MINIMUM ASSESSMENT AGREEMENT

This Minimum Assessment Agreement, dated as of this 21st day of September, 1990, by and among the CITY OF MANCHESTER, IOWA (the "City"), O'Connell/Boren Investments, an Iowa partnership (the "Redeveloper"), and the COUNTY ASSESSOR of Delaware County, Iowa (the "Assessor").

WITNESSETH:

WHEREAS, it is contemplated that the Redeveloper will undertake the development of an area ("Project") within the City and within the "Manchester Urban Renewal Plan" area; and

WHEREAS, pursuant to Iowa Code Section 403.6, as amended, the City and the Redeveloper desire to establish a minimum actual value for the land and the improvements thereon, which shall be effective upon substantial completion and from then until this Agreement is terminated pursuant to the terms herein and which is intended to reflect the minimum actual value of the land and improvements; and

WHEREAS, the City and the Assessor have reviewed the preliminary plans and specifications for the improvements which it is contemplated will be erected.

NOW, THEREFORE, the parties to this Minimum Assessment Agreement, in consideration of the promises, covenants and agreements made by each other, do hereby agree as follows:

1. Upon substantial completion of the above-referenced improvements by the Redeveloper, the minimum actual value to be fixed for assessment purposes for the land described on Exhibit A attached hereto and improvements to be constructed thereon by the Redeveloper shall be not less than one hundred thirty thousand and no/100 dollars ($130,000) (hereafter referred to as the "Minimum Actual Value") until termination of this Minimum Assessment Agreement. The parties hereto expect that the construction of the above-referenced improvements will be substantially completed on or before January 1, 1991.

2. The Minimum Actual Value herein established shall be of no further force and effect and this Minimum Assessment Agreement shall terminate on June 30, 2001, the final date of the City's obligation to pay interest or principal with respect to its bonds, notes or other obligations issued to fund the Project, in whole or in part, dated on or about October 1, 1990, in the principal amount of $12,000.00 (the "Bonds"). The final scheduled maturity date of the Bonds is June 1, 2001.

Nothing herein shall be deemed to waive the Redeveloper's rights under Iowa Code Section 403.6(19), as amended.

The City shall not unreasonably withhold its consent to permit the Redeveloper to contest its taxable valuations in full, commencing with the assessment of July 1, 2001, for so long as it shall appear that sufficient incremental taxes have been certified to fully pay and retire the Bonds.

3. This Minimum Assessment Agreement shall be promptly recorded by the Redeveloper with the Recorder of Delaware County, Iowa. The Redeveloper shall pay all costs of recording.

FILE No. 58-1281
RECORDING FEE $ 30.00
TRANSFER FEE $

FILED FOR RECORD THE 29 DAY OF November, 19 90 AT 3:23 O'CLOCK P. M. BOOK 2 PAGE 111

STATE OF IOWA, DELAWARE COUNTY
Joan Sheppard, Recorder
Misc,

4. Neither the preambles nor provisions of this Minimum Assessment Agreement are intended to, or shall be construed as, modifying the terms of the Agreement between the City and the Redeveloper.

5. This Minimum Assessment Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties.

THE CITY OF MANCHESTER, IOWA

By: Milt L. Kramer
Milt L. Kramer, Mayor

ATTEST: Karen K. Cole
Karen K. Cole, City Clerk

O'Connell, Boren Investments
The Redeveloper

By: Joseph A. O'Connell
Joseph O'Connell, Partner

STATE OF IOWA)
) SS.
COUNTY OF DELAWARE)

On this 2nd day of October, 1990, before me, a Notary Public in and for said County, personally appeared Milt L. Kramer and Karen K. Cole to me personally known, who being duly sworn, did say that they are the Mayor and City Clerk, respectively of the City of Manchester, Iowa, a municipal corporation, created and existing under the laws of the State of Iowa, and that the seal affixed to the foregoing instrument is the seal of said municipal corporation, and that said instrument was signed and sealed on behalf of said municipal corporation by authority and resolution of its City Council and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said municipal corporation by it voluntarily executed.

Linda K. Tutton
Linda K. Tutton Notary Public

STATE OF IOWA)
) SS.
COUNTY OF DELAWARE)

On this 21 day of September, 1990, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Joseph O'Connell, to me personally known, who being by me duly sworn, did say that the person is one of the partners of O'Connell/Boren Inv., a partnership, and that the instrument was signed on behalf of the partnership by authority of the partners and the partner acknowledged the execution of the instrument to be the voluntary act and deed of the partnership by it and by the partner voluntarily executed.

JILL GOOS
MY COMMISSION EXPIRES
2-8-93

Jill Goos
Notary Public

CERTIFICATION OF ASSESSOR

The undersigned, having reviewed the plans and specifications for the improvements to be constructed and the market value assigned to the land upon which the improvements are to be constructed, and being of the opinion that the minimum market value contained in the foregoing Assessment Agreement appears reasonable, hereby certified as follows: The undersigned Assessor, being legally responsible for the assessment of the property described in Exhibit A hereto, upon completion of improvements to be made on it and in accordance with the Assessment Agreement, certified that the actual value assigned to such land, building and equipment upon completion shall not be less than one hundred thirty thousand and no/100 dollars ($130,000). Of this amount, sixty thousand five hundred and no/100 dollars ($60,500) is determined to be the value of the land and sixty nine thousand five hundred and no/100 dollars ($69,500) the value of the buildings until termination of this Assessment Agreement pursuant to the terms hereof.

John R Klaus

John Klaus, County Assessor for Delaware County

September 19, 1990 Date

STATE OF IOWA)
) SS.
COUNTY OF DELAWARE)

Subscribed and sworn to before me by John R. Klaus, County Assessor for Delaware County, Iowa.

LINDA K. TUTTON
NOTARY PUBLIC
IOWA

Linda K. Tutton

Linda K. Tutton
Notary Public in and for Delaware County, Iowa

September 19, 1990 Date

Exhibit A

Legal Description:

Lot 25 of Ballard's subdivision in the City of Manchester, Delaware County, Iowa.

Project Description:

The project will include demolition, renovation and new construction. Demolition would include the east approximately 100 feet of the building leaving the east wall of the west 45 feet of building which would be sided with colored steel. Construct a new roof on the north 30 x 45 feet and the rear 30 x 45 feet. Completely remodel the front 3,500 sq. ft. of the building. Construct a 20 unit storage building in the southeast corner of the lot.

P 2107

403.6 Powers of municipality.

Every municipality shall have all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this chapter, including the following powers in addition to others herein granted:

1. To undertake and carry out urban renewal projects within its area of operation; and to make and execute contracts and other instruments necessary or convenient to the exercise of its powers under this chapter; and to disseminate slum clearance and urban renewal information.

2. To arrange or contract for the furnishing or repair by any person of services, privileges, works, streets, roads, public utilities or other facilities for or in connection with an urban renewal project; to install, construct, and reconstruct streets, utilities, parks, playgrounds, and other public improvements; and to agree to any conditions, that it may deem reasonable and appropriate, attached to federal financial assistance and imposed pursuant to federal law relating to the determination of prevailing salaries or wages or compliance with labor standards, in the undertaking or carrying out of an urban renewal project; and to include in any contract let in connection with such a project, provisions to fulfill such of said conditions as it may deem reasonable and appropriate.

3. Within its area of operation, to enter into any building or property in any urban renewal area in order to make inspections, surveys, appraisals, soundings or test borings, and to obtain an order for this purpose from a court of competent jurisdiction in the event entry is denied or resisted; to acquire by purchase, lease, option, gift, grant, bequest, devise, eminent domain or otherwise, any real property, or personal property for administrative purposes, together with any improvements thereon; to hold, improve, clear or prepare for redevelopment any such property; to mortgage, pledge, hypothecate or otherwise encumber or dispose of any real property; to insure or provide for the insurance of any real or personal property or operations of the municipality against any risks or hazards, including the power to pay premiums on any such insurance; and to enter into any contracts necessary to effectuate the purposes of this chapter: Provided, however, that no statutory provision with respect to the acquisition, clearance or disposition of property by public bodies shall restrict a municipality or other public body exercising powers hereunder in the exercise of such functions with respect to an urban renewal project, unless the legislature shall specifically so state.

4. To invest any urban renewal project funds held in reserves or sinking funds, or any such funds not required for immediate disbursement, in property or securities in which a state bank may legally invest funds subject to its control; to redeem such bonds as have been issued pursuant to section 403.9 at the redemption price established therein, or to purchase such bonds at less than redemption price, all such bonds so redeemed or purchased to be canceled.

5. To borrow money and to apply for and accept advances, loans, grants, contributions and any other form of financial assistance from the federal government, the state, county, or other public body, or from any sources, public or private, for the purposes of this chapter, and to give such security as may be required, and to enter into and carry out contracts in connection therewith. A municipality may include in any contract, for financial assistance with the federal government for an urban renewal project, such conditions imposed pursuant to federal laws as the municipality may deem reasonable and appropriate and which are not inconsistent with the purposes of the chapter.

6. Within its area of operation, to make or have made all surveys and planning necessary to the carrying out of the purposes of this chapter, and to contract with any person in making and carrying out of such planning, and to adopt or approve, modify and amend such planning. Such planning may include, without limitation:

a. A general plan for the locality as a whole;

b. Urban renewal plans;

c. Preliminary plans outlining urban renewal activities for neighborhoods to embrace two or more urban renewal areas;

d. Planning for carrying out a program of voluntary or compulsory repair and rehabilitation of buildings and improvements;

e. Planning for the enforcement of state and local laws, codes and regulations relating to the use of land and the use and occupancy of buildings and improvements and to the compulsory repair, rehabilitation, demolition, or removal of buildings and improvements;

f. Appraisals, title searches, surveys, studies, and other planning and work necessary to prepare for the undertaking of urban renewal projects. The municipality is authorized to develop, test, and report methods and techniques, and carry out demonstrations and other activities, for the prevention and the elimination of slums and urban blight and to apply for, accept and utilize grants of funds from the federal government for such purposes.

7. To plan for the relocation of persons, including families, business concerns and others, displaced by an urban renewal project, and to make relocation payments to or with respect to such persons for moving expenses and losses of property for which reimbursement or compensation is not otherwise made, including the making of such payments financed by the federal government. Other provisions of the Code notwithstanding, in making such payments on projects not federally funded, the municipality may pay relocation assistance benefits in the amounts authorized by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Pub. L. No. 91-646, as amended by the Uniform Relocation Act Amendments of 1987, Title IV, Pub. L. No. 100-17.

8. To appropriate such funds and make such expenditures as may be necessary to carry out the purposes of this chapter, and to levy taxes and assessments for such purposes; to zone or rezone any part of the municipality or make exceptions from building regulations; and to enter into agreements, respecting action to be taken by such municipality

pursuant to any of the powers granted by this chapter, with an urban renewal agency vested with urban renewal project powers under section 403.14, which agreements may extend over any period, notwithstanding any provision or rule of law to the contrary.

9. To close, vacate, plan or replan streets, roads, sidewalks, ways or other places; and to plan or replan any part of the municipality.

10. Within its area of operation, to organize, co-ordinate and direct the administration of the provisions of this chapter as they apply to such municipality in order that the objective of remedying slum and blighted areas, and preventing the causes thereof, within such municipality, may be most effectively promoted and achieved; and to establish such new office or offices of the municipality, or to reorganize existing offices, in order to carry out such purpose most effectively.

11. To exercise all or any part of combination of powers herein granted.

12. To approve urban renewal plans.

13. To sell and convey real property in furtherance of an urban renewal project.

14. To supplement the rent required to be paid by any family residing in the municipality forced to relocate by reason of any governmental activity, provided it is necessary to do so in order to house such family in decent, safe and sanitary housing and provided further that such family does not have sufficient means, as determined by the municipality, to pay the required rent for such housing. Any such rent supplement for any such family shall not continue for more than five years.

15. To acquire by purchase, gift or condemnation real property within its area of operation for the relocation of railroad passenger and freight depots, tracks, and yard and other railroad facilities and to sell or exchange and convey such real property to railroads.

16. To acquire or dispose of by purchase, construction, or lease, or otherwise to deal in air rights, and facilities or easements for lateral or vertical support of land or structures of any kind.

17. Subject to applicable state or federal regulations in effect at the time of the city action, accept contributions, grants, and other financial assistance from the state or federal government to be used upon a finding of public purpose for grants, loans, loan guarantees, interest supplements, technical assistance, or other assistance as necessary or appropriate to private persons for an urban renewal project.

18. To provide in an urban renewal plan for the exclusion from taxation of value added to real estate during the process of construction for development or redevelopment. The exclusion may be limited as to the scope of exclusion, territory, or class of property affected. However, the value added during construction shall not be eligible for exclusion from taxation for more than two years and the exclusion shall not be applied to a facility which has been more than eighty percent completed as of the most recent date of assessment. This subsection permits the elimination only of those taxes which are levied against assessments made during the construction of the development or redevelopment.

19. A municipality, upon entering into a development or redevelopment agreement pursuant to section 403.8, subsection 1, or as otherwise permitted in this chapter, may enter into a written assessment agreement with the developer of taxable property in the urban renewal area which establishes a minimum actual value of the land and completed improvements to be made on the land until a specified termination date which shall not be later than the date after which the tax increment will no longer be remitted to the municipality pursuant to section 403.19, subsection 2. The assessment agreement shall be presented to the appropriate assessor. The assessor shall review the plans and specifications for the improvements to be made and if the minimum actual value contained in the assessment agreement appears to be reasonable, the assessor shall execute the following certification upon the agreement:

The undersigned assessor, being legally responsible for the assessment of the above described property upon completion of the improvements to be made on it, certifies that the actual value assigned to that land and improvements upon completion shall not be less than $.....

This assessment agreement with the certification of the assessor and a copy of this subsection shall be filed in the office of the county recorder of the county where the property is located. Upon completion of the improvements, the assessor shall value the property as required by law, except that the actual value shall not be less than the minimum actual value contained in the assessment agreement. This subsection does not prohibit the assessor from assigning a higher actual value to the property or prohibit the owner from seeking administrative or legal remedies to reduce the actual value assigned except that the actual value shall not be reduced below the minimum actual value contained in the assessment agreement. An assessor, county auditor, board of review, director of revenue and finance or court of this state shall not reduce or order the reduction of the actual value below the minimum actual value in the agreement during the term of the agreement regardless of the actual value which may result from the incomplete construction of improvements, destruction or diminution by any cause, insured or uninsured, except in the case of acquisition or reacquisition of the property by a public entity. Recording of an assessment agreement complying with this subsection constitutes notice of the assessment agreement to a subsequent purchaser or encumbrancer of the land or any part of it, whether voluntary or involuntary, and is binding upon a subsequent purchaser or encumbrancer.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §403.6]
83 Acts, ch 48, §2, 3; 84 Acts, ch 1210, §1; 88 Acts, ch 1209, §3

403.7 Condemnation of property.

A municipality shall have the right to acquire by