

RESOLUTION NO. 23-07

RESOLUTION APPROVING AND AUTHORIZING  
EXECUTION OF A JOINT AGREEMENT BY AND BETWEEN  
JASPER COUNTY, IOWA AND THE CITY OF NEWTON,  
IOWA


WHEREAS, the City Council of the City of Newton, Iowa (the "City"), has approved a Joint Agreement between the City and Jasper County (the "County") on February 6, 2023 in the form attached hereto as Exhibit 1; and

WHEREAS, this Board has determined that the County's execution of and performance under the Joint Agreement is in the best interests of the County and the residents thereof and necessary to complete the respective urban renewal projects.

NOW THEREFORE, BE IT RESOLVED, BY THE BOARD OF SUPERVISORS OF JASPER COUNTY, STATE OF IOWA:

Section 1. That the form and content of the Joint Agreement, attached hereto as Exhibit 1 and the provisions of which are incorporated herein by reference, be and the same hereby are in all respects authorized, approved, and confirmed, and the Chairperson and the County Auditor be and they hereby are authorized, empowered, and directed to execute, attest, seal, and deliver the Joint Agreement for and on behalf of the County in substantially the form and content now before this meeting, and that from and after the execution and delivery of the Joint Agreement, the Chairperson and the County Auditor are hereby authorized, empowered, and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Joint Agreement as executed.

PASSED AND APPROVED this 7<sup>th</sup> day of February, 2023.

  
\_\_\_\_\_  
Chairperson, Board of Supervisors

ATTEST:

  
\_\_\_\_\_  
County Auditor

**EXHIBIT 1**

**JOINT AGREEMENT  
BETWEEN  
JASPER COUNTY AND THE CITY OF NEWTON**

THIS JOINT AGREEMENT (hereinafter called "Agreement" or "Joint Agreement"), is made on or as of the 7<sup>th</sup> day of February, 2023, by and between the CITY OF NEWTON, IOWA, a municipality (the "City") and JASPER COUNTY, IOWA, a municipality (the "County"), both established pursuant to the Code of Iowa of the State of Iowa and acting under the authorization of Chapter 403 of the Code of Iowa, 2021, as amended (hereinafter called "Urban Renewal Act").

WITNESSETH:

WHEREAS, the City of Newton, Iowa ("City"), has submitted an application ("City Application") to the Iowa Economic Development Authority ("IEDA") under Chapter 15J of the Code of Iowa, 2021, as amended, (the "Iowa Reinvestment District Act") in support of the creation of a reinvestment district named the Newton Legacy Reinvestment District ("Reinvestment District"); and

WHEREAS, the City has asked Jasper County (the "County") to help finance two of the projects ("Christensen Projects") identified in the City Application; and

WHEREAS, the County is willing to assist the City in financing the Christensen Projects under certain conditions described herein; and

WHEREAS, to facilitate the County's participation in the Christensen Projects, the County is seeking to place the Christensen Projects in its own Urban Renewal Area pursuant to Iowa Code Chapter 403, and the County is willing to submit a revised application under the Iowa Reinvestment District Act which makes the County the final applicant for the Reinvestment District; and

WHEREAS the County has proposed to establish the Legacy Plaza Urban Renewal Area (the "Urban Renewal Area") which includes certain property within the corporate boundaries of the City of Newton (the "City"), for the purpose of participating in proposed urban renewal projects; namely, the Christensen Projects; and

WHEREAS, the governing body of the County has reviewed the Urban Renewal Plan (the "Plan") for said Urban Renewal Area and has determined that the Urban Renewal Area and completion of the Christensen Projects are in the best interests of the County; and

WHEREAS, Section 403.17(4) of the Code of Iowa requires a "joint agreement" between the County and the City before the County can proceed with adopting the Plan and establishing the Urban Renewal Area; and

WHEREAS, the governing body of the City is willing to consent to the County's establishment of the Urban Renewal Area under the conditions described therein.

NOW THEREFORE, JASPER COUNTY, STATE OF IOWA AND THE CITIES OF NEWTON, STATE OF IOWA, AGREE AS FOLLOWS:

Section 1. The governing body of the City hereby agrees and authorizes the County to adopt the Plan, establish the Urban Renewal Area as described in the Plan, adopt a Tax Increment Financing Ordinance ("TIF Ordinance"), and to proceed with activities authorized under the Urban Renewal Act subject to all of the terms and conditions set forth below.

Section 2. In exchange for the City's consent, the County hereby promises and agrees that, absent express City consent:

- a. The County may subject the Area to the division of revenue as described in Section 403.19 of the Code of Iowa and the TIF Ordinance for no more than twenty (20) fiscal years.
- b. The County shall utilize any incremental taxes it receives from the division of revenue in the Area for the sole purposes outlined the Agreement for Private Development attached hereto as Exhibit A ("Development Agreement").
- c. Promptly after the County has received the 20<sup>th</sup> fiscal year of incremental taxes from the Area, the County shall take all action necessary to terminate the Urban Renewal Area and any associated TIF Ordinance; provided, however, that the County shall take all action necessary to terminate the Urban Renewal Area and any associated TIF Ordinance prior to its receipt of the 20<sup>th</sup> fiscal year of incremental taxes from the Area if required to do so under the terms of the Development Agreement.
- d. The County shall not provide tax abatement or exemption to any real property in the Urban Renewal Area.
- e. The County shall not attempt to add additional property to the Urban Renewal Area without the express written consent of the City.

Section 3. If the City believes the County is in violation of the terms set forth in Section 2 of this Agreement, the City shall first submit the dispute to non-binding mediation utilizing a mediator that is mutually agreeable to the parties. If the dispute is not resolved through mediation, the City's sole remedy for a violation of Section 2 shall be to seek specific performance of the Agreement via action in the Iowa District Court for Jasper County. This Agreement and any dispute arising out of or related to this Agreement shall be governed and interpreted in accordance with the Laws of the State of Iowa without regard to conflicts of law principles that would require the application of law of another jurisdiction. The Iowa District Court for Jasper County shall have exclusive jurisdiction in all matters arising under this Agreement, and the parties hereto expressly consent and submit to the personal jurisdiction of such court.



Section 4. This Agreement shall terminate, and the County shall promptly take all action necessary to terminate the Urban Renewal Area and any associated TIF Ordinance if any of the following occur:

- a. The Development Agreement is not adopted by all parties thereto by April 15, 2023.
- b. The Development Agreement automatically terminates due to the failure of a condition precedent set forth in Section 1-A.1 of the Development Agreement.
- c. The County has received or had the ability to receive no more than twenty (20) fiscal years of tax increment from the Area for use consistent with this Agreement and the Development Agreement.

Section 5. This Joint Agreement is intended to meet the requirements of Section 403.17(4) of the Code of Iowa with respect to the Urban Renewal Area being located within the County's Area of Operation (as defined in Section 403.17(4)).

Section 6. This Joint Agreement has been duly authorized by the governing bodies of the County and the City.

*[signature pages to follow]*

PASSED AND APPROVED this 7<sup>th</sup> day of February, 2023.

JASPER COUNTY, STATE OF IOWA



Brandon Talsma, Chairperson, Board of Supervisors

ATTEST:



Jenna Jennings, Auditor

STATE OF IOWA )  
 ) SS  
COUNTY OF JASPER )

On this 7<sup>th</sup> day of February, 2023, before me a Notary Public in and for the State of Iowa, personally appeared Brandon Talsma and Jenna Jennings to me personally known, who being duly sworn, did say that they are the Chairperson and Auditor, respectively, of Jasper County, State of Iowa, a political subdivision, and that the seal affixed to the foregoing instrument is the seal of said political subdivision, and that said instrument was signed and sealed on behalf of said political subdivision by authority and resolution of its Board of Supervisors, and said Chairperson and Auditor acknowledged said instrument to be the free act and deed of said political subdivision by it voluntarily executed.



Notary Public in and for Jasper County, Iowa

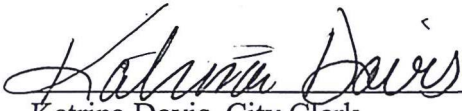


PASSED AND APPROVED this 6<sup>th</sup> day of February, 2023.

CITY OF NEWTON, STATE OF IOWA

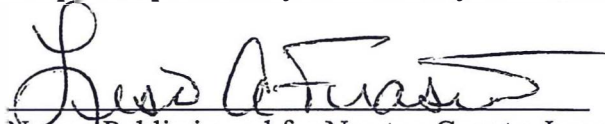
  
Michael L. Hansen, Mayor

ATTEST:

  
Katrina Davis, City Clerk

STATE OF IOWA                     )  
  ) SS  
COUNTY OF JASPER             )

On this 6th day of February, 2023, before me a Notary Public in and for said County, personally appeared Michael L. Hansen and Katrina Davis to me personally known, who being duly sworn, did say that they are the Mayor and City Clerk, respectively, of the City of Newton, State of 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.

  
Notary Public in and for Newton County, Iowa

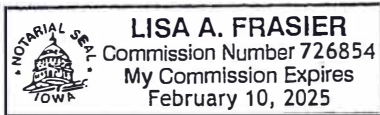


EXHIBIT A  
DEVELOPMENT AGREEMENT

AGREEMENT FOR PRIVATE DEVELOPMENT

By and Among

THE CITY OF NEWTON, IOWA

AND

CHRISTENSEN DEVELOPMENT 1, LLC

AND

JASPER COUNTY, IOWA

\_\_\_\_\_, 2023



AGREEMENT FOR  
PRIVATE DEVELOPMENT

THIS AGREEMENT FOR PRIVATE DEVELOPMENT (hereinafter called "Agreement"), is made on or as of the \_\_\_\_\_ day of \_\_\_\_\_, 2023, by and among the CITY OF NEWTON, IOWA, a municipality (the "City"), and JASPER COUNTY, IOWA, a municipality (the "County"), both established pursuant to the Code of Iowa of the State of Iowa and acting under the authorization of Chapters 15A and 403 of the Code of Iowa, 2021, as amended (hereinafter called "Urban Renewal Act"), and CHRISTENSEN DEVELOPMENT 1, LLC, an Iowa limited liability company (the "Developer"). The City, County, and Developer are "Parties" to this Agreement.

WITNESSETH:

WHEREAS, the City has submitted an application ("City Application") to the Iowa Economic Development Authority ("IEDA") under Chapter 15J of the Code of Iowa, 2021, as amended, (the "Iowa Reinvestment District Act") in support of the creation of a reinvestment district named the Newton Legacy Reinvestment District ("Reinvestment District"); and

WHEREAS, Developer's completion of the Minimum Improvements described herein constitute two of the projects described in the City's Application ("Christensen Projects"); and

WHEREAS, the City has asked the County to help finance the Christensen Projects as and to the extent set forth herein; and

WHEREAS, the County is willing to assist the City in financing the Christensen Projects as set forth herein provided that the IEDA approves the Revised Iowa Reinvestment District Plan, as defined in Article I-B below, which revised plan identifies the County as the applicant and the recipient of any funds provided under the Iowa Reinvestment District Act with respect to the Reinvestment District; and

WHEREAS, in furtherance of the objectives of the Urban Renewal Act, the County has undertaken a program for the development of a blighted and economic development area in the City; and

WHEREAS, on February 7, 2023, the County adopted the Urban Renewal Plan ("Plan" or "Urban Renewal Plan") for purposes of carrying out urban renewal project activities in an area known as the Legacy Plaza Urban Renewal Area (the "Area" or "Urban Renewal Area"); and

WHEREAS, the Developer owns or will acquire certain real property located in the foregoing Urban Renewal Area as more particularly described in Exhibit A attached hereto and made a part hereof (which property as so described is hereinafter referred to as the "Development Property"); and

WHEREAS, the Developer is willing to redevelop the Development Property and cause certain Minimum Improvements to be constructed on the Development Property and to operate the Minimum Improvements consistent with this Agreement (the "Project"); and

WHEREAS, the City and County believe that the redevelopment of the Development Property pursuant to this Agreement and the fulfillment generally of this Agreement, are in the vital and best

interests of the City and County and in accord with the public purposes and provisions of the applicable State and local laws and requirements under which the foregoing project has been undertaken and is being assisted.

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

#### ARTICLE I-A. CONDITIONS PRECEDENT

Section 1-A.1. Condition Precedent. Each of the following are a condition precedent to any rights or obligations of any party to this Agreement:

- a. Developer's acquisition of the full right, title, and interest in the Development Property within thirty (30) days of the Commencement Date.
- b. The IEDA approving the Revised Iowa Reinvestment District Plan within thirty (30) days of the Commencement Date.
- c. The City removing the Development Property from the City's North Central Urban Renewal Area and all associated City tax increment financing ordinances within thirty (30) days of the Commencement Date.
- d. The County receiving the Bond Proceeds by November 1, 2023, or such later date agreed to by the Parties in writing.
- e. The Developer commencing construction of the Minimum Improvements by October 1, 2023. For purposes of this Agreement, construction shall be deemed to have commenced when Developer has acquired a building permit for the Minimum Improvements and begun work repurposing the Existing Buildings (defined below).

If any of the above Conditions Precedent is not timely satisfied, this Agreement shall automatically terminate with no further action required by any party, and no party shall have further obligations to the other parties hereunder, provided, however, that in such an event, the County shall take all action necessary to terminate the Urban Renewal Area and repeal any ordinance adopted for the division of property tax revenues (pursuant to Section 403.19 of the Code) therein. This termination shall be completed within sixty (60) days of the termination of this Agreement under this Section.

#### ARTICLE I-B. DEFINITIONS

Section 1-B.1. Definitions. In addition to other definitions set forth in this Agreement, all capitalized terms used and not otherwise defined herein shall have the following meanings unless a different meaning clearly appears from the context:

Agreement means this Agreement and all exhibits and appendices hereto, as the same may be from time to time modified, amended or supplemented.

Area or Urban Renewal Area means the areas known as the Legacy Plaza Urban Renewal Area created by the County.

Assessor means the Assessor for Jasper County, Iowa.

Base Value means \$569,210, which is the January 1, 2022 assessed value of the Existing Buildings and Development Property.

Bond Proceeds means the proceeds from the sale of the Bonds after all capitalized interest, costs of issuance, and transaction costs and fees have been paid.

Bonds means the taxable, general obligation, urban renewal bonds, notes, or other indebtedness to be issued by the County for the sole purpose of funding the payment of the Construction Grants to Developer, secured by a County debt service levy but expected to be repaid with funds deposited into the reinvestment project fund of the County by the State under the Iowa Reinvestment Act or, alternatively, with Tax Increments. The aggregate principal amount of the Bonds will not exceed \$9,000,000, and will depend on a variety of factors, such as the Costs of the Minimum Improvements, anticipated deposits in the reinvestment project fund, actual Bond sale terms, the timing of the sale, inclusion of capitalized interest, as necessary, and other factors. Developer recognizes and agrees that the number of series of Bonds and amounts of such Bonds will necessarily change according to the County's borrowing decisions and other due diligence factors to be considered at the County's sole discretion.

Christensen Development 1, LLC TIF Account means an account within the Legacy Plaza Urban Renewal Area Tax Increment Revenue Fund of the County in which Tax Increments received by the County with respect to the Minimum Improvements and Development Property shall be deposited.

City means the City of Newton, Iowa, or any successor to its functions.

Code means the Code of Iowa, 2021, as amended.

Commencement Date means the date of this Agreement.

Construction Grants means the Grants to be provided to the Developer by the County pursuant to Article VII below.

Costs means the costs and expenses incurred by Developer and related to the design and construction of the Minimum Improvements.

County means the County of Jasper, Iowa.

Debt Service means the scheduled principal and interest payments related to the Bonds.

Developer means Christensen Development 1, LLC and its permitted successors and assigns.

Development Property means that portion of the Urban Renewal Area described in Exhibit A hereto.

Existing Buildings means the buildings and improvements located on the Development Property as of the Commencement Date.

Event of Default means any of the events described in Section 10.1 of this Agreement.

First Mortgage means any Mortgage granted to secure any loan made pursuant to either a mortgage commitment obtained by the Developer from a commercial lender or other financial institution to fund any portion of the construction costs and initial operating capital requirements of the Minimum Improvements, or all such Mortgages as appropriate.

Full-Time Equivalent Employment Unit means the employment of the equivalent of one person for 2,000 hours per year, assuming eight hours per day for a five-day, forty-hour work week for fifty weeks per year.

Housing Unit means each dwelling unit constructed on the Development Property as part of the Apartment Improvements.

Indemnified Parties means the City and County, and the respective governing body members, officers, agents, servants, and employees thereof.

Iowa Reinvestment Act means Chapter 15J of the Code.

Legacy Plaza Urban Renewal Area Tax Increment Revenue Fund means the special fund of the County created under the authority of Section 403.19(2) of the Code and the Ordinance, which fund was created in order to pay the principal of and interest on loans, monies advanced to or indebtedness, whether funded, refunded, assumed or otherwise, including bonds or other obligations issued under the authority of Chapters 15A, 403, or 384 of the Code, incurred by the County to finance or refinance in whole or in part projects undertaken pursuant to the Urban Renewal Plan for the Urban Renewal Area.

Local Hotel Tax means the locally-imposed hotel/motel tax (described in Section 423A.4 of the Code) generated by the Hotel Improvements (as defined on Exhibit B hereto) on the Development Property and actually collected by the City under Chapter 423A of the Code. The Local Hotel Tax does not include the State-imposed hotel/motel tax (described in Section 423A.3 of the Code).

Local Hotel Tax Rebates means rebate payments equal to 100% of the Local Hotel Tax to be made by the City to Developer under Section 6.3 of this Agreement.

Minimum Actual Value means the minimum actual value of the Minimum Improvements on the Development Property (land and building(s) value) as set forth in the Minimum Assessment Agreement (Exhibit F).

Minimum Assessment Agreement means the minimum assessment agreement in the form of Exhibit F attached hereto.

Minimum Improvements means the Apartment Improvements, the Hotel Improvements, and related site improvements that are constructed on the Development Property, as more particularly described in Exhibit B to this Agreement.



Mortgage means any mortgage or security agreement in which the Developer has granted a mortgage or other security interest in the Development Property, or any portion or parcel thereof, or any improvements constructed thereon.

Net Proceeds means any proceeds paid by an insurer to the Developer under a policy or policies of insurance required to be provided and maintained by the Developer pursuant to Section 3.4 of this Agreement and remaining after deducting all expenses (including fees and disbursements of counsel) incurred in the collection of such proceeds.

Ordinance means the ordinance(s) of the County under which the taxes levied on the taxable portion of the Development Property shall be divided and a portion paid into the Legacy Plaza Urban Renewal Area Tax Increment Revenue Fund.

Project means the construction and operation of the Minimum Improvements on the Development Property, as described in this Agreement.

Redevelopment Grants mean the payments to be made by the County to the Developer under Article VIII of this Agreement.

Reinvestment District means the property comprising the Newton Legacy Reinvestment District established pursuant to the Revised Iowa Reinvestment District Plan and Iowa Reinvestment Act.

Reinvestment Funds means the state sales tax and hotel tax revenues from the Reinvestment District collected and deposited with the County pursuant to the Iowa Reinvestment Act.

Revised Iowa Reinvestment District Plan means the revised plan in support of the creation of a reinvestment district under the Iowa Reinvestment Act for the Newton Legacy Reinvestment District approved and submitted to the IEDA by the County, which revised plan shall identify the County as the applicant and recipient of any Reinvestment Funds.

Shortfall Debt means the difference between the County's Debt Service payments and the amount of Reinvestment Funds received by the County.

State means the State of Iowa.

State Downtown Housing Grant means the grant from the City to the Developer pursuant to Section 6.5 of this Agreement for the completion of the Apartment Improvements using proceeds from the State received by the City pursuant to the State Downtown Housing Grant Agreement.

State Downtown Housing Grant Agreement means the agreement between the Iowa Economic Development Authority ("IEDA") and the City, that provides the City with a Downtown Housing Grant in the amount of Six Hundred Thousand Dollars (\$600,000.00) for the completion of the Apartment Improvements via Award No. 22-ARPDH-041 (the "State Downtown Housing Grant"), which Agreement is attached hereto as Exhibit I.



Tax Increments means the property tax revenues on the assessed value of the Minimum Improvements and Development Property (building and land value) above the Base Value divided and made available to the County for deposit in the Legacy Plaza Urban Renewal Area Tax Increment Revenue Fund under the provisions of Section 403.19 of the Code and the Ordinance.

Termination Date means the date of termination of this Agreement, as established in Section 11.9 of this Agreement.

Unavoidable Delays means delays resulting from acts or occurrences outside the reasonable control of the party claiming the delay including but not limited to storms, floods, fires, explosions, or other casualty losses, unusual weather conditions, strikes, boycotts, lockouts, or other labor disputes, litigation commenced by third parties, or the acts of any federal, State, or local governmental unit (other than the City with respect to the City's obligations, or the County with respect to the County's obligations).

Urban Renewal Plan means the Urban Renewal Plan, as amended, approved in respect of the Legacy Plaza Urban Renewal Area, described in the preambles hereof.

## ARTICLE II. REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations and Warranties of the City. The City makes the following representations and warranties:

a. The City is a municipal corporation and political subdivision organized under the provisions of the Constitution and the laws of the State and has the power to enter into this Agreement and carry out its obligations hereunder.

b. 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 breach of, the terms, conditions, or provisions of any contractual restriction, evidence of indebtedness, agreement, or instrument of whatever nature to which the City is now a party or by which it is bound, nor do they constitute a default under any of the foregoing.

c. All covenants, stipulations, promises, agreements, and obligations of the City contained herein shall be deemed to be the covenants, stipulations, promises, agreements, and obligations of the City only, and not of any governing body member, officer, agent, servant, or employee of the City in the individual capacity thereof.

Section 2.2. Representations and Warranties of Developer. The Developer makes the following representations and warranties:

a. The Developer is an Iowa limited liability company duly organized and validly existing under the laws of the State of Iowa, and has all requisite power and authority to own and operate its properties, to carry on its business as now conducted and as presently proposed to be conducted, and to enter into and perform its obligations under this Agreement.

b. This Agreement has been duly and validly authorized, executed, and delivered by the Developer and, assuming due authorization, execution, and delivery by the City and County, 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.

c. 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 governing documents 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.

d. 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 or 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.

e. The Developer shall cause the Minimum Improvements to be constructed on the Development Property in accordance with the terms of this Agreement, the Urban Renewal Plan and all local, State, and federal laws and regulations.

f. The Developer shall use its best efforts to obtain, or cause to be obtained, in a timely manner, with respect to the Minimum Improvements, 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 before the Minimum Improvements may be lawfully constructed.

g. The Developer has not received any notice from any local, State, or federal official that the activities of the Developer with respect to the Development Property may or will be in violation of any environmental law or regulation (other than those notices, if any, of which the City has previously been notified in writing). The Developer is not currently aware of any State or federal claim filed or planned to be filed by any party relating to any violation of any local, State, or federal environmental law, regulation, or review procedure applicable to the Development Property, and the Developer is not currently aware of any violation of any local, State, or federal environmental law, regulation, or review procedure which would give any person a valid claim under any State or federal environmental statute with respect thereto.

h. The Developer has firm commitments for construction or acquisition and financing for the Project in an amount sufficient, together with equity commitments, to successfully complete the Minimum Improvements in accordance with this Agreement.

i. The Developer will cooperate fully with the City in resolution of any traffic, parking, trash removal, or public safety problems which may arise in connection with the construction and operation of the Minimum Improvements.

j. The Developer expects that, barring Unavoidable Delays, construction of the Minimum Improvements shall commence on or before October 1, 2023 and be complete on or before October 1, 2025, unless otherwise agreed upon by the parties.

k. It is anticipated that the construction of the Minimum Improvements will require a total investment of approximately \$30,000,000.

Section 2.3. Representations and Warranties of the County. The County makes the following representations and warranties:

a. The County is a municipal corporation and municipality organized under the provisions of the Constitution and the laws of the State and has the power to enter into this Agreement and carry out its obligations hereunder.

b. 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 breach of, the terms, conditions, or provisions of any contractual restriction, evidence of indebtedness, agreement, or instrument of whatever nature to which the County is now a party or by which it is bound, nor do they constitute a default under any of the foregoing.

c. All covenants, stipulations, promises, agreements, and obligations of the County contained herein shall be deemed to be the covenants, stipulations, promises, agreements, and obligations of the County only, and not of any governing body member, officer, agent, servant, or employee of the County in the individual capacity thereof.

ARTICLE III. CONSTRUCTION OF MINIMUM IMPROVEMENTS,  
TAXES AND PAYMENTS

Section 3.1. Construction of Minimum Improvements.

a. The Developer agrees that it will cause the Minimum Improvements to be constructed on the Development Property in conformance with all applicable federal, State, and local laws, ordinances, and regulations, including any City permit and/or building requirements. All work with respect to the Minimum Improvements shall be in conformity with any plans approved and/or permits issued by the building official(s) of the City, which approvals and issuances shall be made according to normal City processes for such plans and permits. The Developer agrees that the scope and scale of the Minimum Improvements shall not be significantly less than the scope and scale as described in this Agreement and the Revised Iowa Reinvestment District Plan.

b. The Developer agrees that it shall permit designated representatives of the City and County, upon reasonable notice to the Developer (which does not have to be written), to enter upon the Development Property during the construction of the Minimum Improvements to inspect such construction and the progress thereof.



c. Subject to Unavoidable Delays, Developer shall cause construction of the Minimum Improvements to be commenced and completed by the dates set forth in Section 2.2(j). Time lost as a result of Unavoidable Delays shall be added to extend these dates by a number of days equal to the number of days lost as a result of Unavoidable Delays.

Section 3.2. Minimum Assessment Agreement.

a. As further consideration for this Agreement, Developer, City and County shall execute, contemporaneous with the execution of this Agreement, an Assessment Agreement pursuant to the provisions of Iowa Code Section 403.6(19) specifying the Assessor's Minimum Actual Value for the Minimum Improvements on the Development Property for calculation of real property taxes in the form attached as Exhibit F ("Assessment Agreement" or "Minimum Assessment Agreement"). Specifically, Developer, City, County, the Assessor, the holder of any Mortgage and all prior lienholders shall agree to a Minimum Actual Value for the Minimum Improvements and the Development Property of not less than \$7,000,000, before rollback, upon completion of the Minimum Improvements, but no later than January 1, 2026. Such minimum actual value at the time applicable is herein referred to as the "Assessor's Minimum Actual Value."

b. Nothing in the Assessment Agreement shall limit the discretion of the Assessor to assign an actual value to the Development Property in excess of such Assessor's Minimum Actual Value nor prohibit Developer from seeking through the exercise of legal or administrative remedies a reduction in such actual value for property tax purposes; provided, however, that Developer shall not seek a reduction of such actual value below the Assessor's Minimum Actual Value in any year so long as the Assessment Agreement shall remain in effect. The Assessment Agreement shall remain in effect until it terminates in accordance with its terms. The Assessment Agreement shall be certified by the Assessor for the County as provided in Iowa Code Section 403.6(19) and shall be filed for record in the office of the County Recorder, and such filing shall constitute notice to any subsequent encumbrancer or purchaser of the Development Property or parts thereof, whether voluntary or involuntary. Such Assessment Agreement shall be binding and enforceable in its entirety against any such subsequent purchaser or encumbrancer, as well as all prior lienholders and the holder of any Mortgage, each of which shall sign a consent to the Minimum Assessment Agreement. Developer shall ensure that any existing lienholder shall sign a written consent to the Minimum Assessment Agreement in a form satisfactory to the City and County.

Section 3.3. Real Property Taxes. Developer or its successors shall pay or cause to be paid, 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. Until Developer's obligations have been assumed by any other person or legal title to the property is vested in another person, all pursuant to the provisions of this Agreement, Developer shall be solely responsible for all assessments and taxes.

Developer and its successors agree that prior to the Termination Date:

a. They will not seek administrative review or judicial review of the applicability or constitutionality of any tax statute relating to the taxation of real property contained on the Development Property determined by any tax official to be applicable to the Development Property or Minimum Improvements, or raise the inapplicability or constitutionality of any such tax statute as a defense in any proceedings, including delinquent tax proceedings; and

b. They will not seek any tax exemption, deferral, or abatement either presently or prospectively authorized under any State, federal, or local law with respect to taxation of real property contained on the Development Property between the Commencement Date and the Termination Date.

c. Should Developer successfully protest the assessed value of the Development Property and be reimbursed by the County for overpaid taxes for any fiscal year in which Developer has already received Redevelopment Grants, the County may: (i) reduce any subsequent Redevelopment Grants by an amount equivalent to the portion of the prior Redevelopment Grants that would not have been paid if the Property had originally been assessed at the adjusted value; or (ii) recoup from Developer an amount equivalent to the portion of the prior Redevelopment Grants that would not have been paid if the Property had originally been assessed at the adjusted value if the set off in (i) is not available or feasible.

#### Section 3.4. Insurance Requirements.

a. Developer will provide and maintain or cause to be maintained at all times during the process of constructing the Minimum Improvements (and, from time to time at the request of the County, furnish the County with proof of coverage or payment of premiums on):

i. Builder's risk insurance, written on the so-called "Builder's Risk-Completed Value Basis," in an amount equal to the full replacement cost of the Minimum Improvements, and with coverage available in non-reporting form on the so-called "all risk" form of policy.

ii. Comprehensive general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations, and contractual liability insurance) with limits against bodily injury and property damage of at least \$1,000,000 for each occurrence. The County shall be named as an additional insured for the County's liability or loss arising out of or in any way associated with the project and arising out of any act, error, or omission of Developer, or Developer's directors, officers, shareholders, contractors, and subcontractors or anyone else for whose acts the County may be held responsible (with coverage to the County at least as broad as that which is provided to Developer and not lessened or avoided by endorsement). The policy shall contain a "severability of interests" clause and provide primary insurance over any other insurance maintained by the County.

iii. Workers' compensation insurance with at least statutory coverage.

b. Upon completion of construction of the Minimum Improvements and at all times prior to the Termination Date, Developer shall maintain or cause to be maintained, at its cost and expense (and from time to time at the request of the County shall furnish proof of coverage or the payment of premiums on), insurance as is statutorily required and any additional insurance customarily carried by like enterprises engaged in like activities of comparable size and liability exposure. Developer will forthwith repair, reconstruct, and restore the Minimum Improvements to substantially the same or an improved condition or value as they existed prior to the event causing such damage and, to the extent necessary to accomplish such repair, reconstruction and restoration, Developer will apply the Net Proceeds of any insurance relating to such damage received by Developer to the payment or reimbursement of the costs thereof. Developer shall complete the repair, reconstruction, and restoration of the Minimum Improvements, whether or not the Net Proceeds of insurance received by Developer for such purposes are sufficient.



c. All insurance required by this Section 3.4 to be provided prior to the Termination Date shall be taken out and maintained in responsible insurance companies selected by Developer, which are authorized under the laws of the State to assume the risks covered thereby.

#### ARTICLE IV. COVENANTS OF THE DEVELOPER

Section 4.1. Maintenance of Properties. The Developer will maintain, preserve, and keep its properties (whether owned in fee or a leasehold interest), including but not limited to the Development Property, in good repair and working order, ordinary wear and tear excepted, and from time to time will make all necessary repairs, replacements, renewals, and additions.

Section 4.2. Maintenance of Records. The Developer will keep at all times proper books of record and account in which full, true, and correct entries will be made of all dealings and transactions of or in relation to the business and affairs of the Developer relating to this Project in accordance with generally accepted accounting principles, consistently applied throughout the period involved, and the Developer will provide reasonable protection against loss or damage to such books of record and account.

Section 4.3. Compliance with Laws. The Developer will comply with all State, federal, and local laws, rules, and regulations relating to the Minimum Improvements.

Section 4.4. Non-Discrimination. In the construction and operation of the Minimum Improvements, the Developer shall not discriminate against any applicant, employee or tenant because of age, color, creed, national origin, race, religion, marital status, sex, physical disability, or familial status. Developer shall ensure that applicants, employees, and tenants are considered and are treated without regard to their age, color, creed, national origin, race, religion, marital status, sex, physical disability, or familial status.

Section 4.5. Available Information. Upon request, Developer shall promptly provide the City and County with copies of information requested by City or County that are reasonably related to this Agreement so that City and County can determine compliance with the Agreement, unless disclosure of the requested information is otherwise restricted or prohibited by law.

#### Section 4.6. Certification of Costs for Purposes of the State Downtown Housing Grant.

a. Developer shall provide the City with documentation of its Costs suitable to trigger a disbursement of funds under the State Downtown Housing Grant Agreement. Developer acknowledges that that all Costs must be incurred between June 1, 2023 and July 1, 2025 and related to the Apartment Improvements.

b. Developer acknowledges and agrees that prior to seeking reimbursement of Costs under the State Downtown Housing Grant Agreement, Developer must expend at least 25% of the State Downtown Housing Grant amount (\$150,000) as a “Developer Match” on the Apartment Improvements, which expenditure is not eligible for reimbursement from the State Downtown Housing Grant and cannot be subject to reimbursement through the County’s Construction Grant described in Article VII below.

c. Developer agrees to provide the City with any and all documentation necessary for the City to make the mid-project disbursement request under the State Downtown Housing Grant Agreement

within thirty (30) days after the Developer has incurred costs totaling 60% of the State Downtown Housing Grant amount (\$360,000) for the Apartment Buildings plus the 25% minimum Developer Match requirement (\$150,000), for a total expended cost of \$510,000.

d. Developer agrees to provide the City with any and all documentation necessary for the City to make the final disbursement request under the State Downtown Housing Grant Agreement (for the remaining 40% of the grant amount) within thirty (30) days following substantial completion of the Apartment Improvements, but in no event later than August 1, 2025, in consideration of the City's deadline of September 30, 2025 to submit the disbursement request under the State Downtown Housing Grant Agreement.

e. Developer shall maintain books, records, documents and other evidence pertaining to all costs and expenses incurred and revenues received under this Agreement in sufficient detail to reflect all costs, direct and indirect, of labor, materials, equipment, supplies, services and other costs and expenses of whatever nature, for which payment is claimed under this Agreement. The Developer shall maintain books, records and documents in sufficient detail to demonstrate compliance with this Agreement and the State Downtown Housing Grant Agreement and shall maintain these materials for a period of five years beyond the end date of this Agreement or December 31, 2032, whichever is later.

f. Developer shall permit and allow the City, the County, the State, representatives of Treasury, and/or Iowa's Auditor of State to access and examine, audit and/or copy all of the documents set forth in this Section 4.6.

g. The Developer shall provide to the County a copy of all invoices, requests for reimbursement, and other documents provided to the City under this Section 4.6 to allow the County to administer the Construction Grant process outlined in Article VII, below.

#### Section 4.7. Operation of Minimum Improvements.

a. Following the issuance of a final certificate of occupancy for the Hotel Improvements until the Termination Date, Developer shall cause the Hotel Improvements to be operated as a hotel with a bar serving light food options, which hotel employs at least a Monthly Average of four (4) Full-Time Equivalent Employment Units to work at the Hotel Improvements. Developer's Annual Certifications, starting with the Certification due on October 15, 2026 and continuing until the Termination Date, shall show that a Monthly Average of at least four (4) Full-Time Equivalent Employment Units has been maintained at the Hotel Improvements.

b. Following the issuance of a final certificate of occupancy for the Apartment Improvements until the Termination Date, Developer shall cause the Apartment Improvements to be operated as a market rate housing apartment building which employs at least a Monthly Average of two (2) Full-Time Equivalent Employment Units to work at the Apartment Improvements. Developer's Annual Certifications, starting with the Certification due on October 15, 2026 and continuing until the Termination Date, shall show that a Monthly Average of at least two (2) Full-Time Equivalent Employment Units has been maintained at the Hotel Improvements.

c. "Monthly Average" means the average number of Full-Time Equivalent Employment Units employed as of October 1 of each year and as of the first day of each of the preceding eleven (11)

months (prorated for the first certification), as shown in Developer's Annual Certification in Section 4.8. Developer shall not receive any Redevelopment Grants or Local Hotel Tax Rebates if the Monthly Average of Full-Time Equivalent Employment Units employed at the Minimum Improvements does not meet the requirements of this Section 4.7. Developer shall provide information as requested by the City or County to determine compliance with the foregoing employment obligations.

Section 4.8 Annual Certification. To assist County in monitoring the Agreement and performance of Developer hereunder, a duly authorized officer of Developer shall annually provide to County: (i) proof that all ad valorem taxes on the Development Property and Minimum Improvements have been paid for the prior fiscal year and for the current fiscal year as of the date of certification (if due and payable); (ii) the date of the first full assessment of the Minimum Improvements and the assessed value; (iii) proof that all Local Hotel Taxes on the operations of the Hotel Improvements have been timely paid for the prior fiscal year and through the date of the Annual Certification, attaching certified copies of all reports and/or certifications required to be provided to the State of Iowa by Chapter 423A of the Code (or the administrative rules governing Chapter 423A of the Code); (iv) certification of the number of Full-Time Equivalent Employment Units employed at the Hotel Improvements and at the Apartment Improvements, respectively, as of October 1 and as of the first day of each of the preceding eleven (11) months; and (v) certification that such officer has re-examined the terms and provisions of this Agreement and that at the date of such certification, and during the preceding twelve (12) months, Developer is not, and was not, in default in the fulfillment of any of the terms and conditions of this Agreement and that no Event of Default (or event which, with the lapse of time or the giving of notice, or both, would become an Event of Default) is occurring or has occurred as of the date of such certification or during such period, or if such officer 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 what action, if any, has been taken or is proposed to be taken with respect thereto. Such statement, proof and certificate shall be provided not later than October 15 of each year, commencing October 15, 2026 and continuing each October thereafter through the Termination Date. Developer shall provide supporting information for its Annual Certifications upon reasonable written request of County. See Exhibit E for form required for Developer's Annual Certification.

## ARTICLE V. ASSIGNMENT AND TRANSFER

Section 5.1. Status of the Developer: Transfer of Substantially All Assets; Assignment. 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 not dispose of all or substantially all of its assets or transfer, convey, or assign its interests under this Agreement to any other party unless (i) the transferee partnership, corporation or individual assumes in writing all of the obligations of the Developer under this Agreement and (ii) the City and County consent thereto in writing in advance thereof, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, the City and County agree Developer may assign its interest in the Local Hotel Tax Rebates, Redevelopment Grants and Construction Grants under this Agreement to a lender as security for financing of the Minimum Improvements, provided Developer remains responsible for performance of all Developer's obligations hereunder.

Section 5.2. Prohibition Against Use as Non-Taxable or Centrally-Assessed Property. Until the full repayment of the Bonds issued pursuant to this Agreement, the Developer agrees that no portion of the Development Property or Minimum Improvements shall be transferred or sold to a non-profit entity or used for a purpose that would exempt said portion of the Development Property from property tax



liability. During the term of this Agreement, Developer agrees not to allow any portion of the Development Property or Minimum Improvements to be used as centrally-assessed property (including but not limited to, Iowa Code § 428.24 to 428.29 (Public Utility Plants and Related Personal Property); Chapter 433 (Telegraph and Telephone Company Property); Chapter 434 (Railway Property); Chapter 437 (Electric Transmission Lines); Chapter 437A (Property Used in the Production, Generation, Transmission or Delivery of Electricity or Natural Gas); and Chapter 438 (Pipeline Property)).

## ARTICLE VI. CITY OBLIGATIONS

Section 6.1. Removal of Development Property from City Urban Renewal Area. The City shall remove the Development Property from the City's North Central Urban Renewal Area and all associated City tax increment ordinances within thirty (30) days of the Commencement Date of this Agreement, and agrees not to place the Development Property in another City-created urban renewal area or tax increment ordinance without the County's consent until the earlier of: (a) the County Debt Service and any Shortfall Debt is completely repaid; or (b) the County has received twenty (20) fiscal years of Tax Increment under the Ordinance.

Section 6.2. Revised Iowa Reinvestment District Plan. The County agrees to submit for approval and take all steps reasonably necessary to obtain the approval of the IEDA for the Revised Iowa Reinvestment District Plan. The City agrees to cooperate in the County's efforts and to take all steps reasonably necessary to assist the County in obtaining the IEDA's approval for the Revised Iowa Reinvestment District Plan. The City further agrees to complete the projects set forth in Section B5 of the Revised Iowa Reinvestment District Plan, referred to as the City of Newton Resiliency Zone projects, as and to the extent set forth therein, and to provide the IEDA and the County with any information or reports in the City's possession or control as reasonably required by the IEDA for purposes of administering the Revised Iowa Reinvestment District Plan.

### Section 6.3. Local Hotel Tax Rebates.

a. Schedule. For and in consideration of the obligations being assumed by Developer hereunder, the City agrees, subject to Developer being and remaining in compliance with the terms of this Agreement, to make ten (10) consecutive annual payments of Local Hotel Tax Rebates, with the first payment to be made on or before the May 31 immediately following City's receipt of the first full calendar year of Local Hotel Tax payments from the State funded in part by Local Hotel Tax generated by operation of the completed Minimum Improvements on the Development Property, and each subsequent payment to be made on or before May 31 following the City's receipt of each subsequent full year of Local Hotel Tax payments from the State generated by operation of the completed Minimum Improvements on the Development Property, continuing until the earlier of when ten (10) annual payments have been made or Developer has received \$200,000 in aggregate Local Hotel Tax Rebate payments. Each annual payment shall be equal to 100% of the Local Hotel Tax generated by operation of the completed Minimum Improvements on the Development Property, received by the City from the State during the preceding full calendar year, but subject to limitation and adjustment as provided in this Article (such payments being referred to collectively as the "Local Hotel Tax Rebates")

b. Local Hotel Tax Reports. To assist the City in monitoring the Agreement and performance of Developer hereunder, a duly authorized officer of Developer shall annually, on or before March 1 each year the Minimum Improvements are in operation until the last Local Hotel Tax Rebate payment has been

made, provide a Local Hotel Tax Report to the City for the prior calendar year, in the form attached as Exhibit D, along with copies of all reports and/or certifications required to be provided to the State of Iowa by Chapter 423A of the Code (or the administrative rules governing Chapter 423A of the Code).

c. Limitations. The Local Hotel Tax Rebates are only for the completed Minimum Improvements constructed on the Development Property as described in this Agreement.

d. Conditions Precedent. Notwithstanding the provisions of this Section 6.3, the obligation of the City to make a Local Hotel Tax Rebate in any annual period shall be subject to and conditioned upon the following:

i. Developer's compliance with the terms of this Agreement, including but not limited to timely completion of the Hotel Improvements and payment of hotel/motel tax for the operation of the Hotel Improvements on the Development Property; and

ii. Developer's timely filing of complete Annual Certifications as required under Section 4.8; and

iii. Developer's timely filing of the Local Hotel Tax Reports, in the form of Exhibit D, as required under Section 6.3(b).

In the event that an Event of Default occurs or any certification filed by Developer under Section 4.8 (or other information) discloses the existence or prior occurrence of an Event of Default that was not cured, the City shall have no further obligation to make the Local Hotel Tax Rebates unless and until the Event of Default has been cured. Each Annual Certification filed by Developer under Section 4.8 hereof shall be considered separately in determining whether the City shall make any of the Local Hotel Tax Rebate payments available to Developer under this Section. Under no circumstances shall the failure by Developer to qualify for a Local Hotel Tax Rebate in any year serve to extend the term of this Agreement beyond the time period set forth in Section 6.3 which Local Hotel Tax Rebates may be awarded to Developer or the total amount thereof, it being the intent of parties hereto to provide Developer with an opportunity to receive Local Hotel Tax Rebates only if Developer fully complies with the provisions hereof and Developer becomes entitled thereto.

e. Source of Local Hotel Tax Rebates Limited.

i. The Local Hotel Tax Rebates shall be payable from and secured solely and only by the amount of Local Hotel Tax generated by operation of the completed Minimum Improvements on the Development Property and collected by the City from the State under Chapter 423A of the Code. To the extent of its authority, the City hereby covenants and agrees to maintain the Local Hotel Tax in force during the term hereof and to apply the appropriate percentage of Local Hotel Tax collected in respect of the operation of the Minimum Improvements on the Development Property to pay the Local Hotel Tax Rebates, as and to the extent set forth in this Article. The Local Hotel Tax Rebates shall not be payable in any manner by other tax revenues or by general taxation or from any other City funds.

ii. Each Local Hotel Tax Rebate is subject to periodic appropriation by the City Council. The City has no obligation to make any payments to Developer as contemplated under



this Agreement until the City Council appropriates the funds necessary to make such payments. The right of non-appropriation reserved to the City in this Section is intended by the parties, and shall be construed at all times, so as to ensure that the City's obligation to make future Local Hotel Tax Rebates shall not constitute a legal indebtedness of the City within the meaning of any applicable constitutional or statutory debt limitation prior to the adoption of a budget which appropriates funds for the payment of that installment or amount. In the event that any of the provisions of this Agreement are determined by a court of competent jurisdiction or by the City's bond counsel to create, or result in the creation of, such a legal indebtedness of the City, the enforcement of the said provision shall be suspended, and the Agreement shall at all times be construed and applied in such a manner as will preserve the foregoing intent of the parties, and no Event of Default by the City shall be deemed to have occurred as a result thereof. If any provision of this Agreement or the application thereof to any circumstance is so suspended, the suspension shall not affect other provisions of this Agreement which can be given effect without the suspended provision. To this end the provisions of this Agreement are severable.

iii. Notwithstanding the provisions of Section 6.3 hereof, the City shall have no obligation to make a Local Hotel Tax Rebate to Developer if at any time during the term hereof the City fails to appropriate funds for payment, or receives an opinion from its legal counsel to the effect that the use of Local Hotel Tax in connection with the Minimum Improvements to fund an Local Hotel Tax Rebate to Developer, as contemplated under said Section 6.3, is not authorized or otherwise an appropriate activity permitted to be undertaken by the City under the Code, as then constituted or under controlling decision of any Iowa Court having jurisdiction over the subject matter hereof. Upon receipt of any such legal opinion, the City shall promptly forward notice of the same to Developer and the County.

f. Use of Other Local Hotel Tax. The City shall be free to use any and all of the Local Hotel Tax collected by the City above and beyond the percentage to be given to Developer in this Agreement, or any available Local Hotel Tax collected by the City resulting from the suspension or termination of the Local Hotel Tax Rebates hereunder, for any purpose for which the Local Hotel Tax may lawfully be used pursuant to the provisions of the Code, and the City shall have no obligations to Developer with respect to the use thereof.

Section 6.4. City Residential Grant. The City shall provide to the Developer \$1000 per Housing Unit completed as part of the Apartment Improvements ("City Residential Grant"), up to an aggregate, maximum amount not to exceed \$50,000, within thirty (30) days of the Developer's receipt of a final certificate of occupancy of the Apartment Improvements.

Section 6.5. Downtown Housing Grant.

a. For and in consideration of Developer's obligations hereunder to construct the Apartment Improvements, and subject to Developer being in compliance with this Agreement and the State Downtown Housing Agreement at the time of payment, the City agrees to grant to Developer up to the sum of Six Hundred Thousand Dollars (\$600,000.00) received from the State in accordance with the State Downtown Housing Agreement, a copy of which Agreement is attached hereto as Exhibit I and incorporated herein by this reference. The City shall disburse to Developer any amount of the State Grant received by the City within thirty (30) days after all of the following conditions are satisfied:

i. Developer shall provide the City all documentation, including copies of paid invoices and proof of payment, at project mid-point (described in Section 4.6(c), above) and project completion (described in Section 4.6(d), above), required by Article III of the State Downtown Housing Grant Agreement;

ii. Developer shall provide the City with any other documentation reasonably requested by the City to satisfy the terms of the State Downtown Housing Grant Agreement, and shall allow the City and the IEDA to review and observe, at any time, completed work or work in progress;

iii. Developer shall, on a quarterly basis, provide the City with information necessary for the City to provide the quarterly reports required by Section 5.3.1 of the State Downtown Housing Grant Agreement;

iv. Developer shall ensure that all publications and signage satisfy the requirements of the State Agreement and shall include the following: “This project is being supported, in whole or in part, by federal award number 21.027 to the State of Iowa by the U.S. Department of the Treasury”;

v. Developer shall be making substantial and timely progress toward completion of the Apartment Improvements consistent with the terms of this Agreement and the State Downtown Housing Grant Agreement;

vi. Developer shall be in compliance with the terms of this Agreement and the State Downtown Housing Grant Agreement (including any exhibits thereto); and

vii. The City shall have received the State Downtown Housing Grant payment from the IEDA and said payment is not otherwise limited or rescinded by the State.

b. The Developer agrees that, if the City is obligated to repay any amount of the grant funds disbursed to the City under the State Downtown Housing Grant Agreement, Developer shall pay to the City an amount equal to the City’s repayment amount within thirty (30) days of the City’s written demand for such repayment.

## ARTICLE VII. CONSTRUCTION GRANT

Section 7.1. Issuing Bonds. It is recognized and agreed that the ability of the County to provide the Construction Grants described in Section 7.2 below is subject to completion and satisfaction of certain separate Board of Supervisor actions and required legal proceedings relating to the issuance of the Bonds. Specifically, all obligations of County to issue the Bonds whose proceeds shall be used to provide the Construction Grants are subject to each of the following Conditions Precedent:

a. The representations and warranties made by Developer in Section 2.2 shall be true and correct as of a Developer recertification statement that may be requested by the County at or near the time of the issuance of Bonds; such recertification statement of the representations and warranties made by Developer in Section 2.2 shall have the same force and effect as if made on the Commencement Date;

b. The Developer shall have acquired title to the Development Property;

- c. The City shall have removed the Development Property from the North Central Urban Renewal Area and any associated Tax Increment Financing Ordinance as required by Section 6.1;
- d. The IEDA shall have finally and unconditionally approved the Revised Iowa Reinvestment District Plan;
- e. The financial projections for the anticipated Reinvestment Funds to be created in the Reinvestment District shall not have materially decreased from those contained in the Revised Iowa Reinvestment District Plan;
- f. The Developer and City shall be in compliance with all the terms and provisions of this Agreement in all material respects;
- g. There has not been a substantial change for the worse in the financial resources and ability of the Developer, which change(s) make it likely, in the reasonable judgment of the County, that the Developer will be unable to fulfill its covenants and obligations under this Agreement;
- h. The satisfaction of all conditions and procedures required (in the judgment of bond counsel for the County) by Chapter 331 and 403 of the Code with respect to the issuance of the Bonds, including the holding of all required public hearings relating to the same and the timely completion of any necessary referendum or reverse referendum processes.

Section 7.2. Construction Grant Amounts.

a. Apartment Construction Grant. For and in consideration of the obligations of Developer as set forth herein, and as a necessary means of achieving the goals and objectives of the Urban Renewal Plan, the County agrees (subject to the conditions set forth in this Article and this Agreement) to make a Construction Grant to Developer in support of the Apartment Improvements in an aggregate amount not to exceed two-thirds (2/3) of the Bond Proceeds (the "Apartment Construction Grant Amount"). Subject to the Conditions Precedent set forth below in Section 7.3, such Grant shall be disbursed in monthly installments equal to 75% of the actual Costs incurred by Developer to construct the Apartment Improvements as verified through a construction draw process to be reviewed by a third-party reviewer ("Apartment Disbursements"). Such third-party reviewer must have the qualifications and experience in reviewing project construction draws and be mutually agreeable to both the Developer and County. If the Developer's lender also has such a third-party reviewer requirement, the County has the right, but not the obligation, to utilize the same reviewer as the Developer's lender. Ten percent (10%) of the Apartment Construction Grant Amount shall be retained by the County and only disbursed upon issuance of a certificate of occupancy for the Apartment Improvements. For purposes of this Section 7.2(a), Developer shall not submit any Costs for reimbursement through this Article VII if the Costs were or will be submitted to the City for reimbursement through the State Downtown Housing Grant described in Section 6.5 or used for the Developer Match described in Section 4.6(b).

b. Hotel Construction Grant. For and in consideration of the obligations of Developer as set forth herein, and as a necessary means of achieving the goals and objectives of the Urban Renewal Plan, the County agrees (subject to the conditions set forth in this Article and this Agreement) to make a Construction Grant to Developer in support of the Hotel Improvements in an aggregate amount not to exceed one-third (1/3) of the Bond Proceeds (the "Hotel Construction Grant Amount"). Subject to the Conditions Precedent set forth in Section 7.3, such Grant shall be disbursed in monthly installments equal to 75% of the actual Costs incurred by Developer to construct the Hotel Improvements as verified through a construction draw process to be reviewed by a third-party reviewer ("Hotel Disbursements"). Such third-party reviewer must have the qualifications and experience in reviewing project construction draws and be mutually agreeable to both Parties. If the Developer's lender also has such a third-party reviewer



requirement, the County has the right, but not the obligation, to utilize the same reviewer as the Developer's lender. Ten percent (10%) of the Hotel Construction Grant Amount shall be retained by the County and only disbursed upon issuance of a certificate of occupancy for the Hotel Improvements.

c. The Apartment Disbursements and Hotel Disbursements available under this Section 7.2 are collectively referred to as "Disbursements." Each of the Apartment Disbursements and Hotel Disbursements may be individually referred to as a "Disbursement."

Section 7.3. Conditions Precedent to Construction Grant Disbursements. Notwithstanding the provisions of Section 7.2 above, the County's obligation to provide Developer with a Disbursement under this Agreement in any year shall be subject to satisfaction of the following conditions precedent:

- a. Developer shall not be in default under the terms and provisions of this Agreement; and
- b. The Minimum Assessment Agreement shall be fully executed and in effect; and
- c. The County shall have obtained financing of the Bonds on such terms and conditions as it shall deem necessary or desirable in its sole and absolute discretion, and there shall be sufficient proceeds from the Bonds to pay the Disbursement; and
- d. There has not been a substantial change for the worse in the financial resources and ability of the Developer, or a substantial decrease in the financing commitments secured by the Developer for construction of the Minimum Improvements, which change(s) make it likely, in the reasonable judgment of the County, that the Developer will be unable to fulfill its covenants and obligations under this Agreement with respect to the Project; and
- e. The verification of the Costs as set forth in Section 7.2 for the applicable improvements.

Should Developer fail to qualify for any Disbursement due to its own, uncured Event of Default, Developer shall be obligated to repay to the County the full amount of any prior Disbursements.

Section 7.4. Source of Construction Grant Funds Limited.

a. The Construction Grant Disbursements shall be payable from and secured solely and only by the Bond Proceeds. The Disbursements shall not be payable in any manner by general taxation or from any other County funds.

b. Notwithstanding the provisions of Section 7.2 hereof, the County shall have no obligation to make a Disbursement to Developer if at any time during the term hereof the County receives an opinion from its legal counsel to the effect that the use of the Bond Proceeds to fund a Disbursement to Developer, as contemplated under said Section 7.2, is not authorized under the applicable provisions of the Code, as then constituted or under controlling decision of any Iowa Court having jurisdiction over the subject matter hereof. Upon receipt of any such legal opinion or non-appropriation, the County shall promptly forward notice of the same to Developer.

## ARTICLE VIII. REDEVELOPMENT GRANTS

Section 8.1. Redevelopment Grants.

a. Amount of Grants. For and in consideration of the obligations being assumed by Developer hereunder, and in furtherance of the goals and objectives of the Urban Renewal Plan for the Urban Renewal Area and the Urban Renewal Act, the County agrees, subject to Developer being and remaining in compliance with the terms of this Agreement, to make up to ten (10) consecutive annual payments of Redevelopment Grants to Developer, each Redevelopment Grant comprised of 100% of Tax Increments collected by the County with respect to the Minimum Improvements and Development Property during the preceding twelve-month period, but subject to the schedule, limitations and adjustments as provided in this Article.

b. Schedule of Redevelopment Grants. Assuming completion of the Minimum Improvements by October 1, 2025, full assessment of the Minimum Improvements on January 1, 2026, compliance with the annual certification requirements by Developer, debt certification by the County to the Auditor of the County prior to December 1, 2026, and the absence of any Event of Default as of any payment date, the Redevelopment Grants shall commence on June 1, 2028, and end on June 1, 2037, pursuant to Section 403.19 of the Urban Renewal Act under the following formula:

|              |  |
|--------------|--|
| June 1, 2028 | 100% of Tax Increments for Fiscal Year 27-28 |
| June 1, 2029 | 100% of Tax Increments for Fiscal Year 28-29 |
| June 1, 2030 | 100% of Tax Increments for Fiscal Year 29-30 |
| June 1, 2031 | 100% of Tax Increments for Fiscal Year 30-31 |
| June 1, 2032 | 100% of Tax Increments for Fiscal Year 31-32 |
| June 1, 2033 | 100% of Tax Increments for Fiscal Year 32-33 |
| June 1, 2034 | 100% of Tax Increments for Fiscal Year 33-34 |
| June 1, 2035 | 100% of Tax Increments for Fiscal Year 34-35 |
| June 1, 2036 | 100% of Tax Increments for Fiscal Year 35-36 |
| June 1, 2037 | 100% of Tax Increments for Fiscal Year 36-37 |

c. Calculation of Grants. Each annual Redevelopment Grant payment shall be equal in amount to the above percentages of the Tax Increments collected by the County with respect to the Minimum Improvements and the Development Property under the terms of the Ordinance and deposited into the Christensen Development 1, LLC TIF Account (without regard to any averaging that may otherwise be utilized under Section 403.19 of the Code, and excluding any interest that may accrue thereon prior to payment to Developer) during the preceding twelve-month period, but subject to limitation and adjustment as provided in this Article (such payments being referred to collectively as the “Redevelopment Grants”). Tax Increments shall be calculated based upon the incremental value of the Minimum Improvements and Development Property above the Base Value.

d. Limitation to Minimum Improvements. The Redevelopment Grants are only for the Minimum Improvements described in this Agreement and not any expansions or improvements not included within the definition of the Minimum Improvements which, to be eligible for Redevelopment Grants, would be the subject of an amendment or new agreement, at the sole discretion of the County Supervisors.



Section 8.2. Conditions Precedent. Notwithstanding the provisions of Section 8.1 above, the obligation of the County to make a Redevelopment Grant in any year shall be subject to and conditioned upon the following:

- a. the completion (as established by the receipt of a certificate of occupancy) and full assessment of the Minimum Improvements by January 1, 2026; and
- b. compliance with the terms of this Agreement by Developer, including, but not limited to, the operational obligations in Section 4.7 of this Agreement for, and payment of property taxes on, the Minimum Improvements and Development Property; and
- c. timely filing by Developer of the Annual Certifications required under Section 4.8 hereof which show no Event of Default, and approval thereof by the County's Board of Supervisors.

Each Annual Certification filed by Developer under Section 4.8 hereof shall be considered separately in determining whether the County shall make any of the Redevelopment Grant payments available to Developer under this Article VIII. Unless otherwise extended by the County in writing in its sole reasonable discretion, the failure by Developer to qualify for an Redevelopment Grant in any year shall not serve to extend the term of this Agreement beyond the Termination Date or the years during which Redevelopment Grants may be awarded to Developer or the total amount thereof, it being the intent of parties hereto to provide Developer with an opportunity to receive Redevelopment Grants only if Developer fully complies with the provisions hereof and the Developer becomes entitled thereto.

Section 8.3. Maximum Amount of Redevelopment Grants. The aggregate amount of Redevelopment Grants that may be paid to Developer under Section 8.1 shall not exceed the lesser of: (i) the amount of available Tax Increments under the formula and schedule set forth in Section 8.1(b) or (ii) \$2,600,000. It is further agreed and understood that each Redevelopment Grant shall come solely and only from incremental taxes received by the County under Iowa Code Section 403.19 from levies upon the Minimum Improvements and Development Property (above the Base Value). The County makes no representation with respect to the amounts that may finally be paid to the Developer, and in no event shall Developer be entitled to receive more than calculated under the formula set forth in Section 8.1, even if the applicable aggregate maximum as set forth above is not met.

Section 8.4. Source of Redevelopment Grant Funds Limited.

a. The Redevelopment Grants shall be payable from and secured solely and only by the Tax Increments on the Development Property and Minimum Improvements deposited and held in the Christensen Development 1, LLC TIF Account of the Legacy Plaza Urban Renewal Tax Increment Revenue Fund of the County. The County hereby covenants and agrees to maintain the Ordinance in force during the term hereof to the extent allowed by controlling law and to apply the appropriate percentage of Tax Increments collected in respect of the Development Property and Minimum Improvements to pay the Redevelopment Grants, as and to the extent set forth in this Article. The Redevelopment Grants shall not be payable in any manner by other tax increment revenues or by general taxation or from any other County funds. Any commercial and industrial property tax replacement monies that may be received under chapter 441.21A of the Code shall not be included in the calculation to determine the amount of Redevelopment Grants for which Developer is eligible, and any monies received back under chapter 426C

of the Code relating to the Business Property Tax Credit shall not be included in the calculation to determine the amount of Redevelopment Grants for which Developer is eligible.

b. Each Redevelopment Grant is subject to annual appropriation by the Board of Supervisors of the County. The right of non-appropriation reserved to the County in this Section is intended by the parties, and shall be construed at all times, so as to ensure that the County's obligation to make future Redevelopment Grants shall not constitute a legal indebtedness of the County within the meaning of any applicable constitutional or statutory debt limitation prior to the adoption of a budget which appropriates funds for the payment of that installment or amount. In the event that any of the provisions of this Agreement are determined by a court of competent jurisdiction to create, or result in the creation of, such a legal indebtedness of the County, the enforcement of the said provision shall be suspended, and the Agreement shall at all times be construed and applied in such a manner as will preserve the foregoing intent of the parties, and no Event of Default by the County shall be deemed to have occurred as a result thereof. If any provision of this Agreement or the application thereof to any circumstance is so suspended, the suspension shall not affect other provisions of this Agreement which can be given effect without the suspended provision. To this end the provisions of this Agreement are severable.

c. Notwithstanding the provisions of Section 8.1 hereof, the County shall have no obligation to make an Redevelopment Grant to Developer if at any time during the term hereof the County fails to appropriate funds for payment, the Tax Increment is not made available to the County, or the County receives an opinion from its legal counsel to the effect that the use of Tax Increments resulting from the Minimum Improvements to fund an Redevelopment Grant to Developer, as contemplated under said Section 8.1, is not authorized or otherwise an appropriate urban renewal activity permitted to be undertaken by the County under the Urban Renewal Act or other applicable provisions of the Code, as then constituted or under controlling decision of any Iowa Court having jurisdiction over the subject matter hereof. In such event, the County shall promptly forward written notice of the same to Developer. If the non-appropriation or circumstances or legal constraints continue for a period during which two (2) annual Redevelopment Grants would otherwise have been paid to Developer under the terms of Section 8.1, the County may terminate this Agreement, without penalty or other liability to the County, by written notice to Developer and City.

Section 8.5 Reserved.

Section 8.6. Other Uses of Tax Increments.

a. City Reimbursement. After the earlier of (i) the County having made the ten (10) Redevelopment Grant payments contemplated by Section 8.1 of this Agreement, (ii) the County having made the Redevelopment Grant payments in the maximum amount of \$2,600,000 contemplated by Section 8.3 of this Agreement, or (iii) the County's obligation to make additional Redevelopment Grants is terminated due to an uncured Event of Default by the Developer, the County agrees to use available Tax Increments to repay the City a one-time payment of \$65,000 ("City Reimbursement"). The City Reimbursement shall only be paid by the County with Tax Increment not being used to make the Redevelopment Grants to Developer and shall not be paid by any other County funds. In addition, the City shall be entitled to City Reimbursement only if the City is in compliance with the terms of this Agreement at the time of payment, including the payment of the City Residential Grant to the Developer in the amount of \$50,000.

b. Shortfall Debt. After the earlier of (i) the County having made the ten (10) Redevelopment Grant payments contemplated by Section 8.1 of this Agreement, (ii) the County having made the Redevelopment Grant payments in the maximum amount of \$2,600,000 contemplated by Section 8.3 of this Agreement, or (iii) the County's obligation to make additional Redevelopment Grants is terminated due to an uncured Event of Default by the Developer; and if, for any reason whatsoever, the Reinvestment Funds received by the County from the State and generated from the Reinvestment District, pursuant to the Reinvestment Act, are insufficient to fully pay any prior Debt Service payments for the Bonds issued to provide the Construction Grants, then Developer and City agree the County may certify as debt under the Ordinance and Section 403.19 of the Code an amount equal to the difference between the amount of the Reinvestment Funds previously received and the Debt Service payments for the Bonds issued to pay the Construction Grant (the "Shortfall Debt"). The intent of this provision is to ensure if, for any reason, the Reinvestment Funds are insufficient to make the Debt Service payments on the Bonds, then the County may use available Tax Increments to pay the Debt Service or reimburse the County for any prior Debt Service payments paid by the County with any funds other than Reinvestment Funds.

c. Limitations. The County's right to utilize Tax Increments to cover Shortfall Debt as provided for in Section 8.6(b) is further limited as follows:

i. Before using Tax Increments to cover Shortfall Debt, the County must first use available Tax Increments to provide the City Reimbursement, if the City is entitled to receive the City Reimbursement payment.

ii. The County's right to utilize Tax Increments to cover Shortfall Debt as provided for in Section 8.6(b) shall terminate as of the earlier of: (A) the Debt Service is fully extinguished and any Shortfall Debt has been reimbursed; or (B) after the County has received twenty (20) fiscal years of Tax Increment from the Development Property, at which time the County agrees that it shall take all steps necessary to terminate the Urban Renewal Area and repeal the Ordinance.

d. Debt Service Schedule. Exhibit G contains a proposed schedule for the payment of the Debt Service, but such schedule will vary based on actual sale costs, refinancing, if applicable, and other factors. Exhibit G shall be updated with actual debt service for the Bonds and if any future refinancing for the Bonds occurs. When updated, such updated Exhibit G shall be substituted for and become Exhibit G to this Agreement.

Section 8.7. Termination of Urban Renewal Area and Repeal of TIF Ordinance. To the extent that there is no Shortfall Debt as set forth in Section 8.6(b), the County agrees that it shall take all steps necessary to terminate the Urban Renewal Area and repeal the Ordinance immediately upon payment of the final Redevelopment Grant to the Developer and the payment of the City Reimbursement to the City, if applicable.

## ARTICLE IX. INDEMNIFICATION

### Section 9.1. Release and Indemnification Covenants.

a. The Developer releases the Indemnified Parties from, covenants and agrees that the Indemnified Parties shall not be liable for, and agrees to indemnify, defend, and hold harmless the Indemnified Parties against, any loss or damage to property or any injury to or death of any person



occurring at or about, or resulting from any defect in, the Development Property or the Minimum Improvements.

b. Except for any willful misrepresentation or any willful or wanton misconduct or any unlawful act of the Indemnified Parties, the Developer agrees to protect and defend the Indemnified Parties, now or forever, and further agrees to hold the Indemnified Parties harmless, from any claim, demand, suit, action, or other proceedings whatsoever by any person or entity whatsoever arising or purportedly arising from (i) any violation of any agreement or condition of this Agreement (except with respect to any suit, action, demand or other proceeding brought by the Developer against the City or County to enforce its rights under this Agreement), (ii) the acquisition and condition of the Development Property and the construction, installation, ownership, and operation of the Minimum Improvements; or (iii) any hazardous substance or environmental contamination located in or on the Development Property.

c. The Indemnified Parties shall not be liable for any damage or injury to the persons or property of the Developer or its officers, agents, servants, or employees or any other person who may be about the Minimum Improvements due to any act of negligence of any person, other than any act of negligence on the part of any such Indemnified Party or its officers, agents, servants, or employees.

d. The provisions of this Article IX shall survive the termination of this Agreement.

#### ARTICLE X. DEFAULT AND REMEDIES

Section 10.1. 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 Minimum Improvements to be commenced and completed pursuant to the terms, conditions, and limitations of this Agreement;

b. Transfer of any interest in this Agreement in violation of the provisions of this Agreement;

c. Failure by the Developer to substantially observe or perform any covenant, condition, obligation, or agreement on its part to be observed or performed under this Agreement;

d. Any representation or warranty made by the Developer in this Agreement, or made by the Developer in any written statement or certification furnished by the Developer pursuant to this Agreement, shall prove to have been incorrect, incomplete or misleading in any material respect on or as of the date of the issuance or making thereof.

Section 10.2. Remedies on Default. Whenever any Event of Default referred to in Section 10.1 of this Agreement occurs and is continuing, the City or County, as specified below, may take any one or more of the following actions after the municipality declaring default has provided thirty (30) days’ written notice to the other parties and to the holder of the First Mortgage (but only to the extent the municipality declaring default 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, or if the Event of Default cannot reasonably be cured within thirty



(30) days and the Developer does not provide assurances reasonably satisfactory to the municipality declaring default that the Event of Default will be cured as soon as reasonably possible:

a. The municipality declaring default may suspend its performance under this Agreement until it receives assurances from the Developer, deemed adequate by the municipality declaring default, that the Developer will cure its default and continue its performance under this Agreement;

b. The municipality declaring default may terminate this Agreement, provided, however that if this Agreement is terminated and the County has not yet sold the Bonds, the County shall take all steps necessary to terminate the Urban Renewal Area and repeal the Ordinance within sixty (60) days of termination of this Agreement.

c. The County may recover from Developer prior Construction Grant Disbursements pursuant to Section 7.3; and

d. The municipality declaring default may take any action, including legal, equitable, or administrative action, which may appear necessary or desirable to enforce performance and observance of any obligation, agreement, or covenant of the Developer, as the case may be, under this Agreement.

Section 10.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to any party 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.

Section 10.4. No Implied Waiver. In the event any agreement contained in this Agreement should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 10.5. Agreement to Pay Attorneys' Fees and Expenses. Whenever any Event of Default occurs and the City and/or County shall employ attorneys or incur other expenses in successful efforts to collect payments due or to become due or enforce performance or observance of any obligation or agreement on the part of the Developer herein contained, the Developer agrees that it shall, on demand therefor, pay to the City and/or County the reasonable fees of such attorneys and such other expenses as may be reasonably and appropriately incurred by the City and/or County in connection therewith.

Section 10.6. Breach by City or County.

a. Remedy by Other Municipality. If the City or County fails to perform or observe any term or condition of this Agreement which impairs the non-breaching municipality's ability to perform under this Agreement, and such failure is not cured within thirty (30) days after such notice to the breaching party by the non-breaching municipality, the non-breaching municipality's sole remedy shall be to seek specific performance of the Agreement by the breaching municipality.

b. Remedy by Developer. If the City or County fails to perform or observe any term or condition of this Agreement to be performed or observed by the City or County after notice from Developer and such failure is not cured within thirty (30) days after such notice to the breaching party, Developer may take whatever actions at law or in equity are necessary or appropriate to: (a) collect any payments due under this Agreement from the breaching party; or (b) enforce the performance or observance by the breaching party of any term or condition of this Agreement (including, without limitation, the right to specifically enforce any such term or condition). IN NO EVENT WILL THE CITY OR COUNTY BE LIABLE TO THE DEVELOPER FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES WHATSOEVER, ARISING OUT OF, OR IN CONNECTION WITH, THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO, LOST PROFITS, LOST REVENUE, LOSS OF GOODWILL, LOSS OF ANTICIPATED SAVINGS, OR LOSS OF BUSINESS OPPORTUNITY INCURRED OR SUFFERED BY DEVELOPER, WHETHER IN AN ACTION IN CONTRACT OR TORT, EVEN IF THE BREACHING PARTY OR ANY OTHER PERSON HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. FURTHER, NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, IN NO EVENT, UNDER ANY CIRCUMSTANCES, WILL THE CITY BE LIABLE TO MAKE ANY CONSTRUCTION GRANTS OR REDEVELOPMENT GRANTS TO THE DEVELOPER. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, IN NO EVENT, UNDER ANY CIRCUMSTANCES, WILL THE COUNTY BE LIABLE TO MAKE ANY LOCAL HOTEL TAX REBATES, CITY RESIDENTIAL GRANT, OR DOWNTOWN HOUSING GRANT TO THE DEVELOPER.

#### ARTICLE XI. MISCELLANEOUS

Section 11.1. Conflict of Interest. The Developer represents and warrants that, to its best knowledge and belief after due inquiry, no officer or employee of the City, County, or their designees or agents, nor any consultant or member of the governing body of the City or County, and no other public official of the City or County 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.

Section 11.2. Notices and Demands. A notice, demand or other communication under this Agreement by any party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, and

- a. In the case of the Developer, is addressed or delivered personally to Christensen Development 1, LLC at 215 East 3rd St., Suite 300, Des Moines, Iowa 50309, Attn: Jake Christensen, President; and
- b. In the case of the City, is addressed to or delivered personally to the City of Newton at 101 West 4<sup>th</sup> Street South, Newton, Iowa 50208, Attn: City Administrator;
- c. In the case of the County, is addressed to or delivered personally to the County at Jasper County Courthouse, 101 1<sup>st</sup> Street North, Newton, Iowa 50208, Attn: County Auditor;

or to such other designated individual or officer or to such other address as any party shall have furnished to the other in writing in accordance herewith.

Section 11.3. Memorandum of Agreement. The parties agree to execute and record a Memorandum of Agreement for Private Development, in substantially the form attached as Exhibit C, to serve as notice to the public of the existence and provisions of this Agreement, and the rights and interests held by the City and County by virtue hereof. The City shall pay for the costs of recording.

Section 11.4. Titles of Articles and Sections. Any titles of the several parts, Articles, and Sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 11.5. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 11.6. Governing Law. This Agreement and any dispute arising out of or related to this Agreement shall be governed and interpreted in accordance with the Laws of the State of Iowa without regard to conflicts of law principles that would require the application of law of another jurisdiction. The Iowa District Court for Jasper County shall have exclusive jurisdiction in all matters arising under this Agreement, and the Parties hereto expressly consent and submit to the personal jurisdiction of such court.

Section 11.7. Entire Agreement. This Agreement and the exhibits hereto reflect the entire agreement between the parties regarding the subject matter hereof, and supersedes and replaces all prior agreements, negotiations or discussions, whether oral or written. This Agreement may not be amended except by a subsequent writing signed by all parties hereto. In the event of a conflict between the terms of this Agreement and any other agreement, whether written or verbal, regarding the Development Property and to which the Developer is a party, the terms and conditions of this Agreement shall control.

Section 11.8. Successors and Assigns. This Agreement is intended to and shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

Section 11.9. Termination Date. This Agreement shall terminate and be of no further force or effect on and after the December 31, 2047, unless the Agreement is terminated earlier by the other terms of this Agreement.

Section 11.10. No Third-Party Beneficiaries. No rights or privileges of either party hereto shall inure to the benefit of any landowner, contractor, subcontractor, material supplier, or any other person or entity, and no such landowner, contractor, subcontractor, material supplier, or any other person or entity shall be deemed to be a third-party beneficiary of any of the provisions contained in this Agreement.

IN WITNESS WHEREOF, the City has caused this Agreement to be duly executed in its name and behalf by its Mayor and its seal to be hereunto duly affixed and attested by its City Clerk, the County has caused this Agreement to be duly executed in its name and behalf by its Chairperson and its seal to be hereunto duly affixed and attested by its County Auditor, and the Developer has caused this Agreement to be duly executed in its name and behalf all on or as of the day first above written.

*[Remainder of this page intentionally left blank. Signature pages to follow.]*



(SEAL)

CITY OF NEWTON, IOWA

By: \_\_\_\_\_  
Michael L. Hansen, Mayor

ATTEST:

By: \_\_\_\_\_  
Katrina Davis, City Clerk

STATE OF IOWA            )  
  ) SS  
COUNTY OF JASPER        )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2023, before me a Notary Public in and for said State, personally appeared Michael L. Hansen and Katrina Davis, to me personally known, who being duly sworn, did say that they are the Mayor and City Clerk, respectively, of the City of Newton, Iowa, a Municipality 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 Municipality, and that said instrument was signed and sealed on behalf of said Municipality 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 Municipality by it voluntarily executed.

\_\_\_\_\_  
Notary Public in and for the State of Iowa

*[Signature page to Agreement for Private Development – City of Newton, Iowa]*

CHRISTENSEN DEVELOPMENT 1, LLC,  
An Iowa limited liability company

By: \_\_\_\_\_  
Jake Christensen, President

STATE OF IOWA            )  
                                      ) SS  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2023, before me the undersigned, a Notary Public in and for said State, personally appeared Jake Christensen, to me personally known, who, being by me duly sworn, did say that he is the President of Christensen Development 1, LLC, and that said instrument was signed on behalf of said limited liability company; and that the said officer as such, acknowledged the execution of said instrument to be the voluntary act and deed of said limited liability company, by him voluntarily executed.

\_\_\_\_\_  
Notary Public in and for the State of Iowa

*[Signature page to Agreement for Private Development – Christensen Development 1, LLC]*

(SEAL)

JASPER COUNTY, IOWA

By: \_\_\_\_\_  
Brandon Talsma, Chairperson

ATTEST:

By: \_\_\_\_\_  
Jenna Jennings, County Auditor

STATE OF IOWA                    )  
  ) SS  
COUNTY OF JASPER            )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2023, before me a Notary Public in and for said State, personally appeared Brandon Talsma and Jenna Jennings, to me personally known, who being duly sworn, did say that they are the Chairperson and County Auditor, respectively, of Jasper County, Iowa, a Municipality 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 Municipality, and that said instrument was signed and sealed on behalf of said Municipality by authority and resolution of its County Board of Supervisors, and said Chairperson and County Auditor acknowledged said instrument to be the free act and deed of said Municipality by it voluntarily executed.

\_\_\_\_\_  
Notary Public in and for the State of Iowa

*[Signature page to Agreement for Private Development – Jasper County, Iowa]*

EXHIBIT A  
DEVELOPMENT PROPERTY

The Development Property is described as consisting of all that certain parcel or parcels of land located in the City of Newton, County of Jasper, State of Iowa, more particularly described as follows:

PARCEL "B" LOCATED ENTIRELY WITHIN LOT 3 OF SYNERGY ADDITION, CITY OF NEWTON, JASPER COUNTY, IOWA. MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF A CERTAIN PARCEL OF LAND DESCRIBED AS PARCEL "A" AND RECORDED IN INSTRUMENT NO. 2010-00002900 IN THE OFFICE OF THE RECORDER, JASPER COUNTY, IOWA, SAID POINT ALSO BEING A SOUTHWESTERLY CORNER LOT 3 OF SYNERGY ADDITION AND RECORDED IN INSTRUMENT NO. 2007-00000939 IN THE OFFICE OF THE RECORDER, CITY OF NEWTON, JASPER COUNTY, IOWA; THENCE, N0°26'16"W 24.96' ALONG A EAST LINE OF SAID PARCEL "A" TO THE POINT OF BEGINNING; THENCE, CONTINUING N0°26'16"W 74.04' ALONG SAID EAST LINE TO THE NORTHEAST CORNER OF SAID PARCEL "A"; THENCE, S89°16'12"W 8.41' ALONG THE NORTH LINE OF SAID PARCEL "A"; THENCE, N0°12'40"W 133.18'; THENCE, NORTHEASTERLY 46.43' ALONG THE ARC OF A 42.61' RADIUS CURVE, CONCAVE SOUTHEASTERLY AND HAVING A CHORD BEARING OF N31°00'17"E AND A CHORD DISTANCE OF 44.17'; THENCE, N64°19'56"W 41.57'; THENCE, N66°41'11"W 38.34'; THENCE, N52°33'20"W 26.16'; THENCE, S60°21'34"W 116.37'; THENCE, N30°22'22"W 15.35'; THENCE, NORTHWESTERLY 7.39' ALONG THE ARC OF A 5.00' RADIUS CURVE, CONCAVE SOUTHWESTERLY AND HAVING A CHORD BEARING OF N72°42'43"W AND A CHORD DISTANCE OF 6.74'; THENCE, WESTERLY 75.56' ALONG THE ARC OF A 86.71' RADIUS CURVE, CONCAVE NORTHERLY AND HAVING A CHORD BEARING OF N88°42'09"W AND A CHORD DISTANCE OF 73.19' TO THE NORTHERLY LINE OF SAID LOT 3; THENCE, NORTHEASTERLY 32.12' ALONG THE ARC OF A 2844.82' RADIUS CURVE, CONCAVE SOUTHEASTERLY AND HAVING A CHORD BEARING OF N54°32'26"E AND A CHORD DISTANCE OF 32.12', ALONG THE NORTHERLY LINE OF SAID LOT 3; THENCE, NORTHEASTERLY 52.46' ALONG THE ARC OF A 50.12' RADIUS CURVE, CONCAVE NORTHWESTERLY AND HAVING A CHORD BEARING OF N77°39'39"E AND A CHORD DISTANCE OF 50.09'; THENCE, NORTHERLY 6.66' ALONG THE ARC OF A 5.00' RADIUS CURVE, CONCAVE WESTERLY AND HAVING A CHORD BEARING OF N9°27'48"E AND A CHORD DISTANCE OF 6.18'; THENCE, N28°42'58"W 11.63'; THENCE, N55°14'48"E 28.10'; THENCE N60°02'31"E 96.48'; THENCE, N59°50'55"E 108.39'; THENCE, N59°46'03"E 124.41'; THENCE, N60°04'29"E 66.76'; THENCE, S28°08'21"E 20.11'; THENCE, N60°06'49"E 60.70'; THENCE, S30°32'25"E 178.03'; THENCE, S0°24'47"E 273.82'; THENCE, S89°35'13"W 12.58'; THENCE, S0°12'46"E 94.97'; THENCE, S89°16'29"W 309.98' TO THE POINT OF BEGINNING, CONTAINING 3.90 ACRES. SUBJECT TO EASEMENTS AND RESTRICTIONS OF RECORD, IF ANY.

Exhibit A-1

*Execution Version*



**EXHIBIT B**  
**MINIMUM IMPROVEMENTS**

The Minimum Improvements shall consist of the construction of the Apartment Improvements and the Hotel Improvements, and related site improvements, by the Developer or other developers/contractors on the Development Property.

The Apartment Improvements means: (a) the re-purposing the historic 1900s Maytag building 16 into 72 apartments as described as Project B1 in the Revised Iowa Reinvestment District Plan; (b) the re-purposing of Maytag building 50 into a mechanical building to support building 16 as described as Project B1 in the Revised Iowa Reinvestment District Plan; and (c) opening a breezeway through Building 16 from the courtyard to the greenspace per the Legacy Plaza Concept. See Exhibit H for an excerpt of the Revised Iowa Reinvestment District Plan describing Project B1 (which Plan remains subject to change); and see Floor Plans below (which Floor Plans remain subject to change).

The Hotel Improvements means re-purposing the historic 1900s Maytag Buildings 1 and 2 into a 58-room boutique hotel as described as Project B2 in the Revised Iowa Reinvestment District Plan which shall include a bar serving light food options. See Exhibit H for an excerpt of the Revised Iowa Reinvestment District Plan describing Project B2 (which Plan remains subject to change); and see Floor Plans below (which Floor Plans remain subject to change).

Floor Plans for Apartment Improvements (next four images):

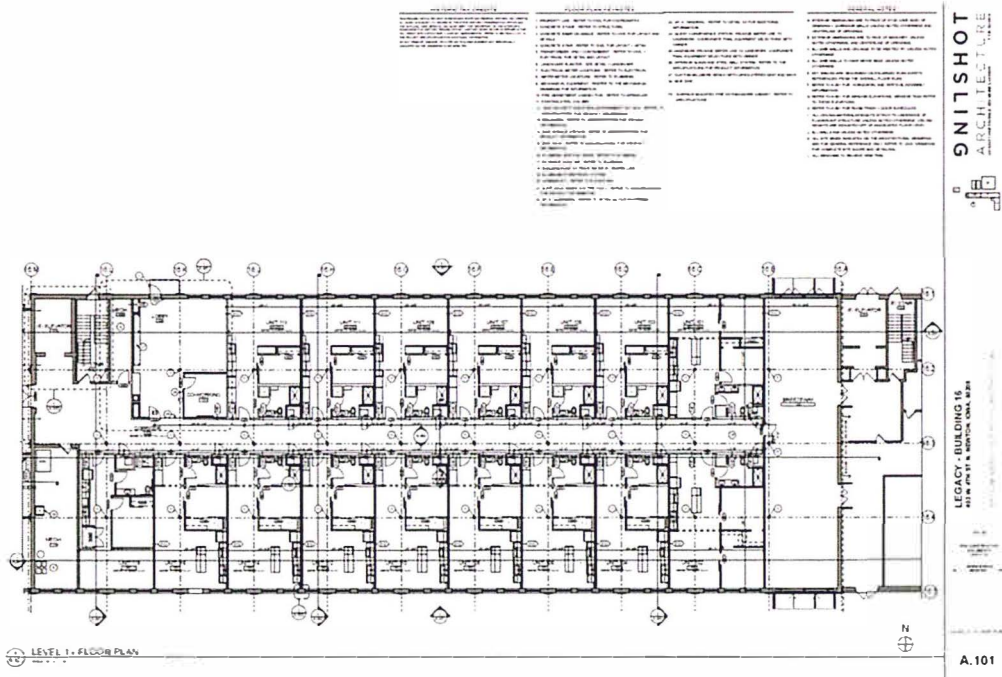


Exhibit B-1

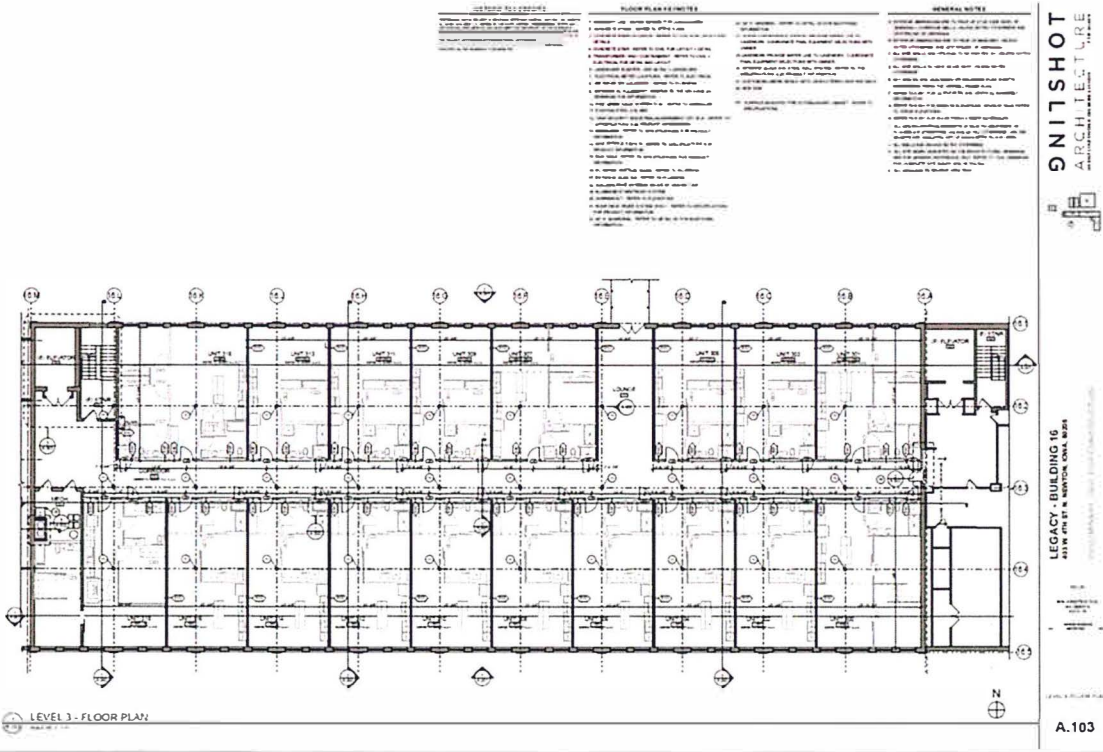
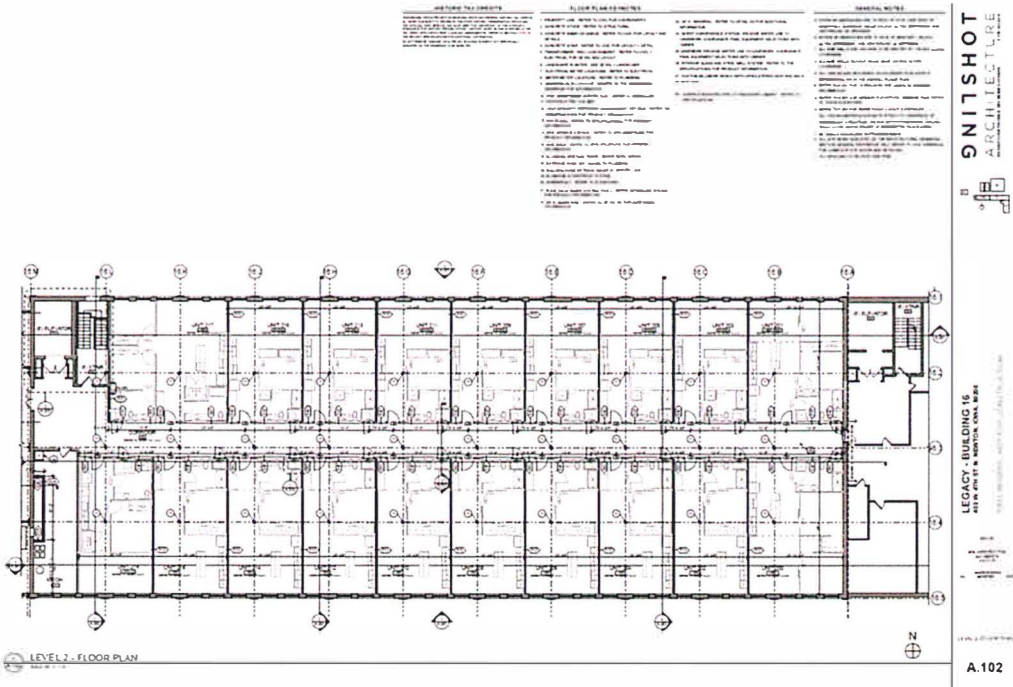
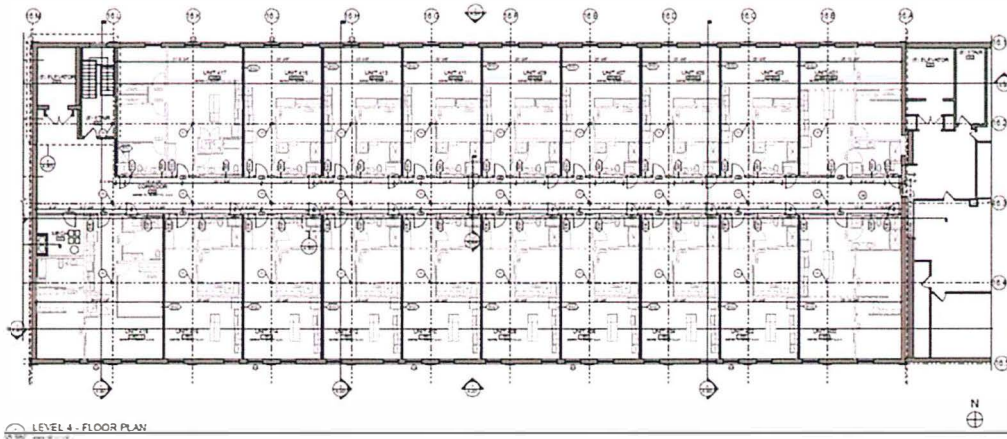


Exhibit B-2

Execution Version

- 1. ALL DIMENSIONS ARE IN METERS UNLESS OTHERWISE SPECIFIED.
- 2. ALL WALLS ARE 200mm THICK UNLESS OTHERWISE SPECIFIED.
- 3. ALL FLOORS ARE 100mm THICK UNLESS OTHERWISE SPECIFIED.
- 4. ALL ROOFS ARE 100mm THICK UNLESS OTHERWISE SPECIFIED.
- 5. ALL CEILING ARE 100mm THICK UNLESS OTHERWISE SPECIFIED.
- 6. ALL DOORS ARE 2000mm HIGH UNLESS OTHERWISE SPECIFIED.
- 7. ALL WINDOWS ARE 2000mm HIGH UNLESS OTHERWISE SPECIFIED.
- 8. ALL STAIRS ARE 1000mm WIDE UNLESS OTHERWISE SPECIFIED.
- 9. ALL ELEVATIONS ARE IN METERS UNLESS OTHERWISE SPECIFIED.
- 10. ALL FINISHES ARE AS NOTED UNLESS OTHERWISE SPECIFIED.
- 11. ALL MATERIALS ARE AS NOTED UNLESS OTHERWISE SPECIFIED.
- 12. ALL WORK IS TO BE DONE IN ACCORDANCE WITH THE SANS STANDARDS.
- 13. ALL WORK IS TO BE DONE IN ACCORDANCE WITH THE CITY OF JOHANNESBURG REGULATIONS.
- 14. ALL WORK IS TO BE DONE IN ACCORDANCE WITH THE NATIONAL BUILDING REGULATIONS.
- 15. ALL WORK IS TO BE DONE IN ACCORDANCE WITH THE NATIONAL ELECTRICAL REGULATIONS.
- 16. ALL WORK IS TO BE DONE IN ACCORDANCE WITH THE NATIONAL WATER REGULATIONS.
- 17. ALL WORK IS TO BE DONE IN ACCORDANCE WITH THE NATIONAL SANITATION REGULATIONS.
- 18. ALL WORK IS TO BE DONE IN ACCORDANCE WITH THE NATIONAL FIRE REGULATIONS.
- 19. ALL WORK IS TO BE DONE IN ACCORDANCE WITH THE NATIONAL SAFETY REGULATIONS.
- 20. ALL WORK IS TO BE DONE IN ACCORDANCE WITH THE NATIONAL ENVIRONMENTAL REGULATIONS.

**GNITSHOT**  
ARCHITECTS



LEVEL 4 - FLOOR PLAN

LEGACY - BUILDING 16  
4th FLOOR PLAN



**Floor Plans for Hotel Improvements (next four images):**

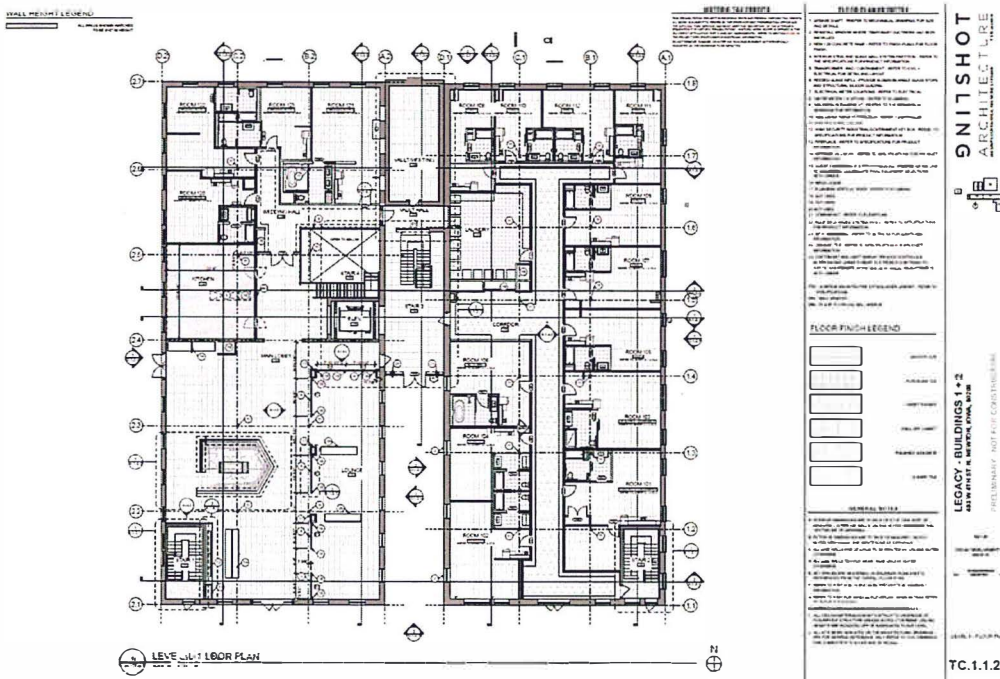
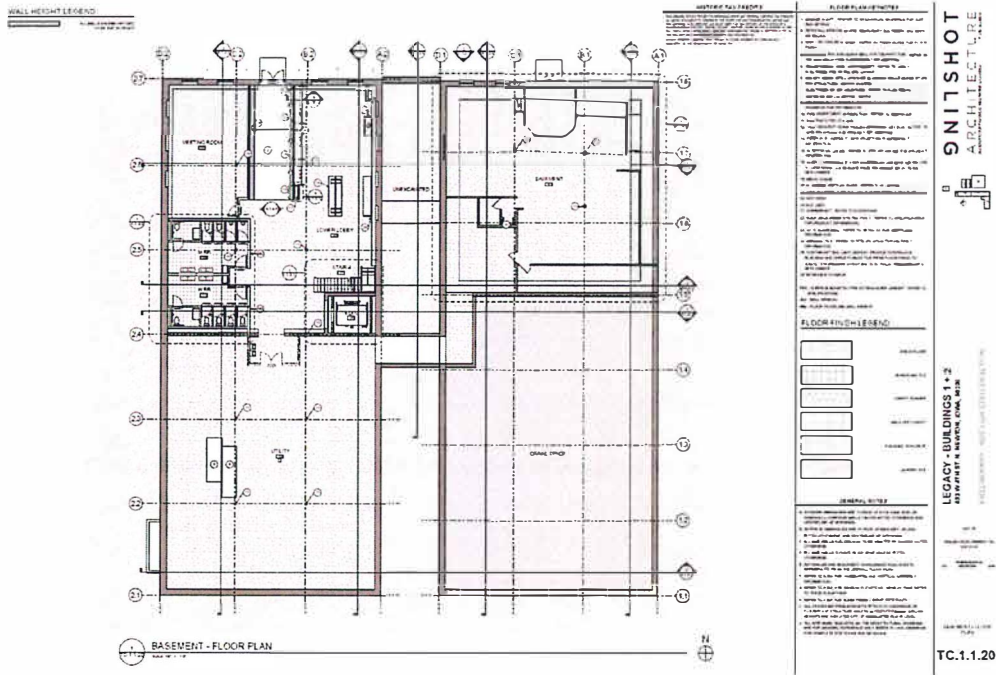
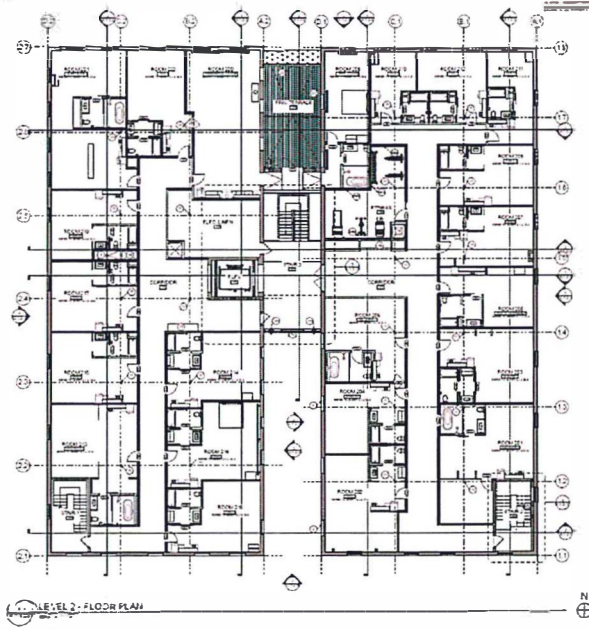


Exhibit B-4

Execution Version



WALL HEIGHT LEGEND



GENERAL NOTES

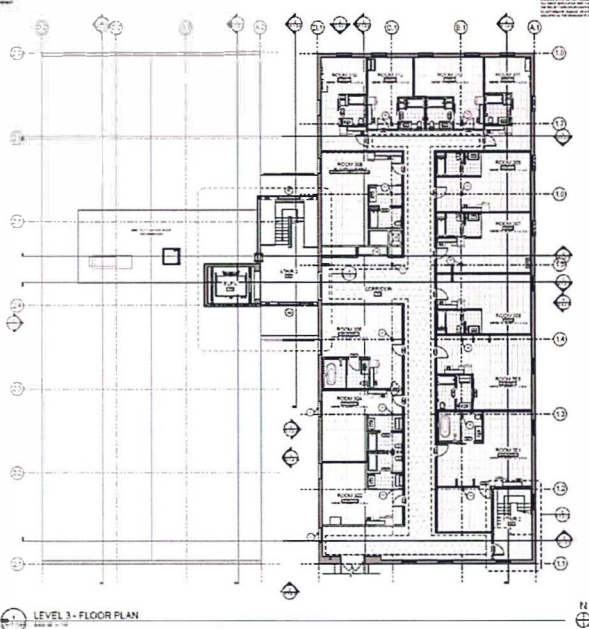
FLOOR FINISH LEGEND

**DNITSHOT**  
ARCHITECTURE

LEGACY - BUILDINGS 1 + 2  
ARCHITECTURAL SERVICES

TC.1.1.22

WALL HEIGHT LEGEND



GENERAL NOTES

FLOOR FINISH LEGEND

**DNITSHOT**  
ARCHITECTURE

LEGACY - BUILDINGS 1 + 2  
ARCHITECTURAL SERVICES

TC.1.1.23

Exhibit B-5

Execution Version

Prepared by: Nathan J. Overberg, Ahlers & Cooney, 100 Court Ave. #600, Des Moines, IA 50309, 515-243-7611  
Return to: Matt Muckler, City Administrator of Newton, 101 W. 4<sup>th</sup> St. S., Newton, IA 50208

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EXHIBIT C  
MEMORANDUM OF AGREEMENT FOR PRIVATE DEVELOPMENT

WHEREAS, the City of Newton, Iowa (the "City"), Christensen Development 1, LLC, an Iowa limited liability company (the "Developer"), and Jasper County, Iowa (the "County"), did on or about the \_\_\_\_ day of \_\_\_\_\_, 2023, make, execute, and deliver an Agreement for Private Development (the "Agreement"), wherein and whereby the Developer agreed, in accordance with the terms of the Agreement, to develop and maintain certain real property located within the City and as more particularly described as follows:

PARCEL "B" LOCATED ENTIRELY WITHIN LOT 3 OF SYNERGY ADDITION, CITY OF NEWTON, JASPER COUNTY, IOWA. MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF A CERTAIN PARCEL OF LAND DESCRIBED AS PARCEL "A" AND RECORDED IN INSTRUMENT NO. 2010-00002900 IN THE OFFICE OF THE RECORDER, JASPER COUNTY, IOWA, SAID POINT ALSO BEING A SOUTHWESTERLY CORNER LOT 3 OF SYNERGY ADDITION AND RECORDED IN INSTRUMENT NO. 2007-00000939 IN THE OFFICE OF THE RECORDER, CITY OF NEWTON, JASPER COUNTY, IOWA; THENCE, N0°26'16"W 24.96' ALONG A EAST LINE OF SAID PARCEL "A" TO THE POINT OF BEGINNING; THENCE, CONTINUING N0°26'16"W 74.04' ALONG SAID EAST LINE TO THE NORTHEAST CORNER OF SAID PARCEL "A"; THENCE, S89°16'12"W 8.41' ALONG THE NORTH LINE OF SAID PARCEL "A"; THENCE, N0°12'40"W 133.18'; THENCE, NORTHEASTERLY 46.43' ALONG THE ARC OF A 42.61' RADIUS CURVE, CONCAVE SOUTHEASTERLY AND HAVING A CHORD BEARING OF N31°00'17"E AND A CHORD DISTANCE OF 44.17'; THENCE, N64°19'56"W 41.57'; THENCE, N66°41'11"W 38.34'; THENCE, N52°33'20"W 26.16'; THENCE, S60°21'34"W 116.37'; THENCE, N30°22'22"W 15.35'; THENCE, NORTHWESTERLY 7.39' ALONG THE ARC OF A 5.00' RADIUS CURVE, CONCAVE SOUTHWESTERLY AND HAVING A CHORD BEARING OF N72°42'43"W AND A CHORD DISTANCE OF 6.74',

Exhibit C-1

*Execution Version*

THENCE, WESTERLY 75.56' ALONG THE ARC OF A 86.71' RADIUS CURVE, CONCAVE NORTHERLY AND HAVING A CHORD BEARING OF N88°42'09"W AND A CHORD DISTANCE OF 73.19' TO THE NORTHERLY LINE OF SAID LOT 3; THENCE, NORTHEASTERLY 32.12' ALONG THE ARC OF A 2844.82' RADIUS CURVE, CONCAVE SOUTHEASTERLY AND HAVING A CHORD BEARING OF N54°32'26"E AND A CHORD DISTANCE OF 32.12', ALONG THE NORTHERLY LINE OF SAID LOT 3; THENCE, NORTHEASTERLY 52.46' ALONG THE ARC OF A 50.12' RADIUS CURVE, CONCAVE NORTHWESTERLY AND HAVING A CHORD BEARING OF N77°39'39"E AND A CHORD DISTANCE OF 50.09'; THENCE, NORTHERLY 6.66' ALONG THE ARC OF A 5.00' RADIUS CURVE, CONCAVE WESTERLY AND HAVING A CHORD BEARING OF N9°27'48"E AND A CHORD DISTANCE OF 6.18'; THENCE, N28°42'58"W 11.63'; THENCE, N55°14'48"E 28.10'; THENCE N60°02'31"E 96.48'; THENCE, N59°50'55"E 108.39'; THENCE, N59°46'03"E 124.41'; THENCE, N60°04'29"E 66.76'; THENCE, S28°08'21"E 20.11'; THENCE, N60°06'49"E 60.70'; THENCE, S30°32'25"E 178.03'; THENCE, S0°24'47"E 273.82'; THENCE, S89°35'13"W 12.58'; THENCE, S0°12'46"E 94.97'; THENCE, S89°16'29"W 309.98' TO THE POINT OF BEGINNING, CONTAINING 3.90 ACRES. SUBJECT TO EASEMENTS AND RESTRICTIONS OF RECORD, IF ANY.

(the "Development Property"); and

WHEREAS, the term of this Agreement shall commence on the \_\_\_\_ day of \_\_\_\_\_, 2023 and terminate on the Termination Date, as set forth in the Agreement; and

WHEREAS, the City, the County, and the Developer desire to record a Memorandum of the Agreement referring to the Development Property and their respective interests therein.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. That the recording of this Memorandum of Agreement for Private Development shall serve as notice to the public that the Agreement contains provisions restricting development and use of the Development Property and the improvements located and operated on such Development Property.

2. That all of the provisions of the Agreement and any subsequent amendments thereto, if any, even though not set forth herein, are by the filing of this Memorandum of Agreement for Private Development made a part hereof by reference, and that anyone making any claim against any of said Development Property in any manner whatsoever shall be fully advised as to all of the terms and conditions of the Agreement, and any amendments thereto, as if the same were fully set forth herein.

3. That a copy of the Agreement and any subsequent amendments thereto, if any, shall be maintained on file for public inspection during ordinary business hours in the office of the City Clerk, City Hall, Newton, Iowa.

Exhibit C-2

*Execution Version*

IN WITNESS WHEREOF, the City, the Developer, and the County have executed this Memorandum of Agreement for Private Development as of the \_\_\_\_ day of \_\_\_\_\_, 2023.

(SEAL)

CITY OF NEWTON, IOWA

By: \_\_\_\_\_  
Michael L. Hansen, Mayor

ATTEST:

By: \_\_\_\_\_  
Katrina Davis, City Clerk

STATE OF IOWA            )  
  ) SS  
COUNTY OF JASPER        )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2023, before me a Notary Public in and for said State, personally appeared Michael L. Hansen and Katrina Davis, to me personally known, who being duly sworn, did say that they are the Mayor and City Clerk, respectively, of the City of Newton, Iowa, a Municipality 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 Municipality, and that said instrument was signed and sealed on behalf of said Municipality 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 Municipality by it voluntarily executed.

\_\_\_\_\_  
Notary Public in and for the State of Iowa

*[Signature page to Memorandum of Agreement for Private Development – City of Newton, Iowa]*



CHRISTENSEN DEVELOPMENT 1, LLC,  
an Iowa limited liability company

By: \_\_\_\_\_  
Jake Christensen, President

STATE OF IOWA            )  
  ) SS  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2023, before me the undersigned, a Notary Public in and for said State, personally appeared Jake Christensen, to me personally known, who, being by me duly sworn, did say that he is the President of Christensen Development 1, LLC, and that said instrument was signed on behalf of said limited liability company; and that the said officer as such, acknowledged the execution of said instrument to be the voluntary act and deed of said limited liability company, by him voluntarily executed.

\_\_\_\_\_  
Notary Public in and for the State of Iowa

*[Signature page to Memorandum of Agreement for Private Development – Christensen Development 1, LLC]*

(SEAL)

JASPER COUNTY, IOWA

By: \_\_\_\_\_  
Brandon Talsma, Chairperson

ATTEST:

By: \_\_\_\_\_  
Jenna Jennings, County Auditor

STATE OF IOWA                    )  
  ) SS  
COUNTY OF JASPER            )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2023, before me a Notary Public in and for said State, personally appeared Brandon Talsma and Jenna Jennings, to me personally known, who being duly sworn, did say that they are the Chairperson and County Auditor, respectively, of Jasper County, Iowa, a Municipality 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 Municipality, and that said instrument was signed and sealed on behalf of said Municipality by authority and resolution of its County Board of Supervisors, and said Chairperson and County Auditor acknowledged said instrument to be the free act and deed of said Municipality by it voluntarily executed.

\_\_\_\_\_  
Notary Public in and for the State of Iowa

*[Signature page to Memorandum of Agreement for Private Development – Jasper County, Iowa]*

EXHIBIT D  
LOCAL HOTEL TAX REPORT  
(due quarterly under terms of the Development Agreement)

This report verifies the amount of Local Hotel/Motel tax paid in Year \_\_\_\_\_.

Gross Receipts were: \$ \_\_\_\_\_

Local Hotel/Motel tax paid (currently 7%) \$ \_\_\_\_\_

Attached is a copy of the Iowa Department of Revenue's Confirmation Report that confirms that Christensen Development 1, LLC filed and paid its Hotel/Motel Tax for the above-identified year.

This is also a request for payment of the Local Hotel Tax Rebate by the City to Christensen Development 1, LLC once the City has received the full calendar year payment of Local Hotel Tax from the State.

I certify under penalty of perjury and pursuant to the laws of the State of Iowa that the preceding is true and correct to the best of my knowledge and belief.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Christensen Development 1, LLC,

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Attachments: Copy of the corresponding IDR Sales Tax Quarterly Returns – Confirmation**

EXHIBIT E  
DEVELOPER ANNUAL CERTIFICATION  
(due by October 15th as required under terms of Development Agreement)

Developer certifies the following: During the time period covered by this Certification, Developer is and was in compliance with Section 4.8 as follows:

(i) all ad valorem taxes on the Development Property in the Urban Renewal Area have been paid for the prior fiscal year (and for the current year, if due) and attached to this Annual Certification are proof of payment of said taxes;

(ii) the Minimum Improvements were first fully assessed on \_\_\_\_\_, 20\_\_\_\_, at a full assessment value of \$ \_\_\_\_\_, and is currently assessed at \$ \_\_\_\_\_;

(iii) all Local Hotel Taxes on the operations of the Hotel Improvements have been timely paid through the date of the Annual Certification, and we have attached certified copies of all reports and/or certifications required to be provided to the State of Iowa by Chapter 423A of the Code (or the administrative rules governing Chapter 423A of the Code) since the last Annual Certification;

(iv) the number of Full-Time Equivalent Employment Units employed at the Hotel Improvements as of October 1, 20\_\_\_\_ and as of the first day of each of the preceding eleven (11) months were are as follows:

|                            |                         |
|----------------------------|-------------------------|
| February 1, 20____: _____  | August 1, 20____: _____ |
| January 1, 20____: _____   | July 1, 20____: _____   |
| December 1, 20____: _____  | June 1, 20____: _____   |
| November 1, 20____: _____  | May 1, 20____: _____    |
| October 1, 20____: _____   | April 1, 20____: _____  |
| September 1, 20____: _____ | March 1, 20____: _____  |

(v) the number of Full-Time Equivalent Employment Units employed at the Apartment Improvements as of October 1, 20\_\_\_\_ and as of the first day of each of the preceding eleven (11) months were are as follows:

|                            |                         |
|----------------------------|-------------------------|
| February 1, 20____: _____  | August 1, 20____: _____ |
| January 1, 20____: _____   | July 1, 20____: _____   |
| December 1, 20____: _____  | June 1, 20____: _____   |
| November 1, 20____: _____  | May 1, 20____: _____    |
| October 1, 20____: _____   | April 1, 20____: _____  |
| September 1, 20____: _____ | March 1, 20____: _____  |

(vi) the undersigned officer of Developer has re-examined the terms and provisions of this Agreement and that at the date of such certification, and during the preceding twelve (12) months, certify that Developer is not, or was not, in default in the fulfillment of any of the terms



and conditions of this Agreement and that no Event of Default (or event which, with the lapse of time or the giving of notice, or both, would become an Event of Default) is occurring or has occurred as of the date of such certification, or if such officer is aware of any such Event of Default, said officer has disclosed the nature thereof, its period of existence and what action, if any, has been taken or is proposed to be taken with respect thereto.

I certify under penalty of perjury and pursuant to the laws of the State of Iowa that the preceding is true and correct to the best of my knowledge and belief.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

Christensen Development 1, LLC,

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Attachments: (a) proof of payment of property taxes; (b) proof of payment of Local Hotel Taxes**

Prepared by: Nathan J. Overberg, Ahlers & Cooney, 100 Court Ave. #600, Des Moines, IA 50309, 515-243-7611  
Return to: Matt Muckler, City Administrator of Newton, 101 W. 4<sup>th</sup> St. S., Newton, IA 50208

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EXHIBIT F  
MINIMUM ASSESSMENT AGREEMENT

THIS MINIMUM ASSESSMENT AGREEMENT (“Minimum Assessment Agreement” or “Assessment Agreement”), is dated as of \_\_\_\_\_, 2023, by and among JASPER COUNTY, IOWA (the “County”), THE CITY OF NEWTON, IOWA (the “City”), and CHRISTENSEN DEVELOPMENT 1, LLC, an Iowa limited liability company, having offices for the transaction of business at 215 East 3rd St., Suite 300, Des Moines, Iowa 50309 (“Developer”).

WITNESSETH:

WHEREAS, County, City, and Developer have entered into an Agreement for Private Development dated as of \_\_\_\_\_, 2023 (“Development Agreement” or “Agreement”) regarding certain real property located in the City which is legally described as follows:

PARCEL "B" LOCATED ENTIRELY WITHIN LOT 3 OF SYNERGY ADDITION, CITY OF NEWTON, JASPER COUNTY, IOWA. MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF A CERTAIN PARCEL OF LAND DESCRIBED AS PARCEL "A" AND RECORDED IN INSTRUMENT NO. 2010-00002900 IN THE OFFICE OF THE RECORDER, JASPER COUNTY, IOWA, SAID POINT ALSO BEING A SOUTHWESTERLY CORNER LOT 3 OF SYNERGY ADDITION AND RECORDED IN INSTRUMENT NO. 2007-00000939 IN THE OFFICE OF THE RECORDER, CITY OF NEWTON, JASPER COUNTY, IOWA; THENCE, N0°26'16"W 24.96' ALONG A EAST LINE OF SAID PARCEL "A" TO THE POINT OF BEGINNING; THENCE, CONTINUING N0°26'16"W 74.04' ALONG SAID EAST LINE TO THE NORTHEAST CORNER OF SAID PARCEL "A"; THENCE, S89°16'12"W 8.41' ALONG THE NORTH LINE OF SAID PARCEL "A"; THENCE, N0°12'40"W 133.18'; THENCE, NORTHEASTERLY 46.43' ALONG THE ARC OF A 42.61' RADIUS CURVE, CONCAVE SOUTHEASTERLY AND HAVING A CHORD BEARING OF N31°00'17"E AND A CHORD DISTANCE OF 44.17'; THENCE, N64°19'56"W

41.57'; THENCE, N66°41'11"W 38.34'; THENCE, N52°33'20"W 26.16'; THENCE, S60°21'34"W 116.37'; THENCE, N30°22'22"W 15.35'; THENCE, NORTHWESTERLY 7.39' ALONG THE ARC OF A 5.00' RADIUS CURVE, CONCAVE SOUTHWESTERLY AND HAVING A CHORD BEARING OF N72°42'43"W AND A CHORD DISTANCE OF 6.74', THENCE, WESTERLY 75.56' ALONG THE ARC OF A 86.71' RADIUS CURVE, CONCAVE NORTHERLY AND HAVING A CHORD BEARING OF N88°42'09"W AND A CHORD DISTANCE OF 73.19' TO THE NORTHERLY LINE OF SAID LOT 3; THENCE, NORTHEASTERLY 32.12' ALONG THE ARC OF A 2844.82' RADIUS CURVE, CONCAVE SOUTHEASTERLY AND HAVING A CHORD BEARING OF N54°32'26"E AND A CHORD DISTANCE OF 32.12', ALONG THE NORTHERLY LINE OF SAID LOT 3; THENCE, NORTHEASTERLY 52.46' ALONG THE ARC OF A 50.12' RADIUS CURVE, CONCAVE NORTHWESTERLY AND HAVING A CHORD BEARING OF N77°39'39"E AND A CHORD DISTANCE OF 50.09'; THENCE, NORTHERLY 6.66' ALONG THE ARC OF A 5.00' RADIUS CURVE, CONCAVE WESTERLY AND HAVING A CHORD BEARING OF N9°27'48"E AND A CHORD DISTANCE OF 6.18'; THENCE, N28°42'58"W 11.63'; THENCE, N55°14'48"E 28.10'; THENCE N60°02'31"E 96.48'; THENCE, N59°50'55"E 108.39'; THENCE, N59°46'03"E 124.41'; THENCE, N60°04'29"E 66.76'; THENCE, S28°08'21"E 20.11'; THENCE, N60°06'49"E 60.70'; THENCE, S30°32'25"E 178.03'; THENCE, S0°24'47"E 273.82'; THENCE, S89°35'13"W 12.58'; THENCE, S0°12'46"E 94.97'; THENCE, S89°16'29"W 309.98' TO THE POINT OF BEGINNING, CONTAINING 3.90 ACRES. SUBJECT TO EASEMENTS AND RESTRICTIONS OF RECORD, IF ANY.

(the "Development Property"); and

WHEREAS, the defined terms in the Development Agreement will also apply to this Minimum Assessment Agreement; and

WHEREAS, it is contemplated that Developer will undertake the construction of Minimum Improvements (as defined in the Development Agreement) on the Development Property, as provided in the Development Agreement; and

WHEREAS, pursuant to Section 403.6(19) of the Code of Iowa, as amended, County, City, and Developer desire to establish a minimum actual value for the Minimum Improvements to be constructed on the Development Property pursuant to the Development Agreement; and

WHEREAS, parties and the Assessor for the County have reviewed the preliminary plans and specifications for the Minimum Improvements that are contemplated to be constructed.

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. The Minimum Actual Value for the Minimum Improvements and the Development Property shall be fixed for assessment purposes at not less than \$7,000,000, before rollback, upon completion of the Minimum Improvements, but no later than January 1, 2026. The Minimum Actual Value shall continue to be effective until December 31, 2045 (the "Assessment

Agreement Termination Date”). The Minimum Actual Value shall be maintained during such period regardless of: (a) any failure to complete the Minimum Improvements; (b) destruction of all or any portion of the Minimum Improvements; (c) diminution in value of the Development Property or the Minimum Improvements; or (d) any other circumstance, whether known or unknown and whether now existing or hereafter occurring.

2. Developer shall pay or cause to be paid when due all real property taxes and assessments payable with respect to all and any parts of the Development Property and the Minimum Improvements pursuant to the provisions of this Minimum Assessment Agreement and the Development Agreement. Such tax payments shall be made without regard to any loss, complete or partial, to the Development Property or the Minimum Improvements, any interruption in, or discontinuance of, the use, occupancy, ownership, or operation of the Development Property or the Minimum Improvements by Developer, or any other matter or thing which for any reason interferes with, prevents or renders burdensome the use or occupancy of the Development Property or the Minimum Improvements.

3. Developer agrees that, prior to the Assessment Termination Date, it will not:

a. seek administrative review or judicial review of the applicability or constitutionality of any Iowa tax statute relating to the taxation of property contained as a part of the Development Property or the Minimum Improvements determined by any tax official to be applicable to the Development Property, or raise the inapplicability or constitutionality of any such tax statute as a defense in any proceedings, including delinquent tax proceedings; or

b. seek any tax deferral or abatement, either presently or prospectively authorized under Iowa Code Chapter 403 or 404, or any other local or State law, of the taxation of real property, including improvements and fixtures thereon, contained in the Development Property or the Minimum Improvements between the date of execution of this Agreement and the Assessment Termination Date; or

c. request the Assessor to reduce the Minimum Actual Value; or

d. appeal to the board of review of the County, State, District Court or to the Director of Revenue of the State to reduce the Minimum Actual Value; or

e. cause a reduction in the actual value or the Minimum Actual Value through any other proceedings

4. This Minimum Assessment Agreement shall be promptly recorded by the City with the Recorder of Jasper County, Iowa. Such filing shall constitute notice to any subsequent purchaser or encumbrancer of the Development Property (or part thereof), whether voluntary or involuntary, and this Minimum Assessment Agreement shall be binding and enforceable in its entirety against any such subsequent purchaser or encumbrancer, including the holder of any mortgage. The City shall pay all costs of recording.



5. Neither the preambles nor provisions of this Minimum Assessment Agreement are intended to, or shall be construed as, modifying the terms of the Development Agreement.

6. This Minimum Assessment Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors and permitted assigns.

7. Nothing herein shall be deemed to waive the rights of Developer under Iowa Code Section 403.6(19) to contest that portion of any actual value assignment made by the Assessor in excess of the Minimum Actual Value established herein. In no event, however, shall Developer seek to reduce the actual value to an amount below the Minimum Actual Value established herein during the term of this Agreement. This Minimum Assessment Agreement may be amended or modified and any of its terms, covenants, representations, warranties or conditions waived, only by a written instrument executed by the parties hereto, or in the case of a waiver, by the party waiving compliance.

8. If any term, condition or provision of this Minimum Assessment Agreement is for any reason held to be illegal, invalid or inoperable, such illegality, invalidity or inoperability shall not affect the remainder hereof, which shall at the time be construed and enforced as if such illegal or invalid or inoperable portion were not contained herein.

9. The Minimum Actual Value herein established shall be of no further force and effect and this Minimum Assessment Agreement shall terminate on the Assessment Agreement Termination Date set forth in Section 1 above.

10. Developer has provided a title opinion or lien or title search/certificate to City and County listing all lienholders of record as of the date of this Assessment Agreement and all such lienholders have signed a consent to this Assessment Agreement substantially in the form of the Lienholder Consent set forth in this Exhibit F, which consents are attached hereto and made a part hereof.

*[Signatures Start on Next Page]*

(SEAL)

CITY OF NEWTON, IOWA

By: \_\_\_\_\_  
Michael L. Hansen, Mayor

ATTEST:

By: \_\_\_\_\_  
Katrina Davis, City Clerk

STATE OF IOWA            )  
  ) SS  
COUNTY OF JASPER        )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2023, before me a Notary Public in and for said State, personally appeared Michael L. Hansen and Katrina Davis, to me personally known, who being duly sworn, did say that they are the Mayor and City Clerk, respectively, of the City of Newton, Iowa, a Municipality 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 Municipality, and that said instrument was signed and sealed on behalf of said Municipality 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 Municipality by it voluntarily executed.

\_\_\_\_\_  
Notary Public in and for the State of Iowa

*[Signature page to Minimum Assessment Agreement– City of Newton, Iowa]*

CHRISTENSEN DEVELOPMENT 1, LLC,  
an Iowa limited liability company

By: \_\_\_\_\_  
Jake Christensen, President

STATE OF IOWA            )  
  ) SS  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2023, before me the undersigned, a Notary Public in and for said State, personally appeared Jake Christensen, to me personally known, who, being by me duly sworn, did say that he is the President of Christensen Development 1, LLC, and that said instrument was signed on behalf of said limited liability company; and that the said officer as such, acknowledged the execution of said instrument to be the voluntary act and deed of said limited liability company, by him voluntarily executed.

\_\_\_\_\_  
Notary Public in and for the State of Iowa

*[Signature page to Minimum Assessment Agreement – Christensen Development 1, LLC]*

(SEAL)

JASPER COUNTY, IOWA

By: \_\_\_\_\_  
Brandon Talsma, Chairperson

ATTEST:

By: \_\_\_\_\_  
Jenna Jennings, County Auditor

STATE OF IOWA                    )  
  ) SS  
COUNTY OF JASPER            )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2023, before me a Notary Public in and for said State, personally appeared Brandon Talsma and Jenna Jennings, to me personally known, who being duly sworn, did say that they are the Chairperson and County Auditor, respectively, of Jasper County, Iowa, a Municipality 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 Municipality, and that said instrument was signed and sealed on behalf of said Municipality by authority and resolution of its County Board of Supervisors, and said Chairperson and County Auditor acknowledged said instrument to be the free act and deed of said Municipality by it voluntarily executed.

\_\_\_\_\_  
Notary Public in and for the State of Iowa

*[Signature page to Minimum Assessment Agreement – Jasper County, Iowa]*





**EXHIBIT F (Cont.)  
CERTIFICATION OF JASPER COUNTY ASSESSOR**

The undersigned, having reviewed the plans and specifications for the Minimum Improvements already constructed or to be constructed and the market value assigned to the land upon which the Minimum Improvements are constructed, and being of the opinion that the minimum market value contained in the foregoing Minimum Assessment Agreement appears reasonable, hereby certifies as follows: The undersigned Assessor, being legally responsible for the assessment of the Development Property described in the foregoing Minimum Assessment Agreement, certifies that the actual value assigned to the Minimum Improvements and the Development Property shall be fixed for assessment purposes at not less than \$7,000,000, before rollback, upon completion of the Minimum Improvements, but no later than January 1, 2026, and such minimum value shall continue through the Assessment Termination Date.

\_\_\_\_\_  
Assessor for the County of Jasper, Iowa

\_\_\_\_\_  
Date

STATE OF IOWA                    )  
  ) SS  
COUNTY OF JASPER            )

Subscribed and sworn to before me by \_\_\_\_\_, Assessor for the County of Jasper, Iowa on this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
Notary Public for the State of Iowa

**EXHIBIT F (cont.)**

Consistent with Iowa Code §403.6(19)(b), filed with this assessor certification is a copy of subsection 19 as follows:

19. a. 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 \$ .....

b. 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, 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.

**EXHIBIT G  
ESTIMATED DEBT SERVICE SCHEDULE**

*[Please note, this is an estimate only, and remains subject to revision at the County's sole discretion.  
This Exhibit will be updated as set forth in the Development Agreement]*

Jasper County, Iowa

EXHIBIT 2

Proposed General Obligation Urban Renewal Bonds, Series 2023

| SOURCES & USES                              |                     | DEBT SERVICE SCHEDULE |           |        |           |              |                      |                     |
|---|---------------------|-----------------------|-----------|--------|-----------|--------------|----------------------|---------------------|
| SOURCES                                     |                     | Date                  | Principal | Coupon | Interest  | Debt Service | Capitalized Interest | Annual Debt Service |
| Par Amount of Bonds                         | 9,000,000.00        | 12/1/2023             |           |        | 209,700   | 209,700      | (209,700)            |                     |
| Accrued Interest                            |                     | 6/1/2024              |           |        | 209,700   | 209,700      | (209,700)            |                     |
| Other Monies                                |                     | 12/1/2024             |           |        | 209,700   | 209,700      |                      |                     |
| <b>Total Sources</b>                        | <b>9,000,000.00</b> | 6/1/2025              |           |        | 209,700   | 209,700      |                      | 419,400             |
| <b>USES</b>                                 |                     | 12/1/2025             |           |        | 209,700   | 209,700      |                      |                     |
| Deposit to Construction Fund                | 8,385,000.00        | 6/1/2026              |           |        | 209,700   | 209,700      |                      | 419,400             |
| Capitalized Interest Account                | 419,400.00          | 12/1/2026             |           |        | 209,700   | 209,700      |                      |                     |
| Municipal Bond Insurance                    |                     | 6/1/2027              | 355,000   | 5.000% | 209,700   | 564,700      |                      | 774,400             |
| Underwriters' Discount (\$15.00 per bond)   | 135,000.00          | 12/1/2027             |           |        | 200,825   | 200,825      |                      |                     |
| Costs of Issuance                           | 58,500.00           | 6/1/2028              | 370,000   | 5.000% | 200,825   | 570,825      |                      | 771,650             |
| Accrued Interest                            |                     | 12/1/2028             |           |        | 191,575   | 191,575      |                      |                     |
| Rounding Amount                             | 2,100.00            | 6/1/2029              | 390,000   | 5.000% | 191,575   | 581,575      |                      | 773,150             |
| <b>Total Uses</b>                           | <b>9,000,000.00</b> | 12/1/2029             |           |        | 181,825   | 181,825      |                      |                     |
| <b>ASSUMPTIONS</b>                          |                     | 6/1/2030              | 410,000   | 5.000% | 181,825   | 591,825      |                      | 773,650             |
| Dated Date                                  | 6/1/2023            | 12/1/2030             |           |        | 171,575   | 171,575      |                      |                     |
| Delivery Date                               | 6/1/2023            | 6/1/2031              | 430,000   | 5.000% | 171,575   | 601,575      |                      | 773,150             |
| First Interest Date                         | 12/1/2023           | 12/1/2031             |           |        | 150,825   | 150,825      |                      |                     |
| First Principal Date                        | 6/1/2027            | 6/1/2032              | 450,000   | 5.000% | 150,825   | 610,825      |                      | 771,650             |
| Last Principal Date                         | 6/1/2043            | 12/1/2032             |           |        | 149,575   | 149,575      |                      |                     |
| Arbitrage Yield                             | 4.50154%            | 6/1/2033              | 475,000   | 5.000% | 149,575   | 624,575      |                      | 774,150             |
| TIC   | 4.76227%            | 12/1/2033             |           |        | 137,700   | 137,700      |                      |                     |
| AIC   | 4.83297%            | 6/1/2034              | 495,000   | 4.500% | 137,700   | 632,700      |                      | 770,400             |
| Average Life                                | 13.09 Years         | 12/1/2034             |           |        | 126,563   | 126,563      |                      |                     |
|   |                     | 6/1/2035              | 520,000   | 4.500% | 126,563   | 646,563      |                      | 773,125             |
|   |                     | 12/1/2035             |           |        | 114,863   | 114,863      |                      |                     |
|   |                     | 6/1/2036              | 545,000   | 4.500% | 114,863   | 659,863      |                      | 774,725             |
|   |                     | 12/1/2036             |           |        | 102,600   | 102,600      |                      |                     |
|   |                     | 6/1/2037              | 570,000   | 4.500% | 102,600   | 672,600      |                      | 775,200             |
|   |                     | 12/1/2037             |           |        | 89,775    | 89,775       |                      |                     |
|   |                     | 6/1/2038              | 595,000   | 4.500% | 89,775    | 684,775      |                      | 774,550             |
|   |                     | 12/1/2038             |           |        | 76,388    | 76,388       |                      |                     |
|   |                     | 6/1/2039              | 620,000   | 4.500% | 76,388    | 696,388      |                      | 772,775             |
|   |                     | 12/1/2039             |           |        | 62,438    | 62,438       |                      |                     |
|   |                     | 6/1/2040              | 650,000   | 4.500% | 62,438    | 712,438      |                      | 774,875             |
|   |                     | 12/1/2040             |           |        | 47,813    | 47,813       |                      |                     |
|   |                     | 6/1/2041              | 675,000   | 4.500% | 47,813    | 722,813      |                      | 770,625             |
|   |                     | 12/1/2041             |           |        | 32,625    | 32,625       |                      |                     |
|   |                     | 6/1/2042              | 710,000   | 4.500% | 32,625    | 742,625      |                      | 775,250             |
|   |                     | 12/1/2042             |           |        | 16,650    | 16,650       |                      |                     |
|   |                     | 6/1/2043              | 740,000   | 4.500% | 16,650    | 756,650      |                      | 773,300             |
|   |                     |                       | 9,000,000 |        | 5,404,825 | 14,404,825   | (419,400)            | 13,985,425          |
| Scale: Estimated with Interest Rate Cushion |                     |                       |           |        |           |              |                      |                     |

Exhibit G-1

Execution Version



EXHIBIT H  
EXCERPT FROM REVISED IOWA REINVESTMENT DISTRICT PLAN

## B1 Christensen Development: Residential Adaptive Use

### B1.1 Project Overview

New, affordable, market rate apartments will be a new lessor. The project will be located within building 16 of the former Maytag Corporate campus in Newton, IA, gifted to the Des Moines Area Community College (DMACC) in November of 2016. The project will re-purpose the historic 1900s Maytag building 16 into 72 apartments. Building 50 will be used as a mechanical space for building 16.

Catalyst Development Newton, LLC will enter into a purchase agreement with DMACC to purchase the four buildings, Appendix G, Catalyst Purchase Agreement – DMACC, Christensen Development, owned by Jake Christensen, will purchase building 16 from Catalyst Development. A view of the building and an inspiration image of an apartment are shown in B2.7 Figure 4 and Figure 5.

The apartments in building 16 will bring new life and defined purpose to the former Maytag building. The apartments and the new boutique hotel presented in project 2 will provide density in population through residential and accommodations additions critical to supporting the retail, dining and entertainment destination of Legacy Plaza and the historic central business district. The contribution of this project to 18-hour vitality and economic growth will be significant. The apartments will be operated by Christensen Development as an active participant in programs and activities related to the other project elements described later in this application.

Like most rural communities, Newton's market rate housing stock is very low. In fact, Newton had no new multi-family apartments building from 2001 through 2018. Combined with more stringent financing, demand for additional rental housing is at an all-time high. This demand is across the board, from administrative level individuals wanting to live in rental housing while they "shop around" or build a new home, to the young teachers and service workers moving to a community.

Students looking to enroll in DMACC — including the Court Reporting program (the only one of its kind in Iowa), which attracts students from all over the country — find the lack of housing on campus to be a deterrent. Three-bedroom apartment units can provide affordable market rate housing to students.

Cities can't achieve economic growth without great housing. The proposed apartments would feature industrial chic design and be located within three blocks of downtown and in a vibrant pedestrian commons. The project proposes amenities and features that the modern workforce demands, typically prevalent in urban revitalization districts.

The development of market rate housing in rural communities presents significant challenges. It takes more time to fully lease up projects in small cities, lenders resist projects where comparative, historical data for market rate rentals is non-existent, population growth is flat, and construction costs are the same or higher than in urban areas. Opportunity cost, and elevated risk inherent in small communities, make equity investors harder to come by.

Newton must be competitive in housing to allow its workforce to live here rather than commute in from surrounding areas, taking their disposable income home with them. There is no shortage of good jobs in Newton, and now we need to provide good housing to accompany them.

#### *Project/Housing Note*

There is a housing-related need and opportunity not addressed in this application. The need is for affordable (LITC) housing, and the opportunity is in the single building that is left in Legacy Plaza: Building 20, Figure 6. Both the building and the availability of creative financing tools for low-income housing tax credits face significant challenges. The 1930s building is eligible for historic tax credits but the 1950s renovation left it with challenges for adaptive reuse, making it unsuitable for modern office or residential use without disturbing the façade and window cadence. This building has 90,000 square feet that could be used for housing. The complexities surrounding the building and its financing did not allow us to include the project

in our application, however we are working with Sam Ericson at Community Housing Initiatives (CHI) towards amending the application at a later date to include a Building 20 affordable housing project. This application requests funds totaling 75% of the allowable 20-year sales tax amount. If 100% of the Iowa Reinvestment Act funds allowable for application were to be granted there would be enough funding to complete all of the projects outlined here and also fill the gap that historic tax credits regrettably cannot fill for Building 20, modeled after CHI's Phenix project.

CHI has found that the building's large interior spaces could be converted to offer studio space for artists, while the perimeter of the first and second stories could be repurposed into 55 apartments. By combining creative workspaces and affordable housing, CHI could offer below market rents for aspiring artists, creators, and entrepreneurs working in the community while trying to establish careers in the creative arts. This would provide extraordinary synergies with the Co-Op Marketplace and many hospitality functions proposed in this application. The hospitality industry depends on front-line, entry-level workers to make things go.

The authors of this application strongly feel that including that workforce's needs in the Legacy Plaza plan would help fulfill our goal of benefitting residents across socio-economic spectrums. The project seeks to leave no one behind, so that all can benefit from our efforts and the resources from the State of Iowa.

### B1.2 Expected Timeline

Construction work on building renovations and apartment construction will begin soon after the plan is approved with an expected start date of 1 October 2023. Construction and opening preparations will be completed in early 2<sup>nd</sup> quarter of 2024 with an expected operating start date of 1 October 2024. The construction project will include work on building 16 (Apartments), buildings 1 and 2 (Hotel and Amenities) and building 17 (Event Center). The detailed timeline for this group can be found in Appendix F, Legacy Plaza Construction Timeline.

### B1.3 Detailed Budget for the Project

Since the buildings in Legacy Plaza qualify for state and federal historic tax credits, those credits are expected to cover approximately 40% of the needed funding. The project will receive a grant in the amount of the NPV of the expected funds available from the IRA fund.

Table 5 B1 Detailed Budget

| Project Name: Christensen Development: Residential Adaptive Use |                     |                               |                     |
|---|---------------------|-------------------------------|---------------------|
| Funding Uses  |                     | Funding Sources               |                     |
| Acquisition   | \$50,000            | Historic State Tax Credits    | \$3,400,958         |
| Hard Costs: Construction  | \$12,522,300        | Federal Historic Tax Credits  | \$2,496,082         |
| Soft Costs: Construction  | \$1,112,351         | Workforce Housing Tax Credit  | \$540,000           |
| Site Costs: Hard/Soft   | \$236,250           | NPV IRA Funding/ County Bonds | \$3,660,862         |
| Financing Costs   | \$517,420           | Long Term Loan                | \$5,203,718         |
| Development Fee   | \$863,299           |                               | \$                  |
|   | \$                  |                               | \$                  |
|   | \$                  |                               | \$                  |
|   | \$                  |                               | \$                  |
| <b>Total Project Budget</b>                                     | <b>\$15,301,620</b> | <b>Total Funding Sources</b>  | <b>\$15,301,620</b> |

### B1.4 Expected Debt Associated with The Project

The project will obtain bridge loans to be paid off with the utilization of Historic and Workforce Housing Tax Credits. The balance of funds needed will be obtained through long term debt.

Table 6 B1 Debt Associated with Project

| Description                                  | Amount             | Percent of Total  |
|--|--------------------|-------------------|
| Bridge Loan for Historic Tax Credits         | \$2,496,082        | 30.29%            |
| Bridge Loan for Workforce Housing Tax Credit | \$540,000          | 6.55%             |
| Long Term Debt                               | \$5,203,718        | 63.15%            |
|  | \$                 | 0.00%             |
| <b>Total Initial Sources</b>                 | <b>\$8,239,800</b> | <b>100%99.99%</b> |

### B1.5 Status of Expected Financing and Financing Gap

Transformative projects in rural communities do not pencil out on their own. Buildings 1,2 and 16 have an approved National Park Service Part 1 application, Appendix I, Catalyst NPS Part 1. That National Historic Registry designation makes the project eligible for both state and federal historic tax credits, of which the 131 page narrative can be found [here](#). Our Part 1.5 meeting was held in February 2022 and Part 2 was submitted in March 2022 with approval received in October 2022. A development agreement between the county, the city, and Christensen Development expected to be approved by February 21, 2023 which includes Tax Increment Financing, Hotel Motel Tax Reimbursement and a cash incentive per residential unit. A combination of cash and loan guarantees will be procured in the coming months. The IRA funding is imperative to closing the gap. Finally, an historic tax credit application was submitted on February 1, 2023.

### B1.6 Expected State Hotel/Motel and State Sales Tax Projections Over 20 Years

The 72 apartments in building 16 will not generate Hotel/Motel Tax or Taxable Sales. This project, because of its location in Legacy Plaza (Figure 3), will contribute to the district by providing needed housing and a high valued repurposing of a historic structure. The construction and operation of the apartments will also contribute to the economic impact in the form of construction jobs, operating staff and jobs related to goods and services required in operating the facility. The residents of the apartments will help drive new retail demand and development in the district.

The projected gross revenue included in estimating economic impact is included in section B1.8.2 Economic Impact Expected.

B1.7 Visual Aids Which Enhance the Understanding of the Project

Figure 3 Location of Building 16

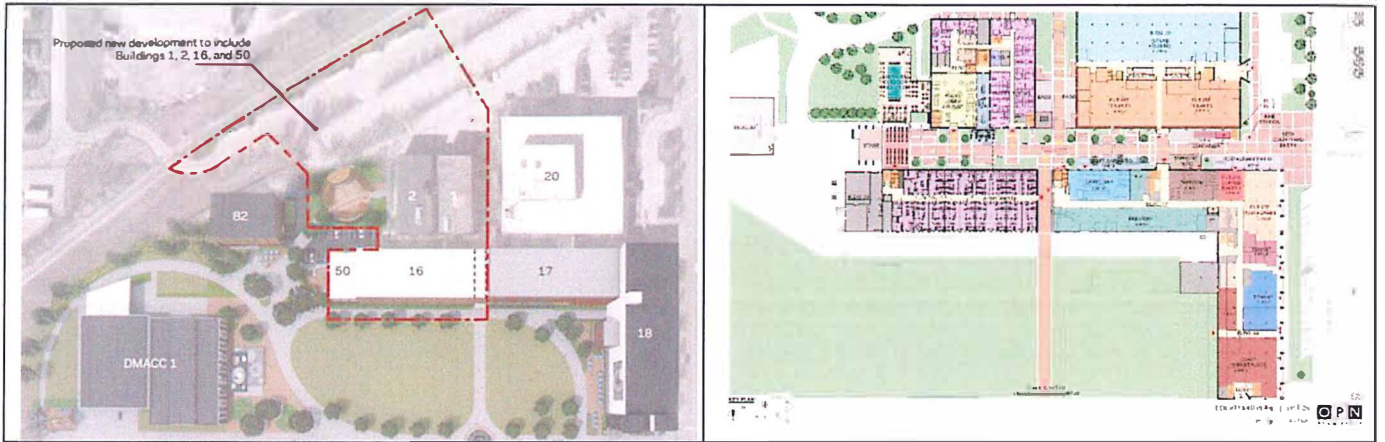




Figure 4 Building 16



Figure 5 Inspiration Imagery Apartment



Figure 6 Building 20

Building 20 in 1935



The 1935 Office Building was east of Bld. 1 and north of 4th Avenue (now the courtyard). It was not demolished when Building 20 (Headquarters) was built but rather encapsulated within the southwest part of the new Headquarters and the interior was remodeled to blend.

Building 20 in 2021



### B1.8 Feasibility Study Conducted by Independent Professional

The feasibility study evaluates the proposed repurposing of the former Maytag building 16 into a 72-unit apartment building. Since the building is located in the historic Maytag corporate campus and listed as a contributing building, this project is eligible for Historic Tax Credits. The Maytag corporate campus was gifted to DMACC in November 2016. For additional information regarding budgetary and financial projections (as applicable) related to this project, please see Appendix O, Project Financials.

The proposed apartments are expected to begin operations in the third quarter of 2024. A pro forma statement prepared by Christensen Development was used as a starting point for developing the financial analysis model for this project. Due to the existing shortage of market rate apartments, the apartment occupancy rate starts out at 80% in 2024 and stabilizes at 90% in 2025.

*B1.8.1 Projected Annual Gross Revenues*

Due to the anticipated demand for market rate apartments an occupancy rate of 80% was used for the first six months of operation in 2024-25. The occupancy rate was raised to 90% for 2025 and the balance of the 20-year period. The projected total for annual gross revenues is shown in Table 7.

*Table 7 Apartments Gross Revenue*

| <b>Apartments - Projected Annual Gross Revenue</b> |                                  |
|--|----------------------------------|
| <b>Category</b>                                    | <b>Gross Revenue 20-Yr Total</b> |
| <i>Apartment Rentals</i>                           |                                  |
| <b>Apartment Total</b>                             | <b>\$ 12,694,721</b>             |

*B1.8.2 Economic Impact Expected*

The economic impact of the Residential and Hospitality Adaptive Reuse project will be derived from construction and operations activities. Table 8 provides a summary of the economic impact in Jasper County attributed to this project. More detailed direct and indirect economic impact estimates (using the IMPLAN modeling system) for the county and State of Iowa are provided in Section C.

*Table 8 Apartments - Economic Impact Summary*

| <b>Christensen Apartments</b> |                   |                           |                          |                    |                            |                                    |
|-------------------------------|-------------------|---------------------------|--------------------------|--------------------|----------------------------|------------------------------------|
| <b>Impact Results</b>         | <b>Employment</b> | <b>Labor Income (\$M)</b> | <b>Value-Added (\$M)</b> | <b>Sales (\$M)</b> | <b>Federal Taxes (\$M)</b> | <b>State and Local Taxes (\$M)</b> |
| <b>Construction</b>           | 126               | \$6.3                     | \$7.4                    | \$14.7             | \$1.3                      | \$0.5                              |
| <b>Operations</b>             | 2                 | \$0.0                     | \$0.4                    | \$0.6              | \$0.0                      | \$0.1                              |
| <b>Total</b>                  | <b>129</b>        | <b>\$6.4</b>              | <b>\$7.9</b>             | <b>\$15.2</b>      | <b>\$1.3</b>               | <b>\$0.6</b>                       |

*B1.8.3 Estimated Number of Visitors or Customers*

The National Multifamily Housing Council (NMHC) has published a report based on the 2019 American Community Survey, 1-year Estimates, US Census Bureau. Updated 11/2020 that includes statistics on living arrangements and the average number of members in apartment households. Using the distribution of room types and the NMHC reports, the average number of tenants occupying the apartments in Building 16 is estimated at 125. The number of visitors per week is estimated at 108 for a total of 5,616 annually and 112,320 over the 20-year period.

*Table 9 Apartment Occupants and Visitors*

| <b>Apartment Estimated Occupants &amp; Visitors</b> |              |                            |                    |                     |                  |                                   |                     |                  |
|---|--------------|----------------------------|--------------------|---------------------|------------------|-----------------------------------|---------------------|------------------|
| <b>Apartments</b>                                   | <b>Count</b> | <b>Living Arrangements</b> | <b>Avg Per Apt</b> | <b>Pct of Total</b> | <b># Tenants</b> | <b>Apt - Members in Household</b> | <b>Pct of Total</b> | <b># Tenants</b> |
| Studio  | 25           | Single Male                | 1                  | 23%                 | 17               | 1 Member                          | 49%                 | 35               |
| 1 Bedroom A   | 31           | Single Female              | 1                  | 27%                 | 19               | 2 Members                         | 28%                 | 40               |
| 1 Bedroom B   | 2            | Single Parent              | 2.5                | 10%                 | 18               | 3 Members                         | 12%                 | 26               |
| 1 Bedroom C   | 5            | Couple                     | 2                  | 17%                 | 24               | 4+Members                         | 11%                 | 32               |
| 1 Bedroom D   | 4            | Couple w/Children          | 3.5                | 11%                 | 28               |                                   |                     |                  |
| 2 Bedroom A   | 2            | Roommates                  | 2                  | 5%                  | 7                |                                   |                     |                  |
| 2 Bedroom B   | 3            | Other                      | 1                  | 6%                  | 4                |                                   |                     |                  |

Exhibit H-6



| Totals | 72  | Est A   | 118 | Est B | 133 |
|--------|-----|---|-----|-------|-----|
|        | 125 | Estimated Tenant Count (Average Est A and Est B)            |     |       |     |
|        | 108 | Estimated Weekly Visitors to Apartments (1.5 per Apartment) |     |       |     |

### B1.9 Unique Characteristics of the Project

The apartment project is closely related to project B2 Hospitality Adaptive Reuse. The combination of residential and hotel mixed use so common in urban areas is unusual in small communities. Since this project and project B2 are so closely linked, the Unique Characteristics of this project are included in section B2.9 of the Hospitality project to avoid repetition of characteristics.

## B2 Christensen Development, Hospitality Adaptive Reuse

### B2.1 Project Overview

A boutique hotel, lobby bar and restaurant will be a new lessor. The project will be located within two buildings (Figure 7) of the former Maytag Corporate campus in Newton, IA, gifted to the Des Moines Area Community College (DMACC) in November of 2016. The project will re-purpose the historic 1900s Maytag buildings 1 and 2 into a 58-room boutique hotel.

Christensen Development will enter into a purchase agreement with DMACC to purchase the four buildings, Appendix G, Purchase Agreement – DMACC.

Catalyst Development Newton, LLC is owned by developer Angela Harrington (Hotel Grinnell and The Highlander Hotel) and will operate the Boutique Hotel.

Catalyst Development will also lease the event center in building 17 from DMACC. The boutique hotel, and event center project will bring new life and defined purpose to the former Maytag buildings. This project along with the nearby apartments provide density in population through residential and accommodations additions critical to supporting the retail, dining and entertainment destination of Legacy Plaza and the historic central business district. The contribution of this project to 18-hour vitality and economic growth will be significant.

The apartments, boutique hotel, and event center will all be operated by Catalyst Project Management Appendix H, Catalyst Project Management Overview allowing the buildings' core functions to compliment and support each other, while also benefiting from economies of scale and efficient operations.

### B2.2 Expected Timeline

Construction work on building renovations, hotel and amenities construction will begin soon after the plan is approved with an expected start date of October 1, 2023. Construction and opening preparations will be completed in 2<sup>nd</sup> and 3<sup>rd</sup> quarter of 2024 with an expected operating start date of October 1, 2024. The construction project will include work on building 16 (Apartments), buildings 1 and 2 (Hotel and Amenities) and building 17 (Legacy Ballroom/event center). The detailed timeline for this group can be found in Appendix F, Legacy Plaza Construction Timeline.

### B2.3 Detailed Budget for the Project

Since the buildings in Legacy Plaza qualify for state and federal historic tax credits, those credits are expected to cover approximately 33% of the needed funding. The project will receive a grant in the amount of the NPV of the expected funds available from the IRA fund.

Table 10 B2 Detailed Budget

| Project Christensen Development, Hospitality Adaptive Reuse |                     |  |                     |
|---|---------------------|--|---------------------|
| Funding Uses  |                     | Funding Sources                          |                     |
| Acquisition Costs   | \$50,000            | NPV IRA Funds/County Bonds               | \$3,660,862         |
| <b>Construction Hard Costs</b>                              |                     | Tax Increment Financing                  | \$1,265,000         |
| General Requirements  | \$379,908           | Loan on Hotel Motel Tax                  | \$1,011,249         |
| Construction Mgmt. Fee                                      | \$351,775           | Historic Tax Credits                     | \$4,534,441         |
| Construction & Finishes                                     | \$3,946,419         | Investor Cash & Deferred Development Fee | \$235,460           |
| Electrical & Data   | \$1,317,692         | Long Term Debt                           | \$3,039,138         |
| Fire Sprinklers   | \$83,658            |  | \$                  |
| Plumbing & HVAC   | \$2,649,045         |  | \$                  |
| Contingency   | \$417,653           |  | \$                  |
| <b>Soft Costs</b>   |                     |  | \$                  |
| Architect & Engineering                                     | \$450,000           |  | \$                  |
| Misc Consultants & Legal                                    | \$100,000           |  | \$                  |
| Interest Reserve  | \$750,000           |  | \$                  |
| Developer Fee   | \$750,000           |  | \$                  |
| <b>Furniture, Fixtures &amp; Equipment</b>                  |                     |  | \$                  |
| Hotel Guestrooms  | \$1,000,000         |  | \$                  |
| Lobby Bar, Patio & Pantry                                   | \$500,000           |  | \$                  |
| <b>Pre-Opening &amp; Working Capital</b>                    |                     |  | \$                  |
| Opening Linens & Supplies                                   | \$500,000           |  | \$                  |
| Cash Reserve & Working Capital                              | \$500,000           |  | \$                  |
| <b>Total Project Budget</b>                                 | <b>\$13,746,150</b> | <b>Total Funding Sources</b>             | <b>\$13,746,150</b> |

### B2.4 Expected Debt Associated with The Project

Catalyst Development Newton will secure a combination of short-term construction bridge financing, equity investors and long-term debt. We have budgeted interest appropriately for the bridge financing this project will require.

Table 11 B2 Debt Associated with Project

| Description                               | Amount             | Percent of Total |
|---|--------------------|------------------|
| Loan on Hotel/Motel Tax Payment from City | \$1,011,249        | 24.97%           |
| Long-Term Debt                            | \$3,039,138        | 75.03%           |
|   | \$0                | 0.00%            |
|   | \$0                | 0.00%            |
| <b>Total Initial Sources</b>              | <b>\$4,050,387</b> | <b>100.00%</b>   |

Exhibit H-8



### B2.5 Status of Expected Financing and Financing Gap

As mentioned in section B1.5, Buildings 1, 2 and 16 have an approved National Park Service Part 1 and Part 2 application, Appendix I, Catalyst NPS Part 1 and Part 2. A development agreement between the county, city and Christensen Development was approved and includes Tax Increment Financing and Hotel Motel Tax Reimbursement. A combination of cash and loan guarantees will be procured in the coming months. The IRA funding is imperative to closing the gap.

### B2.6 Expected State Hotel/Motel and State Sales Tax Projections Over 20 Years

Operations of the hotel are expected to generate \$56 million in taxable receipts, Table 12. Since the Legacy Ballroom included in project B3 will be leased to Catalyst Development, the taxable receipts for food and beverage sales will be reported by Catalyst.

Table 12 Projected IRA Deposits

| Hotel/Motel Tax and State Sales Tax Projections |                     |                        |                        |
|---|---------------------|------------------------|------------------------|
| Category  | Estimated Receipts  | Projected Tax Receipts | Projected IRA Deposits |
| Hotel/Motel Tax                                 | \$38,730,666        | \$2,711,147            | \$1,936,533            |
| Retail Sales Tax                                | \$17,430,155        | \$1,220,111            | \$697,206              |
| <b>Total</b>                                    | <b>\$56,160,821</b> | <b>\$3,931,257</b>     | <b>\$2,633,739</b>     |

Source: Newton District Application Supporting Data

### B2.7 Visual Aids Which Enhance the Understanding of the Project

Great boutique hotels take on a neighborhood gateway role, where creative guest journeys -- built on novel and regionally relevant experiences -- take center stage. A demand for select service, and how well the property tells its story, provide compelling reasons for guest stays.

Figure 7 Maytag Complex - Buildings 1 & 2



Located in two original Maytag facilities on the National Historic Register of Places, the venue, artwork, decor and exhibits will showcase the iconic Iowa story of Maytag innovation. It will also serve as a base of operations for visitors exploring the historic town of Newton.

The hotel will encompass approximately 51-58 guest rooms. Because of the building's depth and window cadence, each hotel room (Figure 8) will be large enough to be outfitted with larger bathrooms and kitchenettes so as to double as extended stay

Exhibit H-9

Execution Version

accommodations, filling two market needs: temporary housing for a transient workforce, as well as overnight accommodations for leisure guests.

Figure 8 Inspiration: Hotel Guest Room



Figure 9 Inspiration: Lobby Bar



This unique destination hotel will fill unmet needs in the marketplace for upscale lodging. 37% of travelers stay in properties above mid-scale. Newton is completely missing out on those travelers, losing them to Des Moines. Not one of Newton's hotels is rated above 2.5 (out of 5) stars. As such, this hotel will be the only accommodations product in the market above mid-scale, facilitating higher average daily rates to offset lower occupancy common in small cities.

As exemplified in Grinnell, IA, the addition of an upscale boutique hotel, like the one proposed here, generated an increase in hotel-motel sales tax revenue equal to that generated by the new hotel. In other words, the upscale hotel generated business from a new audience, without cannibalizing demand for existing properties. The demand existed but upscale travelers opted to stay in Des Moines until Hotel Grinnell was built.

A variety of accommodations is vitally important to a city's capacity to draw visitors. Downtown Newton experienced very little economic impact from the addition of the Iowa Speedway. A unique destination hotel downtown will help correct that unfortunate reality. Barriers to entry into the upscale lodging market in small cities are extraordinarily high. Development incentives like historic tax credits and the Iowa Reinvestment Act mitigate some of the risk inherent to above mid-scale hotel development in a small city like Newton.

A chic lobby bar (Figure 9) is a critical amenity for an upscale hotel. Revenue-producing lobbies and patios differentiate the product from its competition in hospitality. And modern consumers are using hotels differently.

According to author David Brooks, "They bring their laptops down to the lobby rather than working in their rooms and fewer people bother to unpack their bags. Therefore, room desks and closets are less important, but having a happening lobby scene is more important." ("Quest for 'experiences' reshapes hotel landscape", *The New York Times*, 1/6/2014)

The hotel restaurant will be open for breakfast, lunch and dinner continuously from 7am until 10pm-7 days a week. The menu will be a very portable, globally inspired food truck menu that can be enjoyed in the commons/greenspace or delivered to a hotel guest room, apartment or one of the many business tenants on campus. Every effort will be taken to offer goods developed by DMACC culinary students. The restaurant will feature signature craft cocktails as well as a wide selection of beer and wine creating an upscale venue.

Exhibit H-10

Execution Version



There is no upscale cocktail restaurant or bar in Newton. A variety of food and beverage offerings is vital for attracting and retaining residents, the local workforce, and visitors from outside the community.

The lobby bar's décor will feature vintage industrial design, with splashes of color in fabrics and wallcoverings to compliment the original brick walls and wood floors of the historic factory. Subtle nods to the building's history will be present on the menu and throughout the hotel with other printed collateral.

The lobby bar will connect Legacy residents, Plaza workforce, locals and visitors alike.

## B2.8 Feasibility Study Conducted by Independent Professional

The feasibility study evaluates the proposed repurposing of the former Maytag building into a 58-room boutique hotel. Since the building is located in the historic Maytag corporate campus and listed as a contributing building, this project is eligible for Historic Tax Credits. The Maytag corporate campus was gifted to DMACC in November 2016. For additional information regarding budgetary and financial projects (as applicable) related to this project, please see Appendix O, Project Financials.

The proposed boutique hotel, events center, and apartments are expected to begin operations in the third quarter of 2024. A pro forma statement prepared by Catalyst Newton Development LLC was used as a starting point for developing the financial analysis model for this project. The initial hotel occupancy rate was set at 30% in 2024 and gradually increases to 54% in 2043. This is a conservative projection and, barring unforeseen circumstances, the occupancy rate could be higher after startup.

### B2.8.1 Projected Annual Gross Revenues

Figure 10 summarizes the new hotel, and leased event center's projected gross revenue for the project period. The average annual gross revenue is projected to be \$2.9 million. Except for Bar/Patio/Auxiliary, event center sales will be purchased wholesale from vendors and billed with retail sales tax by the hotel. Ballroom rental is not included among taxable receipts. The Gross Revenue total includes years 2024 through 2044.

Figure 10 Catalyst Projected Gross Revenue

| Projected Annual Gross Revenue |                           |
|--------------------------------|---------------------------|
| Category                       | Gross Revenue 20-Yr Total |
| <i>Boutique Hotel</i>          |                           |
| Room Rental                    | \$ 38,730,666             |
| Bar/Patio/Auxiliary            | \$ 10,461,064             |
| <b>Boutique Hotel Total</b>    | <b>\$ 49,191,730</b>      |
| <i>Event Center</i>            |                           |
| Ballroom Rental                | \$ 3,484,545              |
| Food, Beverage, and Other      |                           |
| Event Sales                    | \$ 6,969,090              |
| <b>Total Event Center</b>      | <b>\$ 10,453,636</b>      |
| <b>Grand Total</b>             | <b>\$ 59,645,366</b>      |

### B2.8.2 Economic Impact Expected

The economic impact of the Residential and Hospitality Adaptive Reuse project will be derived from construction and operations activities. Figure 11 provides a summary of the economic impact in Jasper County attributed to this project. More detailed direct and indirect economic impact estimates (using the IMPLAN modeling system) for the county and State of Iowa are provided in Section C.

Figure 11 Catalyst Hotel Economic Impact

| Catalyst Hotel |            |                    |                   |               |                     |                             |
|----------------|------------|--------------------|-------------------|---------------|---------------------|-----------------------------|
| Impact Results | Employment | Labor Income (\$M) | Value-Added (\$M) | Sales (\$M)   | Federal Taxes (\$M) | State and Local Taxes (\$M) |
| Construction   | 235        | \$11.8             | \$14.1            | \$19.8        | \$2.4               | \$0.7                       |
| Operations     | 30         | \$0.7              | \$1.2             | \$2.7         | \$0.2               | \$0.2                       |
| <b>Total</b>   | <b>266</b> | <b>\$12.5</b>      | <b>\$15.3</b>     | <b>\$22.5</b> | <b>\$2.5</b>        | <b>\$1.0</b>                |

B2.8.3 Estimated Number of Visitors or Customers

The Boutique Hotel and Event Center will draw visitors to the community through its lodging services and hosted events. According to a 2014 summary report produced by the American Hotel & Lodging Association (AHLA), 41% of lodging customers traveled for business and 59% traveled for leisure. The typical business stay is one person, and the typical leisure stay is two persons. Using projected occupancy rates, a total of 194,764 rooms will be rented during the project period. Figure 12 shows the estimated number of lodging visitors based on the above criteria.

Figure 12 Projected Hotel Visitors

| Estimated Hotel Visitors |                    |                            |
|--------------------------|--------------------|----------------------------|
|                          | Room Nights Rented | Number of Lodging Visitors |
| Business Travel          | 79,853             | 79,853                     |
| Leisure Travel           | 114,911            | 229,822                    |
| <b>Total</b>             | <b>194,764</b>     | <b>309,675</b>             |

Estimates for utilization of the Events Center are based on actual experience reported by a similar facility located in Grinnell, IA. provides a breakdown of the expected number of events per year and the total number of events throughout the project period. The average expected attendance per event is 250 visitors and the project period is 2024 to 2044.

Figure 13 Projected Event Center Visitors

| Legacy Ballroom Events Center Projections |                         |                        |                         |  |
|---|-------------------------|------------------------|-------------------------|--|
|   | Average Annual Visitors |                        | Project Period Visitors |  |
| Average Number of Events                  | 76                      | Total Number of Events | 1,515                   |  |
| Attendance per Event                      | 250                     | Attendance per Event   | 250                     |  |
| Average Annual Visitors                   | 18,938                  | Total Visitors         | 378,750                 |  |

B2.9 Unique Characteristics of the Project

- **Impact.** Together, the hotel project and project B1 apartment project brings a necessary built-in customer base with disposable income to support businesses on Main Street and those proposed for Legacy Commons. An upscale hotel, walkable to goods and services, serves as an economic engine and brings 18-hour vitality and affluent guests to the small city of Newton. The hotel will serve as a base camp for visitors exploring Newton. Great hospitality teams serve as true community ambassadors and curators of local experiences. How visitors feel about a community they visit is most influenced by where they stay overnight. A hotel that celebrates where it is in the world and one which core values lie in active community stewardship is critical in destination making.
- **Innovation.** The project creatively uses existing community assets in the adaptive re-use of three historic buildings and will be the only hotel in Iowa with origins as a factory and offer the only authentically industrial chic event venue of its size in Iowa. The adaptive reuse and historic preservation on this scale is unheard of in a rural community. Located in three original Maytag facilities on the National Historic Register of Places, the venue, artwork, decor and exhibits will showcase



the iconic Iowa story of Maytag and specifically how Iowa appliance innovation changed modern American life, especially for women.

- Diversity. The project is the only rural example in Iowa of mixed use residential and hotel, with residents enjoying the amenities of a hotel and hotel visitors being part of an authentic local experience. The combination of residential and hotel mixed use, so common in urban areas, is unusual in small communities. Together, they provide a critical mass in business and diversity in revenue models. The housing component meets the needs of Newton's workforce and prospective DMACC students, especially those ineligible for rent restricted low- and moderate-income housing programs. Creatively combining economic development incentives allows for affordable market rate housing. Affordable housing allows our community college, our businesses and our city to grow.

Collaboration. The lobby bar affords the DMACC Baking and Pastry Arts program a 24-7 venue by which to sell and showcase their products. The hotel and events operations will use student interns from DMACC's Hospitality Business and Hotel/Restaurant Management program. DMACC's Building Trades/Finish Carpentry, Welding and Electrical Construction Trades programs will be engaged during construction for earn to learn opportunities. Des Moines Area Community College, the City of Newton, Catalyst and Christensen are committed to pooling resources to effectively market Newton as a destination.

**EXHIBIT I**  
**STATE DOWNTOWN HOUSING GRANT AGREEMENT**

**GRANT AGREEMENT BETWEEN**  
**THE IOWA ECONOMIC DEVELOPMENT AUTHORITY**  
**AND**  
**CITY OF NEWTON**

AWARD NO.: 22-ARPDH-041  
AWARD AMOUNT: \$600,000  
TERM OF AGREEMENT: June 14, 2022 – June 14, 2024

THIS Grant Agreement ("Grant Agreement") is between Iowa Economic Development Authority ("Authority") and "City of Newton" ("Subrecipient").

**AWARD IDENTIFICATION**

SUBRECIPIENT NAME: City of Newton  
SUBRECIPIENT LEGAL ENTITY NAME: City of Newton  
SUBRECIPIENT ADDRESS: 101 West 4th Street South  
CITY, STATE, ZIP: Newton, Iowa 50208  
SUBRECIPIENT UEI NUMBER: NN8PPN7EH7L7  
FEDERAL AWARD IDENTIFICATION NUMBER: SLFRP4374  
FEDERAL AWARD DATE: July 9, 2021  
GRANT PERFORMANCE START DATE: June 14, 2022  
GRANT PERFORMANCE END DATE: September 30, 2026  
AMOUNT OF FEDERAL FUNDS OBLIGATED: \$600,000  
FEDERAL GRANT PROJECT DESCRIPTION: Coronavirus State and Local Fiscal Recovery Funds  
NAME OF FEDERAL AWARING AGENCY: US Department of Treasury  
NAME OF PASS-THROUGH ENTITY: Iowa Economic Development Authority  
ADDRESS OF PASS-THROUGH ENTITY: 1963 Bell Avenue, Ste 200, Des Moines, IA 50315  
AUTHORITY CONTACT INFORMATION: Nick Sorensen, 515.348.6182  
ASISTANCE LISTING NUMBER: 21.027 – Coronavirus State and Local Fiscal Recovery Funds  
FEDERAL AWARD AMOUNT AVAILABLE: \$20,000,000.00  
IS THIS AWARD R & D: No

**ARTICLE 1 - FUNDING**

**1.1 FUNDING SOURCE**

The funding source for the Grant shall be funds allocated to the State of Iowa pursuant to the American Rescue Plan Act of 2021, Pub. L. No. 117-2 (March 11, 2021) ("the Act"), specifically Subtitle M – Coronavirus State and Local Fiscal Recovery Funds, Section 9901 of the Act ("SLFRF").

**1.2 MAXIMUM PAYMENTS**

It is expressly understood and agreed that the maximum amount to be paid to the Subrecipient by the Authority under this Grant Agreement shall not exceed the AMOUNT OF FEDERAL FUNDS OBLIGATED specified in the above caption, in the aggregate, unless modified in writing and fully executed by the Parties hereto.

### **1.3 FAILURE TO RECEIVE GRANT FUNDS**

The Authority shall be obligated to provide said funds to the Subrecipient only on the condition that grant funds shall be available from Treasury. Failure of the Authority to receive grant funds shall cause this Grant Agreement to be terminated.

## **ARTICLE 2 - USE OF FUNDS**

### **2.1 GENERAL**

The Subrecipient has applied for and was awarded a Downtown Housing Grant for a project located at 403 W 4th St N, Newton, Iowa 50208 (the "Project"). The Downtown Housing Grant Application, including all documents attached to or incorporated into the Grant Application (the "Application"), submitted to the Authority by the Subrecipient is incorporated herein as Exhibit A. The Subrecipient shall perform in a satisfactory and proper manner, as determined by the Authority. The use of funds shall be in accordance with the Application; the provisions of the Act; Sections 602(b), 602(c), and 603(b) of the Social Security Act; all rules and regulations applicable to SLFRF, including but not limited to 31 CFR Part 35, Coronavirus State and Local Fiscal Recovery Funds effective April 1, 2022 ("Final Rules") and federal regulations described in U.S. Department of the Treasury Coronavirus Local Fiscal Recovery Fund Award Terms and Conditions attached hereto as Exhibit B; all applicable Treasury or other federal guidance; and as described in this Grant Agreement.

### **2.2 BUDGET**

Changes from the approved budget detailed in Exhibit A must be requested by the Subrecipient and may be authorized by the Authority. Such requests must be made in advance of expenditure.

## **ARTICLE 3 – CONDITIONS TO DISBURSEMENT OF FUNDS**

Unless and until the following conditions have been satisfied, the Authority shall be under no obligation to disburse to the Subrecipient any amounts under this Grant Agreement:

### **3.1 GRANT AGREEMENT EXECUTED**

This Grant Agreement shall be properly executed and, where required, acknowledged, by the Authority and the Subrecipient.

### **3.2 DOCUMENTATION REQUIRED FOR PAYMENT**

Sub-Grant funds cannot be paid in advance of expenditure. The Subrecipient shall expend monies only on eligible costs and shall submit reimbursement (draw) requests for payment to the Authority through IowaGrants.Gov. The Subrecipient shall submit the first draw request when it has expended Sixty Percent (60%) of the Sub-Grant amount and the required 25% minimum match requirement. The Subrecipient shall submit the final draw request for Forty Percent (40%) of the Sub-Grant amount upon substantial completion of project as determined by IEDA and the remaining match indicated in Exhibit A. The following shall accompany all draw requests:

- 3.2.1 A Draw Request Reimbursement Form (form prescribed by the Authority).
- 3.2.2 A Draw Request Itemization (form prescribed by the Authority) that lists all expenditures submitted for reimbursement.
- 3.2.3 Documentation that the Project has a developer loan, developer cash contribution, or deferred developer fee that totals at least 25% of the award amount developer fee.
- 3.2.4 The Authority reserves the right to request additional documentation relating to expenditures to be reimbursed, including but not limited to the following:
  - 3.2.4.1 Copies of cancelled checks, invoices, receipts, staff time tracking, or payrolls. Documentation must be organized in the same order as the itemized listing of expenditures.
  - 3.2.4.2 Data completion or similar reports generated from the approved HMIS or DVIMS system.
  - 3.2.4.3 Development Agreement between City of Newton and Project Developer

### 3.3 DEADLINE FOR FINAL DRAW REQUEST

The Subrecipient shall submit draw requests, complete the construction free of liens, and have closed the permanent financing by no later than the final reimbursement deadline, September 30, 2025. Failure to request disbursement of all Grant funds by that date may result in forfeiture of the Grant and repayment of all funds disbursed to the Subrecipient. IEDA is under no obligation to disburse funds to the Subrecipient if the final draw request is submitted after September 30, 2025.

### 3.4 IOWAGRANTS.GOV.

"IowaGrants.gov" means Iowa's Funding Opportunity Search and Grant Management System. This system allows a Recipient to electronically apply for and manage grants received by the state of Iowa. Persons accessing the system for this purpose are required to register online at [www.IowaGrants.gov](http://www.IowaGrants.gov). The IEDA reserves the right to require the Recipient to utilize the IowaGrants.gov system to conduct business associated with this Agreement, including but not limited to, requests for disbursement.

## **ARTICLE 4 – REPRESENTATIONS AND WARRANTIES OF SUBRECIPIENT**

The Subrecipient represents, covenants, and warrants that:



#### **4.1 AUTHORITY**

The Subrecipient is an entity organized in Iowa or organized in another state and authorized to do business in Iowa and duly authorized and empowered to execute and deliver this Grant Agreement. All required actions on the Subrecipient's part, such as appropriate resolution of its governing board for the execution and delivery of this Grant Agreement, have been effectively taken.

#### **4.2 USE OF FUNDS**

The Subrecipient will use the Grant Funds to construct and equip the Project in accordance with the Application; the provisions of the Act; Sections 602(b), 602(c), and 603(b) of the Social Security Act; all rules and regulations applicable to SLFRF, including but not limited to 31 CFR Part 35, Coronavirus State and Local Fiscal Recovery Funds effective April 1, 2022 ("Final Rules") and federal regulations described in U.S. Department of the Treasury Coronavirus Local Fiscal Recovery Fund Award Terms and Conditions attached hereto as Exhibit B; all applicable Treasury or other federal guidance; and as described in this Grant Agreement. The Participant will use the Grant for no other purpose.

#### **4.3 FINANCIAL INFORMATION**

All financial statements and related materials concerning the Grant provided to the Authority in the Application are true and correct in all material respects and completely and accurately represent the subject matter thereof as of the date of the statements and related materials, and no material adverse change has occurred since that date.

#### **4.4 APPLICATION**

The contents of the Application were a complete and accurate representation of the Project as of the date of submission, and there has been no material adverse change in the organization, operation, or key personnel of the Subrecipient since the date the Subrecipient submitted its Application that have not been communicated to the Authority.

#### **4.5 CLAIMS AND PROCEEDINGS**

There are no actions, lawsuits or proceedings pending or, to the knowledge of the Subrecipient, threatened against the Subrecipient affecting in any manner whatsoever their rights to execute this Grant Agreement, or to otherwise comply with the obligations of this Grant Agreement. There are no actions, lawsuits or proceedings at law or in equity, or before any governmental or administrative authority pending or, to the knowledge of the Subrecipient, threatened against or affecting the Subrecipient.

#### **4.6 PRIOR AGREEMENTS**

The Subrecipient has not entered into any verbal or written agreements or arrangements of any kind which are inconsistent with this Grant Agreement.

#### 4.7 TERM OF AGREEMENT

The covenants, warranties and representations made by the Subrecipient in this Grant Agreement are true and binding as of the date on which the Subrecipient executed this Grant Agreement. The covenants, warranties and representations of this Article shall be deemed to be renewed and restated by the Subrecipient as of the Effective Date of this Grant Agreement and at the time of disbursement of funds.

### ARTICLE 5 – AFFIRMATIVE COVENANTS OF THE SUBRECIPIENT

For the duration of this Grant Agreement, the Subrecipient covenants with the Authority that:

#### 5.1 WORK AND SERVICES

The Subrecipient shall perform work and services as described in Exhibit A.

#### 5.2 APPLICABLE LAWS, GUIDANCE, RULES AND REGULATIONS

The Subrecipient acknowledges the applicability of federal laws, guidance, rules and regulations to the award and Grant, including but not limited to the Act; Section 602(c) of the Social Security Act; all rules and regulations applicable to SLFRF, including but not limited to 2 CFR 200 and all appendices thereto, the Final Rules, and all rules and regulations described in U.S. Department of the Treasury Coronavirus State and Local Fiscal Recovery Fund Award Terms and Conditions attached hereto as Exhibit B; and all applicable Treasury or other federal guidance. The Subrecipient agrees to comply with all applicable laws, guidance, rules and regulations.

#### 5.3 REPORTING

5.3.1 *Quarterly Reporting.* The Subrecipient agrees to comply with any and all reporting obligations established by Treasury and/or by the Authority as related to this the award and this Grant, including providing information and data required by the Authority once each quarter of the calendar year during the duration of this Grant Agreement. The report for each prior Calendar Year quarter shall be due on the 10<sup>th</sup> day of January, April, July, and October or as otherwise directed by IFA. Reporting shall include, but shall not be limited to, photographs documenting progress toward project completion, collection of Key Performance Indicators, and narrative descriptions of project impact.

5.3.2 *Public Disclosure.* The Subrecipient acknowledges that any information reported may be subject to public disclosure.

#### 5.4 RECORDS

The Subrecipient shall maintain books, records, documents and other evidence pertaining to all costs and expenses incurred and revenues received under this Sub-Grant Agreement in sufficient detail to reflect all costs, direct and indirect, of labor, materials, equipment, supplies, services and other costs and expenses of whatever nature, for which payment is claimed under this Sub-Grant Agreement. The Subrecipient shall maintain books, records and documents in sufficient detail to demonstrate compliance with the Sub-Grant Agreement and shall maintain these materials for a period of five years beyond the end date of the Sub-Grant Agreement or

December 31, 2032, whichever is later. Records shall be retained beyond the prescribed period if any litigation or audit is begun or if a claim is instituted involving the grant or agreement covered by the records. In these instances, the records shall be retained until the litigation, audit or claim has been finally resolved.

#### **5.5 ACCESS TO RECORDS/INSPECTIONS**

The Subrecipient shall permit and allow the Authority, its representatives, representatives of Treasury, and/or Iowa's Auditor of State to access and examine, audit and/or copy the following, wherever located: any plans and work details pertaining to the Grant; all of the Subrecipient's books, records, policies, client files, and account records; all other documentation or materials related to this Grant Agreement; and any facility used to carry out the Grant. The Subrecipient shall provide proper facilities for making such examination and/or inspection of the above-mentioned records and documentation. The Subrecipient shall not impose a charge for audit or examination of the Subrecipient's information and facilities.

#### **5.6 USE OF GRANT FUNDS/TIMEFRAMES**

5.6.1. The Subrecipient shall expend funds received under this Grant Agreement only for the purposes and activities necessary to complete the Project and as otherwise approved by the Authority and subject to ARTICLE 2 - USE OF FUNDS herein.

5.6.2 Project construction shall commence no later than 6 months after award date.

5.6.3 The Subrecipient acknowledges and agrees that funds for this Grant are provided by the State and Local Fiscal Recovery Fund (SLFRF), part of the American Rescue Plan. SLFRF requires that all costs be incurred during the period beginning March 3, 2021 and ending December 31, 2024. Therefore, costs incurred prior to March 3, 2021 and after December 31, 2024 are not eligible uses of these funds. The period of performance for SLFRF funds runs until December 31, 2026, which will provide the Subrecipient an additional two years during which they may expend funds for costs incurred (i.e., obligated) by December 31, 2024. Any Grant funds not obligated or expended within these timeframes must be returned to the State. The Subrecipient acknowledges and agrees that it will be held accountable to these funding timeframes.

#### **5.7 NOTICE OF PROCEEDINGS**

The Subrecipient shall notify the Authority within 30 days of the initiation of any claims, lawsuits or proceedings brought against the Subrecipient.

#### **5.8 NOTICES TO THE AUTHORITY**

In the event the Subrecipient becomes aware of any material alteration in the Grant, initiation of any investigation or proceeding involving the Grant, or any other similar occurrence, the Subrecipient shall promptly notify the Authority.

## 5.9 CONFLICT OF INTEREST

- 5.9.1 *Conflict of Interest Policies.* The Subrecipient shall have and follow written conflict of interest policies that conform to 2 CFR 200.112 and 200.318. Written policies must be established that govern conflicts of interest and for federal awards. Any potential conflicts of interest must be disclosed in writing to the Authority.
- 5.9.2 *Individual Conflicts of Interest.* For the procurement of goods and services, the Subrecipient and its contractors must comply with the codes of conduct and conflict of interest requirements under 2 CFR Part 200. For all transactions and activities, the following restrictions apply:
- 5.9.2.1 *Conflicts Prohibited.* No person who exercises or has exercised any functions or responsibilities with respect to activities assisted under the Project, or who is in a position to participate in a decision-making process or gain inside information with regard to activities assisted under the Project, may obtain a financial interest or benefit from an assisted activity; have a financial interest in any contract, subcontract, or agreement with respect to an assisted activity; or have a financial interest in the proceeds derived from an assisted activity, either for him or herself or for those with whom he or she has immediate family or business ties, during his or her tenure or during the one-year period following his or her tenure.
- 5.9.2.2 *Persons Covered.* The conflict of interest provisions of this section apply to any person who is an employee, agent, consultant, officer, or elected or appointed official of the Subrecipient.

## 5.10 CONFIDENTIALITY OF RECORDS AND INFORMATION

To the extent necessary to carry out its responsibilities under this Grant Agreement, the Subrecipient's employees, agents, contractors and subcontractors and employees of contractors or subcontractors shall have access to data and information, including Personally Identifiable Information ("PII") and other private and confidential information. The PII and other private and confidential information shall remain the property of the Subrecipient at all times. All parties must use PII data protection best practices including password protection of documents, encryption at rest and post-use deletion. No information or data collected, maintained, or used in the course of performance of this Grant Agreement, including but not limited to PII or other private or confidential information, shall be disseminated by the Subrecipient or the Subrecipient's employees, agents, contractors, or subcontractors or any contractor's or subcontractor's employees, except as authorized by law or as required for the performance of this Grant Agreement.

## 5.11 CERTIFICATION REGARDING GOVERNMENT-WIDE RESTRICTION ON LOBBYING

The Subrecipient certifies, to the best of their knowledge and belief, that:

- 5.11.1 No federal appropriated funds have been paid or will be paid, by or on behalf of the Subrecipient, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or



an employee of a Member of Congress in connection with the awarding of any federal Grant agreement, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal Grant agreement, grant, loan, or cooperative agreement.

- 5.11.2 If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee, or an employee of a Member of Congress in connection with this Grant Agreement, the Subrecipient shall complete and submit to the Authority, "Disclosure of Lobbying Activities" form as approved by the Office of Management and Budget.
- 5.11.3 This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction.

#### 5.15 PROGRAM CERTIFICATIONS

The Subrecipient certifies and assures that the Grant will be conducted and administered in compliance with all applicable federal and state laws, rules, ordinances, regulations, guidance, and orders. The Subrecipient certifies and assures compliance with the applicable orders, laws, rules, regulations, and guidance, including but not limited to, the following:

- 5.15.1 *Confidentiality.* The Subrecipient will implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services, including protection against the release of the address or location of any family violence shelter project, except with the written authorization of the person responsible for the operation of that shelter.

In connection with the above certification, the Subrecipient shall develop and implement written procedures to ensure that all records containing PII of any individual or family, who applies for and/or receives assistance, will be kept secure and confidential.

- 5.15.2 *Involvement of Homeless Individuals.* To the maximum extent possible, the Subrecipient will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted, in providing services assisted, and in providing services for occupants of facilities assisted.
- 5.15.3 *Participation in Fair Housing Practices.* The Subrecipient will follow fair housing practices that conform to Iowa Code 216.8, Unfair or Discriminatory Practices – Housing.
- 5.15.4 *Contractor Eligibility.* The Subrecipient certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in the transaction by any Federal department or agency. The Excluded Parties List System can be found at <https://www.sam.gov/>.

5.15.5 *Subrecipient Integrity and Performance Matters.* The Subrecipient shall comply with the requirements in Appendix XII to 2 CFR Part 200 – Award Term and Condition for Subrecipient Integrity and Performance Matters. This pertains to information and reporting in the federal System for Award Management (SAM) for agencies with more than \$10,000,000 in currently active grants, cooperative agreements, and procurement contracts from all Federal awarding agencies.

#### 5.16 DOCUMENTATION AND SIGNAGE.

The Subrecipient shall ensure that all documentation, publications and signage produced with Grant funds regarding the Project shall include the following: *This project is being supported, in whole or in part, by federal award number 21.027 to the State of Iowa by the U.S. Department of the Treasury.*

#### **ARTICLE 6 – NEGATIVE COVENANT OF THE SUBRECIPIENT**

The Subrecipient covenants with the Authority that it shall not, without the prior written disclosure to and prior written consent of the Authority, directly or indirectly assign its rights and responsibilities under this Grant Agreement or discontinue administration activities under this Grant Agreement.

#### **ARTICLE 7 – DEFAULT AND REMEDIES**

##### 7.1 EVENTS OF DEFAULT

The following shall constitute Events of Default under this Grant Agreement:

- 7.1.1 *Material Misrepresentation.* If at any time any representation, warranty or statement made or furnished to the Authority by, or on behalf of the Subrecipient in connection with this Grant Agreement or to induce the Authority to make a subaward to the Subrecipient shall be determined by the Authority to be incorrect, false, misleading or erroneous in any material respect when made or furnished and shall not have been remedied to the Authority's satisfaction within 30 days after written notice by the Authority is given to the Subrecipient.
- 7.1.2 *Noncompliance.* If there is a failure by the Subrecipient to comply with any of the covenants, terms or conditions contained in this Grant Agreement.
- 7.1.3 *Misspending.* If the Subrecipient expends grant proceeds for purposes not described in the Proposal, this Grant Agreement, or as authorized by the Authority.
- 7.1.4 *Lock of Capacity.* If the Subrecipient demonstrates a lack of capacity to carry out the approved activities and services in a timely manner and with the funds granted, at the sole discretion of the Authority.
- 7.1.5 *Abandonment.* If the Subrecipient abandons any activities or services assisted under this Grant Agreement.

7.1.6 *Failure to Comply with Laws.* If the Subrecipient has failed to ensure compliance with any state or federal laws, rules, regulations, guidance or orders.

## 7.2 NOTICE OF DEFAULT

The Authority shall issue a written notice of default providing therein a 15-day period in which the Subrecipient shall have an opportunity to cure, provided that cure is possible and feasible.

## 7.3 REMEDIES UPON DEFAULT

If, after opportunity to cure, the default remains, the Authority shall have the right, in addition to any rights and remedies available by law, to do one or more of the following:

- 7.3.1 Reduce the level of funds the Subrecipient would otherwise be entitled to receive under this Grant Agreement;
- 7.3.2 Require immediate repayment of up to the full amount of funds disbursed to the Subrecipient under this Grant Agreement; and
- 7.3.3 Refuse or condition any future disbursements upon conditions specified in writing by the Authority.

## ARTICLE 8 – GENERAL PROVISIONS

### 8.1 AMENDMENT

- 8.1.1 *Writing Required.* This Grant Agreement may only be amended by means of a writing properly executed by the Parties. Examples of situations where amendments are required include extensions for completion of Grant activities, changes to the Grant including, but not limited to, alteration of existing approved activities or inclusion of new activities.
- 8.41.2 *Unilateral Modification.* Notwithstanding subsection 8.1.1 above, the Authority may unilaterally modify this Grant Agreement at will in order to accommodate any change in any applicable federal, state or local laws, regulations, rules, guidance, orders, or policies. A copy of such unilateral modification will be given to the Subrecipient as an amendment to this Grant Agreement.
- 8.41.3 *The Authority Review.* The Authority will consider whether an amendment request is so substantial as to necessitate reevaluating the original funding decision.

### 8.42 AUDIT REQUIREMENTS AND CLOSEOUT OF AWARD

The Subrecipient shall adhere to the following audit requirements:

- 8.2.1 *Single Audit Not Required Form.* A “Single Audit Not Required” form must be submitted to the Authority for each Subrecipient fiscal year that the Subrecipient expends less than \$750,000 in federal funds.

- 8.2.2 *Single Audit.* An audit must be submitted to the Authority for each Subrecipient fiscal year that the Subrecipient expends \$750,000 or more in federal funds. If the Subrecipient, in accordance with 2 CFR Part 200, is required to complete a Single Audit, the Subrecipient shall ensure that the audit is performed in accordance with 2 CFR Part 200, as applicable. The completed audit must be submitted to the Federal Audit Clearinghouse within the earlier of 30 days after the receipt of the auditor's report, or nine months after the end of the organization's fiscal year.
- 8.2.3 *Closeout.* The Subrecipient agrees to provide all reports and documents as requested to the Authority. If an audit is required per 8.2.2 above, the Subrecipient shall submit a copy of the completed audit to the Authority within the same time frame it is submitted to the Federal Audit Clearinghouse.

### **8.3 UNALLOWABLE COSTS**

If the Authority determines at any time, whether through monitoring, audit, closeout procedures or by other means or process that the Subrecipient has expended funds which are unallowable or which may be disallowed by this Grant Agreement, by the State of Iowa, or Treasury, the Subrecipient will be notified of the questioned costs and given an opportunity to justify questioned costs prior to the Authority's final determination of the disallowance of costs. Appeals of any determinations will be handled in accordance with the provisions of Chapter 17A, Iowa Code. If it is the Authority's final determination that costs previously paid under this Grant Agreement are unallowable, the expenditures will be disallowed and the Subrecipient shall repay to the Authority any and all disallowed costs.

### **8.4 SUSPENSION**

When the Subrecipient has failed to comply with this Grant Agreement, the Authority may, on reasonable notice to the Subrecipient, suspend this Grant Agreement and withhold future payments. Suspension may continue until the Subrecipient completes the corrective action as required by the Authority.

### **8.5 TERMINATION**

- 8.5.1 *For Cause.* The Authority may terminate this Grant Agreement in whole, or in part, whenever the Authority determines that the Subrecipient has failed to comply with the terms and conditions of this Grant Agreement.
- 8.5.2 *For Convenience.* The Authority may terminate this Grant Agreement in whole, or in part, when it determines that the continuation of the Grant would not produce beneficial results commensurate with the future disbursement of funds.
- 8.5.3 *Due to Reduction or Termination of Funding.* At the discretion of the Authority, this Grant Agreement may be terminated in whole, or in part, if there is a reduction or termination of funds provided to the Authority.



## 8.6 PROCEDURES UPON TERMINATION

- 8.6.1 *Notice.* The Authority shall provide written notice to the Subrecipient of the decision to terminate, the reason(s) for the termination, and the effective date of the termination. If there is a partial termination due to a reduction in funding, the notice will set forth the change in funding and the changes in the approved budget. The Subrecipient shall not incur new obligations beyond the effective date and shall cancel as many outstanding obligations as possible. The Authority's share of non-cancellable obligations which the Authority determines were properly incurred prior to notice of cancellation will be allowable costs, subject to Article 5.5.2 herein.
- 8.6.2 *Rights in Products.* All finished and unfinished documents, data, reports or other material prepared by the Subrecipient under this Grant Agreement shall, at the Authority's option, become the property of the Authority.
- 8.6.3 *Return of Funds.* Any costs previously paid by the Authority which are subsequently determined to be unallowable through audit, monitoring, or closeout procedures shall be returned to the Authority within 30 days of the disallowance.

## 8.7 ENFORCEMENT EXPENSES

The Subrecipient shall pay upon demand any and all reasonable fees and expenses of the Authority, including the fees and expenses of the Authority's attorneys, experts and agents, in connection with the exercise or enforcement of any of the rights of the Authority under this Grant Agreement.

## 8.8 INDEMNIFICATION

The Subrecipient shall indemnify and hold harmless the State of Iowa, the Authority, and its officers and employees from and against any and all losses, accruing or resulting from any and all claims by subcontractors, laborers, and any other person, firm, or corporation furnishing or supplying work, services, materials, or supplies in connection with the performance of this Grant Agreement, and from any and all claims and losses accruing or resulting to any person, firm, or corporation who may be injured or damaged by the Subrecipient in the performance of this Grant Agreement.

## ARTICLE 9 – MISCELLANEOUS

### 9.1 BINDING EFFECT

This Grant Agreement shall be binding upon and shall inure to the benefit of the Authority and Subrecipient and their respective successors, legal representatives and assigns. The obligations, covenants, warranties, acknowledgments, waivers, agreements, terms, provisions and conditions of this Grant Agreement shall be jointly and severally enforceable against the Parties to this Grant Agreement.

## **9.2 SURVIVAL OF GRANT AGREEMENT**

If any portion of this Grant Agreement is held to be invalid or unenforceable, the remainder shall be valid and enforceable. The provisions of this Grant Agreement shall survive the execution of all instruments herein mentioned and shall continue in full force until the Grant is completed as determined by the Authority or as otherwise provided herein.

## **9.3 GOVERNING LAW**

This Grant Agreement shall be interpreted in accordance with the laws of the State of Iowa, and any action relating to this Grant Agreement shall only be commenced in the Iowa District Court for Polk County or the United States District Court for the Southern District of Iowa.

## **9.4 WAIVERS**

No waiver by the Authority of any default hereunder shall operate as a waiver of any other default or of the same default on any future occasion. No delay on the part of the Authority in exercising any right or remedy hereunder shall operate as a waiver thereof. No single or partial exercise of any right or remedy by the Authority shall preclude future exercise thereof or the exercise of any other right or remedy.

## **9.5 LIMITATION**

It is agreed by the Subrecipient that the Authority shall not, under any circumstances, be obligated financially under this Grant Agreement except to disburse funds according to the terms of this Grant Agreement.

## **9.6 HEADINGS**

The headings in this Grant Agreement are intended solely for convenience of reference and shall be given no effect in the construction and interpretation of this Grant Agreement.

## **9.7 INTEGRATION**

This Grant Agreement contains the entire understanding between the Subrecipient and the Authority and any representations that may have been made before or after the signing of this Grant Agreement, which are not contained herein, are nonbinding, void and of no effect. None of the Parties have relied on any such prior representation in entering into this Grant Agreement.

## **9.8 COUNTERPARTS**

This Grant Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

**9.9 DOCUMENTATION**

The Authority reserves the right to request at any time, additional reports or documentation not specifically articulated in this contract.

**9.10 DOCUMENTS INCORPORATED BY REFERENCE**

The following documents are incorporated by reference and considered an integral part of this Contract:

9.10.1 Exhibit A – The Application

9.10.2 Exhibit B – U.S. Department of the Treasury Coronavirus Local Fiscal Recovery Fund Award Terms and Conditions

**9.11 ORDER OF PRIORITY**

In the case of any inconsistency or conflict between the specific provisions of this document and the exhibits, the following order of priority shall control:

9.11.1 Exhibit B – U.S. Department of the Treasury Coronavirus Local Fiscal Recovery Fund Award Terms and Conditions

9.11.2 Articles 1 – 9 of this Agreement

9.11.3 Exhibit A – The Application

*SIGNATURE PAGE FOLLOWS*

IN WITNESS WHEREOF, the Parties have executed this Grant Agreement on the latest date specified below ("Contract Effective Date").

**SUBRECIPIENT: CITY OF NEWTON**

BY:   
Authorized Signature (Mayor)

Evelyn George, Mayor Pro Tem  
Print Name (Mayor)

DATE: July 7, 2022

**IOWA ECONOMIC DEVELOPMENT AUTHORITY**

BY:   
Deborah V. Durham, Executive Director

DATE: 07/13/2022



EXHIBIT A

Subrecipient's Downtown Housing Grant Application  
(In Subrecipient's IowaGrants.gov Account)



**Application**

**423350 - Downtown Housing Grant - Final Application**

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426374 - Newton  
Downtown Resource Center

Status: Awarded      Submitted Date: 01/31/2022 10:03 AM      Submitted By: Erin Chambers

**Applicant Information**

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**Primary Contact:**

AAVA User Id: ERIN.CHAMBERS@IOWAID  
 First Name\*: Erin Chambers  
First Name Middle Name Last Name  
 Title:  
 Email\*: erinc@newtongov.org  
 Address\*: 1700 N 4 Avenue W  
 City\*: Newton Iowa 50208  
City State/Province Postal Code/Zip  
 Phone\*: 641-792-6622 25  
Phone Ext.  
 Program Area of Interest\*: Historical Resource Development Program (HRDP)  
 Fax: 641-792-0670  
 Agency:

**Organization Information**

Organization Name\*: City of Newton  
 Organization Type\*: City Government  
 DUNS:  
 Unique Entity Identifier (UEI):  
 Organization Website:  
 Address:  
 City: Iowa Postal Code/Zip  
City State/Province Postal Code/Zip  
 Phone: 641-792-6622 Ext.

Fax: 641-792-0670  
 Benefactor  
 Vendor Number 13 - 00002129985

**Applicant Information**

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*The applicant information MUST be the mayor or elected official*

**City (Applicant)** City of Newton  
**Primary Contact** Michael Hanson  
Surname First Name Last Name  
**Address** 101 West 4th Street South  
**City/State/Zip** Newton Iowa 50208  
City State Zip Code  
**Phone/E-mail** 641-792-2787 mikch@newlongov.org  
Phone E-mail

*2CFR Chapter 1 Part 25 requires applicants to maintain an active SAM registration. Don't have a UEI (Unique Entity Identifier)? Visit www.SAM.gov for more information.*

NN8PPN7EH7L7  
 UEI (Unique Entity Identifier)

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**Congressional District(s) Involved or Affected by this Proposal** 2nd - Rep Marianne Miller-Moaks  
Congressional Map  
**Iowa Senate District(s) Involved or Affected by this Proposal** 15  
District Map  
**Iowa House District(s) Involved or Affected by this Proposal** 29  
District Map

**Housing Project Information**

*The criteria listed in the Grant Scoring Criteria document are a general overview of the scoring criteria used to evaluate applications for the grant program. The criteria are not all inclusive, but rather a general set of questions that can provide a more clear direction to the applicants.*

*Required attachments are not scored individually. However, they do provide additional, critical information to help answer individual questions in the application. For instance, photos will help clarify the existing condition of the building as well as its architectural character and significance. Plans, renderings and cost estimates are vital in helping to clarify the scope of the work to be performed.*

*The Budget Form is part of the grant application and MUST be completed. Additional pro forma or other financial analysis can be included in the financial commitments attachment but will NOT be considered as a substitute for the required budget form.*

*The scoring guidelines can be downloaded from the application information section in IowaGrants.*

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**Project Address** 403 West 4th Street North  
 Newton, Iowa 50208  
City State Zip Code

**Census Tract** 403

**Project Appropriateness**

**Description of the complete project** The proposed multi-residential project is part of a larger, adaptive reuse of former Maytag Headquarters buildings into a compelling mixed-use place located within the C-CBD

**scope of work:** (Central Business District Commercial) zoning district and Newton's Main Street District.  
(2,000 characters maximum)

The project, in its entirety, includes multi-family housing; a hotel with lobby bar; a 500-seat ballroom/convention space; retail, restaurant, and office spaces; and an enhanced gathering and green space area.

The Downtown Housing Grant funds can be attributed to all housing related expenses even though the project may include elements of commercial improvement. Use this space to clearly describe the total project scope of the proposed project including housing, commercial, and exterior improvements. Include project planning that has already occurred and a description of each major component of the project.

**Description of the housing elements of the project:**  
(2,000 characters maximum)

The 72 new housing units will be unique to Newton in that the units will be the first warehouse conversion apartments. The units will be desirable to a younger workforce with exposed brick walls, 11' ceilings, and stainless steel appliances. The units will compete with projects in Des Moines for quality and aesthetic. The units will assist in attracting workers to Newton.

Clearly describe the elements of the project that are directly related to the housing portion of the project. Describe number of units, design considerations, and how the project will use appropriate rehabilitation and design practices and techniques. Describe residential amenities (laundry, high speed internet, etc.) that will be included in each unit or project. Describe green/sustainable elements that will increase the energy efficiency of the project.

**Project Impact**

**Description of the project's impact on the community/downtown district:**  
(2,000 characters maximum)

The apartments, boutique hotel, and event center project will transform Newton's Downtown through intentional investment, both public and private, which will build vibrancy and establish a model for rural mixed use redevelopment in the State of Iowa. The project will achieve this end by elevating the experiential commercial uses (a necessity in the era of online shopping) and creating a sustainable mixed-use neighborhood, anchoring a downtown where one can live, work, and play. The residential component is critical to the success of Newton's downtown district by providing density in population. A downtown with residents is a vibrant downtown.

Clearly describe how the proposed project will exhibit strong impact on the community and the downtown. Include how the project will be a catalyst for economic development, improve the appearance of the site and community, describe how the project fits into pertinent community goals. Describe the project's location in downtown or its relationship to downtown.

**Description of the project's impact on housing in the community/downtown:**  
(2,000 characters maximum)

Like most rural communities, Newton's market rate housing stock is very low. In fact, Newton had no new multi-family apartments building from 2001 through 2018. Combined with more stringent financing, demand for additional rental housing is at an all-time high. This demand is across the board, from administrative level individuals wanting to live in rental housing while they shop around or build a new home, to the young teachers and service workers moving to a community. Cities can't achieve economic growth without great housing. The project proposes amenities and features that the modern workforce demands, typically prevalent in urban revitalization districts.

Clearly describe how the project will support a direct impact on the growth of upper story/community housing opportunities. Clearly describe the need for the proposed project's housing in downtown; reference specific data when applicable/available. Describe how many housing units will be created and/or improved with this project.

**Will the project serve as an example for other building owners?**

Yes

**Will this project create new units in underutilized upper story space?**

Yes

**Number of new units:**

72

**Will the project rehabilitate underutilized existing upper story apartments?**

No

**Not Awarded Applications (INTERNAL USE ONLY)**



**Decline Letter**

Reason for decline (if available):

**Budget**

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|                      |                 |
|----------------------|-----------------|
| Grant Request Amount | \$600,000.00    |
| Cash Match           | \$24,043,841.00 |
| Total Project Cost   | \$24,643,841.00 |

**Sources of Funds**

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| Source of Funds            | Amount          | Commitment Status | Conditions/Additional Information            |
|----------------------------|-----------------|-------------------|--|
| Downtown Housing Grant     | \$600,000.00    | Applied for       |  |
| State/Federal Funds        | \$5,743,841.00  | Applied for       | Part I, 1.5 are complete. Part 2 in process. |
| Local Incentives           | \$900,000.00    | Secured           | Ten Year Tax Rebate & Local Housing Grant    |
| Private Equity Investment  | \$1,500,000.00  | Secured           |  |
| Private Loans              | \$15,900,000.00 | Secured           | Commitment Letter- Fortress Bank             |
| Other Amount (Applied for) | \$0.00          |                   |  |
| Other Amount (Secured)     | \$0.00          |                   |  |
| Total                      | \$24,643,841.00 |                   |  |

**Tax Benefits**

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| Source of Tax Benefit                   | Yes/No | Commitment Status | Comments   |
|---|--------|-------------------|--|
| Workforce Housing Tax Incentive Program | Yes    | Applied For       |  |
| Federal Historic Tax Credit             | Yes    | Applied For       | Part I and Part 1.5 complete. Part II in process |
| State Historic Tax Credit               | Yes    | Applied For       | Part I and Part 1.5 complete. Part II in process |
| Tax Increment Financing (Rebate)        | Yes    | Secured           | Resolution of Intent Approved by City Council    |
| New Markets Tax Credit                  | No     |                   |  |
| Tax Abatement                           | No     |                   |  |
| Other                                   | Yes    | Secured           | Iowa Reinvestment District                       |

**Uses of Funds**

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| Uses                             | Cost (labor & materials) |
|----------------------------------|--------------------------|
| Construction - Exterior Envelope | \$1,569,615.00           |
| Construction - Windows/Doors     | \$602,700.00             |
| Construction - Roofing           | \$0.00                   |
| Construction - HVAC              | \$1,064,880.00           |
| Construction - Plumbing          | \$1,331,100.00           |

|   |                        |
|---|------------------------|
| Construction - Electrical   | \$1,527,840.00         |
| Construction - Insulation   | \$288,000.00           |
| Construction - General Carpentry  | \$424,216.00           |
| Construction - Finishes (paint, carpet, fixtures, etc.)                       | \$3,640,039.00         |
| <b>Construction Subtotal</b>  | <b>\$10,348,390.00</b> |
| Site Preparation (staging, demo/clean-up, asbestos, etc.)                     | \$225,000.00           |
| Professional Services (architect, engineer, historic preservation consultant) | \$1,963,632.00         |
| Fees & Permits (mortar test, Iowa tax credits application, bldg permit, etc.) | \$50,000.00            |
| Other   | \$1,754,450.00         |
| Contingencies   | \$773,898.00           |
| <b>TOTAL BUDGET</b>   | <b>\$15,115,370.00</b> |

### ***Building Information***

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#### **Building Information 1**

City - Property Address: 403 West 4th Street North  
Property Owner: Des Moines Area Community College  
Address: 2006 South Ankeny Blvd  
City/State/Zip: Ankeny, Iowa, 50023  
Telephone Numbers: Cell Phone 515-971-6953, Fax  
E-mail Address: kmr:didier@dmacc.edu

Provide background on the beneficiary. Be sure to include community involvement, length of time in the community, etc.: (1,000 characters max.)  
DMACC was gifted the property in 2016. DMACC, in partnership with the City of Newton, has been working to create market rate housing at the campus for over four years.  
DMACC has a purchase agreement with Christensen Development to build between 50 and 80 market rate apartments in the building.

Property Address: 403 West 4th Street North- Building 16  
Year Built: 1911  
If vacant, how long: 4  
Square footage: 16300  
Square footage: 50020  
Current Use: Service  
Current Use: Vacant  
# of Residential Units  
Number of Residential Units  
Proposed Use: Residential  
Proposed Use: Residential  
# of Proposed Residential Units: 72  
Proposed Start Date: 06/01/2022  
Projected Completion Date: 06/30/2023  
Project architect: David Voss, Slingshot  
Listed or eligible for listing in the National Register of Historic Places: Yes  
Does the local: No

community have a design review process?

Will the project be part of a CDBG Downtown Revitalization Grant? No

Will the project receive any other federal funding? Not Sure

County/City Assessor Property Card Assessor Card.pdf

Cost estimates for all proposed construction work. Legacy Building 16 Newton Apartments\_Conceptual Budget\_12.30.2021.pdf

Submitted Part 1 Historic Tax Credits application

Submitted Part 2 Historic Tax Credits application

Detailed sketches, schematics or plans of project property or site including any design assistance drawings. (if applicable) Catalyst Dvlp\_SHiPO 1.5 Mtg Presentation\_2021-0907\_FINAL\_Part 4of4.pdf

Photograph(s) of the building and/or proposed site as it currently appears. Building 16 southside.JPG

Historic photographs of the property/project as available Catalyst Dvlp\_SHiPO 1.5 Mtg Presentation\_2021-0907\_FINAL\_Part 1of4.pdf

### Required Documents

| Attachment   | Description  | File Name   | Type | File Size |
|--|--|---|------|-----------|
| Project Assurances<br>Download the Project Assurances template <a href="#">HERE</a>  | Project Assurances   | Project Assurances Page.pdf                         | pdf  | 79 KB     |
| Map of downtown district with location of project marked AND location where project exterior photos were taken.  | City of Newton Iowa Reinvestment District with the project building outlined in green. The photo submitted location noted in yellow. | Newton Legacy Reinvestment District_rev 1-25-22.pdf | pdf  | 811 KB    |
| List and description of any additional contractual liabilities pertaining to this grant proposal and other than those appearing on the Project Development cost form |  |   |      |           |
| Financial loan commitment letters/pro formas<br>If multiple, scan into one document and upload   | Loan commitment letter from Fortress Bank  | Newton, IA - Proof of Financing Letter 1.26.22.pdf  | pdf  | 31 KB     |
| Grant award letters pertaining to the project<br>If multiple, scan into one document and upload  |  |   |      |           |
| Grant Receipt (City) W9<br>Download IRS form W9 <a href="#">HERE</a>   | City W-9 Form  | W9 signed for 2022.pdf                              | pdf  | 108 KB    |

### Minority Impact Statement

Does the proposed grant program or policy have a disproportionate or unique [positive impact](#) on minority persons? No

Could the proposed grant program or policy have a

Exhibit I-22

Execution Version

disproportionate or unique negative impact on minority persons? \*

I hereby certify the information above is complete and accurate to the best of my knowledge.

Yes

Community Development Director

Erin

Chambers

Title

First Name

Last Name



**EXHIBIT B**

**U.S. DEPARTMENT OF THE TREASURY  
CORONAVIRUS LOCAL FISCAL RECOVERY FUND  
AWARD TERMS AND CONDITIONS**

1. Use of Funds.

a. Participant understands and agrees that the funds disbursed under this award may only be used in compliance with section 603(c) of the Social Security Act (the Act), Treasury's regulations implementing that section, and guidance issued by Treasury regarding the foregoing.

b. Participant will determine prior to engaging in any project using this assistance that it has the institutional, managerial, and financial capability to ensure proper planning, management, and completion of such project.

2. Period of Performance. The period of performance for this award begins on the date hereof and ends on December 31, 2026. As set forth in Treasury's implementing regulations, Participant may use award funds to cover eligible costs incurred during the period that begins on March 3, 2021 and ends on December 31, 2024.

3. Reporting. Participant agrees to comply with any reporting obligations established by Treasury as they relate to this award.

4. Maintenance of and Access to Records

a. Participant shall maintain records and financial documents sufficient to evidence compliance with section 603(c) of the Act, Treasury's regulations implementing that section, and guidance issued by Treasury regarding the foregoing

b. The Treasury Office of Inspector General and the Government Accountability Office, or their authorized representatives, shall have the right of access to records (electronic and otherwise) of Participant in order to conduct audits or other investigations.

c. Records shall be maintained by Participant for a period of five (5) years after all funds have been expended or returned to Treasury, whichever is later.

5. Pre-award Costs. Pre-award costs, as defined in 2 C.F.R. § 200.458, may not be paid with funding from this award.

6. Conflicts of Interest. Recipient understands and agrees it must maintain a conflict of interest policy consistent with 2 C.F.R. § 200.318(c) and that such conflict of interest policy is applicable to each activity funded under this award. Recipient and subrecipients must disclose in writing to Treasury or the pass-through entity, as appropriate, any potential conflict of interest affecting the awarded funds in accordance with 2 C.F.R. § 200.112.

7. Compliance with Applicable Law and Regulations

a. Recipient agrees to comply with the requirements of section 603 of the Act, regulations adopted by Treasury pursuant to section 603(f) of the Act, and guidance issued by Treasury regarding the foregoing. Recipient also agrees to comply with all

other applicable federal statutes, regulations, and executive orders, and Recipient shall provide for such compliance by other parties in any agreements it enters into with other parties relating to this award.

b. Federal regulations applicable to this award include, without limitation, the following:

i. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. Part 200, other than such provisions as Treasury may determine are inapplicable to this Award and subject to such exceptions as may be otherwise provided by Treasury. Subpart F – Audit Requirements of the Uniform Guidance, implementing the Single Audit Act, shall apply to this award.

ii. Universal Identifier and System for Award Management (SAM), 2 C.F.R. Part 25, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 25 is hereby incorporated by reference.

iii. Reporting Subaward and Executive Compensation Information, 2 C.F.R. Part 170, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 170 is hereby incorporated by reference.

iv. OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Non procurement), 2 C.F.R. Part 180, including the requirement to include a term or condition in all lower tier covered transactions (contracts and subcontracts described in 2 C.F.R. Part 180, subpart B) that the award is subject to 2 C.F.R. Part 180 and Treasury's implementing regulation at 31 C.F.R. Part 19.

v. Recipient Integrity and Performance Matters, pursuant to which the award term set forth in 2 C.F.R. Part 200, Appendix XII to Part 200 is hereby incorporated by reference.

vi. Governmentwide Requirements for Drug-Free Workplace, 31 C.F.R. Part 20.

vii. New Restrictions on Lobbying, 31 C.F.R. Part 21.

viii. Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (42 U.S.C. §§ 4601-4655) and implementing regulations.

ix. Generally applicable federal environmental laws and regulations.

c. Statutes and regulations prohibiting discrimination applicable to this award include, without limitation, the following:

i. Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq.) and Treasury's implementing regulations at 31 C.F.R. Part 22, which prohibit discrimination on the basis of race, color, or national origin under programs or activities receiving federal financial assistance;

- ii. The Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§ 3601 et seq.), which prohibits discrimination in housing on the basis of race, color, religion, national origin, sex, familial status, or disability;
- iii. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of disability under any program or activity receiving federal financial assistance;
- iv. The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101 et seq.), and Treasury's implementing regulations at 31 C.F.R. Part 23, which prohibit discrimination on the basis of age in programs or activities receiving federal financial assistance; and
- v. Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. §§ 12101 et seq.), which prohibits discrimination on the basis of disability under programs, activities, and services provided or made available by state and local governments or instrumentalities or agencies thereto.

8. Remedial Actions. In the event of Recipient's noncompliance with section 603 of the Act, other applicable laws, Treasury's implementing regulations, guidance, or any reporting or other program requirements, Treasury may impose additional conditions on the receipt of a subsequent tranche of future award funds, if any, or take other available remedies as set forth in 2 C.F.R. § 200.339. In the case of a violation of section 603(c) of the Act regarding the use of funds, previous payments shall be subject to recoupment as provided in section 603(e) of the Act.

9. Hatch Act. Recipient agrees to comply, as applicable, with requirements of the Hatch Act (5 U.S.C. §§ 1501-1508 and 7324-7328), which limit certain political activities of State or local government employees whose principal employment is in connection with an activity financed in whole or in part by this federal assistance.

10. False Statements. Recipient understands that making false statements or claims in connection with this award is a violation of federal law and may result in criminal, civil, or administrative sanctions, including fines, imprisonment, civil damages and penalties, debarment from participating in federal awards or contracts, and/or any other remedy available by law.

11. Publications. Any publications produced with funds from this award must display the following language: "This project [is being] [was] supported, in whole or in part, by federal award number [enter project FAIN] awarded to [name of Recipient] by the U.S. Department of the Treasury.

12. Debts Owed the Federal Government.

- a. Any funds paid to Recipient (1) in excess of the amount to which Recipient is finally determined to be authorized to retain under the terms of this award; (1) that are determined by Treasury to be subject to a repayment obligation pursuant to section 603(e) of the Act and have not been repaid by Recipient shall constitute a debt to the federal government.

b. Any debts determined to be owed the federal government must be paid promptly by Recipient. A debt is delinquent if it has not been paid by the date specified in Treasury's initial written demand for payment, unless other satisfactory arrangements have been made or if the Recipient knowingly or improperly retains funds that are a debt as defined in paragraph 14(a). Treasury will take any actions available to it to collect such a debt.

13. Disclaimer.

a. The United States expressly disclaims any and all responsibility or liability to Recipient or third persons for the actions of Recipient or third persons resulting in death, bodily injury, property damages, or any other losses resulting in any way from the performance of this award or any other losses resulting in any way from the performance of this award or any contract, or subcontract under this award.

b. The acceptance of this award by Recipient does not in any way establish an agency relationship between the United States and Recipient.

14. Protections for Whistleblowers.

a. In accordance with 41 U.S.C. § 4712, Recipient may not discharge, demote, or otherwise discriminate against an employee in reprisal for disclosing to any of the list of persons or entities provided below, information that the employee reasonably believes is evidence of gross mismanagement of a federal contract or grant, a gross waste of federal funds, an abuse of authority relating to a federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal contract (including the competition for or negotiation of a contract) or grant.

b. The list of persons and entities referenced in the paragraph above includes the following:

- i. A member of Congress or a representative of a committee of Congress;
- ii. An Inspector General;
- iii. The Government Accountability Office;
- iv. A Treasury employee responsible for contract or grant oversight or management;
- v. An authorized official of the Department of Justice or other law enforcement agency;
- vi. A court or grand jury; or
- vii. A management official or other employee of Recipient, contractor, or subcontractor who has the responsibility to investigate, discover, or address misconduct.

c. Recipient shall inform its employees in writing of the rights and remedies provided under this section, in the predominant native language of the workforce.

15. Increasing Seat Belt Use in the United States. Pursuant to Executive Order 13043, 62 FR 19217 (Apr. 18, 1997), Recipient should encourage its contractors to adopt and enforce on-the-job seat belt policies and programs for their employees when operating company-owned, rented or personally owned vehicles.



16. Reducing Text Messaging While Driving. Pursuant to Executive Order 13513, 74 FR 51225 (Oct. 6, 2009), Recipient should encourage its employees, subrecipients, and contractors to adopt and enforce policies that ban text messaging while driving, and Recipient should establish workplace safety policies to decrease accidents caused by distracted drivers.

[End of Exhibit B]

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*Execution Version*

Exhibit I-28

February 7, 2023

The Board of Supervisors of Jasper County, State of Iowa, met in regular session, in the Supervisors Room, County Courthouse, 101 1st Street N, Newton, Iowa, at 9:30 A.M., on the above date. There were present Chairperson Talsma, in the chair, and the following named Board Members:

Denny Stevenson

Absent: Doug Cupples

Vacant: N/A

\*\*\*\*\*

Board Member Stevenson then introduced the following proposed Resolution entitled "RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF A JOINT AGREEMENT BY AND BETWEEN JASPER COUNTY, IOWA AND THE CITY OF NEWTON, IOWA", and moved that the same be adopted. Board Member Talsma seconded the motion to adopt. The roll was called and the vote was,

AYES: 11

NAYS: N/A

Whereupon, the Chairperson declared the Resolution duly adopted as follows:

CERTIFICATE

STATE OF IOWA )  
 ) SS  
COUNTY OF JASPER )

I, the undersigned County Auditor of Jasper County, State of Iowa, do hereby certify that attached is a true and complete copy of the portion of the records of the County showing proceedings of the Board, and the same is a true and complete copy of the action taken by the Board with respect to the matter at the meeting held on the date indicated in the attachment, which proceedings remain in full force and effect, and have not been amended or rescinded in any way; that meeting and all action thereat was duly and publicly held in accordance with a notice of meeting and tentative agenda, a copy of which was timely served on each member of the Board and posted on a bulletin board or other prominent place easily accessible to the public and clearly designated for that purpose at the principal office of the Board pursuant to the local rules of the Board and the provisions of Chapter 21, Code of Iowa, upon reasonable advance notice to the public and media at least twenty-four hours prior to the commencement of the meeting as required by law and with members of the public present in attendance; I further certify that the individuals named therein were on the date thereof duly and lawfully possessed of their respective county offices as indicated therein, that no Board vacancy existed except as may be stated in the proceedings, and that no controversy or litigation is pending, prayed or threatened involving the incorporation, organization, existence or boundaries of the County or the right of the individuals named therein as officers to their respective positions.

WITNESS my hand and the seal of the Board hereto affixed this 7<sup>th</sup> day of February, 2023.

*Jenna Jerry*  
County Auditor, Jasper County, State of Iowa

