

DEVELOPMENT AGREEMENT

This Development Agreement (the “Agreement”) is entered into between the City of Independence, Iowa (the “City”) and Indee Storage, LLC (the “Company”) as of the ____ day of _____, 2025 (the “Commencement Date”).

WHEREAS, the City has established the Independence 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 City, 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 construction (the “Project”) of new storage unit facilities and a commercial retail center (the “Retail Center”) for use in its business operations on the Property; 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 Operation.

Project

The Company agrees to construct the Project on the Property. The Company has submitted a detailed site plan (the “Site Plan”) for the development of the Project to the City. The Site Plan is attached hereto as Exhibit B. The Company agrees to construct the Project in accordance with the Site Plan and all local zoning, land use, building and safety codes and regulations. The Company agrees to complete construction of the Project by no later than December 31, 2028.

Business Operations Requirement

The Company agrees to maintain ownership of the Project and to ensure that the completed Project is used in its business operations throughout the Term (as hereinafter defined) of this Agreement (the “Business Operations Requirement”). For purposes of this Agreement, the Project shall be deemed to be used in the Company’s business operations if (i) the storage units are in use or actively available for lease at a reasonable market rate; and (ii) the units (the “Commercial Units”) comprising the Retail Center are being used in the ongoing business operations of one or more commercial enterprise(s) or are actively marketed for lease at a commercially reasonable rate, with temporary vacancies not constituting noncompliance.

Maintenance of Property

Further, throughout the Term of this Agreement, the Company agrees to maintain, preserve, and keep the Property, including but not limited to the Project, useful and 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. The Company agrees to maintain compliance with local zoning, land use, building and safety codes and regulations throughout the Term of this Agreement.

2. Company's Operational Certifications. The Company agrees to certify (the "Operational Certification") to the City by no later than October 15 of each year during the Term commencing in the year in which the Triggering Certification (as hereinafter defined) is filed, that the Company owns the Project and that the Company is in compliance with the Business Operations Requirement. Each Operational Certification, in the form set forth in Exhibit C hereto, shall be accompanied by documentation demonstrating, to the satisfaction of the City, that the Company is in compliance with the Business Operations Requirement.

3. 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 and to submit a receipt or cancelled check in evidence of each such payment.

4. Triggering Certification. The Company agrees to provide a written notification (the "Triggering Certification") to the City of its intent for the Payments (as defined in Section B.1 of this Agreement) to commence in a particular fiscal year. Such Triggering Certification shall be due by no later than October 15 of the calendar year immediately preceding the start of the fiscal year in which the initial Payments are intended to be made. The Company hereby acknowledges that the submission of the initial Worksheet (as defined in Section A.5 of this Agreement) will satisfy the requirements of this Section A.4. In any event, the Triggering Certification shall be made by no later than October 15, 2028. (It is hereby acknowledged that the City's fiscal year begins on July 1 and ends on the following June 30.)

5. Property Tax Payment Certification. For purposes of this Agreement, "Annual Percentage" shall mean the annual percentage in effect from time to time as set forth in the following table:

<u>Fiscal Year of City</u>	<u>Annual Percentage</u>	<u>Fiscal Year of City</u>	<u>Annual Percentage</u>
First Payment Year	90%	Sixth Payment Year	50%
Second Payment Year	80%	Seventh Payment Year	40%
Third Payment Year	70%	Eighth Payment Year	30%
Fourth Payment Year	60%	Ninth Payment Year	20%
Fifth Payment Year	50%	Tenth Payment Year	10%

The Company agrees to certify to the City by no later than October 15 of each year during the Term, commencing in the year in which the Triggering Certification is filed, an amount (the “Company’s Estimate”) equal to the estimated Annual Percentage of Incremental Property Tax Revenues (as hereinafter defined) anticipated to be paid in the fiscal year immediately following such certification with respect to the assessed taxable valuation of the Property factored by the Annual Percentage. In submitting each such Company’s Estimate, the Company will complete and submit the worksheet (the “Worksheet”) attached hereto as Exhibit D. The City reserves the right to review and request revisions to each such Company’s Estimate to ensure the accuracy of the figures submitted.

For purposes of this Agreement, Incremental Property Tax Revenues are calculated by: (1) determining the consolidated property tax levy (city, county, school, etc.) then in effect with respect to taxation of the Property; (2) subtracting (a) the debt service levies of all taxing jurisdictions, (b) the school district instructional support and physical plant and equipment levies, and (c) any other levies which may be exempted from such calculation by action of the Iowa General Assembly; (3) multiplying the resulting modified consolidated levy rate times any incremental growth in the taxable valuation of the Property, as shown on the property tax rolls of Buchanan County, above and beyond the Base Valuation (as hereinafter defined); and (4) deducting any property tax credits which shall be available with respect to taxable incremental valuation of the Property.

The “Base Valuation” of the Property for purposes of calculating Incremental Property Tax Revenues under this Agreement and Section 403.19 of the Code of Iowa shall be the assessed taxable valuation of the Property as of January 1, 2024.

Upon request, the City staff shall provide reasonable assistance to the Company in completing the worksheet required under this Section A.5

6. Legal and Administrative Costs. The Company hereby acknowledges that the City will cover the initial payment of legal fees and administrative costs (the “Actual Admin Costs”) incurred by the City 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 City shall withhold an amount (the “Admin Withholding Amount”) equal to the lesser of (1) \$8,000 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. “Actual Admin Costs” shall be defined as direct out-of-pocket legal and administrative expenses incurred solely in connection with this Agreement and related amendment to the Urban Renewal Area.

7. Default Provisions.

a. **Events of Default.** 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:

- (i) Failure by the Company to construct the Project pursuant to the terms and conditions of this Agreement.

- (ii) Failure by the Company to materially maintain compliance with the Business Operations Requirement pursuant to the terms and condition of this Agreement.
- (iii) Failure by the Company to fully and timely remit payment of property taxes when due and owing.
- (iv) Failure by the Company to materially comply with Sections A.2, A.4 and A.5 of this Agreement.
- (v) Failure by the Company to materially observe or perform any other material covenant on its part, to be observed or performed hereunder.

b. Notice and Remedies. Whenever any Event of Default described in this Agreement occurs, the City 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 assurances satisfactory to City that the default will be cured as soon as reasonably possible. If the Company fails to cure the default or provide assurances, the City shall then have the right to:

- (i) Pursue any action available to it, at law or in equity, in order to enforce the terms of this Agreement.
- (ii) Withhold the Payments provided for under Section B.1 below.
- (iii) Terminate this Agreement.

B. City's Obligations

1. Payments. In recognition of the Company's obligations set out above, the City agrees to make ten (10) annual economic development tax increment payments (the "Payments" and each, individually, a "Payment") to the Company during the Term, pursuant to Chapters 15A and 403 of the Code of Iowa, provided, however, that the aggregate, total amount of the Payments shall not exceed two hundred fifty thousand dollars (\$250,000) (the "Maximum Payment Total"), and all Payments under this Agreement shall be subject to annual appropriation by the City Council, as provided hereunder.

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

Prior to funding any Payments hereunder, the City shall retain an amount equal to the Admin Withholding Amount from the Incremental Property Tax Revenues received with respect to the Property. Once such amount has been withheld, the Payments shall be funded as described herein.

The Payments will be made on June 1 of each fiscal year following an affirmative appropriation decision as provided for under Section B.2 below, beginning on June 1 of the fiscal year immediately succeeding the year in which the Triggering Certification is made, and continuing for a period of a total of ten (10) fiscal years, provided, however, that no Payment will

be made after the sooner of (i) the date on which the aggregate sum of Payments made hereunder equals the Maximum Payment Total; or (ii) June 1, 2039.

For example, assuming the Triggering Certification is made on October 15, 2028 and all appropriation determinations are approved affirmatively by the City Council under Section B.2 below, Payments will be made on each June 1, beginning June 1, 2030, and continuing through and including the sooner of June 1, 2039, or the date on which the aggregate sum of Payments made hereunder equals the Maximum Payment Total.

2. Annual Appropriation. Each Payment shall be subject to annual appropriation by the City Council. Prior to December 1 of each year during the Term of this Agreement, commencing in the calendar year in which the Triggering Certification is filed, the City Council of the City shall consider the question of obligating for appropriation to the funding of the Payment due in the following fiscal year, an amount (the “Appropriated Amount”) of Incremental Property Tax Revenues to be collected in the following fiscal year equal to or less than the most recently submitted Company’s Estimate.

In any given fiscal year, if the City Council determines to not obligate the then-considered Appropriated Amount, then the City will be under no obligation to fund the Payment scheduled to become due in the following fiscal year, and the Company will have no rights whatsoever to compel the City to make such Payment, to seek damages relative thereto or to compel the funding of such Payment in future fiscal years. A determination by the City Council to not obligate funds for any particular fiscal year’s Payment shall not render this Agreement null and void, and the Company shall make the next succeeding submission of the Company’s Estimate as called for in Section A.5 above, provided however that no Payment shall be made after June 1, 2039. In the event the City fails to appropriate in three (3) or more years (consecutive or non-consecutive), the Company shall have the right to terminate this Agreement upon written notice to the City.

3. Payment Amounts. Each Payment shall be in an amount equal to the corresponding Appropriated Amount (for example, for the Payment due on June 1, 2030, the amount of such Payment would be determined by the Appropriated Amount determined for certification by December 1, 2028), provided, however, that no Payment shall exceed the Annual Percentage of Incremental Property Tax Revenues received by the City from the Buchanan County Treasurer during the twelve (12) months immediately preceding each Payment date attributable to the taxable valuation of the Property with the Project thereon.

4. Certification of Payment Obligation. In any given fiscal year, if the City Council determines to obligate the then-considered Appropriated Amount, as set forth in Section B.2 above, then the City Clerk will certify by December 1 of each such year to the Buchanan County Auditor an amount equal to the most recently obligated Appropriated Amount.

C. Administrative Provisions

1. Amendment and Assignment. Neither party may cause this Agreement to be amended, assigned, assumed, sold or otherwise transferred without the prior written consent of the other party. However, the City hereby gives its permission that the Company’s rights to receive

the Payments hereunder may be assigned by the Company to a private lender, as security on a credit facility taken with respect to the Project, without further action on the part of the City.

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, 2039, 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.

5. **Force Majeure.** Neither party shall be deemed in default due to delays caused by events beyond its reasonable control, including natural disasters, acts of government, labor strikes, supply chain disruptions or pandemics.

The City 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.

CITY OF INDEPENDENCE, IOWA

By: _____
Mayor

Attest:

City Clerk

INDEE STORAGE, LLC

By: _____

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

Lot 3 and Lot 4 Greenview Commercial Addition, City of Independence, Buchanan County, Iowa.

EXHIBIT B **SITE PLAN**

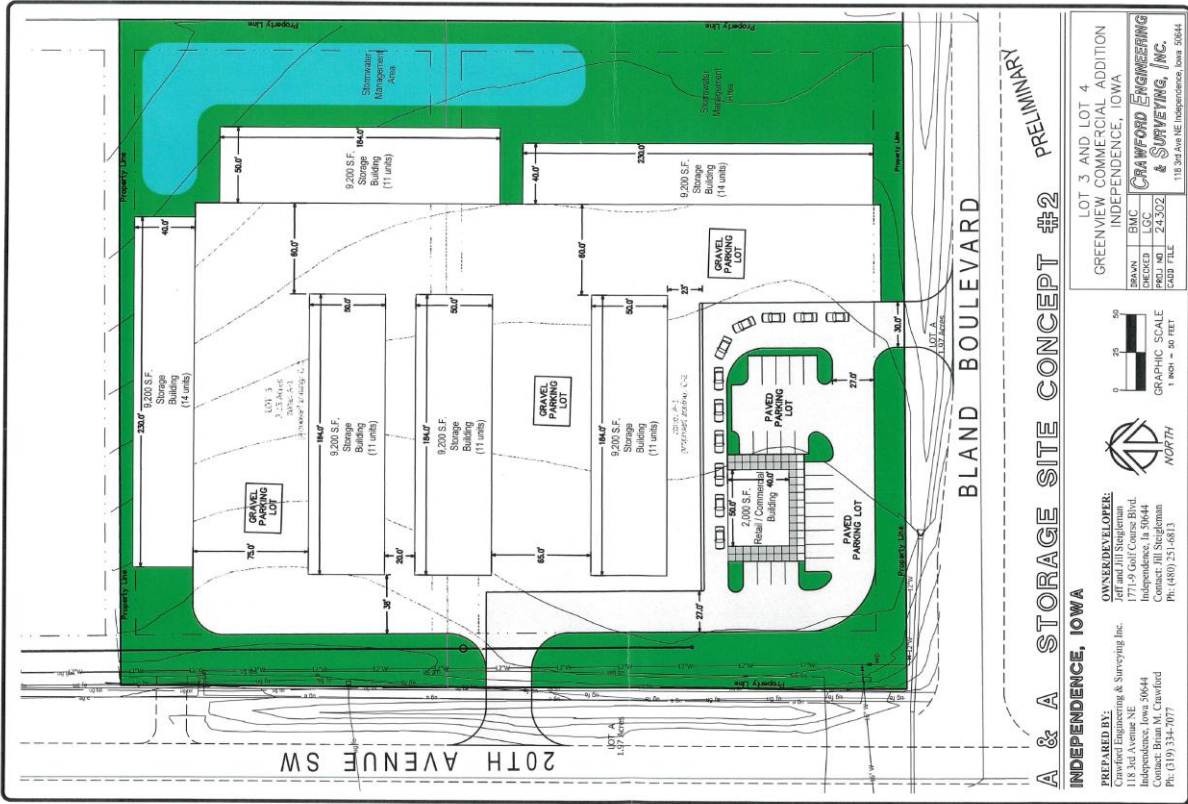


EXHIBIT C

OPERATIONAL CERTIFICATION

Date submitted: _____

Submitted by: _____

Contact information: _____

WHEREAS, the City of Independence, Iowa (the “City”) and Indee Storage, LLC (the “Company”) entered into a Development Agreement dated _____, 2025 (the “Development Agreement”); and

WHEREAS, the Company is submitting this Operational Certification (as defined in the Development Agreement), as required by the Development Agreement; and

WHEREAS, all capitalized terms herein have the same definition as set forth in the Development Agreement;

On behalf of the Company, I _____ [Name] the _____ [Title] of the Company hereby certify that the Company owns the Property, including the Project, and that the completed Project is being used in the business operations of the Company.

INDEE STORAGE, LLC

By: _____

Its: _____

EXHIBIT D
COMPANY'S ESTIMATE WORKSHEET

- (1) Date of Preparation: October ____, 20__.
- (2) Taxable Valuation of Property as of January 1, 20__:
\$_____.
- (3) Base Taxable Valuation of Property for purposes of Agreement:
\$_____.
- (4) Incremental Taxable Valuation of Property (2 minus 3):
\$_____ (the "TIF Value").
- (5) Current City fiscal year consolidated property tax levy rate for purposes of calculating Incremental Property Tax Revenues (the "Adjusted Levy Rate"):
\$_____ per thousand of value.
- (6) The TIF Value (4) factored by the Adjusted Levy Rate (5).
\$_____ x \$_____/1000 = \$_____ (the "TIF Estimate")
- (7) TIF Estimate (\$_____ x Annual Percentage* (____%) = Company's Estimate (\$_____).

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