
AGENDA ITEM SUMMARY

Subject: Resolution No. 64-21 Setting Public Hearing for Amendment to the 2017 Development Agreement with Cambrex. TIF Rebate

Agreement

Background Summary:

Resolution 64-21 also sets Public Hearing for consideration of amendment to Development Agreement with Cambrex 2017 TIF Rebate Agreement. Changes Cambrex agreement from a \$170,000 rebate over nine years to a \$575,000 rebate over nine years. This change is due to the substantial added assessed valuation from the ultimate project which was realized in large part to the construction of an additional building which was not anticipated with the original scope of the project when first reviewed.

RESOLUTION NO. 64-21

Resolution Setting a Date of Meeting at which it is Proposed to Approve an Amended Development Agreement with Cambrex Charles City, Inc., Including Annual Appropriation Tax Increment Payments

WHEREAS, the City of Charles City, Iowa (the “City”), pursuant to and in strict compliance with all laws applicable to the City, and in particular the provisions of Chapter 403 of the Code of Iowa, has adopted an Urban Renewal Plan for the Southwest Bypass Urban Renewal Area (the “Urban Renewal Area”); and

WHEREAS, this City Council has adopted an ordinance providing for the division of taxes levied on taxable property in the Urban Renewal Area pursuant to Section 403.19 of the Code of Iowa and establishing the fund referred to in Subsection 2 of Section 403.19 of the Code of Iowa, which fund and the portion of taxes referred to in that subsection may be irrevocably pledged by the City for the payment of the principal of and interest on indebtedness incurred under the authority of Section 403.9 of the Code of Iowa to finance or refinance in whole or in part projects in the Urban Renewal Area; and

WHEREAS, the City has previously entered into a certain development agreement (the “Original Agreement”) with Cambrex Charles City, Inc. (the “Company”) in connection with the expansion of its manufacturing facilities situated in the Urban Renewal Area for use in the Company’s pharmaceuticals manufacturing business operations; and

WHEREAS, the City and the Company now propose to amend the Original Agreement in order to (1) increase the amount of incremental property tax payments to be provided to the Company from an amount not to exceed \$170,000 to an amount not to exceed \$575,000; (2) adjust the time period during which such payments will be made; and (3) make other related changes; and

WHEREAS, it is necessary to set a date for a public hearing on an amended Development Agreement (the “Amended Agreement”) and the proposal to increase the incremental property tax payments thereunder, pursuant to Section 403.9 of the Code of Iowa;

NOW THEREFORE, IT IS RESOLVED by the City Council of the City of Charles City, Iowa, as follows:

Section 1. This City Council shall meet electronically and/or at the council chambers on June 21, 2021, at 6:00 o’clock p.m., at which time and place proceedings will be instituted and action taken to approve the Amended Agreement and to authorize the increased annual appropriation incremental property tax payments to the Company.

Section 2. The City Clerk is hereby directed to give notice of the proposed action, the time when and place where said meeting will be held, by publication at least once not less than four (4) days and not more than twenty (20) days before the date of said meeting in a legal newspaper of general circulation in the City. Said notice shall be in substantially the following applicable form:

[FORM OF NOTICE OF ELECTRONIC HEARING]

NOTICE OF MEETING FOR APPROVAL OF AMENDED DEVELOPMENT AGREEMENT WITH CAMBREX CHARLES CITY, INC. AND AUTHORIZATION OF INCREASED ANNUAL APPROPRIATION TAX INCREMENT PAYMENTS

The City Council of the City of Charles City, Iowa, will meet on June 21, 2021, at 6:00 o'clock p.m., at which time proceedings will be instituted and action taken to approve an amended Development Agreement (the "Amended Agreement") between the City and Cambrex Charles City, Inc. (the "Company") in connection with the expansion of its manufacturing facilities situated in the Southwest Bypass Urban Renewal Area (the "Urban Renewal Area") for use in the Company's pharmaceuticals manufacturing business operations. The Amended Agreement (1) increases the amount of incremental property tax payments to be provided to the Company from an amount not to exceed \$170,000 to an amount not to exceed \$575,000; (2) adjusts the time period during which such payments will be made; and (3) makes other related changes.

Due to federal and state government recommendations in response to COVID-19 pandemic conditions, the meeting will be held electronically via Zoom, which will be accessible at the following:

Zoom meeting ID 787 065 8066 Telephone 312-626-6799

In addition to electronic access, written comments may be filed or made prior to the meeting and will be recorded in the minutes.

As authorized by Section 403.9 of the Code of Iowa, the commitment to make annual appropriation incremental property tax payments to the Company under the Amended Agreement will not be a general obligation of the City, but such payments will be payable solely and only from incremental property tax revenues generated within the Urban Renewal Area. All payments under the Amended Agreement may be made subject to annual appropriation by the City Council.

At the meeting, the City Council will receive oral or written objections from any resident or property owner of the City. Thereafter, the City Council may, at the meeting or at an adjournment thereof, take additional action to approve the Amended Agreement or may abandon the proposal.

This notice is given by order of the City Council of Charles City, Iowa, in accordance with Section 403.9 of the Code of Iowa.

Trudy O'Donnell
City Clerk

[FORM OF NOTICE OF IN-PERSON AND ELECTRONIC HEARING]

NOTICE OF MEETING FOR APPROVAL OF AMENDED DEVELOPMENT AGREEMENT WITH CAMBREX CHARLES CITY, INC. AND AUTHORIZATION OF INCREASED ANNUAL APPROPRIATION TAX INCREMENT PAYMENTS

The City Council of the City of Charles City, Iowa, will meet on June 21, 2021, at 6:00 o'clock p.m., at the council chambers, Charles City, Iowa, at which time and place proceedings will be instituted and action taken to approve an amended Development Agreement (the "Amended Agreement") between the City and Cambrex Charles City, Inc. (the "Company") in connection with the expansion of its manufacturing facilities situated in the Southwest Bypass Urban Renewal Area (the "Urban Renewal Area") for use in the Company's pharmaceuticals manufacturing business operations. The Amended Agreement (1) increases the amount of incremental property tax payments to be provided to the Company from an amount not to exceed \$170,000 to an amount not to exceed \$575,000; (2) adjusts the time period during which such payments will be made; and (3) makes other related changes.

As authorized by Section 403.9 of the Code of Iowa, the commitment to make annual appropriation incremental property tax payments to the Company under the Amended Agreement will not be a general obligation of the City, but such payments will be payable solely and only from incremental property tax revenues generated within the Urban Renewal Area. All payments under the Amended Agreement may be made subject to annual appropriation by the City Council.

Due to federal and state government recommendations in response to COVID-19 pandemic conditions, the meeting will also be available electronically via Zoom at the following:

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In addition to electronic access, written comments may be filed or made prior to the meeting and will be recorded in the minutes.

At the meeting, the City Council will receive oral or written objections from any resident or property owner of the City. Thereafter, the City Council may, at the meeting or at an adjournment thereof, take additional action to approve the Amended Agreement or may abandon the proposal.

This notice is given by order of the City Council of Charles City, Iowa, in accordance with Section 403.9 of the Code of Iowa.

Trudy O'Donnell
City Clerk

Section 3. All resolutions or parts of resolutions in conflict herewith are hereby repealed.

Passed and approved May 17, 2021.

Mayor

Attest:

City Clerk

AMENDED DEVELOPMENT AGREEMENT

This Agreement is entered into between the City of Charles City, Iowa (the “City”) and Cambrex Charles City, Inc. (the “Company”) as of the ___ day of _____, 2021 (the “Commencement Date”).

WHEREAS, the City has established the Southwest Bypass 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 and lies within the Urban Renewal Area and is more specifically described on Exhibit A hereto (the “Property”); and

WHEREAS, the Company has undertaken the expansion of its workforce and manufacturing facilities on the Property (the “Project”); and

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

WHEREAS, the taxable 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 is \$14,474,610 (the “Base Valuation”); and

WHEREAS, the City and the Company entered into a Development Agreement (the “Original Agreement”) dated October 16, 2017; and

WHEREAS, it is now necessary to amend the Original Agreement to (1) increase the amount of incremental property tax payments to be provided to the Company; (2) adjust the time period during which such payments will be made; and (3) make other related changes; and

WHEREAS, this Amended Development Agreement (the “Agreement”) has been prepared to set forth the updated, mutual understanding between the City and the Company and to replace the Original Agreement; 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. 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 expects to invest approximately \$27,000,000 into capital improvements for the Project, including

construction work, equipment, furnishings and other capital improvements. The Company agrees to complete the construction of the Project by June 1, 2019. The Company agrees to maintain compliance with local zoning, land use, building and safety codes and regulations.

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

3. Company's Certifications. The Company agrees to submit documentation to the satisfaction of the City by no later than each October 15 during the Term, as hereinafter defined, commencing October 15, 2021, demonstrating that the completed Project is being used as part of the Company's business operations.

4. Property Tax Payment Certification. Furthermore, the Company agrees to certify to the City by no later than October 15 of each year during the Term, as hereinafter defined, commencing October 15, 2021, an amount (the "Company's Estimate") equal to the estimated Incremental Property Tax Revenues anticipated to be paid in the fiscal year immediately following such certification with respect to the taxable valuation of the Property factored by 90% (the "Annual Percentage"). In submitting each such Company's Estimate, the Company will complete and submit the worksheet attached hereto as Exhibit B. 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 Floyd County, above and beyond the Base Valuation; and (4) deducting any property tax credits which shall be available with respect to the taxable incremental valuation of the Property.

Upon request, the City staff shall provide reasonable assistance to the Company in completing the worksheet required under this Section A.4.

5. Legal and Administrative Costs. The Company hereby acknowledges that the City will cover the initial payment of legal fees and administrative costs (the "Admin Costs") incurred by the City in connection with the drafting, negotiation and authorization of the Original Agreement, including the necessary amendment to the Urban Renewal Plan for 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 Admin Costs.

The Company hereby acknowledges that the City will cover the payment of legal fees and administrative costs (the "Additional Admin Costs") incurred by the City in connection with the drafting, negotiation and authorization of this Agreement, including the necessary amendment to Urban Renewal Plan for the Urban Renewal Area. Furthermore, the Company agrees that the City

shall withhold an amount (the “Additional Admin Withholding Amount”) equal to the lesser of (1) \$5,000 or (2) the actual Additional Admin Costs from the initial Payments, as hereinafter set forth in order to recover some or all of the Additional Admin Costs.

6. Employment Requirements. The Company hereby acknowledges that as of the date of this Agreement, the Company has a workforce consisting of 353 full-time equivalent employees (herein referred to as “FTEs”). The Company hereby agrees to fulfill certain job requirements (the “Job Requirements”) consisting of expanding its workforce to include twenty-nine (29) additional Qualifying FTEs (as herein defined). A New Qualifying FTE is a FTE who earns an average wage of \$16.85 per hour.

7. Forgivable Loan. The Company agrees to receive the proceeds of a forgivable loan (the “Forgivable Loan”) from the City in the amount of Thirty-Six Thousand Two Hundred Fifty Dollars (\$36,250). The Company further agrees to apply the proceeds of the Forgivable Loan solely to the payment of costs associated with the construction of the Project.

The Company’s obligation to repay the Forgivable Loan shall be evidenced by a promissory note (the “Note”) to be executed by the Company and delivered to the City. The Note shall be in substantially the form as set forth on Exhibit C hereto. All outstanding and un-forgiven principal of the Forgivable Loan will be due and owing to the City at City Hall by Noon on November 30, 2020, unless sooner forgiven in accordance with Section B.2 of this Agreement.

The Company reserves the right to prepay such principal in any amount at any time without penalty.

8. 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 repay when due the Forgivable Loan.
- d) Failure by the Company to keep the completed Project in service throughout the Term, as hereinafter defined.

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, City shall then have the right to:

- a) Pursue any action available to it, at law or in equity, in order to enforce the terms of this Agreement.

- b) Withhold Payments provided for under Section B.3 below.
- c) Accelerate the due date of the then unforgiven principal amount of the Forgivable Loan, which amount shall become due and owing within 30-days of the provision of a written notice of such acceleration from the City to the Company.

B. City's Obligations

1. Forgivable Loan. The City advanced the proceeds of the Forgivable Loan to the Company in the amount of \$36,250 in accordance with the Original Agreement. The Forgivable Loan shall not bear interest.

2. Loan Forgiveness.¹ The Forgivable Loan shall be forgiven by the City in its entirety on November 30, 2020, provided that the Company can adequately demonstrate to the satisfaction of the City that it has satisfied the Jobs Requirement set forth in Section A.2 hereof. In the event that the Company does not demonstrate that it has met the Jobs Requirement, the City shall determine the amount of principal due and owing by the Company in accordance with the following formula:

$$(29 - \text{Actual Number of Qualifying FTEs}) \times \$1,250 = \text{Amount of Principal Due and Owing.}$$

For example, if the Company demonstrates that it has expanded its workforce to include only 15 New Qualifying FTEs, then the Company would be required to repay principal of the Forgivable Loan in the amount of \$17,500 on November 30, 2020.

$$(29-15) \times \$1,250 = \$15,000.$$

3. Payments. In recognition of the Company's obligations set out above, the City agrees to make eighteen (18) semiannual 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 Five Hundred Seventy-Five Thousand Dollars (\$575,000) (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 Incremental Property Tax Revenues received by the City from the Floyd County Treasurer attributable to the taxable valuation of the Property.

Each Payment shall not exceed an amount which represents the Annual Percentage of the Incremental Property Tax Revenues available to the City with respect to the Property during the six (6) months immediately preceding each Payment date.

¹ As of the Commencement Date, the Forgivable Loan has been forgiven in accordance with Section B.2 of this Agreement.

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

This Agreement assumes that a portion of the new valuation from the Project went on the property tax rolls as of January 1, 2020. Accordingly, Payments will be made on December 1 and June 1 of each fiscal year, beginning December 1, 2021, 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.

4. 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, the City Council of the City shall consider the question of obligating for appropriation to the funding of the Payments 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 Payments scheduled to become due in the following fiscal year, and the Company will have no rights whatsoever to compel the City to make such Payments or to seek damages relative thereto or to compel the funding of such Payments in future fiscal years. A determination by the City Council to not obligate funds for any particular fiscal year’s Payments 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.4 above, provided however that no Payment shall be made after June 1, 2030.

5. Payment Amounts. The aggregate Payments to be made in a fiscal year shall not exceed an amount equal to the corresponding Appropriated Amount (for example, for the Payments due on December 1, 2021 and on June 1, 2022, the aggregate maximum amount of such Payments would be determined by the Appropriated Amount determined for certification by December 1, 2020). Furthermore, the amount of each such Payment shall not exceed the amount of Incremental Property Tax Revenues (excluding allocations of “back-fill” or “make-up” payments from the State of Iowa for property tax credits or roll-back) actually received by the City from the Floyd County Treasurer attributable to the taxable incremental valuation of the Property in the six months immediately preceding the extant Payment due date.

6. 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.4 above, then the City Clerk will certify by December 1 of each such year to the Floyd 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, 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 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 CHARLES CITY, IOWA

By: _____
Mayor

Attest:

City Clerk

CAMBREX CHARLES CITY, INC.

By: _____

EXHIBIT A
LEGAL DESCRIPTION OF THE PROPERTY

Certain real property situated in the City of Charles City, Floyd County, State of Iowa, more particularly described as follows:

A PART OF THE SE 1/4 OF SECTION 11 AND THE SW 1/4 OF SECTION 12, ALL IN T 95 N, R 16 W OF THE 5TH P.M. IN FLOYD COUNTY, IOWA DESCRIBED AS FOLLOWS:

BEGIN AT A POINT WHERE THE NORTHWESTERLY RIGHT-OF-WAY LINE OF THE IOWA TERMINAL RAILROAD, FORMERLY KNOWN AS THE CHARLES CITY WESTERN RAILROAD, INTERSECTS THE EAST LINE OF THE SE 1/4 OF THE SAID SE 1/4; SAID POINT BEARING N 01°09'02" W 266.00 FEET FROM THE SOUTHEAST CORNER OF THE SAID SE 1/4; THENCE N 59°41'02" E ALONG THE SAID RAILROAD 460.00 FEET; THENCE CONTINUE ALONG THE SAID RAILROAD N 55°24'28" E 243.62 FEET; THENCE N 01°12'17" W 1062.36 FEET; THENCE S 88°52'18" W 604.00 FEET TO A POINT ON THE AFOREMENTIONED EAST LINE OF THE SAID SE 1/4, SAID POINT BEARING N 01°09'02" W 1421.04 FEET FROM THE POINT OF BEGINNING; THENCE S 88°47'38" W 64.50 FEET; THENCE S 01°07'42" E 14.45 FEET; THENCE S 88°46'34" W 422.91 FEET; THENCE S 02°30'44" E 19.68 FEET; THENCE S 89°08'26" W 57.55 FEET; THENCE S 72°39'59" W 96.72 FEET; THENCE S 46°56'38" W 49.74 FEET; THENCE S 42°31'24" W 77.91 FEET; THENCE 72.63 FEET ALONG A CURVE TO THE RIGHT WHICH IS CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 236.57 FEET AND A CHORD WHICH BEARS S 49°21'57" W 72.34 FEET; THENCE S 00°49'53" E 1477.74 FEET TO A POINT ON THE SOUTH LINE OF THE SAID SE 1/4; THENCE N 89°47'29" E ALONG THE SAID SOUTH LINE 315.80 FEET TO A POINT ON THE AFORESAID NORTHWESTERLY RIGHT-OF-WAY LINE OF THE IOWA TERMINAL RAILROAD; THENCE N 54°16'53" E ALONG THE RAILROAD 119.05 FEET; THENCE 161.64 FEET ALONG A CURVE TO THE RIGHT WHICH IS CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 1489.70 FEET AND A CHORD WHICH BEARS N 57°23'24" E 161.56 FEET; THENCE N 60°29'54" E ALONG THE SAID RAILROAD RIGHT-OF-WAY 225.32 FEET TO THE POINT OF BEGINNING;

EXCEPT A TRACT DESCRIBED AS FOLLOWS

COMMENCE AT THE SOUTHEAST CORNER OF THE SE 1/4 OF SECTION 11, T 95 N, R 16 W OF THE 5TH P.M. IN FLOYD COUNTY, IOWA; THENCE N 01°09'02" W ALONG THE EAST LINE OF THE SAID SE 1/4 A DISTANCE OF 979.18 FEET; THENCE S 88°35'37" W 392.37 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE S 88°35'37" W 182.05 FEET; THENCE N 00°47'07" W 365.07 FEET; THENCE N 88°44'33" E 181.81 FEET; THENCE S 00°49'18" E 364.59 FEET TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED TRACT IS ALSO DESCRIBED AS FOLLOWS:

TRACT 'A' OF THE SE 1/4 OF SECTION 11-95-16

BEGIN AT A POINT WHERE THE NORTHWESTERLY RIGHT-OF-WAY LINE OF THE IOWA TERMINAL RAILROAD, FORMERLY KNOWN AS THE CHARLES CITY WESTERN RAILROAD, INTERSECTS THE EAST LINE OF THE SE 1/4 OF THE SAID SE 1/4; SAID POINT BEARING N 01°09'02" W 266.00 FEET FROM THE SOUTHEAST CORNER OF THE SAID SE 1/4; THENCE CONTINUE N 01°09'02" W ALONG THE SAID EAST LINE 1421.04 FEET; THENCE S 88°47'38" W 64.50 FEET; THENCE S 01°07'42" E 14.45 FEET; THENCE S 88°46'34" W 422.91 FEET; THENCE S 02°30'44" E 19.68 FEET; THENCE S 89°08'26" W 57.55 FEET; THENCE S 72°39'59" W 96.72 FEET; THENCE S 46°56'38" W 49.74 FEET; THENCE S 42°31'24" W 77.91 FEET; THENCE 72.63 FEET ALONG A CURVE TO THE RIGHT WHICH IS CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 236.57 FEET AND A CHORD WHICH BEARS S 49°21'57" W 72.34 FEET; THENCE S 00°49'53" E 1477.74 FEET TO A POINT ON THE SOUTH LINE OF THE SAID SE 1/4; THENCE N 89°47'29" E ALONG THE SAID SOUTH LINE 315.80 FEET TO A POINT ON THE AFORESAID NORTHWESTERLY RIGHT-OF-WAY LINE OF THE IOWA TERMINAL RAILROAD; THENCE N 54°16'53" E ALONG THE RAILROAD 119.05 FEET; THENCE 161.64 FEET ALONG A CURVE TO THE RIGHT WHICH IS CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 1489.70 FEET AND A CHORD WHICH BEARS N 57°23'24" E 161.56 FEET; THENCE N 60°29'54" E ALONG THE SAID RAILROAD RIGHT-OF-WAY 225.32 FEET TO THE POINT OF BEGINNING;

EXCEPT A TRACT DESCRIBED AS FOLLOWS

COMMENCE AT THE SOUTHEAST CORNER OF THE SE 1/4 OF SECTION 11, T 95 N, R 16 W OF THE 5TH P.M. IN FLOYD COUNTY, IOWA; THENCE N 01°09'02" W ALONG THE EAST LINE OF THE SAID SE 1/4 A DISTANCE OF 979.18 FEET; THENCE S 88°35'37" W 392.37 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE S 88°35'37" W 182.05 FEET; THENCE N 00°47'07" W 365.07 FEET; THENCE N 88°44'33" E 181.81 FEET; THENCE S 00°49'18" E 364.59 FEET TO THE POINT OF BEGINNING.

TRACT 'A' OF THE SE 1/4 OF SECTION 11-95-16 CONTAINS 25.13 ACRES.

TRACT 'A' OF THE SW 1/4 OF SECTION 12-95-16

BEGIN AT A POINT WHERE THE NORTHWESTERLY RIGHT-OF-WAY LINE OF THE IOWA TERMINAL RAILROAD, FORMERLY KNOWN AS THE CHARLES CITY WESTERN RAILROAD, INTERSECTS THE WEST LINE OF THE SW 1/4 OF THE SAID SW 1/4; SAID POINT BEARING N 01°09'02" W 266.00 FEET FROM THE SOUTHWEST CORNER OF THE SAID SW 1/4; THENCE N 59°41'02" E ALONG THE SAID RAILROAD 460.00 FEET; THENCE CONTINUE ALONG THE SAID RAILROAD N 55°24'28" E 243.62 FEET; THENCE N 01°12'17" W 1062.36 FEET; THENCE S 88°52'18" W 604.00 FEET TO A

POINT ON THE AFOREMENTIONED WEST LINE OF THE SAID SW 1/4; THENCE S 01°09'02" E 1421.04 FEET TO THE POINT OF BEGINNING, CONTAINING 17.39 ACRES.

PARCEL A

That part of the South half (S ½) of the Southwest quarter (SW 1/4) of the Southwest quarter (SW 1/4) of Section Twelve (12), Township Ninety-five North (95N), Range Sixteen West (16W) of the 5th P.M., Floyd County, Iowa, described as follows:

Beginning at the Southwest (SW) corner of the Southwest quarter (SW 1/4) of said Section Twelve (12), thence East (E) (assumed bearing) along the South (S) line of said Southwest quarter (SW 1/4) Two hundred fifty-three feet (253.00'), thence North Seventy-six and forty-six hundredths feet (76.46'), thence Northeasterly Three hundred ninety-one and seventy-four hundredths feet (391.74') along a tangential curve, concave to the Southeast (SE), having a radius of Three hundred sixty-three and ninety-eight hundredths feet (363.98') and a central angle of 61° 39' 57" to the Southeasterly (SEly) right-of-way of the Trains Unlimited Railroad, thence South (S) 61° 39' 57" West along said Southeasterly (SEly) right-of-way line Five hundred five and sixty-seven hundredths feet (505.67') to the West (W) line of said Southwest quarter (SW 1/4), thence South (S) 00° 18' 49" East (E) along said West (W) line One hundred fifty-six and eighty-four hundredths feet (156.84') to the point of beginning.

Said Parcel A contains One and forty-nine hundredths (1.49) acres, more or less, including Thirty-two hundredths (0.32) acres of 11th Street right-of-way across the South Fifty-five feet (S 55.00') thereof.

Addendum

That part of the Southwest Quarter of Section 12, Township 95 North, Range 16 West of the 5th P.M., City of Charles City, Floyd County, Iowa described as follows: Commencing at the Northwest Corner of said Southwest Quarter; thence S 89°59'36" E, 1134.60 feet along the Northerly line of said Southwest Quarter to a point on the Northerly extension of the Westerly line of that tract of land described as Tract 22 in Quit Claim Deed filed December 19, 1996 in Book 125 pages 429-440 in the Office of the Floyd County Recorder, said Westerly line also being the former right of way line of the Iowa Terminal Railroad Co., and said point also being 197.70 feet Westerly (recorded as 199'), measured along the Northerly line, from the Northeast Corner of the Northwest Quarter of said Southwest Quarter; thence S 00°07'13" E, 1255.02 feet (recorded as South) along said Northerly extension of the Westerly line and along said Westerly line and along said former right of way line to the beginning of a 691.80 foot radius, tangent curve, concave Westerly, said point also being the point of beginning; thence S 39°07'11" W, 40.70 feet (recorded as Southwesterly, 40.7 feet) along said Westerly line and along said former right of way line to a point on a 666.80 foot radius (recorded as 666.8'), non-tangent curve, concave Westerly; thence Southwesterly, 203.80 feet (recorded as 203'), along said Westerly line, along said former right of way line and along said curve, having a chord bearing S 11°20'44" W, 203.01 feet; thence S 20°06'06" W, 120.75 feet (recorded as Southwesterly, 116.7') along said Westerly line and along said former right of way line to the beginning of a 666.80 foot radius (recorded as 666.8'), tangent curve, concave Northwesterly; thence Southwesterly, 420.19 feet (recorded as Southwesterly,

410') along the Northwesterly line of said tract, along said former right of way line, and along said curve, having a chord bearing S 38°09'16" W, 413.27 feet; thence S 56°12'26" W, 433.77 feet (recorded as Southwesterly 458.8') along said Northwesterly line and along said former right of way line; thence S 60°31'26" W, 460.05 feet (recorded as 460'), along said Northwesterly line and along said former right of way line to a point on the Westerly line of said Southwest Quarter; thence S 00°19'51" E, 113.61 feet (recorded as South 112') along said Westerly line to a point on the Southeasterly line of said tract, said point also being on the former right of way line of said Iowa Terminal Railroad; thence N 61°13'23" E, 497.71 feet (recorded as Northeasterly, 502.9') along said Southeasterly line and along said former right of way line to the beginning of a 1389.39 foot radius (recorded as 1489.7'), tangent curve, concave Southeasterly; thence Easterly, 697.90 feet (recorded as 710') along said Southeasterly line, along said former right of way line and along said curve having a chord bearing N 75°36'47" E, 690.58 feet; thence S 89°59'49" E, 216.86 feet (recorded as East 215.6') along the Southerly line of said tract and along said former right of way line to a point on the Easterly line of the Southwest Quarter of said Southwest Quarter; thence N 00°06'53" W, 43.33 feet (recorded as North) along said Easterly line to a point 25.00 feet Southwesterly, measured radially, from the centerline of said former Iowa Terminal RAILROAD, said point also being on a 379.30 foot radius, non-tangent curve, concave Northeasterly, thence Northwesterly, 273.88 feet along a line parallel with said centerline and along said curve having a chord bearing N 50°42'15" W, 267.97 feet; thence N 30°01'07" W, 66.53 feet along said parallel line to the beginning of a 308.32 foot radius, tangent curve, concave Easterly; thence Northerly, 246.81 feet along said parallel line and along said curve having a chord bearing N 07°05'11" W, 240.27 feet; thence N 15°50'44" E, 52.60 feet along said parallel line; thence N 20°00'33" E, 42.74 feet along said parallel line to the beginning of a 691.80 foot radius, non-tangent curve, concave Westerly; thence Northerly 244.16 feet along said parallel line and along said curve having a chord bearing N 09°59'27" E, 242.90 feet to the point of beginning said Parcel B containing 5.71 acres subject to any easements recorded or unrecorded.

(This conveyance is made subject to the following condition: That ownership is acquired by Grantee for public use consistent with and reliance upon the National Trails System Act 16 U.S.C. 1247(d) and the corresponding regulations at 49 C.F.R. 1152.29. The Buyer shall not erect any permanent structures upon this property and its use shall not impair future public convenience and necessity. The Buyer shall allow reactivation of rail service on the subject real estate pursuant to the applicable federal and state laws after repurchase of the real estate and improvements by the appropriate agency or corporation.)

EXHIBIT B
COMPANY'S ESTIMATE WORKSHEET

- (1) Date of Preparation: October _____, 20____.
- (2) Assessed Taxable Valuation of Property as of January 1, 20____:
\$_____.
- (3) Base Taxable Valuation of Property:
\$14,474,610.
- (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 .90 (90%) = Company's Estimate (\$_____)

EXHIBIT C
FORM OF PROMISSORY NOTE

MAXIMUM PRINCIPAL AMOUNT: \$36,250

Interest Rate: 0%

Dated: _____, 2017

Cambrex Charles City, Inc., (the “Company”) for value received, promises to pay, to the City of Charles City, Iowa (the “City”), its successors or assigns, the principal sum of THIRTY-SIX THOUSAND TWO HUNDRED FIFTY DOLLARS (\$36,250), in lawful money of the United States of America, on November 30, 2020.

The City has made a forgivable loan to the Company the principal amount of \$36,250 (the “Forgivable Loan”) under this Promissory Note (the “Note”) and under a certain Development Agreement (the “Agreement”) between the City and the Company dated _____, 2017, and reference is hereby made to the Agreement for a more complete description of the rights and obligations of the parties.

The Forgivable Loan shall be forgiven by the City in accordance with the terms and schedule set forth in the Agreement.

Payment of principal of the Forgivable Loan shall be made to the City of Charles City, Iowa at City Hall, Charles City, Iowa at 12:00 p.m. on November 30, 2020, unless principal is forgiven in accordance with the Agreement.

The Company reserves the right to prepay principal of this Note, in whole or in part, without penalty, at any time prior to maturity.

In the Event of a Default under the Agreement which has not been cured in accordance with the terms of the Agreement, including the failure to make payments of principal as they come due under the terms of the Agreement, the Company agrees to pay all costs and expenses of collection, including reasonable attorney’s fees. The Company waives demand, presentment, notice of non-payment, protest, notice of protest and notice of dishonor.

This Note is secured, and its maturity is subject to acceleration in each case upon the terms provided in the Agreement.

The validity, construction and enforceability of this Note shall be governed by the internal laws of the State of Iowa without giving effect to the conflict of laws principles thereof.

CAMBREX CHARLES CITY, INC.

By: _____
Title: _____