REC $ 25.00
AUD $
R.M.F. $ 1.00

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MICHELLE UTSLER
RECORDER
MADISON COUNTY, IOWA

Mark Nitchals
City Administrator
City of Winterset
101 E. Jefferson
Winterset, IA 50273

CERTIFICATION

Development Agreement
Corkrean Second Addition

The undersigned, being the duly appointed and acting City Clerk of the City of Winterset, Iowa, does hereby certify that attached is a true and authentic copy of the above described document; that said document is a true and authentic copy of the official records in the custody of the Office of the City Clerk of the City of Winterset; that the Mayor and City Clerk signed and sealed the attached document on behalf of the City by authority of the City Council, as contained in a Resolution adopted by the City Council on October 20, 1997.

The undersigned further certifies the Resolution described above was duly passed by the City Council and approved by the Mayor on the date shown thereon.

Dated on this 3rd day of November, 1997 at Winterset, Iowa.

CITY SEAL
WINTERSET

Mark Nitchals

Mark J. Nitchals
City Clerk
City of Winterset, Iowa

DEVELOPMENT AGREEMENT

This Agreement is entered into between the City of Winterset (the City) and Patrick F. Corkrean and Nancy M. Corkrean (the Developer) and the Farmers and Merchants State Bank (the Bank) on this 22nd day of October, 1997.

WHEREAS, the City has established the West Court Urban Renewal Area and has adopted a tax increment ordinance for this area; and

WHEREAS, the Developer owns property located within the West Court Urban Renewal Area and has subdivided a portion thereof with this subdivision known as Corkrean's Second Addition to the City of Winterset, Madison County, Iowa; and

WHEREAS, the Developer has submitted application to the City requesting that the City issue a tax increment financing revenue bond to assist with the cost of installing various public improvements within the Corkrean's Second Addition; and

WHEREAS, the City is willing to provide tax increment financing assistance to the Developer in order to provide a supply of affordable building lots and to secure construction of public improvements related to the development of affordable residential housing; and

WHEREAS, the Developer has completed the subdivision process including the installation of the public improvements required by the City's subdivision regulations; and

WHEREAS, Corkrean's Second Addition subdivision has been accepted by the City on June 2, 1997; 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 use to provide assistance related to housing for low and moderate income families; and

WHEREAS, the City requires as a condition of its involvement that any assistance granted to the Developer through the issuance of a tax increment financing revenue bond be passed along in the form of lower price lots to persons who first reside in new housing units in the Corkrean Second Addition subdivision; and

WHEREAS, the Developer has provided a written commitment from the Bank to purchase a taxable, tax increment financing revenue bond in the amount of $250,000 at a rate of 8.25%, said commitment to be secured with a personal guaranty from the Developer.

NOW THEREFORE parties hereto agree as follows:

1. The City shall issue a taxable, tax increment financing revenue bond in the amount of $250,000 at a rate of 8.25% based on a 13 year amortization repayment schedule with a 15 year actual term which includes 2 years of capitalized interest within the total bond amount. It is understood that this bond will not be tax-exempt and will be subject to Federal and State income tax laws. This bond will not be a general obligation of the City; will be payable solely

and only from incremental property tax revenues generated within the West Court Urban Renewal Area; and, the bond holder's remedy as to the City is limited to these incremental property tax revenues as the only payment source from the City.

2. In exchange for the public improvements constructed by the Developer in Corkrean's Second Addition, the City shall provide to the Developer the proceeds of the bond issue, less 2 years capitalized interest and less the City's cost for bond issuance expenses.

3. The Developer agrees to establish the sale price on the lots to a maximum price of $12,000 per lot for interior lots and a maximum price of $13,000 for corner lots. Interior lots in the Corkrean Second Addition are designated as lots number 2 through 8, number 10 through 13 and number 15 through 21. Corner lots are designated as lots number 1, 9, 14 and 22 in the Corkrean Second Addition Subdivision. This stated price shall be the highest amount that the Developer shall sell or transfer such lots. The Developer agrees that these maximum lot prices are a continuing obligation of the Developer within this subdivision; that these maximum lot prices are an express condition of the City's participation in this project; that these maximum lot prices are to benefit the initial homeowner/property taxpayer through a reduced price building lot; and, that the reduced price lot is not to benefit real estate developers and/or speculators who fail to pass these reduced lot prices through to the initial residential dwelling occupant. The obligation imposed by these maximum lot prices terminates as to any lot within the Corkrean Second Addition when the respective lot is improved by the construction of a residential dwelling unit on the lot and the initial occupancy of the residential dwelling unit.

4. The Developer agrees that the City may conduct periodic compliance audits to determine if the intent and terms of this Agreement are being met and the Developer agrees to provide timely access and inspection by the City, or its Designee, to any and all records and/or information held by the Developer related to the audit purposes.

5. The City shall, beginning in fiscal year 2002-03, set aside 33.4% of the tax increment financing revenues generated within the West Court Urban Renewal Area to be used to fund programs which assists persons of low and moderate income with their housing needs. The set aside amount shall be $8,350 per year for 10 fiscal years making the total set aside of $83,500. Said amount equals 33.4% of the total bond of $250,000. The City shall be responsible for developing programs to assist persons with low and moderate income with their housing needs.

6. The Developer agrees to repay the City the balance of the outstanding bonds, plus accrued interest, if the City determines that the Developer is not fully complying with this Agreement, or, in lieu thereof, the City may take other remedial actions as it determines necessary.

7. The parties understand and agree that the City's residential tax abatement program under Chapter 11 of Title I of the Municipal Code of 1992 shall not be available for residential improvements constructed within the Corkrean Second Addition so long as incremental property tax revenues generated within the West Court

Urban Renewal Area are pledged to the retirement of any debt obligation of the City.

8. The Bank is a party to this Agreement only insofar as the Agreement concerns the Bank and the Bank is not otherwise obligated under the other terms of the Agreement in which it is not concerned.

9. This Agreement shall be binding upon, and shall inure to the benefit of, the parties to this Agreement and their successors and assigns.

10. This Agreement shall be a covenant running with the land within the Corkrean Second Addition to the City of Winterset, Madison County, Iowa.

The City and the Developer and the Bank have caused this Agreement to be signed, and the City 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 WINTERSET, IOWA

By _____
Jerry L. Schwertfeger, Mayor

ATTEST:

_____
Mark J. Nitchals, City Administrator

CITY SEAL WINTERSET

DEVELOPER

_____
Patrick F. Corkrean

_____
Nancy M. Corkrean

FARMERS & MERCHANTS STATE BANK CORPORATE SEAL WINTERSET

FARMERS AND MERCHANTS STATE BANK

By: _____
James Mease, President

STATE OF IOWA)
) SS
MADISON COUNTY)

On this 22 day of October, 1997, before me, the undersigned, a Notary Public in and for said State, personally appeared Patrick F. Corkrean and Nancy M. Corkrean to me known to be the identical persons named in and who executed the foregoing instrument, and acknowledged to me that they executed the same as their voluntary act and deed.

Larry D. Watts
Notary Public in and for said State

LARRY D. WATTS
MY COMMISSION EXPIRES
11-1-2000

STATE OF IOWA)
) SS
MADISON COUNTY)

On this 21st day of October, 1997, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared James Mease, to me personally known, who, being by me duly sworn, did say that they are the President of the corporation executing the foregoing instrument; that no seal has been procured by the corporation; that the instrument was signed on behalf of the corporation by authority of its Board of Directors; that James Mease acknowledged the execution of the instrument to be the voluntary act and deed of the corporation and of the fiduciary, by it, by them and as the fiduciary voluntarily executed.

TIM J. RETHMEIER
MY COMMISSION EXPIRES
6-20-2000

Tim J. Rethmeier
Notary Public

STATE OF IOWA)
) SS
MADISON COUNTY)

On this 21st day of October, 1997, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Jerry L. Schwertfeger and Mark J. Nitchals, to me personally known, who, being by me duly sworn, did say that they are the Mayor and City Administrator, respectively, of the City of Winterset, Iowa; that the seal affixed thereto is the seal of said corporation; and that said instrument was signed and sealed on behalf of said corporation by authority of its City Council, as contained in the Resolution adopted by the City Council of the City on the 20th day of October, 1997; and, that Mark Nitchals and Jerry L. Schwertfeger 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.

CINDY M. BUSH
MY COMMISSION EXPIRES
12-1-99

Cindy M Bush
Notary Public