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DELAWARE COUNTY IOWA
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Karen K. Cole, City Clerk 208 E. Main Street, Manchester, Iowa 52057 319-927-3636

DEVELOPMENT AND ASSESSMENT AGREEMENT

THIS AGREEMENT, dated as of the 21st day of July, 1997, is entered into by and among the City of Manchester, Iowa (the "City"), Exide Corporation (the "Company"), and the County Assessor of Delaware County (the "Assessor").

WITNESSETH

WHEREAS, the Company owns real property the legal description of which is contained in Exhibit A attached hereto (the "Property"), which is located in the Manchester Urban Renewal Area; and

WHEREAS, the Company is expanding its facilities located on the Property; and

WHEREAS, the Assessor's records show the valuation for the Property and any improvements (land, buildings, and pollution control equipment) as of January 1, 1997 to be $3,900,353 (excludes Machinery and Equipment); and

WHEREAS, pursuant to Section 403.6(19) of the Code of Iowa, the City and the Company desire to establish a minimum actual value for the Property and the improvements to be constructed thereon, which shall be effective as of January 1, 1998, and from then until this Agreement is terminated pursuant to the terms herein and which is intended to reflect the minimum market value of the land and improvements and which is intended to reflect an increase of $990,000 over the valuation on the Assessor's records as of January 1, 1997; and

WHEREAS, the City has agreed to make an economic development grant to the Company in the amount of $139,000, in consideration for the Company expanding its facilities, agreeing to the minimum actual value set out in this Agreement and agreeing to retain and create a certain number of jobs; and

WHEREAS, the City and the Company entered into a prior agreement, dated December 13, 1996 (the "Prior Agreement"), pursuant to which the City agreed to provide a five-year property tax rebate to the Company in consideration for the construction of a warehouse; and

WHEREAS, the City and the Company intend to substitute this Agreement in place of the Prior Agreement;

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

1. The Prior Agreement referred to in the preamble hereof is hereby cancelled, and this Agreement is substituted in its place.

2. The City agrees to make an economic development grant to the Company in the amount of $139,000, subject to the Company's compliance with the terms of this Agreement.

3. The Company agrees to retain an existing 15 full-time-equivalent jobs, to create 10 additional full time equivalent jobs within 1 year of the date of this agreement. The Company shall maintain an employment level of said 25 full-time-equivalent jobs for not less than 3 years after the creation of the 10 additional jobs. To the extent this employment level is not maintained for the required period of time, the Company agrees to pay the City an amount equal to $1,000 for each job less than 25 which has not been maintained.

DATE 8-1-97 BOOK 7 PAGE 75

4. Effective January 1, 1998, and continuing through and including January 1, 2008, the minimum actual taxable value which shall be assessed for the Property with the improvements constructed thereon (land, buildings, and pollution control equipment, excluding Machinery and Equipment), shall be Four Million Eight Hundred Ninety Thousand Three Hundred Fifty-Three Dollars ($4,890,353).

5. The Company agrees that it will not submit an application to the Assessor, pursuant to Chapter 427B of the Code of Iowa, for a partial exemption from property taxation of any portion of the minimum actual value shown above.

6. This Agreement shall be promptly recorded with the Delaware County Recorder, along with a copy of Iowa Code Section 403.6.

7. Neither the preambles nor provisions of this Agreement are intended to modify, nor shall they be construed as modifying, the terms of any other contract between the City and the Company.

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

CITY OF MANCHESTER, IOWA

By Milt L. Kramer
Milt L. Kramer, Mayor

ATTEST:

Karen K. Cole
Karen K. Cole, City Clerk

(SEAL)

EXIDE CORPORATION

By L. Sam Holden
L. SAM HOLDEN

Plant Manager
Name, Title

STATE OF IOWA)
)
COUNTY OF DELAWARE)

On this 21 day of July, 1997, before me the undersigned, a Notary Public in and for the State of Iowa personally appeared Sam Holden and _____, to me personally known, who, being duly sworn did say that they are the Plant Manager and _____ of Exide Corporation, the corporation executing the instrument to which this is attached; that said instrument was signed on behalf of said corporation by authority of its Board of Directors and that the said Sam Holden and _____, acknowledge the execution of said instrument to be the voluntary act and deed of said corporation, by it and by them voluntarily executed.

Janine Stellick
Notary Public

JANINE C. STELLICK
My Comm. Exp. 3-9-00

STATE OF IOWA)
) SS:
COUNTY OF DELAWARE)

On this 22nd day of July, 1997, before me, Linda K. Tutton, a Notary Public in and for the State of Iowa, personally appeared Milt L. Kramer and Karen K. Cole, to me personally known, and who, being by me duly sworn, did say that they are the Mayor and City Clerk, respectively, of the City of Manchester, Iowa; that the seal affixed to the foregoing instrument is the corporate seal of the corporation, and that the instrument was signed and sealed on behalf of the corporation, by authority of its City Council, as contained in Resolution R-089-97 passed by the City Council of the City of Manchester, Iowa on the 21st day of July, 1997, and that Milt L. Kramer and Karen K. Cole acknowledged the execution of the instrument to be their voluntary act and deed and the voluntary act and deed of the corporation, by it voluntarily executed.

LINDA K. TUTTON Iowa SEAL

Linda K. Tutton
Linda K. Tutton, Notary Public
My commission expires 8-29-99

Manchester/439162-8/Assessment Agmt

EXHIBIT A

(Legal Description of Property)

Lot 4, of SOUTHWEST INDUSTRIAL PARK, City of Manchester, Delaware County, Iowa, according to plat recorded in Book 6 Plats, Page 46, as amended by plat recorded in Book 6 Plats, Page 56.

CERTIFICATION BY ASSESSOR

The undersigned Assessor, being legally responsible for the assessment of the above described property upon completion of improvements to be made on it, hereby certifies that the actual value assigned to such land and improvements, excluding Machinery and Equipment, as of January 1, 1998, shall be not less than Four Million Eight Hundred Ninety Thousand Three Hundred Fifty-Three Dollars ($4,890,353) until termination of this agreement pursuant to the terms hereof.

County Assessor for the County of Delaware, State of Iowa
JOHN R. KLAUS

Subscribed and sworn to before me this 31st day of July, 1997.

KATHY M. HAUSCHILD MY COMMISSION EXPIRES 4-19-99

Kathy M. Hauschild
Notary Public

may be entitled to assert. The municipality shall comply with the notification and consultation process provided in this section prior to the approval of any amendment or modification to an adopted urban renewal plan if such amendment or modification provides for refunding bonds or refinancing resulting in an increase in debt service or provides for the issuance of bonds or other indebtedness, to be funded primarily in the manner provided in section 403.19.

6. Upon the approval by a municipality of an urban renewal plan or of any modification thereof, such plan or modification shall be deemed to be in full force and effect for the respective urban renewal area, and the municipality may then cause such plan or modification to be carried out in accordance with its terms.

7. Notwithstanding any other provisions of this chapter, where the local governing body certifies that an area is in need of redevelopment or rehabilitation as a result of a flood, fire, hurricane, earthquake, storm, or other catastrophe respecting which the governor of the state has certified the need for disaster assistance under Pub. L. No. 875, Eighty-first Congress, 64 Stat. L. 1109; 42 U.S.C. § 1855-1855g or other federal law, the local governing body may approve an urban renewal plan and an urban renewal project with respect to such area without regard to the provisions of subsection 4 and without regard to provisions of this section requiring notification and consultation, a general plan for the municipality, and a public hearing on the urban renewal plan or project.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §403.5]

85 Acts, ch 66, §3; 94 Acts, ch 1182, §6; 96 Acts, ch 1204, §14–16

Subsection 2, unnumbered paragraph 1 amended
Subsection 3 amended
Subsection 4, paragraph b, subparagraph (1) amended

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 of 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, coordinate 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 incre-

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ment 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.

The provisions of this chapter shall be liberally interpreted to achieve the purposes of this chapter.

[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; 96 Acts, ch 1204, §17

NEW unnumbered paragraph 2

403.7 Condemnation of property.

A municipality shall have the right to acquire by condemnation any interest in real property, including a fee simple title thereto, which it may deem necessary for or in connection with an urban renewal project under this chapter. A municipality may exercise the power of eminent domain in the manner provided in chapter 6B, and Acts amendatory to that chapter or supplementary to that chapter, or it may exercise the power of eminent domain in the manner now or which may be hereafter provided by any other statutory provisions for the exercise of the power of eminent domain. Property already devoted to a public use may be acquired in like manner. However, real property belonging to the state, or any political subdivision of this state, shall not be acquired without its consent, and real property or any right or interest in the property owned by any public utility company, pipeline company, railway or transportation company vested with the right of eminent domain under the laws of this state, shall not be acquired without the consent of the company, or without first securing, after due notice to the company and after hearing, a certificate authorizing condemnation of the property from the board, commission or body having the authority to grant a certificate authorizing condemnation. In a condemnation proceeding, if a municipality proposes to take a part of a lot or parcel of real property, the municipality shall also take the remaining part of the lot or parcel if requested by the owner.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §403.7]

85 Acts, ch 66, §4

403.8 Sale or lease of property.

1. A municipality may sell, lease or otherwise transfer real property or any interest in real property acquired by it, and may enter into contracts for such purposes, in an urban renewal area for residential, recreational, commercial, industrial or other uses, or for public use, subject to covenants, conditions and restrictions, including covenants running with the land, it deems to be necessary or desirable to assist in preventing the development or spread of future slums or blighted areas, or to otherwise carry out the purposes of this chapter. However, the sale, lease, other transfer, or retention, and any agreement relating to it, may be made only after the approval of the urban renewal plan by the local governing body. The purchasers or lessees and their successors and assigns shall devote the real property only to the uses specified in the urban renewal plan, and they may be obligated to comply with other requirements the municipality determines to be in the public interest, including the requirement to begin within a reasonable time any improvements on the real property required by the urban renewal plan. The real property or interest shall be sold, leased, otherwise transferred, or retained at not less than its fair value for uses in accordance with the urban renewal plan except as provided in subsection 3. In determining the fair value of real property for uses in accordance with the urban renewal plan, a municipality shall take into account and give consideration to the uses provided in the plan; the re-