 5th P.M., City of Norwalk, Warren County, Iowa, more particularly described as follows:

Beginning at the Southeast corner of Lot 32, David Gordon Heights, an official subdivision now in and forming a part of the City of Norwalk, Warren County, Iowa;

Thence North, along the East line of Lots 32, 33, 34, 35 and 36 said David Gordon Heights and its extension, to the North right-of-way line of Gordon Avenue as presently established;

Thence East, along the North right-of-way line of Gordon Avenue, to the Southwest corner of Lot 37, said David Gordon Heights;

Thence North, along the West line of said Lot 32, said David Gordon Heights, to the Northwest corner of said Lot 37, said David Gordon Heights;

Thence West, along the North boundary line of said David Gordon Heights subdivision and its extension, to a point on the West line of the Southeast Quarter of Section 12, Township 77 North, Range 24 West of the 5th P.M., City of Norwalk, Warren County, Iowa;

Thence North, along the West line of the Southeast Quarter of said Section 12, to the Southeast corner of the Northwest Quarter of said Section 12;

Thence West, along the South line of the Northwest Quarter of said Section 12, to the Southwest corner of the East half of the Northwest Quarter of said Section 12;

Thence North, along the West line of the East half of the Northwest Quarter of said Section 12, to the Northwest corner of the East half of the Northwest quarter of said Section 12;

Thence East, along the North line of said Section 12, to the Northwest corner of Section 7, Township 77 North, Range 23 West of the 5th P.M., City of Norwalk, Warren County, Iowa;

Thence East along the North line of said Section 7, to the East right-of-way line of Iowa Highway Number 28 (Sunset Drive) as presently established, extended;

Thence South along the East right-of-way line of Iowa Highway Number 28 (Sunset Drive) to a point of intersection with the south line extended of lots 25, 26, 27, 28, 29, 30 and 31, said David Gordon Heights subdivision;

Thence West along the south line extended, of lots 25, 26, 27, 28, 29, 30 and 31, said David Gordon Heights subdivision to the point of beginning.

EXCEPT:

All of Colonial Meadows Plat 3, an Official Plat, now included in and forming a part of the City of Norwalk, Warren County, Iowa.

Lots 1, 2, 3, 4 and 5 of Colonial Meadows Plat 4, an Official Plat, now included in and forming a part of the City of Norwalk, Warren County, Iowa.

AND ALSO EXCEPT:

Lots 1-9, Legacy Plat 2.

Legacy Plat 3

Lot 1, Legacy Plat 4.

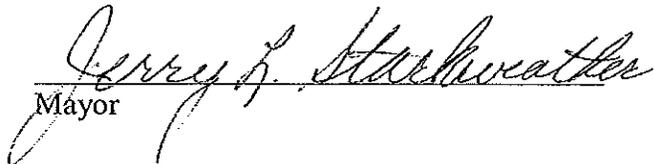
Lots 1-24, Legacy Plat 5

Section 2. All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

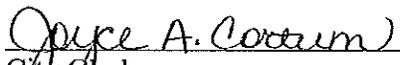
Section 3. If any section, provision, or part of this ordinance shall be adjudged invalid or unconstitutional, such adjudication shall not affect the validity of the ordinance as a whole or any section, provision or part thereof not adjudged invalid or unconstitutional.

Section 4. This ordinance shall be effective after its final passage, approval and publication as provided by law.

Passed by the Council of the City of Norwalk, Iowa, on December 5, 2002.


Mayor

Attest:


City Clerk

ORDINANCE NO.	<u>02-12</u>
Activity	Date
1st Reading	<u>11-7-02</u>
2nd Reading	<u>11-21-02</u>
3rd Reading	<u>12-6-02</u>
Tabled	_____
Defeated	_____

ORDINANCE NO. 03-14

AN ORDINANCE PROVIDING FOR THE DIVISION OF TAXES LEVIED ON TAXABLE PROPERTY IN THE 2003 ADDITION TO THE NORWALK URBAN RENEWAL AREA #1, PURSUANT TO SECTION 403.19 OF THE CODE OF IOWA

WHEREAS, the City Council previously enacted an ordinance entitled "An Ordinance Providing For The Division Of Taxes Levied On Taxable Property In The Norwalk Urban Renewal Area #1 of the City of Norwalk, Iowa, Pursuant To Section 403.19 of the Code of Iowa"; and

WHEREAS, pursuant to that ordinance, the Norwalk Urban Renewal Area #1 in the City of Norwalk was designated a "tax increment area"; and

WHEREAS, the City Council now desires to increase the size of the "tax increment area" by adding additional property;

BE IT ENACTED by the Council of the City of Norwalk, Iowa:

Section 1. Purpose. The purpose of this ordinance is to provide for the division of taxes levied on the taxable property in the 2003 Addition to the Norwalk Urban Renewal Area #1 of the City of Norwalk, Iowa, each year by and for the benefit of the state, city, county, school districts or other taxing districts after the effective date of this ordinance in order to create a special fund to pay the principal of and interest on loans, moneys advanced to or indebtedness, including bonds proposed to be issued by the City of Norwalk to finance projects in the such area.

Section 2. Definitions. For use within this ordinance the following terms shall have the following meanings:

"City" shall mean the City of Norwalk, Iowa.

"County" shall mean the County of Warren, Iowa.

"Urban Renewal Area Amendment" shall mean the 2003 Addition to the Norwalk Urban Renewal Area #1 of the City of Norwalk, Iowa, the boundaries of which are set out below, approved by the City Council by resolution adopted on the 18th day of September, 2003:

Tract A

A portion of the SW $\frac{1}{4}$ of the SW fractional $\frac{1}{4}$ of Section 6, Township 77 North, Range 24 West of the 5th P.M., Warren County, Iowa, described as follows:

Commencing at the SW corner of the SW fractional $\frac{1}{4}$ of said Section 6; thence N86°37'30" E along the South line of the SW fractional $\frac{1}{4}$, a distance of 49.7 feet to a point on the East right of way line of highway Ia-28, as it is presently established; thence N00°00'45"E along the East right of way line of said highway, a distance of 27.2 feet to the POINT OF BEGINNING; thence

N86°40'45"E, a distance of 132.0 feet; thence N00°00'45"E, a distance of 727.0 feet; thence N90°00'00"E, a distance of 18.3 feet; thence N00°00'00"W, a distance of 428.5 feet; thence S90°00'00"W, a distance of 147.8 feet to a point on the East right of way line of said highway Ia-28; thence S00°07'11"W, a distance of 1163.27 feet to the POINT OF BEGINNING.

Said tract of land contains 3.66 acres more or less.

Said tract of land being subject to and together with any and all easements of record.

Tract B

A Portion of the SW ¼ of the SW Fractional ¼ and the South 2 Acres of the NW ¼ of the SW Fractional ¼, all in Section 6, Township 77 North, Range 24 West of the 5th P.M., Warren County, Iowa being described as follows:

Commencing at the SW corner of the SW Fractional ¼ of said Section 6; thence N86°37'30"E along the South line of the SW Fractional ¼ of said Section 6, 49.7 feet to a point on the East right-of-way line of Highway 28, as it is presently established and to the point of beginning; thence N00°00'45"E along the East right-of-way line of said Highway 28, 27.2 feet; thence N86°40'45"E, 132.0 feet; thence N00°00'45"E, 727.0 feet; thence N90°00'00"E, 18.3 feet; thence N00°00'00"W, 428.5 feet; thence S90°00'00"W, 147.8 feet to a point on the east right-of-way line of said Highway 28; thence N00°18'00"E along the east right-of-way line of said Highway 28, 201.4 feet to a point on the North line of the South 2 acres of the NW ¼ of the SW Fractional ¼ of said Section 6, said point being the Southwest corner of Lot 1, Echo Valley Estates, an official plat; thence N87°49'47"E along the South line of Lots 1, 2, 3, 4, 5, 6, 7, and 8, all in said Echo Valley Estates and along the North line of the South 2 acres of the NW ¼ of the SW Fractional ¼ of said Section 6, 1291.13 feet to a point on the East line of the NW ¼ of the SW Fractional ¼ of said Section 6, said point being the Northeast corner of the South 2 acres of the NW ¼ of the SW Fractional ¼ of said Section 6; thence S01°44'21"W along the East line of the NW ¼ of the SW Fractional ¼ of Section 6, 66.00 feet to the SE corner of the NW ¼ of the SW Fractional ¼ of said Section 6, said point being NE corner of the SW ¼ of the SW Fractional ¼ of said Section 6; thence S01°03'35"W along the East line of the SW ¼ of the SW

Fractional $\frac{1}{4}$ of said Section 6, 1300.14 feet to the SE corner of the SW $\frac{1}{4}$ of the SW Fractional $\frac{1}{4}$ of said Section 6; thence $S86^{\circ}37'30''W$ along the South line of the SW Fractional $\frac{1}{4}$ of said Section 6, 1269.96 feet to the POINT OF BEGINNING.

AND

the Northwest Fractional $\frac{1}{4}$ of Section 6, Township 77 North, Range 24 West of the 5th P.M., except Echo Valley Estates, an official plat, Warren County, Iowa and except the Greens of Echo Valley, an official plat, Warren County, Iowa;

AND

the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ Section 6, Township 77 North, Range 24 West of the 5th P.M., except Echo Valley Estates, an official plat, Warren County, Iowa;

AND

the East $\frac{1}{2}$ of the Southwest Fractional $\frac{1}{4}$ of Section 6, Township 77 North, Range 24 West of the 5th P.M., Warren County, Iowa;

AND

the Southeast $\frac{1}{4}$ of said Section 6, Township 77 North, Range 24 West of the 5th P.M. Warren County, Iowa;

AND

the Southwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of said Section 6, Township 77 North, Range 24 West of the 5th P.M., Warren County, Iowa;

AND

That part of the East $\frac{1}{2}$ of the Northeast $\frac{1}{4}$, Section 6, Township 77 North, Range 24 West of the 5th P.M., Warren County, Iowa being more particularly described as follows:

BEGINNING at the East $\frac{1}{4}$ corner of said Section 6; thence South $88^{\circ}-49'-39''$ West along the South line of the Southeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of said Section 6 a distance of 1320.72 feet, to the Southwest corner of the Southeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of said Section 6; thence North $00^{\circ}-57'-17''$ East along the East line of the Southeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of said Section 6 a distance of 1320.57 feet to the Northwest corner of the Southeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of said Section 6; thence North $01^{\circ}-08'-53''$ East along the East line of the Northeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of said Section 6 a distance of 1354.68 feet to the North line of the Northeast $\frac{1}{4}$ of said Section 6; thence North $90^{\circ}-00' 00''$ East along the North line of the Northeast $\frac{1}{4}$ of said Section 6 a distance of 122.22 feet; thence South $01^{\circ}-27'-50''$ East a distance of 181.79 feet; thence South

28°-39'-47" East a distance of 390.75 feet; thence South 12°-06'-07" East a distance of 374.60 feet; thence South 01°-05'-44" West a distance of 307.33 feet; thence South 06°-33'-39" East a distance of 328.50 feet; thence North 57°-59'-08" East a distance of 263.99 feet; thence North 65°-36'-08" East a distance of 508.54 feet; thence North 84°-36'-36" East a distance of 187.65 feet to the East line of the Northeast ¼ of said Section 6; thence South 01°-02'-18" West along the East line of the Northwest ¼ of said Section 6 a distance of 1491.18 feet to the East ¼ corner of said Section 6, said point being the POINT OF BEGINNING.

Said tract of land contains 50.50 acres more or less.

Said tract of land being subject to and together with any and all easements of record.

All that part of the Northwest ¼ of the Northeast ¼, and that part of Northeast ¼ of the Northwest ¼ of Section 6, Township 77 North, Range 24 West of the 5th P.M, Warren County, Iowa being more particularly described as follows:

BEGINNING at the North ¼ corner of said Section 6; thence North 90°-00'-00" East along the North line of the Northwest ¼ of the Northeast ¼ of said Section 6 a distance of 1319.29 feet to the Northeast corner of the Northwest ¼ of the Northeast ¼ of said Section 6; thence South 01°-08'-53" West along the East line of the Northwest ¼ of the Northeast ¼ of said Section 6 a distance of 1354.68 feet to the Southeast corner of the Northwest ¼ of the Northeast ¼ of said Section 6; thence South 87°-58'-27" West along the South line of the Northwest ¼ of the Northeast ¼ of said Section 6 a distance of 1317.01 feet to the Southwest corner of the Northwest ¼ of the Northeast ¼ of said Section 6; thence North 00°-58'-59" East along the West line of the Northwest ¼ of the Northeast ¼ of said Section 6 a distance of 470.34 feet to a point on the Easterly line of The Greens of Echo Valley, an Official Plat, Warren County, Iowa; thence North 75°-11'-00" East along the Easterly line of said The Greens at Echo Valley a distance of 72.25 feet; thence North 43°-42'-00" East along the Easterly line of said The Greens at Echo Valley a distance of 252.00 feet; thence North 17°-08'-00" East along the Easterly line of said The Greens at Echo Valley a distance of 251.00 feet; thence North 21°-57'-00" West along the Easterly line of said The Greens at Echo Valley a distance of 126.00 feet; thence North 89°-58'-48" West along the Easterly line of said The Greens at Echo Valley a distance of 303.00 feet; thence North 00°-01'-11" East along the Easterly line of said The Greens at Echo Valley a distance of 323.00 feet to the Northeast corner of said The Greens at Echo Valley; thence North 00°-00'-34" East a distance of 50.19 feet to the North line of the Northeast ¼ of the Northwest ¼ of said Section 6; thence North 89°-59'-20" East along the North line of the Northeast ¼ of the Northwest ¼ of said Section 6 a distance of 48.08 feet to the North ¼ corner of said Section 6, said point being the POINT OF BEGINNING.

Said tract of land contains 39.10 acres more or less except public roadway along the North portion thereof.

Said tract of land being subject to and together with any and all easements of record.

Tract C

That part of the Iowa Highway 28 right-of-way located within the Southwest ¼ of the Southwest ¼ of Section 6, Township 77 North, Range 24 West of the 5th P.M, Warren County, Iowa.

AND

That part of the Iowa Highway 28 right-of-way located within the Southeast ¼ of the Southeast ¼ of Section 1, Township 77 North, Range 25 West of the 5th P.M, Warren County, Iowa.

Tract D

That part of the Beardsley Street Roadway easement that is included in the North 40 feet of Section 7, Township 77 North, Range 24 West of the 5th P.M., Warren County, Iowa

Tract E

The North 214 feet of the West 183 feet of the Northwest ¼ of the Northwest ¼ Section 7, Township 77 North, Range 24 West of the 5th P.M., Warren County, Iowa.

Tract F

That part of the Beardsley Street right-of-way that is located within the Northwest ¼ of the Northwest ¼ of Section 7, Township 77 North, Range 24 West of the 5th P.M., Warren County, Iowa.

Tract

G

That part of the Beardsley Street right-of-way that is located within the Southwest ¼ of the Southwest ¼ of Section 6, Township 77 North, Range 24 West of the 5th P.M., Warren County, Iowa.

Section 3. Provisions for Division of Taxes Levied on Taxable Property in the Urban Renewal Area Amendment. After the effective date of this ordinance, the taxes levied on the taxable property in the Urban Renewal Area Amendment each year by and for the benefit of the State of Iowa, the City, the County and any school district or other taxing district in which the Urban Renewal Area Amendment is located, shall be divided as follows:

(a) that portion of the taxes which would be produced by the rate at which the tax is levied each year by or for each of the taxing districts upon the total sum of the assessed value of the taxable property in the Urban Renewal Area Amendment, as shown on the assessment roll as of January 1 of the calendar year preceding the first calendar year in which the City certifies to the County Auditor the amount of loans, advances, indebtedness, or bonds payable from the special fund referred to in paragraph (b) below, shall be allocated to and when collected be paid

into the fund for the respective taxing district as taxes by or for said taxing district into which all other property taxes are paid. For the purpose of allocating taxes levied by or for any taxing district which did not include the territory in the Urban Renewal Area Amendment on the effective date of this ordinance, but to which the territory has been annexed or otherwise included after the effective date, the assessment roll applicable to property in the annexed territory as of January 1 of the calendar year preceding the effective date of the ordinance which amends the plan for the Urban Renewal Area Amendment to include the annexed area, shall be used in determining the assessed valuation of the taxable property in the annexed area.

(b) that portion of the taxes each year in excess of such amounts shall be allocated to and when collected be paid into a special fund of the City to pay the principal of and interest on loans, moneys advanced to or indebtedness, whether funded, refunded, assumed or otherwise, including bonds issued under the authority of Section 403.9(1), of the Code of Iowa, incurred by the City to finance or refinance, in whole or in part, projects in the Urban Renewal Area Amendment, except that taxes for the payment of bonds and interest of each taxing district shall be collected against all taxable property within the taxing district without limitation by the provisions of this ordinance. Unless and until the total assessed valuation of the taxable property in the Urban Renewal Area Amendment exceeds the total assessed value of the taxable property in such area as shown by the assessment roll referred to in subsection (a) of this section, all of the taxes levied and collected upon the taxable property in the Urban Renewal Area Amendment shall be paid into the funds for the respective taxing districts as taxes by or for said taxing districts in the same manner as all other property taxes. When such loans, advances, indebtedness, and bonds, if any, and interest thereon, have been paid, all money thereafter received from taxes upon the taxable property in the Urban Renewal Area Amendment shall be paid into the funds for the respective taxing districts in the same manner as taxes on all other property.

(c) the portion of taxes mentioned in subsection (b) of this section and the special fund into which that portion shall be paid may be irrevocably pledged by the City for the payment of the principal and interest on loans, advances, bonds issued under the authority of Section 403.9(1) of the Code of Iowa, or indebtedness incurred by the City to finance or refinance in whole or in part projects in the Urban Renewal Area Amendment.

(d) as used in this section, the word "taxes" includes, but is not limited to, all levies on an ad valorem basis upon land or real property.

Section 4. Repealer. All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

Section 5. Saving Clause. If any section, provision, or part of this ordinance shall be adjudged invalid or unconstitutional, such adjudication shall not affect the validity of the ordinance as a whole or any section, provision or part thereof not adjudged invalid or unconstitutional.

Section 6. Effective Date. This ordinance shall be effective after its final passage, approval and publication as provided by law.

Passed and approved by the Council of the City of Norwalk, Iowa, on the 18th
day of SEPTEMBER, 2003.



Mayor

Attest:



City Clerk

ORDINANCE NO.	<u>0314</u>
Activity	Date
1st Reading	<u>9-18-03</u>
2nd Reading	<u>waived</u>
3rd Reading	<u>waived</u>
Tabled	_____
Defeated	_____

ORDINANCE NO. 06-11

**AN ORDINANCE AMENDING ORDINANCE NO. 02-12
WITH RESPECT TO THE LEGAL DESCRIPTION OF
PROPERTY IN THE NORWALK URBAN RENEWAL AREA NO. 1**

Section 1. Purpose. The purpose of this ordinance is to amend the definition of Urban Renewal Area Amendment, as defined in City of Norwalk Ordinance No. 02-12, to add additional residential developments as exceptions to the description in said amendment.

Section 2. Additional Exceptions. The following shall be added as additional exceptions to the definition of "Urban Renewal Area Amendment", as defined in Ordinance No. 02-12:

All that part of Orchard Hills Villas II included therein.
Legacy Plats 7, 8, 9, and 10.
Lot 1, Legacy Plat 11.
Lot 1, Legacy Plat 13.
Orchard Ridge Plats 1 and 2.
Parcel "H" of the NE $\frac{1}{4}$ of the NE $\frac{1}{4}$ of Section 12-77-25, Warren County, Iowa.

Section 3. Repealer. Any ordinance or parts of ordinances in conflict with this ordinance are hereby repealed.

Section 4. Severability Clause. If any section, provision or part of this ordinance shall be adjudged to be invalid or unconstitutional, such adjudication shall not affect the validity of the ordinance as a whole or any section, provision or part thereof not adjudged invalid or unconstitutional.

Section 5. When Effective. This ordinance shall be in full force and effect upon final passage, approval, and publication as provided by law.

Passed and approved this 17th day of August, 2006

Scott R. Lorenzen, Mayor

Attest:

Jennifer L. Sease, City Clerk

Published on August 31, 2006.

ORDINANCE NO. 11-06

AN ORDINANCE PROVIDING FOR THE DIVISION OF TAXES LEVIED ON TAXABLE PROPERTY IN THE NORWALK URBAN RENEWAL AREA #2 OF THE CITY OF NORWALK, IOWA, PURSUANT TO SECTION 403.19 OF THE CODE OF IOWA

BE IT ENACTED by the Council of the City of Norwalk, Iowa:

Section 1. Purpose. The purpose of this ordinance is to provide for the division of taxes levied on the taxable property in the Norwalk Urban Renewal Area #2, each year by and for the benefit of the state, city, county, school districts or other taxing districts after the effective date of this ordinance in order to create a special fund to pay the principal of and interest on loans, moneys advanced to or indebtedness, including bonds proposed to be issued by the City of Norwalk to finance projects in such area.

Section 2. Definitions. For use within this ordinance the following terms shall have the following meanings:

“City” shall mean the City of Norwalk, Iowa.

“County” shall mean Warren County, Iowa.

“Urban Renewal Area” shall mean the Norwalk Urban Renewal Area #2, the boundaries of which are set out below, such area having been identified in the Urban Renewal Plan approved by the City Council by resolution adopted on 17th day of March, 2011:

The Northwest Fractional Quarter (NW fr. ¼) of Section Seven (7), Township Seventy-seven (77) North, Range Twenty-four (24) West of the 5th P.M., in the City of Norwalk, Warren County, Iowa, EXCEPT Commencing at the Northwest corner of Section Seven (7), thence East 183 feet, thence South 214 feet, thence West 183 feet, thence North 214 feet to the point of beginning, AND EXCEPT that part deeded to the State of Iowa for highway purposes in Book, Pages 616-618 of the Warren County Records.

Section 3. Provisions for Division of Taxes Levied on Taxable Property in the Urban Renewal Area. After the effective date of this ordinance, the taxes levied on the taxable property in the Urban Renewal Area each year by and for the benefit of the State of Iowa, the City, the County and any school district or other taxing district in which the Urban Renewal Area is located, shall be divided as follows:

(a) that portion of the taxes which would be produced by the rate at which the tax is levied each year by or for each of the taxing districts upon the total sum of the assessed value of the taxable property in the Urban Renewal Area, as shown on the assessment roll as of January 1 of the calendar year preceding the first calendar year in which the City certifies to the County Auditor the amount of loans, advances, indebtedness, or bonds payable from the special fund referred to in paragraph (b) below, shall be allocated to and when collected be paid into the fund for the respective taxing

district as taxes by or for said taxing district into which all other property taxes are paid. For the purpose of allocating taxes levied by or for any taxing district which did not include the territory in the Urban Renewal Area on the effective date of this ordinance, but to which the territory has been annexed or otherwise included after the effective date, the assessment roll applicable to property in the annexed territory as of January 1 of the calendar year preceding the effective date of the ordinance which amends the plan for the Urban Renewal Area to include the annexed area, shall be used in determining the assessed valuation of the taxable property in the annexed area.

(b) that portion of the taxes each year in excess of such amounts shall be allocated to and when collected be paid into a special fund of the City to pay the principal of and interest on loans, moneys advanced to or indebtedness, whether funded, refunded, assumed or otherwise, including bonds issued under the authority of Section 403.9(1), of the Code of Iowa, incurred by the City to finance or refinance, in whole or in part, projects in the Urban Renewal Area, and to provide assistance for low and moderate-income family housing as provided in Section 403.22, except that taxes for the regular and voter-approved physical plant and equipment levy of a school district imposed pursuant to Section 298.2 of the Code of Iowa, and taxes for the payment of bonds and interest of each taxing district shall be collected against all taxable property within the taxing district without limitation by the provisions of this ordinance. Unless and until the total assessed valuation of the taxable property in the Urban Renewal Area exceeds the total assessed value of the taxable property in such area as shown by the assessment roll referred to in subsection (a) of this section, all of the taxes levied and collected upon the taxable property in the Urban Renewal Area shall be paid into the funds for the respective taxing districts as taxes by or for said taxing districts in the same manner as all other property taxes. When such loans, advances, indebtedness, and bonds, if any, and interest thereon, have been paid, all money thereafter received from taxes upon the taxable property in the Urban Renewal Area shall be paid into the funds for the respective taxing districts in the same manner as taxes on all other property.

(c) the portion of taxes mentioned in subsection (b) of this section and the special fund into which that portion shall be paid may be irrevocably pledged by the City for the payment of the principal and interest on loans, advances, bonds issued under the authority of Section 403.9(1) of the Code of Iowa, or indebtedness incurred by the City to finance or refinance in whole or in part projects in the Urban Renewal Area.

(d) as used in this section, the word "taxes" includes, but is not limited to, all levies on an ad valorem basis upon land or real property.

Section 4. Repealer. All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

Section 5. Saving Clause. If any section, provision, or part of this ordinance shall be adjudged invalid or unconstitutional, such adjudication shall not affect the validity of the ordinance as a whole or any section, provision or part thereof not adjudged invalid or unconstitutional.

Section 6. Effective Date. This ordinance shall be effective after its final passage, approval and publication as provided by law.

Passed by the Council of the City of Norwalk, Iowa, the 21st day of April, 2011.



Mayor

Attest:



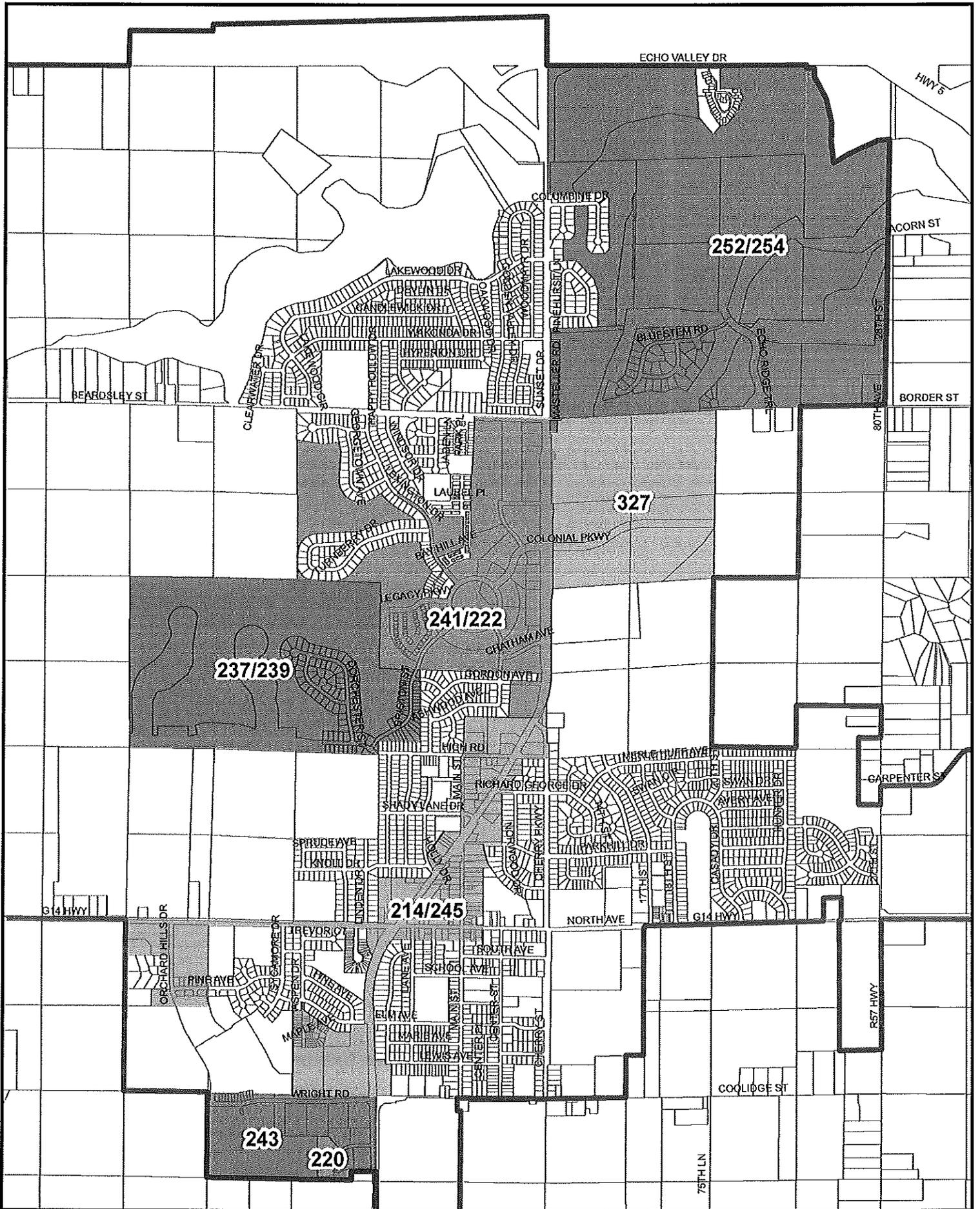
City Clerk

STATE OF IOWA SS:
COUNTY OF WARREN

I, the undersigned, County Auditor of the aforementioned County, in the State of Iowa, do hereby certify that on the 13 day of May, 2011, the City Clerk of the City of Norwalk, Iowa, filed in my office a copy of an ordinance of such City shown to have been adopted by the City Council and approved by the Mayor thereof on the 21ST day of APRIL, 2011, entitled: "Ordinance No. 11-06 . An Ordinance Providing for the Division of Taxes Levied on Taxable Property in the Norwalk Urban Renewal Area #2 of the City of Norwalk, Iowa, Pursuant to Section 403.19 of the Code of Iowa", and that I have duly placed a copy of the ordinance on file in my records.

WITNESS MY HAND this 13 day of May, 2011.


County Auditor



CITY OF NORWALK, IOWA



COPY

DEVELOPMENT AGREEMENT

This Agreement is entered into between the City of Norwalk, Iowa (the "City") and Rowe Electronics, Inc., and Steven D. Rowe (collectively referred to as the "Developer") as of the ____ day of December, 2010.

WHEREAS, the Developer is considering proposals related to locating its business to a site within the Norwalk Urban Renewal Area, within the Norwalk Business Park, a copy of Developers Preliminary Site Plan is attached as Exhibit A hereto (the "Project"); and

WHEREAS, Chapter 403 of the Code of Iowa authorizes cities to establish urban renewal areas and to undertake economic development projects; and

WHEREAS, the City has authority to provide property tax abatement incentives; and

WHEREAS, Chapter 15A of the Code of Iowa authorizes cities to provide grants, loan guarantees, tax incentives and other financial assistance to or for the benefit or promotion of private development value added improvements within the City; and

WHEREAS, the Developer has requested the City to provide tax increment financing assistance to the Developer in order to assist in paying the costs of the improvements to be made upon the Property in connection with the Project; and

WHEREAS, the Developer has requested that the City provide a method for abating certain property taxes which will otherwise be required to be paid with respect to the Project; and

WHEREAS, the Developer will be providing additional capitalization of its own for the Project

NOW, THEREFORE, in consideration of the mutual obligations contained in this Agreement, the parties hereto agree as follows:

1. The Developer agrees to locate its business to Lots one (1) and four (4) in Norwalk Business Center Plat 5 and also described as part of Parcel "A" being a part of Outlot "X" of the Survey of Norwalk Business Center Plat 4 (the "Property") and to represent itself as a Norwalk business pursuant to the following terms:
 - A. Attached hereto as Exhibit B is a schedule of proposed construction of the project by Developer.
 - B. To enter into a formal Purchase Agreement for The Property for a purchase price of \$25,000.00 per acre (subject to the City's performance of its obligations under this Agreement) in form substantially identical to that attached hereto as Exhibit D.
 - C. To construct on the site a building with a minimum size of 15,000 square feet, meeting all city zoning standards and any restrictive covenants related to the site at the time of construction.

- D. To maintain the business on the Property for a minimum of five (5) years after commencement of business (the "Term") or, in the event the Project is not maintained as required, to repay to the City the amount of the economic development grant referred to below. Developer shall grant the City a mortgage on the Property to secure its obligations hereunder, including the amount of the grant referenced in Section 2(A) below, during the Term, and City agrees to subordinate its mortgage hereunder to the lien of any construction mortgage or permanent mortgage refinancing the construction granted by Developer during the Term.

2. The City agrees:

- A. To provide an economic development grant to the Developer in an amount not to exceed \$10,000.00 per acre to be used by the Developer to acquire the Property located in the Norwalk Business Center bringing the net price per acre for the developer to \$15,000.00.
- B. To acknowledge that the Property will be eligible for property tax abatement under the City's Tax Abatement Plan.
- C. In recognition of the Developer's obligations set forth herein, the City agrees to make economic development tax increment payments to the Developer in each fiscal year, pursuant to Chapters 15A and 403 of the Code of Iowa, for a five (5) year period, as provided in this Section 2(C). For years 1 through 5 the amount of the payments shall be equal to 100% of the incremental property tax revenues collected by the City from the Project. However, this amount shall not include the amount received by the City for the City's debt service levy from the Project. The foregoing payments will be made on December 1 and June 1 of each fiscal year, beginning on the first December 1 for which incremental tax revenues become available with respect to the full taxable value of the Project, which shall be considered year 1 and such payments will continue for four (4) additional fiscal years thereafter. (For example, if the construction of the facilities for the Business is completed by **December 2010** the full taxable valuation for the improvements will be placed on the county tax rolls as of **January 1, 2011**. The first fiscal year for which property taxes will be paid with respect to that valuation will begin **July 1, 2011** and the first payment will be due on **December 1, 2011**.)

The payments shall not constitute general obligations of the City, but shall be made solely and only from incremental property tax revenues received by the City from the Warren County Treasurer which are attributable to the Project. Each payment shall be subject to and contingent upon annual appropriation by the City Council.

EXHIBIT B

SCHEDULE OF PROPOSED WORK BY DEVELOPER

- A. Submit a building plan timeline by ____done_____.
- B. Submit final construction timelines, contracts, and proof of necessary financing and issuance of a building permit by _____done_____.
- C. Completion of site plan review by the City by _____done_____.
- D. Completion of construction and opening of business as soon as practical, but no later than _____07/01/2011_____.

EXHIBIT C
PURCHASE AGREEMENT

3. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties, but may not be assigned by the Developer without the express written permission of the City; provided, however, that Developer may assign its rights under this Agreement and the related purchase agreement to a wholly-owned or commonly controlled affiliated entity, subject to the prior written consent of the City, which consent shall not be unreasonably withheld, conditioned, or delayed.
4. 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.
5. A purchase agreement for the purchase of the Property shall be entered into at the time this contract is entered into.

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

CITY:
CITY OF NORWALK, IOWA

By: *Douglas M. Pierce*
DOUG PIERCE, Mayor

Attest:
Jeff Rosien
JEFF ROSIEN, City Clerk
(Seal)

DEVELOPER:
Rowe Electronics, Inc.

By: _____
Steven D. Rowe, President

Steven D. Rowe, personally

EXHIBIT A
PRELIMINARY SITE PLAN

James S. Dougherty

OFFER TO BUY REAL ESTATE AND ACCEPTANCE

TO: City of Norwalk, Iowa, Sellers:

1. REAL ESTATE DESCRIPTION. The Buyers offer to buy real estate in Warren County, Iowa, described as follows: Lots one (1) and four (4) Norwalk Business Center Plat 5

with any easements and appurtenant servient estates, but subject to the following: a. any zoning and other ordinances; b. any covenants of record; c. any easements of record for public utilities, roads and highways, provided Buyers, on possession, are permitted to make the following use of the Real Estate: Light Industrial.

2. PRICE. The purchase price shall be \$ 95,250.00, payable at Warren County, Iowa, as follows: Sale price is based upon a cost of \$25,000.00 per acre. \$5000.00 shall be paid by Buyer at the time of acceptance of this offer by the City of Norwalk, the remaining balance shall be paid in full at the time of closing, subject to terms and adjustments made pursuant to the Development Agreement to be entered into by the Buyer and Seller prior to closing.

3. REAL ESTATE TAXES. Sellers shall pay prorated to date of possession and any unpaid real estate taxes payable in prior years. Buyers shall pay all subsequent real estate taxes. Any proration of real estate taxes on the Real Estate shall be based upon such taxes for the year currently payable unless the parties state otherwise.

4. SPECIAL ASSESSMENTS.

a. Sellers shall pay all special assessments which are a lien on the Real Estate as of the date of acceptance of this offer.

b. All other special assessments shall be paid by Buyers.

5. RISK OF LOSS AND INSURANCE. Risk of loss prior to Seller's delivery of possession of the Real Estate to Buyers shall be as follows:

a. All risk of loss shall remain with Sellers until possession of the Real Estate shall be delivered to Buyers.

6. CARE AND MAINTENANCE. The Real Estate shall be preserved in its present condition and delivered intact at the time possession is delivered to Buyers, provided, however, if 5.a. is stricken and there is loss or destruction of all or any part of the Real Estate from causes covered by the insurance maintained by Sellers, Buyers agree to accept such damaged or destroyed Real Estate together with such insurance proceeds in lieu of the Real Estate in its present condition and Sellers shall not be required to repair or replace same.

7. POSSESSION. If Buyers timely perform all obligations, possession of the Real Estate shall be delivered to Buyers on January 1, 2011, with any adjustments of rent, insurance, and interest to be made as of the date of transfer of possession.

9. USE OF PURCHASE PRICE. At time of settlement, funds of the purchase price may be used to pay taxes and other liens and to acquire outstanding interests, if any, of others.

10. ABSTRACT AND TITLE. Sellers, at their expense, shall promptly obtain an abstract of title to the Real Estate continued through the date of acceptance of this offer, and deliver it to Buyers for examination. It shall show merchantable title in Sellers in conformity with this agreement, Iowa law and Title Standards of the Iowa State Bar Association. The abstract shall become the property of the Buyers when the purchase price is paid in full. Sellers shall pay the costs of any additional abstracting and title work due to any act or omission of Sellers, including transfers by or the death of Sellers or their assignees.

11. DEED. Upon payment of the purchase price, Sellers shall convey the Real Estate to Buyers or their assignees, by Warranty Deed, free and clear of all liens, restrictions, and encumbrances except as provided in 1 a. through 1 .c. Any general warranties of title shall extend only to the time of acceptance of this offer, with special warranties as to acts of Sellers continuing up to time of delivery of the deed.

14. TIME IS OF THE ESSENCE. Time is of the essence in this contract.

15. REMEDIES OF THE PARTIES

a. If Buyers fail to timely perform this contract, Sellers may forfeit it as provided in the Iowa Code, and all payments made shall be forfeited or, at Seller's option, upon thirty days written notice of intention to accelerate the payment of the entire balance because of such failure (during which thirty days such failure is not corrected) Sellers may declare the entire balance immediately due and payable. Thereafter this contract may be foreclosed in equity and the Court may appoint a receiver.

b. If Sellers fail to timely perform this contract, Buyers have the right to have all payments made returned to them.

c. Buyers and Sellers also are entitled to utilize any and all other remedies or actions at law or in equity available to them and shall be entitled to obtain judgment for costs and attorney fees as permitted by law.

16. STATEMENT AS TO LIENS. If Buyers intend to assume or take subject to a lien on the Real Estate, Sellers shall furnish Buyers with a written statement from the holder of such lien, showing the correct balance due.

17. SUBSEQUENT CONTRACT. Any real estate contract executed in performance of this contract shall be on a form of the Iowa State Bar Association.

19. CONTRACT BINDING ON SUCCESSORS IN INTEREST. This contract shall apply to and bind the successors in interest of the parties.

20. CONSTRUCTION. Words and phrases shall be construed as in the singular or plural number, and as masculine, feminine or neuter gender, according to the context.

21. CERTIFICATION. Buyers and Sellers each certify that they are not acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by any Executive Order or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person" or any other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule or regulation that is enforced or administered by the Office of Foreign Assets Control; and are not engaged in this transaction, directly or indirectly on behalf of, any such person, group, entity or nation. Each party hereby agrees to defend, indemnify and hold harmless the other party from and against any and all claims, damages, losses, risks, liabilities and expenses (including attorney's fees and costs) arising from or related to my breach of the foregoing certification.

22. TIME FOR ACCEPTANCE. If this offer is not accepted by Sellers on or before September 28, 2009 it shall become void and all payments shall be repaid to the Buyers.

23. OTHER PROVISIONS. This Agreement is contingent upon Buyer and Seller entering into a Development Agreement for the location of and construction of Buyers business to the above property. The Development Agreement is expected to contain, among other terms, provisions for an Economic Development Grant provided by the City in the amount of \$10,000.00 per acre.

Dated: _____

Buyer Steven D. Rowe

THIS OFFER IS ACCEPTED

Douglas M. Pierce

CITY OF NORWALK - DOUG PIERCE

Seller City of Norwalk, Iowa

DEVELOPMENT AGREEMENT
BY AND BETWEEN

NORWALK, IOWA

AND

CAPITAL CITY FRUIT CO. AND COMITO REAL ESTATE, LLC

APRIL 2011

This Agreement is entered into between the City of Norwalk, Iowa (the "City") and Capital City Fruit Co. ("CCF") and Comito Real Estate, LLC ("CRE" and collectively with CCF the "Developer") as of the 22nd day of April, 2011.

WHEREAS, the Developer is considering proposals related to locating its business to site within the Norwalk Urban Renewal Area, on The Property, a copy of which is attached as Exhibit A hereto (the "project"); and

WHEREAS, Chapter 403 of the Code of Iowa authorizes cities to establish urban renewal areas and to undertake economic development incentives; and

WHEREAS, Chapters 404 and 427b OF THE CODE OF Iowa authorize cities to provide property tax abatement incentives; and

WHEREAS, Chapter 15A of the Code of Iowa authorizes cities to provide grants, loan guarantees, tax incentives and other financial assistance to or for the benefit or promotion of private development value added improvements within the City; and

WHEREAS, the Developer has requested the City to provide tax increment financing assistance to the Developer in order to assist in paying the costs of the improvements to be made upon the Property in connection with the Project; and

WHEREAS, the Developer has requested that the City provide a method for abating certain property taxes which will otherwise be required to be paid with respect to the Project; and

WHEREAS, the City and Developer are in the process of and intend to make application to the State of Iowa for grants to benefit the project including a RISE grant for road and storm sewer construction. The parties will continue to facilitate and cooperate with each other to obtain maximum grant funds; and

WHEREAS, the Developer will be providing additional capitalization of its own for the Project

NOW, THEREOFRE, in consideration of the mutual obligations contained in this Agreement, the parties hereto agree as follows:

1. The Developer agrees to locate its business upon an approximate 18 acre tract of ground, which the City will purchase and is currently under contract for purchase by the City from Farms of Holland LLC, located within the following ground;

The SE $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Section 7, Township 77 North, Range 24 West of the 5th P.M., Warren County, Iowa [As depicted in Exhibit A attached hereto and by this reference incorporated herein]

(the "Property" and the 18 acre tract within the Property the "Site") and to represent itself as a Norwalk business pursuant to the following terms:

- A. Upon completion of necessary infrastructure improvements by the City, developer expects to commence construction in August of 2011. Upon receiving all necessary grant funding, the parties shall enter in a supplemental Agreement regarding the developers proposed construction schedule with expected completion of construction no later than **December 31, 2012**.
- B. To enter into a formal Purchase Agreement for the Site for a purchase price of \$75,000.00 per acre (subject to the City's performance of its obligations under this Agreement) on such terms and conditions as are acceptable to the parties but consistent with this Agreement. It is agreed to by the parties that the original purchase price of the property in its unimproved condition is \$22,000.00 per acre. However, after improvements are made by the City pursuant to this Agreement, the value of the property shall be \$75,000.00 per acre. The parties shall be free to assign a value to the property in a minimum assessment agreement as is mutually agreeable.
- C. To construct on the site a building with a minimum size of seventy five thousand (75,000) square feet, meeting all city zoning standards and any restrictive covenants related to the site at the time of construction.
- D. To maintain a minimum of 110 full-time positions within 2 months of opening the facility and maintain the minimum number during the Term of this Agreement. In the event Developer fails to maintain the minimum number of full time employees the City shall, at its option, cease paying Developer Tax Increment Financing payments arising from the tax year that Developer fails to meet this requirement.
- E. To maintain the business on the Site for a minimum of ten (10) years after commencement of business (the "Term"). Developer shall grant the City a mortgage on the Site to secure its obligations hereunder in the amount of the economic development grant addressed in Paragraph 2(A) during the Term of this Agreement. The City agrees to subordinate its mortgage hereunder and this Agreement to the lien of any construction mortgage or permanent mortgage arising out of the construction of the project or the refinance thereof. The total mortgage amount that the City agrees to subordinate its interest to shall not exceed \$_____. The City and Developer agree that the total amount of the economic development grant addressed in Paragraph 2(A) shall be divided by ten (10) and that Developer shall receive a one tenth (1/10) credit against the amount secured by the mortgage each year on the day following the anniversary date such mortgage is executed, beginning with the day following the first anniversary and continuing each and every year thereafter. If Developer has complied with the terms of this

Section 1E, the City shall release its mortgage on the day following the tenth anniversary of execution of the mortgage.

- F. The CRE is a Limited Liability Company and CCF is a corporation duly organized and validly existing under the laws of the State of Iowa, both are licensed to do business in Iowa, and both have all requisite power and authority to own and operate its properties, to carry on their business as now conducted and as presently proposed to be conducted, and to enter into and perform their obligations under the Agreement.
- G. This Agreement has been duly and validly authorized, executed and delivered by the Developer and, assuming due authorization, execution and delivery by the City, is in full force and effect and is a valid and legally binding instrument of the Developer enforceable in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization or other laws relating to or affecting creditors' rights generally.
- H. The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, and the fulfillment of or compliance with the terms and conditions of this Agreement are not prevented by, limited by, in conflict with, or result in a violation or breach of, the terms, conditions or provisions of the articles of organization and bylaws of the Developer or of any contractual restriction, evidence of indebtedness, agreement or instrument of whatever nature to which the Developer is now a party or by which it or its property is bound, nor do they constitute a default under any of the foregoing.
- I. There are no actions, suits or proceedings pending or threatened against or affecting the Developer in any court or before any arbitrator or before or by any governmental body in which there is a reasonable possibility of an adverse decision which could materially adversely affect the business (present or prospective), financial position or results of operations of the Developer or which in any manner raises any questions affecting the validity of the Agreement or the Developer's ability to perform its obligations under this Agreement.
- J. The Developer will use its best efforts to obtain, or cause to be obtained, in a timely manner, all required permits, licenses and approvals, and will meet, in a timely manner, all requirements of all applicable local, State, and federal laws and regulations which must be obtained or met in connection with the Project.
- K. Upon request, Developer shall promptly provide the City with copies of information reasonably requested by City that is related to this Agreement so that City can determine compliance with the Agreement.

- L. To assist the City in monitoring the performance of the Developer hereunder, a duly authorized officer of the Developer shall, on or about October 1st of each year, meet with the City Administrator or his/her designee to review compliance with the terms of this Agreement. At the time of the meeting the Developer may be required to provide a written certification that such officer has re-examined the terms and provisions of this Agreement and, to the best of that officer's knowledge and belief at the date of such certificate, and during the preceding twelve (12) months, the Developer was not in default in the fulfillment of any of the terms and conditions of this Agreement and that no Event of Default has occurred as of the date of such certificate or during such period, or if the signer is aware of any such default, event or Event of Default, said officer shall disclose in such statement the nature thereof, its period of existence and certificate described above, shall be provided to the City not later than October 1 of each year, commencing October 1, 2013 and continuing until October 1, 2024.
- M. Developer or its successors shall pay, when due, all real property taxes and assessments payable with respect to all and any parts of the Development Property acquired and owned by them and pursuant to the provisions of this Agreement.
- N. As security for the obligations of the Developer under this Agreement, the Developer represents and agrees that, prior to the Termination Date, the Developer will maintain its existence as an adequately capitalized limited liability company and will not wind up or otherwise dispose of all or substantially all of the Site, or assign, participate, or otherwise act in such manner as to convey to any third party any interest in this Agreement unless (i) the transferee, partnership, corporation, limited liability company or individual assumes in writing all of the obligations of the Developer under this agreement and (ii) the City consents thereto in writing in advance thereof. The City agrees that consent to any third party conveyance shall not unreasonably be withheld, delayed, or conditioned. Notwithstanding anything contained herein to the contrary, Developer may assign this Agreement to any affiliate of Developer without City consent, provided that any such assignment shall not relieve Developer of responsibility or liability hereunder. The Developer shall also have the right to assign this Agreement to any mortgage lender for collateral purposes without first obtaining City consent. The Developer represents and warrants that, to its best knowledge and belief, no officer, agent, attorney or employee of the City, or its designees or agents, nor any consultant or member of the governing body of the City, and no other public official of the City who exercises or has exercised any functions or responsibilities with respect to the Project during his or her tenure, or who is in a position to participate in a decision-making process or gain insider information with regard to the Project, has had or shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work or services to

be performed in connection with the Project, or in any activity, or benefit therefrom, which is part of the Project at any time during or after such person's tenure. The parties acknowledge that Developer does not have an affirmative duty to investigate the matters addressed in this paragraph nor does it have a continuing duty to investigate these matters in the future. The Developer shall provide the City all documentation, as determined by the City in its reasonable discretion, to prove it has all necessary financing secured to provide for the construction of the project.

2. The City agrees:

- A. To provide an economic development grant to the Developer in the amount of Developer's purchase price of the Site not to exceed \$75,000.00 per acre to be used by the Developer to acquire the Site. The City will not require a fee from Developer for any plan amendments, re-zone, or subdivision. Additionally, the City will provide an Economic Development Grant in an amount to reimburse any permitting fees. The economic development grant provided for the purchase of the real estate shall be provided in the form of a credit to the Developer at the time of the transfer of the property to the Developer and shall be netted out of the funds owed by the Developer for the purchase.
- B. To ensure that the Site will be eligible for property tax abatement under the City's Tax Abatement Plan. The tax abatement program is contained in Chapter 8 of the Norwalk Municipal Code and provides that the amount of actual value added improvements eligible to be exempt from taxation shall be 75% for the first year, 60% for the second year, 45% for the third year, 30% for the fourth year and 15% for the fifth year.
- C. In recognition of the Developer's obligations set forth in Section 1 above, the City agrees to make economic development grants/tax increment payments to the Developer in each fiscal year, pursuant to Chapters 15A and 403 of the Code of Iowa, for a ten (10) year period. For years 1 through 10 the amount of the payments shall be equal to 100% of the incremental property tax revenues collected by the City from the Project. However, this amount shall not include the amount received by the City for the City's debt service levy from the Project. The foregoing payments will be made on December 1 and June 1 of each fiscal year, beginning on the first December 1 for which incremental tax revenues become available with respect to the full taxable value of the Project, which shall be considered year 1 and such payments will continue for nine (9) additional fiscal years thereafter. (For example, if the construction of the facilities for the Business is completed by **December 2011** the full taxable valuation for the improvements will be placed on the county tax rolls as of **January 1, 2012**. The first fiscal year for which property taxes will be

paid with respect to that valuation will begin **July 1, 2013** and the first payment will be due on **December 1, 2013**.

The payments shall not constitute general obligations of the City, but shall be made solely and only from incremental property tax revenues received by the City from the Warren County Treasurer which are attributable to the Project. **Each payment shall be subject to annual appropriation by the City Council.**

- D. The obligation of the City to make a tax increment payment to the Developer in any year shall be subject to and conditioned upon: (i) the terms of this Article; and (ii) timely filing by the Developer of the annual certification required under Section 1 (M) hereof and the Council's approval thereof. If Developer's certification is timely filed and contains the information required under Section 1 (M) and the Council approves of the same, the City shall certify to the County prior to December 1 of that year its request for the available Tax Increments resulting from the Project. In the event the annual certification required to be delivered by the Developer is not delivered to the City by November 1 of any year, the Developer recognizes and agrees that the City may have insufficient time to review and approve the same and certify its request for Tax Increments to the County and that, as a result, no Economic Development Grant may be made to the Developer in respect thereof. The City covenants to act in good faith to appropriately review and consider any late certification on the part of the Developer, but the City shall not be obligated to make any certification to the County for the available Tax Increments or make any corresponding payment of the Economic Development Grant to the Developer if, in the reasonable judgment of the City, it is not able to give appropriate consideration (which may include, but not be limited to, specific discussion before the City Council at a regular meeting with respect thereto) to the Developer's certification due to its late filing.

In the event that any certification filed by the Developer under Section 1(M) discloses the existence or prior occurrence of an Event of Default, the City shall have no obligation thereafter to make any payments to Developer in respect of the economic development grants/ tax increment payments for the tax year when the default occurred, however, it shall not affect future payments.

Each annual certification filed by Developer under Section 1(M) hereof shall be considered separately in determining whether the City shall make any of the Economic Development Grant/ tax increment payments available to Developer under this Section. Under no circumstances shall the failure by Developer to qualify for an Economic Development Grant in any year serve to extend the term of this Agreement beyond the agreed final payment date.

The economic development grants/ tax increment payments shall be payable from and secured solely and only by amounts received from tax payments from the Developer by the County and shall not be payable in any manner by other tax increment revenues or by general taxation or from any other City funds.

The City makes no representation with respect to the amounts that may finally be paid to the Developer as the economic development grants/ tax increment payments, and under no circumstances shall the City, its agents, governing body members, attorneys, employers, successors or assigns, in any manner be liable to the Developer for failure to make such payments.

- E. To initiate and complete any comprehensive plan/zoning amendments necessary to facilitate the Project and to ensure the Site is zoned for Developer's intended purpose.
- F. To acquire the Site and sell it to Developer pursuant to the Purchase Agreement.
- G. To undertake customary due diligence in its acquisition of the Site including without limitation title and survey review, physical inspection, environmental inspection to include a Phase I (and if recommended by the Phase I, a Phase II). All due diligence reports shall be provided to Developer and certified for the benefit of Developer.
- H. To subdivide the Site from the property and ensure adjoining properties have appropriate zoning.
- I. To use its best efforts to adhere to the construction schedule developed pursuant to Section 1A.
- J. To provide the following Site development and infrastructure:
 - (i) Extension of Colonial Parkway as a four lane grade separated boulevard (31 feet on each side) to the Site. Developer acknowledges only two lanes will be initially constructed with the remaining two lanes to be graded at the time of initial extension

- but added at a later date as the development progresses. Service extensions of water, sanitary sewer, gas, and electric to the Site.
- (ii) Completion of rough grading/demolition work for the Site.
 - (iii) Extended left turn lane on Highway 28 to accommodate Level C access to the Site and adjust signal at Highway 28 to allow fluid truck turning movements.
 - (iv) Create regional storm water detention/retention system on the Property for the benefit of the Site. Developer shall provide or the City shall retain an access easement across Developers property to access the storm water detention/retention area as agreed to by the parties.
 - (v) To undertake and provide to Developer boundary and topographical study, traffic study, and as built survey.
 - (vi) To acquire any right of way or easements necessary for access to the Site.

K. To coordinate and cooperate with Developer to commence construction at the Site as soon as possible.

L. To complete the access, grading, and service extension requirements set forth in Section J above no later than July 1, 2011.

M. That Developer will not be specially assessed the costs of any items, set forth in Section J above or for future development costs of the Property during the term of this Agreement.

N. To use its best efforts to approve in a timely manner all permits, licenses, approvals, or other entitlements that are related to the Project.

O. To cooperate with Developer in good faith in effectuating Developer's efforts, if any, to convey or otherwise transfer the site of its current operations located at 1505 North Avenue, Norwalk, Iowa.

3. Developer defaults and City remedies;

Events of Default Defined. The following shall be "Events of Default" under this Agreement and the term "Event of Default" shall mean, whenever it is used in this Agreement, any one or more of the following events:

- a) Failure by the Developer to cause the construction of the Project Improvement to be commenced and completed pursuant to the terms, conditions and limitations of this Agreement;
- b) Transfer of any interest (either directly or indirectly) in this Agreement or the Development Property and improvements in violation of the provisions this Agreement;

- c) Failure by the Developer to substantially observe or perform any covenant, conditions, obligation or agreement on its part to be observed or performed under this Agreement;
- d) Failure by the Developer to pay ad valorem taxes on the Development Property and Minimum Improvements, when constructed;
- e) The holder of any Mortgage on the Development Property owned by Developer, or any improvements thereon, or any portion thereof, commences foreclosure proceedings as a result of any default by Developer under the applicable Mortgage documents;
- f) Filing by or on behalf of Developer of any petition in bankruptcy or for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the United State Bankruptcy Act of 1978, as amended, or under any similar federal or State law;
- g) The Developer making an assignment for the benefit of its creditors; or admitting in writing its inability to pay its debts generally as they become due; or be adjudicated a bankrupt or insolvent; or if a petition or answer proposing the adjudication of the Developer as a bankrupt or its reorganization under any present or future federal bankruptcy act or any similar federal or State law shall be filed in any court and such petition or answer shall not be discharged or denied within ninety (90) days after the filing thereof; or a receiver, trustee or liquidator of the shall be appointed in any proceedings brought against the Developer, and shall not be discharged within ninety (90) days after such appointment, or if the Developer shall consent to or acquiesce in such appointment.
- h) Any representation or warranty made by the Developer in this Agreement, or made by the Developer in any written statement or certificate furnished by the Developer pursuant to this Agreement which shall be proven to have been incorrect, incomplete or misleading and such misstatement was known by Developer at the time it was made, in any material respect on or as of the date of the issuance or making thereof.

Remedies upon default. Whenever any Event of Default referred to in Section 3 of this Agreement occurs and is continuing, the City as specified below, may take any one or more, or a combination, of the following actions after the giving of thirty (30) days'

written notice by the City to the Developer and the holder of a First Mortgage on the property (but only to the extent the City has been informed in writing of the existence of a First Mortgage and been provided with the address of the holder thereof) of the Event of Default, but only if the Event of Default has not been cured within said thirty (30) days and the Developer does not provide assurances satisfactory to the City that the Event of Default will be cured as soon as reasonably possible:

- a) The City may suspend its performance under this Agreement until it receives assurances from the Developer, deemed adequate by the City, that the Developer will cure its default and continue its performance under this Agreement.
- b) The City may terminate this Agreement;
- c) The City may take any action, including legal, equitable, or administrative action, which may appear necessary or desirable to recover damages or to enforce performance and observance of any obligation, agreement, or covenant of the Developer, as the case may be, under this Agreement; or
- d) The City shall be entitled to recover from the Developer, and the Developer shall repay to the City, an amount equal to the full amount of the Economic Development Grant made to Developer under 2(A) hereof, with interest thereon at the rate of 6%. The City may take any action, including any legal action it deems necessary, to recover such amount from Developer.
- e) No remedy herein conferred upon or reserved to the City is intended to be exclusive of any other available remedy or remedies, but each and every remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

4. City Defaults and Developer Remedies.

Events of Default Defined. The following shall be "Events of Default" under this Agreement and the term "Event of Default" shall mean, whenever it is used in this Agreement, any one or more of the following events:

- a) City shall have failed to provide the initial economic development payment to Developer for the initial purchase of the ground or make any economic development/TIF payment after appropriation of the same and such failure shall not have been cured within ten (10) days after receipt of written notice respecting such over due payment; or
- (b) City shall have failed to perform any term, covenant, or condition of this Agreement to be performed by City, except those requiring the payment of money, and City shall have failed to cure same within thirty (30) days after written notices from the Developer; or
- (c) The failure or inability of the City to perform its obligations hereunder shall prevent the Developer from obtaining any building permits, occupancy certificates, or any other consents or approvals in connection with the construction and operation of the Project.

Remedies upon default. Whenever any Event of Default referred to in Section 4 of this Agreement occurs and is continuing, the Developer as specified below, may take any one or more, or a combination, of the following actions after the giving of thirty (30) days' written notice by the Developer to the City of the Event of Default, but only if the Event of Default has not been cured within said thirty (30) days and the City does not provide assurances satisfactory to the Developer that the Event of Default will be cured as soon as reasonably possible:

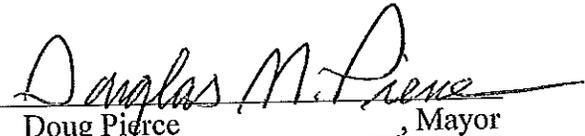
- a) The Developer may suspend its performance under this Agreement until it receives assurances from the City, deemed adequate by the Developer, that the Developer will cure its default and continue its performance under this Agreement.
- a) The Developer may terminate this Agreement during the first six (6) months of the Agreement in the event of a material and continuing default by the City. (for example, the City fails to construct the road)
- b) The Developer may take any action, including legal, equitable, or administrative action, which may appear necessary or desirable to recover damages or to enforce performance and observance of any obligation, agreement, or covenant of the City, as the case may be, under this Agreement; or

- c) No remedy herein conferred upon or reserved to the Developer is intended to be exclusive of any other available remedy or remedies, but each and every remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute, including without limitation claims for actual damages. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.
5. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties, but may not be assigned by the Developer without the express written permission of the City; provided, however, that Developer may assign its rights under this Agreement and the related purchase agreement to a wholly-owned or commonly controlled affiliated entity, subject to the prior written consent of the City, which consent shall not be unreasonably withheld, conditioned, or delayed.
6. In the event the City fails to make an annual appropriation of TIF funds pursuant to the annual appropriation clause herein, the parties agree the Developer shall suffer an economic hardship and shall be relieved from the minimum number of employee requirements of Paragraph 1(D) above.
7. In any proceeding or controversy associated with or arising out of this Agreement or a claimed or actual breach hereof, the prevailing party shall be entitled to recover from the other party as a part of the prevailing party's costs, such party's actual attorneys' and other professionals' fees and court costs. The award for legal expenses shall not be computed in accordance with any court schedule, but shall be as necessary to fully reimburse all attorneys' and other professionals' fees and other expenses actually incurred in good faith, regardless of the size of the judgment, it being the intention of the parties to fully compensate the prevailing party for all the attorneys' and other professionals' fees and other expenses paid in good faith.
8. 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.
9. If there shall occur, during the initial construction period, any strikes, layoffs or labor disputes, inability to obtain labor or materials or reasonable substitutes therefore or acts of God, governmental restrictions, regulations or controls, enemy or hostile government action, civil commotion, fire or other casualty or other

conditions similar or dissimilar and either party shall, as a direct result of any of the foregoing events, fail to timely perform any obligation on its part to be performed, then such failure shall be excused and not be a breach of this Agreement by the party in question, but only to the extent and for the time occasioned by such event. In the event of any such unavoidable delay, and as a condition precedent of a party so claiming or relying upon such delay, the party shall give notice in writing describing such event to within ten (10) days after occurrence of same.

10. This Agreement may not be amended, waived or modified in any respect unless the same shall be in writing and signed by both parties. No waiver by a party of any default by the other shall constitute a waiver of any other breach or default by the other, whether of the same or any other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a party shall give the other any contractual right by custom, estoppel, or otherwise.
11. The City and the Developer have caused this Agreement to be signed, and the City's seal to be affixed, in their names and on their behalf by their duly authorized officers, all as of the day and date written above.

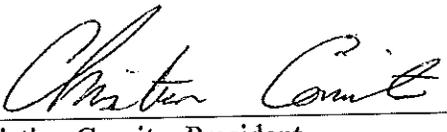
CITY:
CITY OF NORWALK, IOWA

By: 
Doug Pierce, Mayor

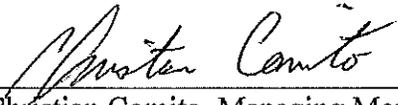
Attest:


Jeff Rosien, City Clerk
(Seal)

DEVELOPER:
Capital City Fruit Co.

By: 
Christian Comito, President

Comito Real Estate, LLC

By: 
Christian Comito, Managing Member

RECEIVED
CITY OF NORWALK

2001 JUN 27 PM 12: 56

CITY OF NORWALK/COLONIAL MEADOWS
DEVELOPMENT AGREEMENT
PHASE I

This Development Agreement is entered into by and among the City of Norwalk, Iowa, a municipal corporation (hereinafter referred to as the "City"), Colonial Meadows, L.C. ("Colonial Meadows"), an Iowa limited liability company, and Hubbell Realty Company ("Hubbell Realty"), an Iowa corporation. (Colonial Meadows and Hubbell Realty are hereinafter, collectively referred to as "Owners").

WITNESSETH:

WHEREAS, Colonial Meadows is the owner of record of the real property described in the attached Exhibit "A" and Hubbell Realty has entered into a Purchase Agreement to acquire the real estate described in Exhibit "B" (hereinafter collectively referred to as the "Subject Property"); and

WHEREAS, the Owners contemplate forming a limited liability company, owned equally by Hubbell Realty (or an entity affiliated with Hubbell Realty) and Colonial Meadows, which will develop the Subject Property.

WHEREAS, the Subject Property is presently located entirely within Norwalk, Iowa, and the City of Norwalk Tax Increment Financing District (TIF district); and

WHEREAS, City and Owners desire to enter into this Development Agreement for the purpose of outlining obligations of the parties in constructing the first phase of a multi phase development of a golf course community within the Subject Property ("Phase I") Phase I, as referred to herein, shall include the construction of an 18 hole golf course, a clubhouse for the golf course and related infrastructure, buildings and improvements; and

WHEREAS, the City has determined that a public purpose exists and the City is authorized to participate in this project pursuant to the Code of Iowa including Chapter 403.

NOW, THEREFORE, it is understood and agreed between the parties as follows:

1. The Owners will construct, or cause to be constructed, an 18-hole golf course, a golf clubhouse, and related improvements on the Subject Property prior to July 1, 2002. The general layout of the golf course and the general location of the golf clubhouse and related improvements shall be as generally set forth in the master plan exhibit to the PUD for the Subject Property approved by the City Council of the City on May 17, 2001. In the event the Owners fail to perform the foregoing obligations prior to July 1, 2002, or such other applicable date as established in accordance with the provisions of Section 8 of this Agreement, and in the event such non-performance is not cured within one (1) year following the date the City notifies the Owners in writing of such non-performance or, if applicable, within one (1) year plus any extension

authorized pursuant to Section 8 (i) the City shall be relieved of all further obligations hereunder and (ii) the Owners shall repay to the City all amounts paid by the City to the Owners pursuant to this Agreement and upon such repayment the Owners shall have no further obligations hereunder.

In addition to the foregoing, the Owners agree that there will be constructed on the Subject Property improvements which result in an additional One Million Dollars (\$1,000,000) of assessed commercial valuation on or before the January 1, 2008 assessment (the "Additional Improvements"), over and above the additional assessed commercial valuation resulting from the construction of the golf course, the golf clubhouse and related facilities as provided above. In the event the Additional Improvements are not made to the extent provided above on or before the January 1, 2008 assessment (i) the City shall be relieved of all further obligations hereunder and (ii) the Owners shall repay to the City an amount equal to the funds provided by the City pursuant to Section 2 below, multiplied by the following fraction: one (1) minus a fraction the numerator of which is the sum of the following (i) the assessed value of the Additional Improvements as of January 1, 2008 plus (ii) the assessed value of the golf course, the golf clubhouse and related facilities as of January 1, 2008 and the denominator of which is the sum of the following (x) the assessed value of the golf course, the golf clubhouse and related facilities as of January 1, 2008 plus (y) One Million Dollars (\$1,000,000). Upon such repayment the Owners shall have no further obligations hereunder.

2. The City agrees to provide funds in an amount of \$550,000.00 for construction of infrastructure improvements benefiting commercial development within the Subject Property. It is expected that the City's funds will go towards the following improvements:

- A. The construction of Colonial Circle and related improvements from Lexington to the entrance of the street leading to the golf clubhouse (\$50,000.00).
- B. The construction of a street and related improvements from Colonial Circle to golf clubhouse (\$170,000.00).
- C. The construction of a sewer trunk link along golf course street from Colonial Circle to golf clubhouse (\$50,000.00).
- D. The construction of a sewer force main to the golf clubhouse through golf course (\$30,000.00).
- E. The construction of a sewer pump station serving the golf course (\$205,000.00).

F. The construction of infrastructure improvements to serve the golf clubhouse (\$45,000.00).

3. The source of the funding for the \$550,000.00 contributed by the City shall be at the City's sole discretion. Such sources may include, but are not limited to, revenue bonds or Tax Increment Financing Funds. In the event the above described projects do not cost \$550,000.00, then the difference between the actual cost of improvements and the \$550,000.00 will be applied to other infrastructure costs within the Subject Property as agreed to by the City and Owners.

4. The funds shall be held by the City and paid to Owners as the Owners incur costs and expenses for the listed improvements in increments of not less than \$100,000.00 upon inspection and approval by the City of the improvements made to that date; provided, however, the final payment for the improvements may, if applicable, be less than \$100,000.00. Such inspections and approvals shall not be unreasonably withheld. The City's funds shall be used for the construction, including necessary engineering, testing, grading, paving, materials and installation costs, of the above improvements.

5. The Subject Property shall initially be included in a tax increment finance (TIF) district. It is acknowledged by the parties, however, that as the Subject Property develops and individual plats are presented to the City, the City, in its sole discretion, shall have the authority to remove all one or two family residential development from the TIF District and to decide what portion, if any, of the residential tax increments will be used or applied for TIF purposes. To facilitate the removal of such residential property from the TIF District all individual plats containing such residential development shall not contain lots for non-residential use.

6. The Owners and/or other future developers of the Subject Property shall be required to comply with all zoning, subdivision, bonding, and other applicable laws of the City in effect at the time of development. The Owners, or their assigns, as the case may be, shall be required to post a subdivision bond securing the payment for and approved completion of all infrastructure improvements to be dedicated to the City. Upon completion, the City's requirements with regards to maintenance bonds for public improvements shall apply.

7. Notwithstanding any provision of this Development Agreement to the contrary if the construction of the golf course, the golf clubhouse and the related improvements is delayed due to any causes or contingencies beyond the Owners' or, if applicable, the golf course developer's control, including, but not limited to, fires, floods, drought, inadequate growing conditions, unusual delays in deliveries, accidents, acts of God, war, casualties, strikes, labor disputes, governmental action, orders, or other causes beyond Owners' or, if applicable, the golf course developer's control the time period by which the construction of the golf course, the

golf clubhouse and related improvements shall be extended for a reasonable time in light of the occurrence of any of the foregoing events; provided, however, in no event shall the July 1, 2002 deadline set forth in paragraph 1 be extended pursuant to the foregoing provisions beyond July 1, 2004.

8. Assignment. The Owners shall have the right to assign all of their rights and interests in this Development Agreement to any subsequent owner of the Subject Property.

Dated this 25 day of JUNE, 2001.

OWNERS:

COLONIAL MEADOWS I.C.

By: Michael M. [Signature]
ASSISTANT MANAGER

By: _____

HUBBELL REALTY COMPANY

By: [Signature], Sr. V.P.

By: [Signature], Secretary

CITY OF NORWALK, IOWA:

By: [Signature]
Jerry Starkweather, Mayor

By: [Signature]
, City Clerk

EXHIBIT "A"

Description of Colonial Meadows, L.C.'s Property.

The following described lots in the official plats of Colonial Meadows, now included in and forming a part of the City of Norwalk, Warren County, Iowa:

Plat 1 Lot 3 (4.0766 acres)	Plat 3 Lot 18 (0.20 acres)
Plat 1 Lot 2 (6.8292 acres)	Plat 3 Lot 19 (0.20 acres)
Plat 3 Lot 1 (0.32 acres)	Plat 4 Lot 2 (0.20 acres)
Plat 3 Lot 2 (0.30 acres)	Plat 4 Lot 4 (0.20 acres)
Plat 3 Lot 3 (0.29 acres)	Plat 4 Lot 30 (9.71 acres)
Plat 3 Lot 5 (0.21 acres)	Plat 4 Outlot Y (7.4627 acres)
Plat 3 Lot 7 (0.20 acres)	Plat 5 Lot 1 (10.72 acres)
Plat 3 Lot 8 (0.27 acres)	Plat 5 Lot 2 (2.55 acres)
Plat 3 Lot 10 (0.27 acres)	Plat 5 Lot 3 (2.44 acres)
Plat 3 Lot 11 (0.20 acres)	Plat 5 Lot 4 (2.64 acres)
Plat 3 Lot 12 (0.21 acres)	Plat 5 Outlot Y (125.05 acres)
Plat 3 Lot 15 (0.20 acres)	Plat 5 Outlot Z (84.56 acres)

EXHIBIT B
TO
CITY OF NORWALK/COLONIAL MEADOWS
DEVELOPMENT AGREEMENT PHASE I
LEGAL DESCRIPTION

The following described real estate situated in Warren County, Iowa, to-wit:

The East Half (E ½) of the Southeast Quarter (SE ¼) of Section 11, the Southwest Quarter (SW ¼) of Section 12, and the West Half (W ½) of the Southwest Quarter (SW ¼) of the Southeast Quarter (SE ¼) of Section 12 (except the South 210 feet thereof), all in Township 77 North, Range 25 West of the 5th P.M., referred to as Parcel "F" of the Survey recorded in the office of the Recorder of Warren County, Iowa in Irregular Plat Book 14, at Page 11 of 77-25, more particularly described as follows: Beginning at the South Quarter corner of Section 12, Township 77 North, Range 25 West of the 5th P.M.; thence N00°06'03"E 210.00 feet along the West line of the Southwest Quarter of the Southeast Quarter of said Section 12; thence S88°30'01"E 655.49 feet to a point on the West line of the David Gordon Heights Subdivision, said point also being the NE corner of Lot 36 of the Norwalk Knolls Subdivision #3; thence N00°01'01"W 1121.41 feet along the West line of David Gordon Heights Subdivision to a point on the North line of the Southwest Quarter of the Southeast Quarter of said Section 12, said point also being the NW corner of Lot 92 of David Gordon Heights Subdivision; thence N88°14'33"W 653.39 feet along the North line of the Southwest Quarter of the Southeast Quarter of said Section 12; thence N00°05'36"E 1330.52 feet along the West line of the Northwest Quarter of the Southeast Quarter of said Section 12 to the center of said Section 12; thence N87°30'07"W 1291.48 feet along the South line of the East Half of the Northwest Quarter of said Section 12, to the Southwest corner of the East Half of the NW ¼ of said Section 12; thence N88°27'44"W 1309.80 feet along the South line of the West Half of the Northwest Quarter of said Section 12, to the West ¼ corner of said Section 12; thence N89°38'33"W 1308.11 feet along the North line of the East ½ of the Southeast Quarter of Section 11-77-25, to the Northwest corner of the East ½ of the Southeast ¼ of said Section 11; thence S00°39'46"W 2660.42 feet along the West line of the East Half of the Southeast Quarter of said Section 11 to the Southwest corner of the East ½ of the Southeast ¼ of said Section 11; thence S89°38'51"E 1311.66 feet along the South line of the East Half of the Southeast Quarter of said Section 11 to the Southeast corner of the East ½ of the Southeast ¼ of said Section 11; thence S87°54'21"E 2627.72 feet along the South line of the Southwest Quarter of said Section 12 to the point of beginning,

to be known as Lot 1 and Outlot Z, in The Legacy Plat 1, an Official Plat, now included in and forming a part of the City of Norwalk, Iowa.

756,500

May 16/2005 to Dec 1/2020

Prepared For: Colonial Meadows

Re: Repayment
Principal: 926341.23
Rate: 4.99
Compounded: 12

Years : 15.00
Payment : 44382.90
Payment Frequency: Semi-Annually
Interest Factor 1.025210819

Date	Payment Number	Total Payment	Interest Payment	Principal Payment	Balance Loan	Total Int Per Year	Per Diem	FX	Annual Debt Service Report
Nov 16/2005	1	44382.90	23353.82	21029.08	905312.15	23353.82	127.97		
Dec 31/2005					Sub-Total	23353.82		05-06	88766
May 16/2006	2	44382.90	22823.66	21559.24	883752.91	22823.66	125.07		
Nov 16/2006	3	44382.90	22280.13	22102.77	861650.14	45103.79	122.09		
Dec 31/2006					Sub-Total	45103.79		06-07	88766
May 16/2007	4	44382.90	21722.91	22659.99	838990.15	21722.91	119.03		
Nov 16/2007	5	44382.90	21151.63	23231.27	815758.88	42874.54	115.90		
Dec 31/2007					Sub-Total	42874.54		07-08	88766
May 16/2008	6	44382.90	20565.95	23816.95	791941.93	20565.95	112.70		
Nov 16/2008	7	44382.90	19965.50	24417.40	767524.53	40531.45	109.41		
Dec 31/2008					Sub-Total	40531.45		08-09	88766
May 16/2009	8	44382.90	19349.92	25032.98	742491.55	19349.92	106.03		
Nov 16/2009	9	44382.90	18718.82	25664.08	716827.47	38068.74	102.57		
Dec 31/2009					Sub-Total	38068.74		09-10	88766
May 16/2010	10	44382.90	18071.81	26311.09	690516.38	18071.81	99.03		
Nov 16/2010	11	44382.90	17408.48	26974.42	663541.96	35480.29	95.39		
Dec 31/2010					Sub-Total	35480.29		10-11	88766
May 16/2011	12	44382.90	16728.44	27654.46	635887.50	16728.44	91.67		
Nov 16/2011	13	44382.90	16031.24	28351.66	607535.84	32759.68	87.85		
Dec 31/2011					Sub-Total	32759.68		11-12	88766
May 16/2012	14	44382.90	15316.48	29066.42	578469.42	15316.48	83.93		
Nov 16/2012	15	44382.90	14583.69	29799.21	548670.21	29900.17	79.92		
Dec 31/2012					Sub-Total	29900.17		12-13	88766
May 16/2013	16	44382.90	13832.43	30550.47	518119.74	13832.43	75.80		
Nov 16/2013	17	44382.90	13062.22	31320.68	486799.06	26894.65	71.58		
Dec 31/2013					Sub-Total	26894.65		13-14	88766
May 16/2014	18	44382.90	12272.60	32110.30	454688.76	12272.60	67.25		
Nov 16/2014	19	44382.90	11463.08	32919.82	421768.94	23735.68	62.82		
Dec 31/2014					Sub-Total	23735.68		14-15	88766
May 16/2015	20	44382.90	10633.14	33749.76	388019.18	10633.14	58.27		
Nov 16/2015	21	44382.90	9782.28	34600.62	353418.56	20415.42	53.61		
Dec 31/2015					Sub-Total	20415.42		15-16	88766
May 16/2016	22	44382.90	8909.97	35472.93	317945.63	8909.97	48.83		
Nov 16/2016	23	44382.90	8015.67	36367.23	281578.40	16925.64	43.93		
Dec 31/2016					Sub-Total	16925.64		16-17	88766
May 16/2017	24	44382.90	7098.82	37284.08	244294.32	7098.82	38.90		
Nov 16/2017	25	44382.90	6158.86	38224.04	206070.28	13257.68	33.75		
Dec 31/2017					Sub-Total	13257.68		17-18	88766
May 16/2018	26	44382.90	5195.20	39187.70	166882.58	5195.20	28.47		
Nov 16/2018	27	44382.90	4207.25	40175.65	126706.93	9402.45	23.06		
Dec 31/2018					Sub-Total	9402.45		18-19	88766
May 16/2019	28	44382.90	3194.39	41188.51	85518.42	3194.39	17.51		
Nov 16/2019	29	44382.90	2155.99	42226.91	43291.51	5350.38	11.82		
Dec 31/2019					Sub-Total	5350.38		19-20	88766
May 16/2020	30	44382.90	1091.41	43291.49	0.02	1091.41	5.99		
Nov 16/2020	31	0.02	0.00	0.02	0.00	1091.41	0.01		
Dec 31/2020					Sub-Total	1091.41		20-21	.02

Final Payment 0.00
Principal Paid to Date 926341.23
Interest Paid to Date 405145.79
Total Paid to Date 1331487.02

Contractual Agreement / 10/1/2001

E. & O.E.
Related to communication report

REPORT SELECTIONS

Report: Mortgage Amortization
Finished: Thursday, July 12, 2001 at 10:11:14 AM
Date Range: May 16/2005 to Dec 1/2020
Name: Colonial Meadows
Re: Repayment
Principal: 926341.23
Rate: 4.99

DEVELOPMENT AGREEMENT

This Development Agreement, including Exhibits (the "Agreement") is entered into between the City of Norwalk, Iowa (the "City") and United Properties Investment Company L.C., Raccoon Valley Investment Company, L.C. and Echo Valley Investment Company L.C. (collectively the "Developer") as of the 26 day of July, 2004.

WHEREAS, the City has established the Norwalk Urban Renewal Area #1 (the "Urban Renewal Area"), and has adopted a tax increment ordinance for the Urban Renewal Area; and

WHEREAS, the Developer owns certain real property which is situated within the Urban Renewal Area and more specifically described on Exhibit A hereto (the "Property"); and

WHEREAS, the Developer intends to undertake the development of housing on the Property including the construction of certain public improvements (the "Residential Project Improvements"), as well as the development of residential units (the "Private Residential Project"); and

WHEREAS, the Developer intends to undertake the development of commercial enterprises on the Property including the construction of certain public improvements (the "Commercial Project Improvements"), as well as the development of certain private facilities as the site for commercial business (the "Private Commercial Project") including, but not limited to a nine hole golf course, a club house on the golf course, an office building and other commercial facilities; and

WHEREAS, the Developer has requested, that the City provide, tax increment financing assistance to the Developer in order to assist in paying the costs of the Residential Project Improvements, the Commercial Project Improvements and the Private Commercial Project; and

WHEREAS, the City is willing to provide such tax increment financing assistance provided that the City's payment obligations are made subject to annual appropriation by the City Council, thereby minimizing the impact of the Agreement on the City's constitutional debt limit; and

WHEREAS, the Iowa Urban Renewal law requires that any project related to housing which receives tax increment financing assistance must also generate funds to be used to provide assistance related to housing for low and moderate income families; 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. Developer's Covenants

1. The Developer agrees to construct the Residential Project Improvements and the Private Residential Project on the Property in accordance with the Planned Unit Development plan previously agreed to by the City and the Developer and certain specifications, all as set forth on Exhibit B hereto. Prior to beginning construction of the Residential Project Improvements, the Developer will provide copies of all engineering documents related to the Residential Project Improvements to the City. The City may request reasonable changes in such documents, to insure compliance with any applicable City ordinances or regulations. Upon completion of any non-decorative Residential Project Improvements of the type ordinarily dedicated to the City in connection with development projects, and after the City confirms to the Developer in writing that such Residential Project Improvements meet City requirements and the City accepts such Residential Project Improvements, the Developer will provide the City with either a deed or permanent easement to such Improvements and related right-of-way, which shall thereafter be maintained by the City. Any decorative Residential Project Improvements, such as landscaped sign areas, entrance features or common areas, as determined by the City, shall remain the property of the Developer, and the City shall assume no responsibility for ongoing maintenance of such items.

Also, upon completion of the Residential Project Improvements, the Developer agrees to provide documentation, in such form as may be requested by the City, of the costs incurred in the construction thereof (the "Developer's Residential Improvement Costs"). The Developer's Residential Improvement Costs may include actual construction costs related only to those Residential Project Improvements described on Exhibit C hereto, and such costs may include payments to contractors, costs of materials, engineering fees and other professional fees. The Developer's Residential Improvement Costs shall not include any interest or other financing expenses paid by the Developer, any building permit fees, costs of inspections, capital charge fees or Developer's Payments (as defined in Section A.4 of this Agreement). In addition, the Developer's Residential Improvement Costs shall not include any costs associated with acquisition of materials and/or construction for grading, compaction and development of individual lots on the Property. To the extent necessary for the construction of the Residential Project Improvements, the Developer's Residential Improvement Costs may include costs incurred in platting and designing the total project.

Each documentation of the Developer's Residential Improvement Costs made under this Section will be accompanied by invoices, and such other documentation as is reasonably requested by the City, confirming that the costs detailed in such documentation were in fact incurred in the installation of the Residential Project Improvements and are of an amount reasonably to have been expected with respect to such installation.

2. The Developer agrees to construct the Commercial Project Improvements and the Private Commercial Project on the Property in accordance with the Planned Unit Development plan previously agreed to by the City and the Developer and certain specifications, all as set forth on Exhibit B hereto. Prior to beginning construction of the Commercial Project Improvements or the Private Commercial Project, the Developer will provide copies of all engineering documents related to such construction to the City. The City may request reasonable changes in such documents, to insure compliance with any applicable City ordinances or

regulations. Upon completion of any non-decorative Commercial Project Improvements of the type ordinarily dedicated to the City in connection with development projects, and after the City confirms to the Developer in writing that such Commercial Project Improvements meet City requirements and the City accepts such Commercial Project Improvements, the Developer will provide the City with either a deed or permanent easement to such Improvements and related right-of-way, which shall thereafter be maintained by the City. Any decorative Commercial Project Improvements, such as landscaped sign areas, entrance features or common areas, as determined by the City, shall remain the property of the Developer and be considered as part of the Private Commercial Project, and the City shall assume no responsibility for ongoing maintenance of such items.

Also, upon completion of the Commercial Project Improvements, the Developer agrees to provide documentation, in such form as may be requested by the City, of the costs incurred in the construction thereof (the "Developer's Commercial Improvement Costs"). The Developer's Commercial Improvement Costs may include actual construction costs related only to those Commercial Project Improvements described on Exhibit C hereto. The Developer also agrees to provide documentation, in such form as may be requested by the City, of the costs (the "Private Commercial Costs") incurred in the construction and development of the Private Commercial Project for which the Developer wishes to receive Payments.

The Developer's Commercial Improvement Costs and the Private Commercial Costs may include payments to contractors, costs of materials, engineering fees and other professional fees. The Developer's Commercial Improvement Costs and Private Commercial Costs shall not include any interest or other financing expenses paid by the Developer, any building permit fees, costs of inspections, or capital charge fees.

Each documentation of the Developer's Commercial Improvement Costs or the Private Commercial Costs made under this Section will be accompanied by invoices, and such other documentation as may be reasonably requested by the City, confirming that the costs detailed in such documentation were in fact incurred in the installation of the Commercial Project Improvements and/or the construction of the Private Commercial Project and are of an amount reasonably to have been expected with respect to such installation and/or construction.

3. The Developer agrees to certify to the City whenever the Developer is ready to begin the process of dividing incremental property tax revenues from each Phase (as defined in Section B.2 below). In any year in which the Developer wishes to designate a new Phase, the Developer shall certify to the City, on or before October 1 of that year, the legal description of that portion of the Property to be included in such Phase as well as a description of the Developer's Commercial Improvement Costs/Private Commercial Costs and/or Developer's Residential Improvement Costs to be reimbursed with incremental property tax revenues to be derived from such Phase.

The Developer also agrees to certify to the City by no later than October 1 of each year during the term of this Agreement the estimated amount of incremental property taxes which will be paid with respect to each of the then-certified Phases of the Project in the fiscal year immediately following such certification (the "Developer's Estimate"). Such certification shall include a written statement as to what person or entity will be the recipient of any Payments to be

made by the City under this Agreement in the following fiscal year. The Developer's Estimate shall be calculated based upon the incremental value of the real property associated with each respective Phase for which an estimate is being submitted as shown by the County Assessor as of January 1 of the year in which the Developer's Estimate is being made, multiplied by the Adjusted Consolidated Tax Levy. The Adjusted Consolidated Tax Levy shall be the consolidated property tax levy for the fiscal year in which the Developer's Estimate is being made, increased by 5%. For example, if the Developer is submitting a Developer's estimate in October of 2006 for Phase 1, the incremental value of the properties in Phase 1 would be determined by examining the values shown by the County Assessor for such properties as of January 1, 2006. The incremental value for this example is assumed to be \$100,000. If the consolidated tax levy for the fiscal year beginning July 1, 2006 was \$30.00 per thousand, then the Adjusted Consolidated Tax Levy for that fiscal year would be \$30.00 per thousand increased by 5%, or \$31.50 per thousand. The Developer's Estimate would be the incremental value of the property (\$100,000) multiplied by the Adjusted Consolidated Tax Levy (\$31.50 per thousand), equaling \$3,150.

4. As a condition to the receipt of Payments, as defined in paragraph B.1 below, from the City, the Developer agrees to pay to the City an amount (the "Developer's Payments") equal to \$3,000 multiplied by the number of single family residential homes and/or duplex residential units planned for construction on the Property as shown on any building permits issued relative to the Property in the six months prior to the next June 1 or December 1 on which a Payment is due and to pay an amount equal to \$300.00 multiplied by the number of living units contained in a multifamily apartment or condominium facility planned for construction on the Property as shown on any building permits issued relative to the Property in the six months prior to the next June 1 or December 1 on which a Payment is due. No Payment will be made to the Developer on any June 1 or December 1 until the Developer's Payments then due and owing have been made in full. The Developer's Payments are to be paid in consideration of the future costs to be incurred by the City as a result of making the Payments under this Agreement, including costs of ongoing operations and maintenance expenses resulting from the development activities contemplated herein. The issuance of building permits will be determined without regard to the payment, or failure of payment, of the Developer's Payments.

5. The Developer agrees to pay to the City an amount equal to the legal fees incurred by the City with respect to the drafting and authorization of this Agreement, within 30 days of the receipt of a statement with respect thereto from the City.

B. City's Obligations

1. In recognition of the Developer's obligations set out above, the City agrees to make economic development tax increment payments to the Developer in each fiscal year during the term of this Agreement, pursuant to Chapters 15A and 403 of the Code of Iowa. As described in Sections B.2 and B.3 below the economic development tax increment payments shall be divided into two types (i) the Residential Payments and (ii) the Commercial Payments (collectively hereinafter the Residential Payments and the Commercial Payments shall be referred to as the "Payments") The total Payments over the term of the Agreement shall not exceed an amount equal to the lesser of (i) \$15,200,000 or (ii) the aggregate total of the Developer's Residential Improvement Costs plus the Developer's Commercial Improvement Costs and Allowable Private Commercial Costs (as hereinafter defined).

The Allowable Private Commercial Costs shall mean any Private Commercial Costs documented to the satisfaction of the City, but only to the extent that such costs are in an amount equal to or less than the aggregate amount of the Developer's Residential Improvement Costs and/or Developer's Commercial Improvement Costs which have been documented to the satisfaction of the City. (For example if the City has accepted documentation of a total of \$10,000 of Developer's Residential Improvement Costs and Developer's Commercial Improvement Costs at a given time, and the Developer has documented \$15,000 of Private Commercial Costs at such time, then at that time only \$10,000 would be Allowable Private Commercial Costs, and the balance of \$5,000 would become Allowable Private Commercial Costs at such time as the Developer documents additional Developer's Residential Improvement Costs and Developer's Commercial Improvement Costs totaling at least \$5,000).

Notwithstanding anything to the contrary herein, the Developer may immediately, in 2004, include as Allowable Private Commercial Costs, those costs incurred in the construction of a nine-hole golf course up to a maximum amount of \$3,000,000. Provided, however, that the Developer agrees to have documented to the City by no later than October 1, 2006 Developer's Residential Improvement Costs and Developer's Commercial Improvement Costs equal to or exceeding \$3,000,000 (the "Requisite Costs"). The City hereby acknowledges that its sole remedy should the Developer fail to demonstrate the Requisite Costs by October 1, 2006 shall be to suspend any payments relative to the Allowable Private Commercial Costs until such time as the Requisite Costs have been incurred and demonstrated to the satisfaction of the City.

The City agrees to cooperate with the Developer in maximizing the potential return to the Developer from incremental property taxes, by allowing the Developer to divide the Project into no more than Four (4) Commercial Phases (as hereinafter defined) and Seven (7) Residential Phases (as hereinafter defined)(collectively the Commercial Phases and the Residential Phases shall be referred to as the "Phases").

Each Phase will be treated separately for purposes of applying the statutory restrictions with respect to the allocation of incremental property tax revenues. The allocation of incremental property tax revenues with respect to each Phase shall begin in the fiscal year immediately following the calendar year in which the City first certifies to the County Auditor that Payments are to be made from the portion of the Property included within each such Phase.

2. The Payments (the "Residential Payments") with respect to each Phase from which the Developer's Residential Improvement Costs are to be reimbursed (the "Residential Phases") will be made on December 1 and June 1 of each fiscal year, beginning on the first December 1 for which incremental tax revenues become available with respect to each Phase, and continuing for a total of ten (10) fiscal years for each of the Phases. It is understood that these time limits apply solely to the number of years for which tax increment revenues may be generated from each Phase, in accordance with Chapter 403 of the Code of Iowa, and they do not restrict the manner in which the Developer may spend any funds received from the City. In any event, no additional Residential Payments shall be made after the June 1, 2024.

Each Residential Payment shall be in an amount which represents the Incremental Property Tax Revenues received by the City with respect to the incremental value of the then-certified Residential Phases of the Project during the six months preceding such payment date, reduced by 36.6% (the "Low and Moderate Set Aside Amount") which shall be retained by the City for use in any lawful purpose of the City, including the provision of assistance to low and moderate income families, pursuant to Section 403.22 of the Code of Iowa. Incremental Property Tax Revenues for Residential Phases are produced by multiplying the consolidated property tax levy (city, county, school, etc.) times the incremental valuation of the Property associated with each Residential Phase, then subtracting debt service levies of all taxing jurisdictions, subtracting the school district physical plant and equipment levy and subtracting any other levies which may be exempted from such calculation by action of the Iowa General Assembly. The Developer may apply to the City for all or a portion of the funds set aside for assistance to low and moderate income families, provided the Developer can document to the satisfaction of the City that housing units which are located on the Property are occupied by families which meet the required income limits of state law. The City reserves the right to allocate funds accumulated through the Low and Moderate Set Aside Amount in any lawful manner of its choosing.

It is hereby acknowledged by the City and the Developer that the conditions on the use of tax increment financing, imposed by Section 403.22 of the Code of Iowa, including the requirement for the Low and Moderate Set Aside Amount and the time limit on the collection of incremental property tax revenues only apply when tax increment revenues are used to pay for public infrastructure related to housing. The residential, commercial or industrial character of the properties from which tax increment revenues are derived has no bearing on whether these conditions apply, rather it is only the purpose for which the tax increment revenues are spent that makes the conditions applicable.

3. The Payments (the "Commercial Payments") with respect to each Phase from which only Developer's Commercial Improvement Costs and/or Private Commercial Costs are to be reimbursed (the "Commercial Phases") will be made on December 1 and June 1 of each fiscal year, beginning on the first December 1 for which incremental tax revenues become available with respect to each such Phase, and continuing for a period of time not exceeding the shorter of (i) the time required to make Commercial Payments to the Developer equal to the Developer's Commercial Improvement Costs plus the Allowable Private Commercial Costs; or (ii) the time required for Payments in the total amount of \$15,200,000 to be made to the Developer; however, in no event will Commercial Payments be made after June 1, 2024.

Each Commercial Payment shall be in an amount which represents the Incremental Property Tax Revenues received by the City with respect to the incremental value of the then-certified Commercial Phases of the Project from which only Developer's Commercial Improvement Costs and/or Allowable Private Commercial Costs will be reimbursed during the six months preceding such Payment date. Incremental Property Tax Revenues for Commercial Phases are produced by multiplying the consolidated property tax levy (city, county, school, etc.) times the incremental valuation of the portion of the Property associated with each Commercial Phase, then subtracting debt service levies of all taxing jurisdictions, subtracting the school district physical plant and equipment levy and subtracting any other levies which may be exempted from such calculation by action of the Iowa General Assembly.

4. The Payments shall not constitute general obligations of the City, but shall be made solely and only from incremental property tax revenues received by the City from the Warren County Treasurer which are attributable to the Property.

No Payment shall be made to the Developer until all Developer's Payments (as defined in Section A.4 above) then due shall have been paid in full.

Each Payment shall be subject to annual appropriation by the City Council. Prior to November 1 of each year during the term of this Agreement, the City Council of the City shall consider the question of obligating for appropriation to the funding of the Payments due in the following fiscal year, an amount of tax increment revenues to be collected in the following fiscal year equal to or less than the most recent Developer's Estimate as calculated under Section A.3 of this Agreement (the "Appropriated Amount").

Each year during the term of this Agreement, to the extent that the City Council decides to obligate funds for appropriation to the Payments, the City agrees to certify to the Warren County Auditor an amount equal to the most recently determined Appropriated Amount. Such certification will be made no later than Five (5) business days after the City Council acts to obligate funds for appropriation. The City will mail a copy of such certification to the Developer at the time it is submitted to the Warren County Auditor.

C. Administrative Provisions

1. Assignment. This Agreement may not be amended or assigned by either party without the express permission of the other party. Provided however that the City hereby gives its permission that the Developer's rights to receive the Payments hereunder may be assigned by the Developer to a private lender, as security, or to another entity related to the Developer for purposes of consolidating the receipt of Payments, without further action on the part of the City.

2. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties.

3. Effect of Court Finding. In the event that any portion of this Agreement is found by a court of competent jurisdiction to be invalid or unenforceable, then the entire Agreement shall be terminated, and the parties shall be under no further obligation to perform the duties and covenants contained herein. Any payments by either party made under this Agreement prior to such a finding and held to be invalid, shall be forfeited and not subject to reimbursement or repayment. The City and the Developer agree to make a good faith effort to renegotiate an agreement in light of such a court's decision to reflect the original understanding between the parties.

4. Choice of Law. 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.

5. No Change in Urban Renewal Status. The City represents, warrants and agrees that for so long as Developer is not in default under this Agreement and the City is obligated to consider appropriation of funds to Payments under this Agreement:

(i) City shall not repeal the designation of the Property or any part thereof as being within an urban renewal area pursuant to Chapter §403 of the 2003 Code of Iowa.

(ii) City shall not repeal the ordinance designating the Property as a tax increment district pursuant to §403.19 of the 2003 Code of Iowa, nor amend such ordinance in any manner that impairs the City's ability to pay the installments on the tax increment payments as contemplated by this Agreement.

6. Consents. Whenever either the Developer's or the City's consent, approval, or permission is required under this Agreement with respect to the acceptance of work, approval of costs, allowance for assignment or for any other purpose under this Agreement not relating to annual appropriation decisions by the City Council as detailed in Section B.4 above, such consent, approval or permission shall not be unreasonable withheld.

7. Notice. Any notices, demand or other communication permitted or required to be given under this Agreement shall be deemed given if either personally delivered or

delivered by U.S. Certified Mail, postage prepaid, return receipt requested, or by recognized overnight courier such as Federal Express, U.P.S., or Airborne, and addressed as follows:

To City: City Administrator, City of Norwalk
City Hall
705 North Avenue
Norwalk, IA 50211-1417

To Developer: Coppola Enterprises
4521 Fleur Drive, Suite C
Des Moines, Iowa 50321
Attention: Michael A. Coppola

Changes in the above address may be made by notifying the other party as described above. Notices shall not be deemed effective until received by the party being notified.

8. General Remedies. Except as otherwise specifically provided in this Agreement, including paragraph 9 below, in the event of any default of this Agreement, or any of its terms or conditions, by either party hereto, such party shall, upon written notice from the other, proceed immediately to cure or remedy such default, and, in any event, shall complete such cure or remedy within thirty (30) days (or within ten (10) days in the event the default is for nonpayment of money) after receipt of such notice. In case such action is not promptly taken or not diligently pursued, or the default shall not be cured or remedied within such time, the aggrieved party may declare the offending party be in breach of this Agreement. Upon any breach of this Agreement, in addition to such other rights as it may have hereunder, the aggrieved party may institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such breach and may pursue all remedies available at law or in equity.

It is hereby acknowledged by the Developer that in no event shall a failure to appropriate money to a Payment under the Agreement, under Section B.4 above, constitute an event of default by the City.

9. Specific Remedies.

- A. Failure to Construct Projects and Project Improvements. In the event Developer fails to timely complete the Private Residential Project, the Private Commercial Project, the Residential Project Improvements and/or the Commercial Project Improvements or any portion thereof, the City's sole remedy for such default shall be the withholding Payments with respect to the Developer's Residential Improvement Costs, Developer's Commercial

Improvement Costs and/or Allowable Private Commercial Costs attributable to those items not completed.

- B. Failure to Reconstruct Improvements. In the event that any portion of the Private Commercial Project is destroyed or substantially damaged, the City may withhold Payments attributable to the Allowable Private Commercial Costs relative to such damaged or destroyed portion, until repairs are completed restoring the Improvements to their former condition or replacing the damaged or destroyed portion with equivalent or more suitable facilities. If Developer does not timely make such repairs or replacements, the City's sole remedy for such default shall be to terminate all further Payments attributable to the Allowable Private Commercial Costs associated with the damaged or destroyed portion of the Private Commercial Project.
- C. Nothing under this Section shall be construed as relieving the Developer of its obligation to make the Developer's Payments or to pay the City for legal expenses incurred pursuant to Section A.5 of this Agreement.

10. Representatives Not Individually Liable. No member, official, or employee of City or Developer shall be personally liable in the event of any default or breach by either party under this Agreement, or for any amount which may become due or on any obligations under the terms of this Agreement.

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

CITY OF NORWALK, IOWA

By: *Jerry L. Stankewitz*
Mayor

Attest:

Mark Miller
City Clerk Administrator

UNITED PROPERTIES INVESTMENT COMPANY L.C.

By: *MS Low*

RACCOON VALLEY INVESTMENT COMPANY L.C.

By: *MS Low*

ECHO VALLEY INVESTMENT COMPANY L.C.

By: *MS Low*

EXHIBIT A
LEGAL DESCRIPTION OF THE PROPERTY

A PORTION OF THE SW ¼ OF THE SW FRACTIONAL ¼ AND THE SOUTH 2 ACRES OF THE NW ¼ OF THE SW FRACTIONAL ¼, ALL IN SECTION 6, TOWNSHIP 77 NORTH, RANGE 24 WEST OF THE 5TH P.M., WARREN COUNTY, IOWA BEING DESCRIBED AS FOLLOWS:

COMMENCING AT THE SW CORNER OF THE SW FRACTIONAL ¼ OF SAID SECTION 6; THENCE N86°37'30"E ALONG THE SOUTH LINE OF THE SW FRACTIONAL ¼ OF SAID SECTION 6, 49.7 FEET TO A POINT ON THE EAST RIGHT-OF-WAY LINE OF HIGHWAY 28, AS IT IS PRESENTLY ESTABLISHED AND TO THE POINT OF BEGINNING; THENCE N00°00'45"E ALONG THE EAST RIGHT-OF-WAY LINE OF SAID HIGHWAY 28, 27.2 FEET; THENCE N86°40'45"E, 132.0 FEET; THENCE N00°00'45"E, 727.0 FEET; THENCE N90°00'00"E, 18.3 FEET; THENCE N00°00'00"W, 428.5 FEET; THENCE S90°00'00"W, 147.8 FEET TO A POINT ON THE EAST RIGHT-OF-WAY LINE OF SAID HIGHWAY 28; THENCE N00°18'00"E ALONG THE EAST RIGHT-OF-WAY LINE OF SAID HIGHWAY 28, 201.4 FEET TO A POINT ON THE NORTH LINE OF THE SOUTH 2 ACRES OF THE NW ¼ OF THE SW FRACTIONAL ¼ OF SAID SECTION 6, SAID POINT BEING THE SOUTHWEST CORNER OF LOT 1, ECHO VALLEY ESTATES, AN OFFICIAL PLAT; THENCE N87°49'47"E ALONG THE SOUTH LINE OF LOTS 1, 2, 3, 4, 5, 6, 7, AND 8, ALL IN SAID ECHO VALLEY ESTATES AND ALONG THE NORTH LINE OF THE SOUTH 2 ACRES OF THE NW ¼ OF THE SW FRACTIONAL ¼ OF SAID SECTION 6, 1291.13 FEET TO A POINT ON THE EAST LINE OF THE NW ¼ OF THE SW FRACTIONAL ¼ OF SAID SECTION 6, SAID POINT BEING THE NORTHEAST CORNER OF THE SOUTH 2 ACRES OF THE NW ¼ OF THE SW FRACTIONAL ¼ OF SAID SECTION 6; THENCE S01°44'21"W ALONG THE EAST LINE OF THE NW ¼ OF THE SW FRACTIONAL ¼ OF SECTION 6, 66.00 FEET TO THE SE CORNER OF THE NW ¼ OF THE SW FRACTIONAL ¼ OF SAID SECTION 6, SAID POINT BEING NE CORNER OF THE SW ¼ OF THE SW FRACTIONAL ¼ OF SAID SECTION 6; THENCE S01°03'35"W ALONG THE EAST LINE OF THE SW ¼ OF THE SW FRACTIONAL ¼ OF SAID SECTION 6, 1300.14 FEET TO THE SE CORNER OF THE SW ¼ OF THE SW FRACTIONAL ¼ OF SAID SECTION 6; THENCE S86°37'30"W ALONG THE SOUTH LINE OF THE SW FRACTIONAL ¼ OF SAID SECTION 6, 1269.96 FEET TO THE POINT OF BEGINNING.

SAID TRACT OF LAND CONTAINS 36.80 ACRES MORE OR LESS.

SAID TRACT OF LAND BEING SUBJECT TO A HIGHWAY EASEMENT OVER AND ACROSS THE ABOVE TRACT OF LAND AND RECORDED IN BOOK 214, PAGE 560 AND BOOK 218, PAGE 85 RECORDED IN THE WARREN COUNTY RECORDERS OFFICE. SAID TRACT OF LAND ALSO BEING SUBJECT TO A ROADWAY EASEMENT ALONG THE SOUTH LINE OF THE SW ¼ OF THE SW FRACTIONAL ¼ OF SAID SECTION 6, DESCRIBED AS BEING 40 FEET NORTH OF THE CENTERLINE OF THE GRAVEL ROAD (BEARDSLEY STREET) ACCORDING TO WARREN COUNTY ENGINEERS RECORDS.

AND

THE EAST HALF OF THE SOUTHEAST QUARTER (E ½, SW ¼) OF SECTION SIX (6), TOWNSHIP SEVENTY-SEVEN (77) NORTH, RANGE TWENTY-FOUR (24) WEST OF THE 5TH P.M., WARREN COUNTY, IOWA.

AND

THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER (SW ¼, NE1/4) AND THE WEST HALF OF THE SOUTHEAST QUARTER (W ½, SW ¼) OF SECTION SIX (6), TOWNSHIP SEVENTY-SEVEN (77) NORTH, RANGE TWENTY-FOUR (24) WEST OF THE 5TH P.M., WARREN COUNTY, IOWA.

AND

THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 6, TOWNSHIP 77 NORTH, RANGE 24 WEST OF THE 5TH P.M., WARREN COUNTY, IOWA.

AND

AN IRREGULARLY SHAPED PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 6, TOWNSHIP 77 NORTH RANGE 24 WEST OF THE 5TH P.M., NORWALK, WARREN COUNTY, IOWA, MORE ACCURATELY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF THE SOUTHEAST QUARTER (SE ¼) OF SECTION 6, TOWNSHIP 77 NORTH, RANGE 24 WEST OF THE 5TH P.M., WARREN COUNTY, IOWA; THENCE S89°16'22"W ALONG THE SOUTH LINE OF THE SE ¼ OF SAID SECTION 6, A DISTANCE OF 331.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING S89°16'22"W ALONG THE SOUTH LINE OF THE SE ¼ OF SAID SECTION 6, A DISTANCE OF 1000.47 FEET TO THE SOUTHWEST CORNER OF THE SE ¼ OF THE SE ¼ OF SAID SECTION 6; THENCE N89°35'21"E ALONG THE NORTH LINE OF THE SE ¼ OF THE SE ¼ OF SAID SECTION 6 A DISTANCE OF 1342.70 FEET TO THE NORTHEAST CORNER OF THE SE ¼ OF THE SE ¼ OF SAID SECTION 6; THENCE S01°11'54"W ALONG THE EAST LINE OF THE SE ¼ OF THE SE ¼ OF SAID SECTION 6 A DISTANCE OF 869.87 FEET; THENCE S89°16'22"W ALONG AN EXISTING FENCE LINE A DISTANCE A DISTANCE 326.94 FEET; THENCE S01°42'51"W ALONG AN EXISTING FENCE LINE A DISTANCE OF 450.43 FEET TO THE POINT OF BEGINNING.

SAID TRACT OF LAND CONTAINS 37.218 ACRES MORE OR LESS INCLUDING 1.838 ACRES FOR ROADWAY EASEMENT ALONG THE EAST 46.0 FEET AND THE SOUTH 40.00 FEET THEREOF.

AND

COMMENCING AT THE NORTHWEST CORNER OF SECTION 6, TOWNSHIP 77 NORTH, RANGE 24 WEST OF THE 5TH P.M.; THENCE SOUTH 00°00'01" EAST A DISTANCE OF 1529.04 FEET TO THE POINT OF BEGINNING. THENCE NORTH 87°19'06" EAST A DISTANCE OF 2733.47 FEET; THENCE SOUTH 00°54'47" WEST A DISTANCE OF 1291.84 FEET; THENCE SOUTH 85°16'06" WEST A DISTANCE OF 1339.39 FEET; THENCE SOUTH 01°27'30" WEST A DISTANCE OF 1240.90 FEET; THENCE SOUTH 87°49'47" WEST A DISTANCE OF 547.44'; THENCE NORTH 00°12'45" WEST A DISTANCE OF 550.07 FEET; THENCE NORTH 17°52'35" WEST A DISTANCE OF 192.92 FEET; THENCE NORTH 44° 47' 15" WEST A DISTANCE OF 414.51 FEET; THENCE NORTH 89°47' 15" WEST A DISTANCE OF 193.01 FEET; THENCE NORTH 00°12'45" EAST A DISTANCE OF 327.66 FEET; THENCE SOUTH 89°47' 15" EAST A DISTANCE OF 114.15 FEET; THENCE NORTH 36°26'00" EAST A DISTANCE OF 113.13

FEET; THENCE NORTH 00°12'45" EAST A DISTANCE OF 435.51 FEET; THENCE NORTH 88°06'25" EAST A DISTANCE OF 216.05 FEET; THENCE SOUTH 00°54'25" WEST A DISTANCE OF 379.89 FEET; THENCE SOUTH 07°14'50" WEST A DISTANCE OF 90.55 FEET; THENCE SOUTH 00°54'25" WEST A DISTANCE OF 196.22 FEET; THENCE SOUTH 40°25'55" EAST A DISTANCE OF 111.58 FEET; THENCE SOUTH 89°05'35" EAST A DISTANCE OF 206.40 FEET; THENCE NORTH 40°03'05" EAST A DISTANCE OF 103.42 FEET; THENCE NORTH 00°54'25" EAST A DISTANCE OF 199.79 FEET; THENCE NORTH 08°48'10" WEST A DISTANCE OF 91.31 FEET; THENCE NORTH 00°54'25" EAST A DISTANCE OF 513.28'; THENCE NORTH 45°29'35" WEST A DISTANCE OF 100.00 FEET; THENCE SOUTH 88°06'25" WEST A DISTANCE OF 901.53 FEET; THENCE NORTH 00°00'06" EAST A DISTANCE OF 477.38 FEET TO THE POINT OF BEGINNING.

SAID TRACT OF LAND CONTAINS 87.01 ACRES.

AND

THAT PART OF THE EAST ½ OF THE NORTHEAST ¼, SECTION 6, TOWNSHIP 77 NORTH, RANGE 24 WEST OF THE 5TH P.M., WARREN COUNTY, IOWA BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE EAST ¼ CORNER OF SAID SECTION 6; THENCE SOUTH 88°-49'-39" WEST ALONG THE SOUTH LINE OF THE SOUTHEAST ¼ OF THE NORTHEAST ¼ OF SAID SECTION 6 A DISTANCE OF 1320.72 FEET, TO THE SOUTHWEST CORNER OF THE SOUTHEAST ¼ OF THE NORTHEAST ¼ OF SAID SECTION 6; THENCE NORTH 00°-57'-17" EAST ALONG THE EAST LINE OF THE SOUTHEAST ¼ OF THE NORTHEAST ¼ OF SAID SECTION 6 A DISTANCE OF 1320.57 FEET TO THE NORTHWEST CORNER OF THE SOUTHEAST ¼ OF THE NORTHEAST ¼ OF SAID SECTION 6; THENCE NORTH 01°-08'-53" EAST ALONG THE EAST LINE OF THE NORTHEAST ¼ OF THE NORTHEAST ¼ OF SAID SECTION 6 A DISTANCE OF 1354.68 FEET TO THE NORTH LINE OF THE NORTHEAST ¼ OF SAID SECTION 6; THENCE NORTH

90°-00' 00" EAST ALONG THE NORTH LINE OF THE NORTHEAST ¼ OF SAID SECTION 6 A DISTANCE OF 122.22 FEET; THENCE SOUTH 01°-27'-50" EAST A DISTANCE OF 181.79 FEET; THENCE SOUTH 28°-39'-47" EAST A DISTANCE OF 390.75 FEET; THENCE SOUTH 12°-06'-07" EAST A DISTANCE OF 374.60 FEET; THENCE SOUTH 01°-05'-44" WEST A DISTANCE OF 307.33 FEET; THENCE SOUTH 06°-33'-39" EAST A DISTANCE OF 328.50 FEET; THENCE NORTH 57°-59'-08" EAST A DISTANCE OF 263.99 FEET; THENCE NORTH 65°-36'-08" EAST A DISTANCE OF 508.54 FEET; THENCE NORTH 84°-36'-36" EAST A DISTANCE OF 187.65 FEET TO THE EAST LINE OF THE NORTHEAST ¼ OF SAID SECTION 6; THENCE SOUTH 01°-02'-18" WEST ALONG THE EAST LINE OF THE NORTHWEST ¼ OF SAID SECTION 6 A DISTANCE OF 1491.18 FEET TO THE EAST ¼ CORNER OF SAID SECTION 6, SAID POINT BEING THE POINT OF BEGINNING.

SAID TRACT OF LAND CONTAINS 50.50 ACRES MORE OR LESS.

AND

ALL THAT PART OF THE NORTHWEST ¼ OF THE NORTHEAST ¼, AND THAT PART OF NORTHEAST ¼ OF THE NORTHWEST ¼ OF SECTION 6, TOWNSHIP 77 NORTH, RANGE 24 WEST OF THE 5TH P.M, WARREN COUNTY, IOWA BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTH ¼ CORNER OF SAID SECTION 6; THENCE NORTH 90°-00'-00" EAST ALONG THE NORTH LINE OF THE NORTHWEST ¼ OF THE NORTHEAST ¼ OF SAID SECTION 6 A DISTANCE OF 1319.29 FEET TO THE NORTHEAST CORNER OF THE NORTHWEST ¼ OF THE NORTHEAST ¼ OF SAID SECTION 6; THENCE SOUTH 01°-08'-53" WEST ALONG THE EAST LINE OF THE NORTHWEST ¼ OF THE NORTHEAST ¼ OF SAID SECTION 6 A DISTANCE OF 1354.68 FEET TO THE SOUTHEAST CORNER OF THE NORTHWEST ¼ OF THE NORTHEAST ¼ OF SAID SECTION 6; THENCE SOUTH 87°-58'-27" WEST ALONG THE SOUTH LINE OF THE NORTHWEST ¼ OF THE NORTHEAST ¼ OF SAID SECTION 6 A DISTANCE OF 1317.01 FEET TO THE SOUTHWEST CORNER OF THE NORTHWEST ¼ OF THE NORTHEAST ¼ OF SAID SECTION 6; THENCE NORTH 00°-58'-59" EAST ALONG THE WEST LINE OF THE NORTHWEST ¼ OF THE NORTHEAST ¼ OF SAID SECTION 6 A DISTANCE OF 470.34 FEET TO A POINT ON THE EASTERLY LINE OF THE GREENS OF ECHO VALLEY, AN OFFICIAL PLAT, WARREN COUNTY, IOWA; THENCE NORTH 75°-11'-00" EAST ALONG THE EASTERLY LINE OF SAID THE GREENS AT ECHO VALLEY A DISTANCE OF 72.25 FEET; THENCE NORTH 43°-42'-00" EAST ALONG THE EASTERLY LINE OF SAID THE GREENS AT ECHO VALLEY A DISTANCE OF 252.00 FEET; THENCE NORTH 17°-08'-00" EAST ALONG THE EASTERLY LINE OF SAID THE GREENS AT ECHO VALLEY A DISTANCE OF 251.00 FEET; THENCE NORTH 21°-57'-00" WEST ALONG THE EASTERLY LINE OF SAID THE GREENS AT ECHO VALLEY A DISTANCE OF 126.00 FEET; THENCE NORTH 89°-58'-48" WEST ALONG THE EASTERLY LINE OF SAID THE GREENS AT ECHO VALLEY A DISTANCE OF 303.00 FEET; THENCE NORTH 00°-01'-11" EAST ALONG THE EASTERLY LINE OF SAID THE GREENS AT ECHO VALLEY A DISTANCE OF 323.00 FEET TO THE NORTHEAST CORNER OF SAID THE GREENS AT ECHO VALLEY; THENCE NORTH 00°-00'-34" EAST A DISTANCE OF 50.19 FEET TO THE NORTH LINE OF THE NORTHEAST ¼ OF THE NORTHWEST ¼ OF SAID SECTION 6; THENCE NORTH 89°-59'-20" EAST ALONG THE NORTH LINE OF THE NORTHEAST ¼ OF THE NORTHWEST ¼ OF SAID SECTION 6 A DISTANCE OF 48.08 FEET TO THE NORTH ¼ CORNER OF SAID SECTION 6, SAID POINT BEING THE POINT OF BEGINNING.

SAID TRACT OF LAND CONTAINS 39.10 ACRES MORE OR LESS EXCEPT PUBLIC ROADWAY ALONG THE NORTH PORTION THEREOF.

AND

AN IRREGULAR SHAPED TRACT OF LAND LOCATED IN THE NORTHWEST FRACTIONAL ¼ OF SECTION 6, TOWNSHIP 77 NORTH, RANGE 24 WEST OF THE 5TH P.M., WARREN COUNTY, IOWA BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTH ¼ CORNER OF SECTION 6, TOWNSHIP 77 NORTH, RANGE 24 WEST OF THE 5TH P.M., WARREN COUNTY, IOWA; THENCE NORTH 89°-59'-48" WEST ALONG THE NORTH LINE OF THE NORTHWEST FRACTIONAL ¼ OF SAID SECTION 6 A DISTANCE OF 429.00 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 00°-00'-28" WEST A DISTANCE OF 50.00 FEET TO THE SOUTH RIGHT OF WAY LINE OF COUNTY LINE ROAD, AS IT IS PRESENTLY ESTABLISHED, SAID POINT ALSO BEING THE NORTHWEST CORNER OF LOT "A", THE GREENS OF ECHO VALLEY, AN OFFICIAL PLAT, WARREN COUNTY, IOWA; THENCE SOUTH 04°-11'-17" EAST ALONG THE WEST LINE OF SAID THE GREENS OF ECHO VALLEY A

DISTANCE OF 754.26 FEET; THENCE SOUTH 38°-53'-00" EAST ALONG THE SOUTHERLY LINE OF SAID THE GREENS OF ECHO VALLEY A DISTANCE OF 344.00 FEET; THENCE SOUTH 89°-58'-49" EAST ALONG THE SOUTHERLY LINE OF SAID THE GREENS OF ECHO VALLEY A DISTANCE OF 78.00 FEET; THENCE NORTH 13°-54'-00" EAST ALONG THE SOUTHERLY LINE OF SAID THE GREENS OF ECHO VALLEY A DISTANCE OF 135.00 FEET; THENCE NORTH 75°-11'-00" EAST ALONG THE SOUTHERLY LINE OF SAID THE GREENS OF ECHO VALLEY A DISTANCE OF 32.75 FEET TO THE EAST LINE OF THE NORTHWEST FRACTIONAL ¼ OF SAID SECTION 6; THENCE SOUTH 00°-58'-59" WEST ALONG THE EAST LINE OF THE NORTHWEST FRACTIONAL ¼ OF SAID SECTION 6 A DISTANCE OF 470.33 FEET TO THE SOUTHEAST CORNER OF THE SOUTH ½ OF THE NORTHWEST FRACTIONAL ¼ OF SAID SECTION 6; THENCE SOUTH 87°-19'-06" WEST ALONG THE SOUTH LINE OF THE NORTH ¼ OF THE NORTHWEST FRACTIONAL ¼ OF SAID SECTION 6 A DISTANCE OF 2733.48 FEET TO THE WEST LINE OF THE NORTHWEST FRACTIONAL ¼ OF SAID SECTION 6; THENCE NORTH 00°-00'-06" EAST ALONG THE WEST LINE OF THE NORTHWEST FRACTIONAL ¼ OF SAID SECTION 6 A DISTANCE OF 1529.09 FEET TO THE NORTHWEST CORNER OF THE NORTHWEST FRACTIONAL ¼ OF SAID SECTION 6; THENCE SOUTH 89°-59'-32" EAST ALONG THE NORTH LINE OF THE NORTHWEST FRACTIONAL ¼ OF SAID SECTION 6 A DISTANCE OF 2325.40 FEET TO THE POINT OF BEGINNING. SAID TRACT OF LAND CONTAINS 83.52 ACRES MORE OR LESS.

SAID TRACTS OF LAND BEING SUBJECT TO AND TOGETHER WITH ANY AND ALL EASEMENTS OF RECORD.

TOTAL SITE AREA CONTAINS 573.4 ACRES MORE OR LESS.

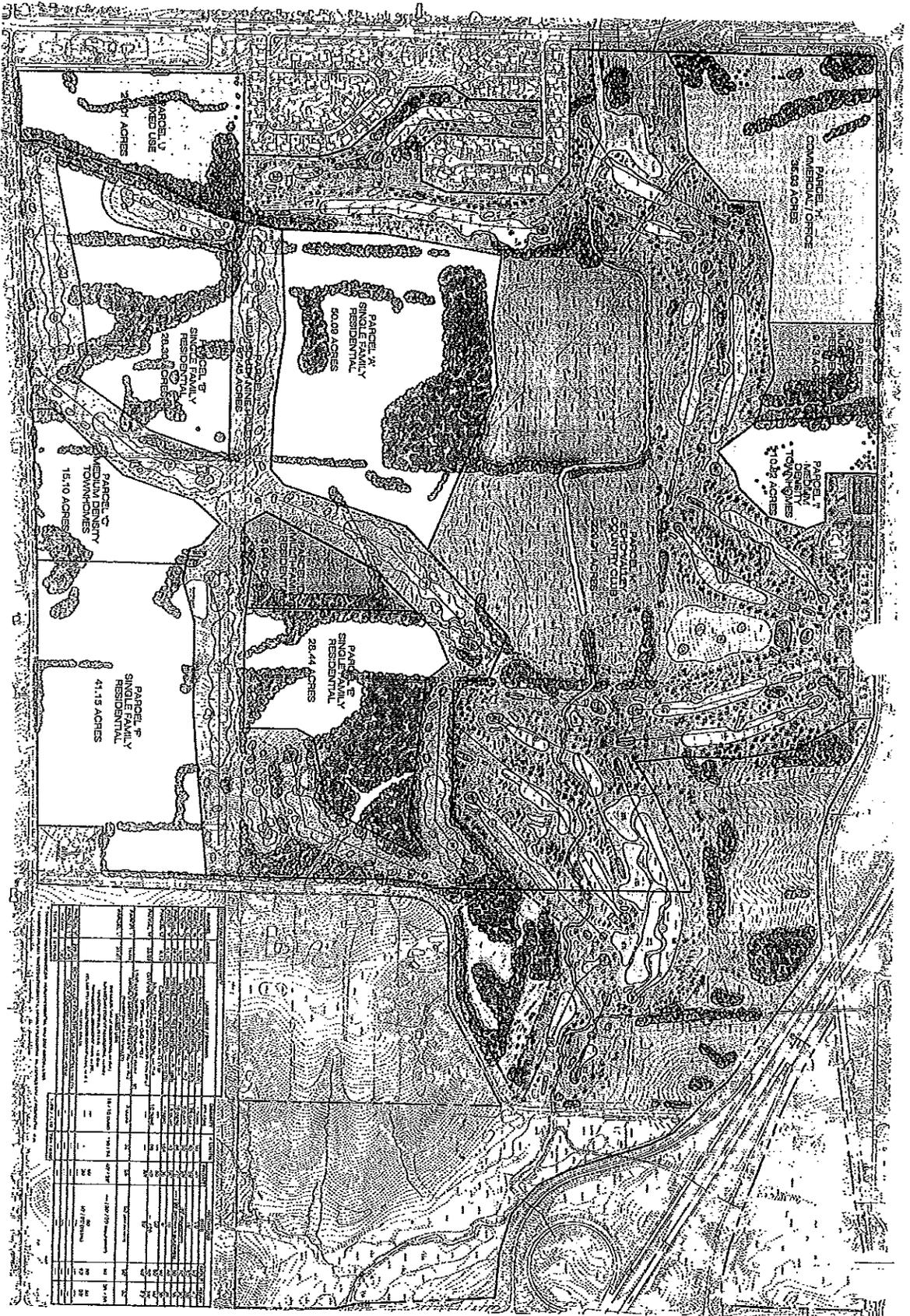
EXHIBIT B
PLANNED UNIT DEVELOPMENT PLAN AND SPECIFICATIONS
FOR PROJECT IMPROVEMENTS AND PROJECTS

EXHIBIT C

**RESIDENTIAL AND COMMERCIAL PROJECT AND IMPROVEMENTS
ELIGIBLE FOR INCLUSION IN DEVELOPER'S
RESIDENTIAL AND COMMERCIAL IMPROVEMENT COSTS**

- 1). Water lines including design, preparation, materials and construction of trunk lines, stubs to lots, but not service lines into individual properties.
- 2). Sewer lines including design, preparation, materials and construction of trunk lines, stubs to lots, but not service lines into individual properties.
- 3). Storm Water System including design, preparation, materials, and construction of system as a part of street construction in development area.
- 4). Streets including design, preparation, materials and construction of street including grading, compaction, and surfacing (cement, asphalt, brick, other agreed to impervious material) of street to be deeded to City.
- 5). Street lighting including regular street lighting maintained by the City via contract and decorative lighting maintained by a homeowners association.
- 6). Open space development including fountains, pools, seating, for public activities or viewing within the development.
- 7). Decorative entrances into development including materials, design and construction of same.
- 8). Signage including street name identification, directional signs on property.
- 9). Boulevards including trees, plantings in the median where no public water, sewer, storm water system is placed; no other street planting in right of way is allowed..
- 10). Sidewalks to service the housing lots within the development up to a 10' width that may be incorporated into a street/trail system.
- 11) Private Commercial Improvements including, but not limited to, a golf course, clubhouse, office buildings, or any other commercial buildings. (Items No. 1-10 above do not apply to Private Commercial Project items.)

3/11/11



MASTER LAND USE and GOLF COURSE SITE PLAN
 The SOUTH NINE HOLES at ECHO VALLEY COUNTRY CLUB
ECHO VALLEY COMMUNITY
 NORWALK, IOWA

Parcel	Area (Acres)	Use	Notes
Parcel A	250.00	Commercial Office	
Parcel B	20.00	Single Family Residential	
Parcel C	15.10	Medium Density Townhomes	
Parcel D	28.44	Single Family Residential	
Parcel E	41.15	Single Family Residential	

ENVIRONMENTAL DESIGN
 GROUP, LTD.
 11111 14th Avenue, NW
 Seattle, WA 98148
 Phone: (206) 835-1111
 Fax: (206) 835-1112
 Website: www.edg.com

DEVELOPMENT AGREEMENT

This Agreement is entered into between the City of Norwalk, Iowa (the "City") and Hubbell Medical Office II, LLC (the "Developer") as of the 5th day of March, 2009.

WHEREAS, the City has established the Norwalk Urban Renewal Area #1 (the "Urban Renewal Area"), and has adopted a tax increment ordinance for the Urban Renewal Area; and

WHEREAS, the Developer is considering proposals related to locating or causing the creation of new facilities for Iowa Health Systems (the "Business") at a site within the Norwalk Urban Renewal Area within the Legacy development (the "Project") and more particularly described as follows (the "Property"):

Lot 1 of the Norwalk Commercial Plat 3, an Official Plat, now included in and forming a part of the City of Norwalk, Warren County, Iowa, and

WHEREAS, Chapter 404 and 427B of the Code of Iowa authorizes cities to establish urban renewal areas and to undertake economic development projects; and

WHEREAS, Chapters 404 and 427B of the Code of Iowa authorize cities to provide property tax abatement incentives; and

WHEREAS, Chapter 15A of the Code of Iowa authorizes cities to provide grants, loan guarantees, tax incentives and other financial assistance to or for the benefit or promotion of private development value added improvements within the City; and

WHEREAS, the Developer has requested the City to provide tax increment financing assistance to the Developer in order to assist in paying the costs of the improvements to be made upon the Property in connection with the Project; and

WHEREAS, the Developer has requested that the City provide a method for abating certain property taxes which will otherwise be required to be paid with respect to the Project; and

NOW, THEREFORE, in consideration of the mutual obligations contained in this Agreement, the parties hereto agree as follows:

1. The Developer agrees to locate and operate or to cause an Affiliate to locate and operate a Business to the City of Norwalk on the Property pursuant to the following terms:

A. Completion of construction and opening of the Business shall be no later than **December 31, 2009**.

B. Improvements on the Property shall be made for the Business no later than **December 31, 2009** with a minimum taxable valuation of **\$1,500,000** for such improvements, meeting all city zoning standards and any restrictive covenants related to the Property at the time of construction. The Developer shall execute or, if applicable, cause the appropriate parties to execute all necessary documents required by Warren County to insure the minimum valuation.

- C. To maintain the Business on the Property for a period commencing on the date the Business opens for business and continuing during the period that tax rebate payments are payable pursuant to Section 2(A).

In the event the Developer fails to timely satisfy the requirements of Sections 1(A) and 1(B) above, the City may, as its sole remedy, elect to terminate this Agreement by delivering written notice to Developer on or before **January 1, 2010**.

In the event the Developer fails to meet the requirements of Sections 1(C) above, during the applicable period preceding the first tax rebate period, with respect to the first tax rebate payment, or, with respect to subsequent tax rebate payments, the period between the date the then applicable tax rebate payment is payable and the date that the immediate preceding tax payment was payable, the City's sole remedy as a result of such non-compliance shall be to not pay the one tax rebate payment that would then be payable and such noncompliance shall not subject the Developer to any penalty with respect to prior payments made by the City pursuant to this Agreement and shall not operate in any manner to restrict the Developer's eligibility for future payments payable by the City to the Developer pursuant to this Agreement.

2. The City agrees:

- A. In recognition of the Developer's obligations set forth in Section 1 above, the City agrees to make economic development tax increment payments to the Developer in each fiscal year, pursuant to Chapters 15A and 403 of the Code of Iowa, for a three (3) year period or \$200,000 (whichever occurs first), as provided in this Section 2(A). For years 1 through 3 the amount of the payments shall be equal to 100% of the incremental property tax revenues collected by the City from the Project. However, this amount shall not include the amount received by the City for the City's debt service levy from the Project. The foregoing payments will be made on December 1 and June 1 of each fiscal year, beginning on the first December 1 for which incremental tax revenues become available with respect to the full taxable value of the Project, which shall be considered year 1 and such payments will continue for two (2) additional fiscal years thereafter. (For example, if the construction of the facilities for the Business is completed by **December 2009** the full taxable valuation for the improvements will be placed on the county tax rolls as of **January 1, 2010**. The first fiscal year for which property taxes will be paid with respect to that valuation will begin **July 1, 2011** and the first payment will be due on **December 1, 2011**.)

The payments shall not constitute general obligations of the City, but shall be made solely and only from incremental property tax revenues received by the City from the Warren County Treasurer which are attributable to the Project. Each payment shall be subject to annual appropriation by the City Council.

- B. The City agrees that the Project will be eligible for property tax abatement under the City's Tax Abatement Plan.

3. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties, but may not, except as otherwise provided herein, be assigned by the Developer without the express written permission of the City. Notwithstanding the foregoing provisions of this Section 3, the City hereby gives its permission for the Developer's rights to

receive payments hereunder to be assigned by the Developer to a lender, as security, without further action on the part of the City. The City also gives its permission for the Developer to assign this Agreement and the Developer's rights hereunder to (i) an Affiliate, (ii) a purchaser of the Property who leases back all of the Property to the Developer or an Affiliate, or (iii) a purchaser of the Developer or an Affiliate of the Developer, as applicable, which is the operator of the Business. The City further agrees not to unreasonably withhold its permission to any other assignment upon the receipt of a request from the Developer for the assignment of all or a portion of the Developer's rights and obligations hereunder to any other party and the City agrees to either approve or deny any such request within sixty (60) days after receipt of such request by the City Admin. of the City. 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 above.

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

CITY:
CITY OF NORWALK, IOWA

By: Pat Wahl
PAT WAHL, Mayor

Attest:

Jeff Kosien
Jeff Kosien, City Clerk
(Seal)

DEVELOPER:
Hubbell Medical Office II, LLC
By: Hubbell Realty Company,
Manager

By: Rick J. Tollakson
Rick J. Tollakson, President and CEO

WARREN COUNTY, IOWA
FILED FOR RECORD

07 OCT -1 AM 8:13
9590

BOOK 2007 PAGE
POLLY J. GLASCOCK, RECORDER

DEPUTY

R) Prepared by City of Norwalk, City Hall 205 North Ave Norwalk IA
Return To: ~~Est~~ Jodie Powers, Deputy City Clerk 50211
515 981-0228

DEVELOPMENT AGREEMENT

This Development Agreement ("Agreement") is entered into between the City of Norwalk, Iowa (the "City") and Holmes Automotive Group Inc. (the "Developer") as of the 6th day of September, 2007

WHEREAS, the City has established the Norwalk Urban Renewal Area #1 (the "Urban Renewal Area"), and has adopted a tax increment ordinance for the Urban Renewal Area; and

WHEREAS, the Developer is considering proposals related to locating or causing one of its wholly-owned subsidiaries (an "Affiliate") to locate, an automotive dealership selling primarily new vehicles, with associated sales and services (the "Business") at a site within the Norwalk Urban Renewal Area within the Legacy development (the "Project") and more particularly described as follows (the "Property"):

That portion of Outlot Z in Colonial Meadows Plat 5, an Official Plat, now included in and forming a part of the City of Norwalk, Warren County, Iowa, consisting of Lots 10, 11 and 12 as shown on Exhibit A attached hereto, which shall be replatted subsequent to the date of this Agreement, and

WHEREAS, Chapter 403 of the Code of Iowa authorizes cities to establish urban renewal areas and to undertake economic development projects; and

WHEREAS, Chapters 404 and 427B of the Code of Iowa authorize cities to provide property tax abatement incentives; and

WHEREAS, Chapter 15A of the Code of Iowa authorizes cities to provide grants, loan guarantees, tax incentives and other financial assistance to or for the benefit or promotion of private development value added improvements within the City; and

WHEREAS, the Developer has requested the City to provide tax increment financing assistance to the Developer in order to assist in paying the costs of the improvements to be made upon the Property in connection with the Project; and

WHEREAS, the Developer has requested that the City provide a method for abating certain property taxes which will otherwise be required to be paid with respect to the Project; and

WHEREAS, the parties have previously entered into a Development Agreement on or about April 7, 2005 relating to the Project. It is the intent of the parties to have this Agreement completely replace the previous agreement.

NOW, THEREFORE, in consideration of the mutual obligations contained in this Agreement, the parties hereto agree as follows:

1. The Developer agrees to locate and operate or to cause an Affiliate to locate and operate a Business to the City of Norwalk on the Property pursuant to the following terms:

- A. Completion of construction and opening of the Business shall be no later than **December 31, 2008**
- B. Improvements on the Property shall be made for the Business no later than **December 31, 2008** with a minimum taxable valuation of **\$3,000,000** for such improvements, meeting all city zoning standards and any restrictive covenants related to the Property at the time of construction. The Developer shall execute or, if applicable, cause the appropriate parties to execute all necessary documents required by Warren County to insure the minimum valuation.
- C. To maintain a minimum of **twenty-five (25)** equivalent full time employees at the Business with respect to the operation of the Business commencing ninety (90) days after the opening of the Business and continuing thereafter during the period that tax rebate payments are payable pursuant to Section 2(A).
- D. To maintain the Business on the Property for a period commencing on the date the Business opens for business and continuing during the period that tax rebate payments are payable pursuant to Section 2(A).

In the event the Developer fails to timely satisfy the requirements of Sections 1(A) and 1(B) above, the City may, as its sole remedy, elect to terminate this Agreement by delivering written notice to Developer on or before **January 1, 2009**.

In the event the Developer fails to meet the requirements of Sections 1(C) or 1(D) above, during the applicable period preceding the first tax rebate period, with respect to the first tax rebate payment, or, with respect to subsequent tax rebate payments, the period between the date the then applicable tax rebate payment is payable and the date that the immediate preceding tax payment was payable, the City's sole remedy as a result of such non-compliance shall be to not pay the one tax rebate payment that would then be payable and such non-compliance shall not subject the Developer to any penalty with respect to prior payments made by the City pursuant to this Agreement and shall not operate in any manner to restrict the Developer's eligibility for future payments payable by the City to the Developer pursuant to this Agreement.

2. The City agrees:

- A. In recognition of the Developer's obligations set forth in Section 1 above, the City agrees to make economic development tax increment payments to the Developer in each fiscal year, pursuant to Chapters 15A and 403 of

the Code of Iowa, for a ten (10) year period, as provided in this Section 2(A). For years 1 through 5 the amount of the payments shall be equal to 100% of the incremental property tax revenues collected by the City from the Project. However, this amount shall not include the amount received by the City for the City's debt service levy from the Project. In years 6 through 10 the amount of payment shall be equal to 50% of the incremental property tax revenues collected by the City from the Project. However, this amount shall not include the amount received by the City for the City's debt service levy from the Project. The foregoing payments will be made on December 1 and June 1 of each fiscal year, beginning on the first December 1 for which incremental tax revenues become available with respect to the full taxable value of the Project, which shall be considered year 1 and such payments will continue for nine (9) additional fiscal years thereafter. (For example, if the construction of the facilities for the Business is completed by **December 2008** the full taxable valuation for the improvements will be placed on the county tax rolls as of **January 1, 2009**. The first fiscal year for which property taxes will be paid with respect to that valuation will begin **July 1, 2010** and the first payment will be due on **December 1, 2010**.)

The payments shall not constitute general obligations of the City, but shall be made solely and only from incremental property tax revenues received by the City from the Warren County Treasurer which are attributable to the Project. Each payment shall be subject to annual appropriation by the City Council.

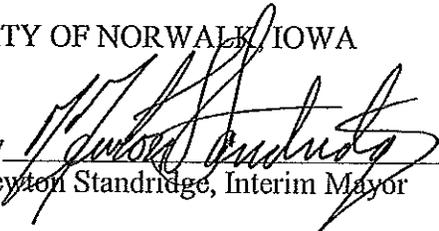
- B. The City agrees that the Project will be eligible for property tax abatement under the City's Tax Abatement Plan.

3. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties, but may not, except as otherwise provided herein, be assigned by the Developer without the express written permission of the City. Notwithstanding the foregoing provisions of this Section 3, the City hereby gives its permission for the Developer's rights to receive payments hereunder to be assigned by the Developer to a lender, as security, without further action on the part of the City. The City also gives its permission for the Developer to assign this Agreement and the Developer's rights hereunder to (i) an Affiliate, (ii) a purchaser of the Property who leases back all of the Property to the Developer or an Affiliate, or (iii) a purchaser of the Developer or an Affiliate of the Developer, as applicable, which is the operator of the Business. The City further agrees not to unreasonably withhold its permission to any other assignment upon the receipt of a request from the Developer for the assignment of all or a portion of the Developer's rights and obligations hereunder to any other party and the City agrees to either approve or deny any such request within sixty (60) days after receipt of such request by the City Manager of the City. 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 above.

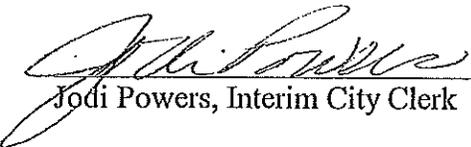
4. Upon entering into this agreement, the previous Development Agreement entered into by the parties on or about April 7, 2005 shall be automatically terminated and the terms therein shall be held for naught.

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

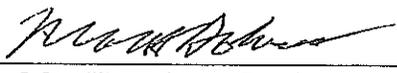
CITY OF NORWALK, IOWA

By: 
Newton Standridge, Interim Mayor

Attest:


Jodi Powers, Interim City Clerk

HOLMES AUTOMOTIVE GROUP INC.

By: 
Max H. Holmes, President

COPY

DEVELOPMENT AGREEMENT

This Agreement is entered into between the City of Norwalk, Iowa (the "City") and La Quercia, LLC, and Herb Eckhouse (collectively referred to as the "Developer") as of the 21st day of June, 2012.

WHEREAS, the Developer is considering proposals related to expanding its existing business within the Norwalk Business Center, onto the following described property (The Property); (approx 2.32 Acres) exact acres to be determined prior to closing.

Lot 2, Norwalk Business Center Plat 5, Norwalk, Warren County, Iowa

and

WHEREAS, Chapter 403 of the Code of Iowa authorizes cities to establish urban renewal areas and to undertake economic development projects; and

WHEREAS, the City has authority to provide property tax abatement incentives; and

WHEREAS, Chapter 15A of the Code of Iowa authorizes cities to provide grants, loan guarantees, tax incentives and other financial assistance to or for the benefit or promotion of private development value added improvements within the City; and

WHEREAS, the Developer has requested that the City provide a method for abating certain property taxes which will otherwise be required to be paid with respect to the Project; and

NOW, THEREFORE, in consideration of the mutual obligations contained in this Agreement, the parties hereto agree as follows:

- I. The Developer agrees to expand its current building, located on Lot 3, Norwalk Business Center Plat 4, onto the Property pursuant to the following terms:
 - A. Attached hereto as Exhibit A is a schedule of proposed work by Developer and its contractors in connection with the expansion Project.
 - B. To enter into a formal Purchase Agreement for The Property for a purchase price of \$50,000.00 per acre (subject to the City's performance of its obligations under this Agreement) in form substantially identical to that attached hereto as Exhibit B.
 - C. To construct on the site an addition to its current building with a minimum size of 5,000 square feet, meeting all city zoning standards and any restrictive covenants related to the site at the time of construction.
 - D. To maintain the business on the Property for a minimum of ten (10) years after completion of the project. In the event the business is not maintained as required, Developer shall repay to the City the amount of the economic development grant referred to below, but the amount that Developer (or its

successors and assigns) is obligated to repay shall be reduced by an amount equal to ten percent (10%) of such economic development grant for each full period of twelve (12) consecutive calendar months after the completion of the project. Provided, however, that during the Term Developer may sell its interest in the Project, or Eckhouse may sell the Developer, with the prior written consent of the City, which consent shall not be unreasonably withheld, delayed, or conditioned. Developer shall grant the City a mortgage on the Property to secure its obligations hereunder, including the amount of the forgivable loan referenced in Section 2(B) below, during the Term, and City agrees to subordinate its mortgage hereunder to the lien of any construction mortgage or permanent mortgage granted by Developer during the Term.

2. The City agrees:

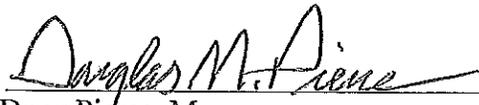
- A. To provide an economic development grant to the Developer in an amount not to exceed \$40,000.00 per acre to be used by the Developer to acquire the Property located in the Norwalk Business Center bringing the net price per acre for the developer to \$10,000.00.
- B. To acknowledge that the improvements made will be eligible for property tax abatement under the City's Tax Abatement Plan.
- C. In recognition of the Developer's obligations set forth herein, the City agrees to make economic development tax increment payments to the Developer in each fiscal year, pursuant to Chapters 15A and 403 of the Code of Iowa, for a five (5) year period, as provided in this Section 2(C). For years 1 through 5 the amount of the payments shall be equal to 100% of the incremental property tax revenues collected by the City from the Project. However, this amount shall not include the amount received by the City from the Project. However, this amount shall not include the amount received by the City for the City's debt service levy from the Project. The foregoing payments will be made on December 1 and June 1 of each fiscal year, beginning on the first December 1 for which incremental tax revenues become available with respect to the full taxable value of the Project, which shall be considered year 1 and such payments will continue for four (4) additional fiscal years thereafter. (For example, if the construction of the facilities for the Business is completed by **December 2012** the full taxable valuation for the improvements will be placed on the county tax rolls as of **January 1, 2013**. The fiscal year for which property taxes will be paid with respect to that valuation will begin **July 1, 2014** and the first payment will be due on **December 1, 2014**.)

The payments shall not constitute general obligations of the City, but shall be made solely and only from incremental property tax revenues received by the City from the Warren County Treasurer which are attributable to the Project. Each payment shall be subject to and contingent upon annual appropriations by the City Council.

- D. The City agrees to re-plat Lot 3, Norwalk Business Center Plat 4 to allow a reduced setback on the Hakes Dr. frontage.
3. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties, but may not be assigned by the Developer without the express written permission of the City; provided, however, that Developer may assign its rights under this Agreement and the related purchase agreement to a wholly-owned or commonly controlled affiliated entity, subject to the prior written consent of the City, which consent shall not be unreasonably withheld, conditioned, or delayed.
 4. 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.
 5. A purchase agreement for the purchase of the Property shall be entered into at the time this contract is entered into.

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

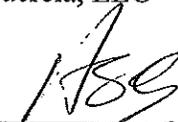
CITY:
CITY OF NORWALK, IOWA

By: 
Doug Pierce, Mayor

Attest

Jeff Kosien, City Clerk
(Seal)

DEVELOPER:
La Quercia, LLC

By: 
Herb Eckhouse, Member/Manager


Herb Eckhouse, personally

EXHIBIT A

SCHEDULE OF PROPOSED WORK BY DEVELOPER

- A. Submit a building plan timeline by _____.
- B. Submit final construction timelines, contracts, and proof of necessary financing and issuance of a building permit and transfer of property by _____.
- C. Completion of site plan review by the City by _____.
- D. Completion of construction and opening of business as soon as practical, but no later than _____.

EXHIBIT B
PURCHASE AGREEMENT