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**DEVELOPMENT AGREEMENT**

This Agreement is entered into between Woodbury County, Iowa (the "County") and Ag Processing Inc a cooperative (the "Company") as of the 1st day of March, 2022.

WHEREAS, the County has established the Grow Woodbury County Urban Renewal Area (the "Urban Renewal Area"), and has adopted a tax increment ordinance for the Urban Renewal Area; and

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

WHEREAS, the Company has proposed to undertake the expansion of an existing soybean processing facility (the "Project") on the Property for use in its business operations; and

WHEREAS, the Company has entered into an agreement with the Iowa Economic Development Authority (the "IEDA") under the State of Iowa's High Quality Jobs Program to construct the Project, and thereby has been granted assistance under Part 13 of Chapter 15 of the Code of Iowa, and such program requires a certain level of local government; and

WHEREAS, the Company has requested that the County provide financial assistance in the form of incremental property tax payments to be used by the Company in paying the costs of constructing and maintaining the Project on the Property; and

WHEREAS, the base valuation of the Property for purposes of calculating Incremental Property Tax Revenues (as hereinafter defined) under Section 403.19 of the Code of Iowa and this Agreement is \$ 32,338,950 (the "Base Valuation"); and

WHEREAS, Chapter 15A of the Code of Iowa authorizes cities to provide grants, loans, guarantees, tax incentives and other financial assistance to or for the benefit of private persons;

NOW THEREFORE, the parties hereto agree as follows:

**A. Company's Covenants**

**1. Project Construction and Use.** The Company agrees to construct the Project on the Property and to maintain and use the completed Project as part of its business operations throughout the Term, as hereinafter defined. Furthermore, the Company reasonably expects to invest approximately \$70,400,000 into capital improvements for the Project, including construction work, equipment, furnishings and other capital improvements. Furthermore, the Company reasonably expects to create not less than two (2) new full time jobs in connection with its operations at the completed Project. The Company agrees to complete the construction of the project by December 31, 2023. The Company agrees to maintain compliance with local zoning, land use, building and safety codes and regulations throughout its construction and use of the Project.

2. **Property Taxes.** The Company agrees to make timely payment of all property taxes as they come due with respect to the Property with the completed Project thereon throughout the Term, as hereinafter defined, and, if requested by the County, to submit a receipt or cancelled check in evidence of each such payment.

3. **Company's Certifications.** The Company shall not materially change the Project or the nature of the business and activities being conducted or proposed to be conducted by the Company on the Property.

4. **Minimum Assessment Agreement.** The Company agrees to enter into an assessment agreement (the "Assessment Agreement"), pursuant to Section 403.6 of the Code of Iowa fixing the minimum assessed actual valuation increase for the Property during the Term of this Agreement, as hereinafter defined, at not less than Eleven Million Two Hundred Thousand Dollars (\$11,200,000) (the "Minimum Assessed Valuation") as of January 1, 2024 (the "First Valuation Date"). It is intended by the Company that the Minimum Assessed Valuation shall be established on the Woodbury County property tax rolls as of the First Valuation Date regardless of the then-current degree of completion or incompleteness of the Project. The Assessment Agreement shall be in substantially the form attached hereto as Exhibit B.

5. **No Abatement; No Property Tax Exemption.** The Company agrees that it will not seek any tax exemption or abatement either presently or prospectively authorized under any State, federal or local law with respect to taxation of the improvements comprising the completed Project on the Property throughout the Term (as hereinafter defined) including causing or allowing the property to be leased, sold, transferred to or otherwise used by an entity that is exempt from property taxes under the laws of the State of Iowa (except for any conveyance or sale to the County).

6. **Economic Development Assistance Contract.** The Company agrees that it will enter into, and maintain compliance under, a certain Economic Development Assistance Contract (the "IEDA Contract") with the Iowa Economic Development Authority. At such time that the IEDA Contract is executed, it shall be inserted as Exhibit C of this Agreement. The Company agrees to submit documentation to the County no later than each October 15 during the Term, as hereinafter defined, commencing October 15, 2024 demonstrating that the Company is in compliance with the requirements of the IEDA Contract. Furthermore, the Company agrees to provide written notice to the County within thirty (30) days of the receipt of any notification from IEDA that the Company has fallen out of compliance with the requirements of the IEDA Contract.

7. **Default Provisions.** 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 (unless otherwise provided), any one or more of the following events:

- a) Failure by the Company to commence and complete construction of the Project pursuant to the terms and conditions of this Agreement.
- b) Failure by the Company to fully and timely remit payment of property taxes when due and owing.

- c) Failure by the Company to keep the completed Project in service as part of its business operations on the Property throughout the Term, as hereinafter defined.
- d) Failure by the Company to maintain compliance with the IEDA Contract.
- e) Failure by the Company to comply with Sections A.2, A.3 A.4, A.5, A.6 or A.6 of this Agreement.

Whenever any event of default described in this Agreement occurs, the County shall provide written notice to the Company describing the cause of the default and the steps that must be taken by the Company in order to cure the default. The Company shall have thirty (30) days after receipt of the notice to cure the default or to provide reasonable assurances satisfactory to County that the default will be cured as soon as reasonably possible. If the Company fails to cure the default or provide reasonable assurances, the County shall then have the right to pursue any action available to it, at law or in equity, which may include:

- a) Pursue any action available to it, at law or in equity, in order to enforce the terms of this Agreement.
- b) Withholding of the Payments provided for under Section B.1 below.

**8. Legal and Administrative Costs.** The Company hereby acknowledges that the County will cover the initial payment of legal fees and administrative costs (the "Actual Admin Costs") incurred by the Company in connection with the drafting, negotiation and authorization of this Agreement, including the necessary amendment to the Urban Renewal Area. Furthermore, the Company agrees that the County shall withhold an amount (the "Admin Withholding Amount") equal to the lesser of (1) \$10,000 or (2) the Actual Admin Costs from the initial Payments, as hereinafter set forth in order to recover some or all of the Actual Admin Costs.

## **B. County's Obligations**

**1. Payments.** In recognition of the Company's obligations set out above, the County agrees to make five (5) annual economic development tax increment payments (the "Payments" and each, individually a "Payment") to the Company during the Term, as hereinafter defined, pursuant to Chapters 15A and 403 of the Code of Iowa, provided however that the aggregate, total amount of the Payments shall not exceed \$1,000,000 (the "Maximum Payment Total").

The Payments shall not constitute general obligations of the County, but shall be made solely and only from Incremental Property Tax Revenues received by the County from the Woodbury County Treasurer attributable to the taxable valuation of the Property.

Prior to funding any Payments under this Agreement, the County will first withhold from the Incremental Property Tax Revenues an amount equal to the Admin Withholding Amount. Once an amount equal to the Admin Withholding Amount has been withheld by the County, the Payments shall be made as hereinafter set forth.

Subject to section B.2. below, each Payment shall be calculated pursuant to Chapters 15A and 403 of the Code of Iowa to equal the amount which represents the "Annual Percentage" of

the Incremental Property Tax Revenues available to the County with respect to the Property during the twelve (12) months immediately preceding each Payment date.

This Agreement assumes that some or all of the new valuation from the Project will go on the property tax rolls as of January 1, 2024. Accordingly, Payments will be made on June 1 of each fiscal year, beginning June 1, 2026, and continuing through and including June 1, 2030, or until such earlier date upon which total Payments equal to the Maximum Payment Total have been made.

2. **Payment Amounts.** The aggregate Payments to be made in a fiscal year shall not exceed \$200,000.

C. **Administrative Provisions**

1. **Amendment and Assignment.** This Agreement may not be amended or assigned by either party without the written consent of the other party. However, the County hereby gives its permission that the Company's rights to receive the Payments hereunder may be assigned by the Company, as security on a credit facility taken with respect to the Project, without further action on the part of the County.


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


3. **Term.** The term (the "Term") of this Agreement shall commence on the Commencement Date and end on June 1, 2030 or on such earlier date upon which the aggregate sum of Payments made to the Company equals the Maximum Payment Total.

4. **Choice of Law.** This Agreement shall be deemed to be a contract made under the laws of the State of Iowa and for all purposes shall be governed by and construed in accordance with laws of the State of Iowa.

The County and the Company have caused this Agreement to be signed, in their names and on their behalf by their duly authorized officers, all as of the day and date written above.

WOODBURY COUNTY, IOWA

By:   
Chairperson, Board of Supervisors  
Keith Radig

Attest:   
County Auditor  
Pat Gill

AG PROCESSING INC a cooperative

By:   
\_\_\_\_\_  
Kyle Droscher, Group Vice President  
Finance, Chief Financial Officer



**EXHIBIT A**  
**LEGAL DESCRIPTION OF THE PROPERTY**

Certain real property located in Woodbury County, Iowa more specifically described as follows:

Woodbury County Property Tax Identification Number: 87431300001

**EXHIBIT B**

**MINIMUM ASSESSMENT AGREEMENT**

**Recorder's Cover Sheet**

**Preparer Information:** (name, address and phone number)

John P. Danos, Esq., Dorsey & Whitney LLP, 801 Grand Avenue, Suite 4100, Des Moines, IA 50309; Phone: 515-699-3275

**Return Document To:**

David Gleiser, Community and Economic Development Director, Woodbury County, Iowa, 620 Douglas St. 6<sup>th</sup> Flr, Sioux County, IA 51101; Phone: 712-279-6609

**County:**

Woodbury County, Iowa

**Property Owner:**

**Ag Processing Inc a cooperative**

**Legal Description:**

**Book & Page Reference if applicable:**

**MINIMUM ASSESSMENT AGREEMENT**

THIS AGREEMENT, dated as of the 1<sup>st</sup> day of March, 2022, by and among the Woodbury County, Iowa (the "County"), Ag Processing Inc a cooperative (the "Property Owner"), and the County Assessor of Woodbury County (the "Assessor").

**WITNESSETH**

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

WHEREAS, the Property Owner has undertaken the expansion of an existing soybean processing facility on the Property; and

WHEREAS, a development agreement (the "Development Agreement"), dated March 1<sup>st</sup>, 2022, has been executed between the County and the Property Owner in connection with the Property Owner's investment in the Property; and

WHEREAS, the Assessor's records show the valuation for the Property and any improvements as of January 1, 2022 to be \$ 32,338,950 and

WHEREAS, pursuant to Section 403.6(19) of the Code of Iowa, the County and the Property Owner desire to establish a minimum taxable value for the Property and the improvements to be constructed thereon, which shall be effective as of January 1, 2024, and from then until this Agreement is terminated pursuant to the terms herein and which is intended to reflect the minimum market value of the land and improvements;

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

1. Effective January 1, 2024, the minimum actual value which shall be assessed for the Property, attributable to the improvements to be constructed thereon, shall be Eleven Million Two Hundred Thousand Dollars (\$11,200,000) until termination of this Agreement.
2. The Property Owner agrees to pay when due, all taxes and assessments, general or special, and all other charges whatsoever levied upon or assessed or placed against the Property, subject to any limitations set forth in the Development Agreement. The Property Owner further agrees that until this Agreement is terminated they will not seek administrative or judicial review of the applicability, enforceability, or constitutionality of this Agreement or the obligation to be taxed based upon the Minimum Actual Value or to raise any such argument by way of defense in any proceedings, including delinquent tax proceedings.
3. The Property Owner further agrees that until this Agreement is terminated it will not seek any tax exemption or abatement either presently or prospectively authorized under any State, federal or local law with respect to taxation of the Property including causing or allowing



the property to be leased, sold, transferred to or otherwise used by an entity that is exempt from property taxes under the laws of the State of Iowa.

4. This Agreement, and the minimum assessed valuation established herein, shall be effective until the earlier of: a) June 1, 2030; or b) at the option of the Property Owner upon the County's failure to make any of the Payments (as defined in the Development Agreement).

5. Nothing herein shall be deemed to waive the Property Owner's rights under Section 403.6(19) Code of Iowa, (2022) or otherwise, to contest that portion of any actual value assignment made by the Assessor in excess of the Minimum Actual Value.

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

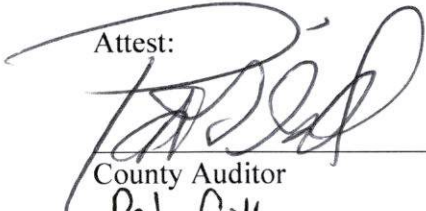
7. Neither the preamble nor provisions of this Agreement are intended to, nor shall they be construed as, modifying the terms of any other contract between the County and the Property Owner, including the Development Agreement.

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

WOODBURY COUNTY, IOWA

By:   
Chairperson, Board of Supervisors  
Keith Radig

Attest:

  
County Auditor  
Pat Gill

AG PROCESSING INC a cooperative

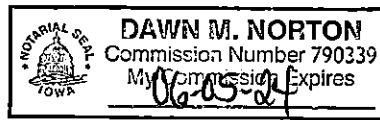
By:   
Kyle Droescher, Group Vice President  
Finance, Chief Financial Officer



STATE OF IOWA            )  
                                          )  
                                          )        SS:  
COUNTY OF WOODBURY)

The foregoing instrument was acknowledged before me this 13<sup>th</sup> day of March,  
2022, by Pat Gill, the Auctor of Woodbury County, Iowa, on behalf of the County.

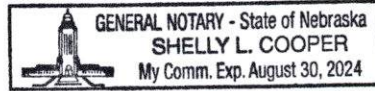
Dawn M Norton  
Notary Public



STATE OF ~~IOWA~~ Nebraska )  
 )  
COUNTY OF ~~WOODBURY~~ ) SS:  
Douglas )

The foregoing instrument was acknowledged before me this 14<sup>th</sup> day of March, 2022 by Kyle Droscher the Group Vice President Finance, Chief Financial Officer of Ag Processing Inc a cooperative.

Shelly L. Cooper  
Notary Public



**EXHIBIT A TO MINIMUM ASSESSMENT AGREEMENT**

Woodbury County Property Tax Identification Number: 8743130001

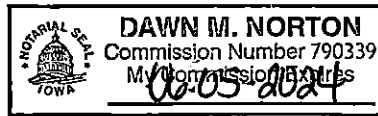
CERTIFICATION BY ASSESSOR

The undersigned Assessor, being legally responsible for the assessment of the above described property upon completion of improvements to be made on it, hereby certifies that the actual value assigned to such land and improvements upon completion, shall be not less than Eleven Million Two Hundred Thousand Dollars (\$11,200,000) until termination of the Agreement.

Julie Conolly  
County Assessor for Woodbury County,  
State of Iowa  
Julie Conolly

Subscribed and sworn to before me this 9<sup>th</sup> day of March, 2022.

Dawn M. Norton  
Notary Public



LIENHOLDER'S CONSENT, IF ANY

In consideration of one dollar and other valuable consideration, the receipt of which is hereby acknowledged, and notwithstanding anything in any loan or security agreement to the contrary, the undersigned ratifies, approves, consents to and confirms the Assessment Agreement entered into between the parties, and agrees to be bound by its terms. This provision shall be binding on the parties and their respective successors and assigns.

[NAME OF LIENHOLDER]

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

Date: \_\_\_\_\_

STATE OF IOWA    )  
                          )    SS:  
COUNTY OF WOODBURY)

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2022 by \_\_\_\_\_ the \_\_\_\_\_ of \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

[Add additional pages for each Lienholder]

[If no Lienholders exist, this consent will not be completed]