

RESOLUTION 2016-43

Resolution Consenting to Assignment of Development Agreements and Tax Increment Payments

WHEREAS, Lyon County, Iowa (the “County”), pursuant to and in strict compliance with all laws applicable to the County, and in particular the provisions of Chapter 403 of the Code of Iowa, has adopted an Urban Renewal Plan for the Lyon County 2002 Novartis Economic Development District (the “Urban Renewal Area”); and

WHEREAS, this Board 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 (the “Urban Renewal Tax Revenue Fund”), which fund and the portion of taxes referred to in that subsection may be irrevocably pledged by the County for the payment of the principal 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 County previously authorized and entered into a development agreement dated March 10, 2003 (the “2003 Agreement”) with Novartis Animal Vaccines, Inc. (the “Original Company”), pursuant to which the Original Company agreed to undertake the construction and operation of a horse feedlot and facility and the County agreed to provide tax increment payments (the “2003 Payments”) to the Original Company; and

WHEREAS, the Original Company was succeeded under the Agreement by Novartis Animal Health US, Inc. (the “Successor Company”); and

WHEREAS, the County previously authorized and entered into a second development agreement dated November 8, 2010 (the “2010 Agreement”) with the Successor Company, pursuant to which the Successor Company agreed to undertake certain improvements to their property and private business facilities and the County agreed to provide tax increment payments (the “2010 Payments”) to the Successor Company; and

WHEREAS, under the 2003 Agreement and the 2010 Agreement (collectively hereinafter the “Agreements”), the assignment of rights and responsibilities thereunder were made subject to prior consent of the contracting parties; and

WHEREAS, it has been proposed that all rights and interests of the Successor Company, including the rights to receive the 2003 Payments and the 2010 Payments (collectively hereinafter the “Payments”), under the Agreements be assigned to and assumed by Elanco U.S. Inc. (“Elanco”); and

WHEREAS, Elanco has caused to be prepared a certain Indemnification Agreement (the “Indemnification Agreement”) dated December 27, 2016 in favor of the County with respect to providing consent to the Assignment of the Agreements to Elanco; and

WHEREAS, it is now necessary for the County to provide consent to the assignment and assumption of the Agreement to and by Elanco;

NOW, THEREFORE, It Is Resolved by the Board of Supervisors of Lyon County, Iowa, as follows:

Section 1. Subject to Elanco's satisfactory execution and delivery of the Indemnification Agreement, the County hereby consents to the assignment of the Agreement and the rights to receive the Payments to Elanco. Elanco shall be considered to have fully assumed all rights and responsibilities of the Successor Company under the Agreement from and after the effective date of this Resolution. The Chairperson and County Auditor are hereby authorized and directed to negotiate, execute and deliver such documents as they, with the advice of bond counsel, may deem to be necessary to carry out the provisions of this Resolution, including the Indemnification Agreement.

Section 2. The Original Company and the Successor Company are hereby released from all remaining duties to be performed under the Agreement, and all remaining communications and Payments to be made with respect to the Agreement shall exclusively be directed to Elanco. Elanco shall in all ways be substituted into the Agreement on the same terms and basis as the Original Company and the Successor Company.

Section 3. Nothing contemplated herein shall be interpreted as interfering with the division of incremental property tax revenues and the Payments to be funded therefrom as contemplated in the Agreement regardless of the future recipient of such Payments.

Section 4. All resolutions or parts thereof in conflict herewith are hereby repealed.

Passed and approved this December 27, 2016.

Chairperson

Attest:

County Auditor