Board of Directors Meeting Minutes (April 19, 1993)

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DESMOINES AREA COMMUNITY COLLEGE

Public Hearing
Remodeling, Building 10
April 19, 1993
Urban Campus - Rooms 124 & 126

AGENDA

1. Call to order - 3 p.m.
2. Roll call.
3. Consideration of tentative agenda.
4. Acknowledgement by Board Secretary of how Notice of Hearing was made.
5. Requests to address the board recognized.
6. Consideration of plans, specifications, form of contract and estimated costs for remodeling the Auto Collision program area of Building 10, Ankeny Campus.
7. Adjournment.
BOARD OF TRUSTEES
DES MOINES AREA COMMUNITY COLLEGE
2006 South Ankeny Boulevard
Ankeny, Iowa

PUBLIC HEARING
APRIL 19, 1993

A special meeting of the Des Moines Area Community College Board of Directors was held at the Urban Campus, 1100 7th Street, Des Moines, Rooms 124 and 126, on April 19, 1993, for the purpose of conducting a public hearing on the plans, specifications, form of contract and estimated costs for remodeling the Auto Collision program area of Building 10, Ankeny Campus. The meeting was called to order at 3 p.m. by Board President Doug Shull.

ROLL CALL

Members Present:
Harold Belken
DeVere Bendixen
Lloyd Courter
Dick Johnson

Eldon Leonard
Gerry Pecinovsky
Doug Shull

Members Absent:
Susan Clouser
Nancy Wolf-Keith

Others Present:
Joseph A. Borgen, President
Helen Harris, Board Secretary
Don Zuck, College Treasurer
Arnie Fisher, BDA Bussard Dikis, Architects
Other interested DMACC staff and area residents

APPROVAL OF TENTATIVE AGENDA

A motion to approve the tentative agenda as presented was made by G. Pecinovsky, seconded by H. Belken.

Motion passed unanimously.

ACKNOWLEDGEMENT OF HEARING NOTICE

Board Secretary H. Harris reported that the notice of the time and place of this hearing was, according to law and as directed by the Board, published in The Des Moines Register on March 22, 1993, and posted in Building 1, DMACC Ankeny Campus. No written objections to the hearing were received.

COMMENTS
None.
A motion was made by E. Leonard, seconded by G. Pecinovsky, that the board approve a resolution approving plans, specifications, form of contract and estimated costs for remodeling of the Auto Collision area of Building 10, Ankeny Campus.

Motion passed unanimously.

A motion for adjournment of the Public Hearing was made by D. Johnson, seconded by D. Bendixen.

Motion passed unanimously, and at 3:05 p.m., Board President Shull adjourned the Public Hearing.
RESOLUTION APPROVING PLANS, SPECIFICATIONS,
FORM OF CONTRACT AND ESTIMATED COST FOR
THE REMODELING OF AUTO COLLISION,
BUILDING #10, ANKENY CAMPUS

WHEREAS, on the 1st. day of March, plans, specifications,
form of contract and estimated cost were filed with the Secretary
of the Board of Directors of the Des Moines Area Community College
for the project.

WHEREAS, notice of hearing on plans, specifications, form of
contract and estimated cost was published as required by law and
action of the Board.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Des
Moiines Area Community College that said plans, specifications, form
of contract, and estimated cost are hereby approved and adopted as
the plans, specifications, form of contract, and estimated cost for
remodeling of Auto Collision, Building #10, Ankeny Campus.

PASSED AND APPROVED this 19th. day of April, 1993.

President of the Board of Directors
of the aforesaid Community College

ATTEST:

Secretary of the Board of Directors
of the aforesaid Community College
DES MOINES AREA COMMUNITY COLLEGE
Board of Trustees
Regular Meeting
April 19, 1993
Urban Campus - Rooms 124 & 126
1100 7th Street, Des Moines

AGENDA

1. Call to order - immediately following Public Hearing.

2. Roll call.

3. Consideration of tentative agenda.

4. Presentation - Mary Chapman, Executive Dean, Urban Campus.

5. Public comments.

6. Consideration of minutes of the March 1, 1993, public hearing and regular board meeting.

7. Consideration of award of contract for remodeling the Auto Collision program area of Building 10, Ankeny Campus.

8. Consideration of resolution approving the form and content, execution and delivery of a jobs training agreement, R.R. Donnelley Printing Co.

9. Consideration of resolution approving the form and content, execution and delivery of a new jobs training agreement, instituting proceedings for the taking of additional action for the issuance of new jobs training certificates, directing the publication of a notice of intention to issue not to exceed $50,000 aggregate principal amount of new jobs training certificates (Ambico, Inc. project) of the Des Moines Area Community College.

10. Consideration of resolution approving the form and content, execution and delivery of a new jobs training agreement, instituting proceedings for the taking of additional action for the issuance of new jobs training certificates, directing the publication of a notice of intention to issue not to exceed $145,000 aggregate principal amount of new jobs training certificates (Perishable Distributors of Iowa project) of the Des Moines Area Community College and providing for the division of taxes levied on property where new jobs are created as a result of a new jobs training program.
11. Same as Item #10 EXCEPT for Qualis, Inc., not to exceed $40,000 aggregate principal amount of new jobs training certificates.

12. Consideration of a resolution approving the form and content, execution and delivery of a third addendum to a new jobs training agreement, instituting proceedings for the taking of additional action for the issuance of new jobs training certificates, directing publication of a notice of intention to issue not to exceed $150,000 aggregate principal amount of new jobs training certificates (Sears, Roebuck & Company project) of the Des Moines Area Community College.

13. Same as Item #10 EXCEPT for Vermeer Manufacturing Company, not to exceed $385,000 principal amount of new jobs training certificates.

14. Consideration of a resolution approving the financing of the Newton Polytechnic facility by Des Moines Area Community College.

15. Receive and file President’s recommendations for termination of specially funded teacher’s contracts under Iowa Code, Chapter 279.

16. Consideration of President’s recommendation for termination of specially funded teacher’s contracts under Iowa Code, Chapter 279.

17. Consideration of Human Resources report.

18. Consideration of payables.

19. Presentation of financial report.

20. President’s report.


22. Information Items:
   A. April 28-May 2 - AACJC Annual Meeting - Portland
   B. May 6 - Ankeny/Urban Commencement - Vet’s Auditorium - 7 p.m.
   C. May 7 - Boone Commencement - 10 a.m.
   D. May 20-22 - ACCT Central Region Seminar - Nashville
   E. May 24 - Regular Board Meeting - Ankeny Campus - 4 p.m.

23. Adjournment.
The regular meeting of the Des Moines Area Community College Board of Trustees was held at the Des Moines Area Community College Urban Campus, 1100 7th Street, Des Moines, Rooms 124 and 126, on April 19, 1993. The meeting was called to order at 3:05 p.m., by Board President Doug Shull.

Members Present
Harold Belken
DeVere Bendixen
*Susan Clouser
Lloyd Courter
Dick Johnson
Eldon Leonard
Gerry Pecinovsky
Doug Shull
*Nancy Wolf-Keith

Others Present:
Joseph A. Borgen, President
Helen Harris, Board Secretary
Don Zuck, College Treasurer
Arnie Fisher, BDA Bussard Dikis, Architects
Other interested DMACC staff and area residents

A move to approve the tentative agenda as presented was made by D. Bendixen, seconded by G. Pecinovsky.

Motion passed unanimously.

Mary Chapman, Executive Dean of Urban Campus, gave an overview of activities which have taken place this past year at the Urban Campus.

None.

President Shull asked for corrections to the minutes of the March 1, 1993, public hearing and regular board meeting. The minutes were accepted as presented.

*Trustee N. Wolf-Keith arrived at the meeting.

Bids have been received for remodeling the Auto Collision area of Building 10, Ankeny Campus, in accordance with approved specifications, as indicated on the Bid Tally sheet, a copy of which is Attachment #1 to these minutes. It was moved by D. Johnson, seconded by N. Wolf-Keith that a contract for remodeling the Auto Collision area of Building 10 be awarded to King-Bole-Holmes, Inc.,
Des Moines, with a base bid of $156,400 and alternate bid #3 of $22,900 (five overhead doors), for a total contract award of $179,300, and that the board president be authorized to sign said contract.

Motion passed unanimously.

A motion was made by D. Bendixen, seconded by D. Johnson, that the board approve the resolution approving the form and content, execution and delivery of a jobs training agreement for R. R. Donnelley Printing Co. The training funds, in the amount of $34,633, are obtained through the Iowa Department of Economic Development. A copy of said resolution is on file in the office of the DMACC internal auditor.

Motion passed on a roll call vote. Director Leonard, who has been appointed by the Governor to the Iowa Economic Development Board, abstained.

It was moved by D. Johnson, seconded by L. Courter, that the board approve the resolution approving the form and content, execution and delivery of a new jobs training agreement, instituting proceedings for the taking of additional action for the issuance of new jobs training certificates, directing the publication of a notice of intention to issue not to exceed $50,000 aggregate principal amount of new jobs training certificates (Ambico, Inc. project) of the Des Moines Area Community College. A copy of said resolution is Attachment #2 to these minutes.

Motion passed on a roll call vote. Director Belken voted no.

E. Leonard made the motion that the board approve the resolution approving the form and content, execution and delivery of a new jobs training agreement, instituting proceedings for the taking of additional action for the issuance of new jobs training certificates, directing the publication of a notice of intention to issue not to exceed $145,000 aggregate principal amount of new jobs training certificates (Perishable Distributors of Iowa project) of the Des Moines Area Community College and providing for the division of taxes levied on property where new jobs are created as a result of a new jobs training program; second by D. Bendixen. A copy of the resolution is Attachment #3 to these minutes.

Motion passed unanimously on a roll call vote.
APPROVAL OF JOB TRAINING AGREEMENT, QUALIS, INC.

It was moved by D. Johnson, seconded by D. Bendixen, that the board approve the resolution approving the form and content, execution and delivery of a new jobs training agreement, instituting proceedings for the taking of additional action for the issuance of new jobs training certificates, directing the publication of a notice of intention to issue not to exceed $40,000 aggregate principal amount of new jobs training certificates (Qualis, Inc. project) of the Des Moines Area Community College, and providing for the division of taxes levied on property where new jobs are created as a result of a new jobs training program. A copy of said resolution is Attachment #4 to these minutes.

Motion passed unanimously on a roll call vote.

APPROVAL OF JOB TRAINING AGREEMENT, SEARS, ROEBUCK & CO.

A motion was made by L. Courter, seconded by N. Wolf-Keith, that the board approve a resolution approving the form and content, execution and delivery of a third addendum to a new jobs training agreement, instituting proceedings for the taking of additional action for the issuance of new jobs training certificates, directing publication of a notice of intention to issue not to exceed $150,000 aggregate principal amount of new jobs training certificates (Sears, Roebuck & Company project) of the Des Moines Area Community College. A copy of said resolution is Attachment #5 to these minutes.

Motion passed unanimously on a roll call vote.

*Trustee Clouser arrived at meeting.

APPROVAL OF JOB TRAINING AGREEMENT, VERMEER MFG. CO.

It was moved by N. Wolf-Keith, seconded by D. Bendixen, that the board approve a resolution approving the form and content, execution and delivery of a new jobs training agreement, instituting proceedings for the taking of additional action for the issuance of new jobs training certificates, directing the publication of a notice of intention to issue not to exceed $385,000 aggregate principal amount of new jobs training certificates (Vermeer Manufacturing Company project, Number 4) of the Des Moines Area Community College, and providing for the division of taxes levied on property where new jobs are created as a result of a new jobs training program. A copy of said resolution is Attachment #6 to these minutes.

Motion passed unanimously on a roll call vote.
G. Pecinovsky moved that the board approve the resolution approving the financing of the Newton Polytechnic Facility by Des Moines Area Community College Foundation second by D. Johnson. A copy of said resolution is Attachment #7 to these minutes.

Motion passed unanimously on a roll call vote.

A motion was made by N. Wolf-Keith, seconded by D. Bendixen, that the board receive and file the President's recommendations for termination of four specially funded teacher's contracts under Iowa Code, Chapter 179.

Motion passed unanimously on a roll call vote.

G. Pecinovsky made the motion that the board terminate the teacher's contracts of Patricia J. Brainard, Frank B. Cuckie, Patricia McNair, and Lynn M. Slykhuis, effective at the end of each individual's current employment contract. Second by D. Johnson.

Motion passed unanimously on a roll call vote.

It was moved by E. Leonard, seconded by D. Bendixen, that the board approve the following personnel items:


Board of Trustees

March 19, 1993

APPROVAL OF PAYABLES

Motion passed unanimously.

PAYABLES

Approval of the payables as presented in Attachment #8 to these minutes was made by E. Leonard, seconded by D. Bendixen.

PRESENTER'S REPORT

The Department of Education asked that we select a trustee from the DMACC board, for Dr. Lepley to appoint to the Central Iowa Regional Library System Board (CIRLS). The board unanimously selected Trustee Pecinovsky to serve on this board. Regional libraries provide supporting services to libraries and encourage local financial support for library services.
ADJOURNMENT

A motion for adjournment was made by N. Wolf-Keith, seconded by H. Belken.

Motion passed unanimously and at 4:05 p.m., Board President Shull adjourned the meeting.

DOUG SHULL, President

HELEN M. HARRIS, Board Secretary
DATE: April 19, 1993

TO: Darrell Roberts,  
    Vice President Business Services

FROM: Mark Baethke, MCB  
    Director Physical Plant

RE: Award of Contract/Remodeling of Auto Collision

Please find attached a Board Agenda item for the "Award of Contract, Remodeling of Auto Collision, Building #10, Ankeny Campus", for the April 19, 1993, Board Meeting.

The total contract amount for the project is $179,300.

A formal Bid Tally sheet and recommendation to award prepared by RDG Bussard/Dikis Associates is attached.

dks
bd.9
April 16, 1993

Mr. Mark Baethke
Director, Physical Plant
Des Moines Area Community College
2006 S. Ankeny Boulevard
Ankeny, Iowa 50021

Dear Mark:

DMACC, Building 10 - Remodeling for Auto Collision, Contract Award Recommendation:
RDG/Bussard Dikis 93202.00 (0.3)

Bids for Building 10 - Remodeling for Auto Collision were received at 2:00 p.m. on April 14, 1993. Attached is the Bid Tabulation showing proposals from 5 general contractors. Two additional bids were received but not read at the bid opening since they did not include the required signed Nondiscrimination Statement. We included three alternates (add asphalt paving, add earthwork, add 5 overhead doors) which would allow the College options for award.

The low bidder is King-Bole-Holmes, Inc. of Des Moines, Iowa with a Base Bid of $156,400.00 Considering that we received 7 bids, we feel the bidding was very competitive. We feel the Base Bid represents a very reasonable proposal and we recommend award of the project to King-Bole-Holmes, Inc.

Our Statement of Probable Cost dated February 26, 1993 indicated a probable construction cost of $175,000.

Regarding the alternates we recommend the following:

Alternate #1 - King-Bole-Holmes had the lowest proposal ($11,800.00) to add the asphalt paving to pave the access at the west side of the building. If budget allows, we recommend accepting this proposal. Note that as an alternate to asphalt paving, the Building Trades group is considering this paving as a project that they may be interested in constructing. Savings to the college would be the labor to install concrete paving.

Alternate #2 - King-Bole-Holmes had a competitive proposal ($2,960.00) to add the earthwork. If budget allows, we recommend accepting this proposal. Note that as an alternative to the bidder performing this work, the Heavy Equipment group at DMACC would perform this work. The entire $2,960 would be a savings to the College.
Alternate #3 - King-Bole-Holmes had the lowest proposal (#22,900.00) to add 5 overhead doors. We understand that these doors are extremely important to the operations of the Auto Collision program. If funding allows, we recommend that this alternate be accepted.

Please advise if the project will be awarded and which of the alternates are approved. Upon this notice, we will prepare the Owner/Contractor Agreement for signatures.

Sincerely,

Arnold E. Fischer, AIA

encl: Bid Tabulation
## BID TABULATION FORM

**PROJECT:** DMACC Building 10, Remodeling for Auto Collision  
**DATE:** April 14, 1993  
**TIME:** 2:00 pm

### BIDDERS

<table>
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<tr>
<th>BIDDERS</th>
<th>BIG BOY CONSTRUCTION</th>
<th>BERGSTROM Const.</th>
<th>H &amp; S BUILDERS</th>
<th>THE KAUNSEL COMPANY</th>
<th>IOWA INDUSTRIAL</th>
<th>CHRISTIANSON GARMER</th>
<th>KING BOLKE HOLMES</th>
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### BID SECURITY

| NONDISCRIMINATION STATEMENT | NO | ✓ | ✓ | ✓ | ✓ | ✓ |

### ADDENDUM #1

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<tr>
<th>BASE BID</th>
<th>NOT READ</th>
<th>203,900</th>
<th>184,047</th>
<th>203,202</th>
<th>NOT READ</th>
<th>180,049</th>
<th>156,400</th>
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</thead>
<tbody>
<tr>
<td>ALTERNATE BID #1</td>
<td>Add asphalt paving</td>
<td>+12,651</td>
<td>+13,244</td>
<td>+12,000</td>
<td>+12,645</td>
<td>+11,800</td>
<td></td>
</tr>
<tr>
<td>ALTERNATE BID #2</td>
<td>Add earthwork</td>
<td>+2,987</td>
<td>+425</td>
<td>+2,600</td>
<td>+6,234</td>
<td>+2,960</td>
<td></td>
</tr>
<tr>
<td>ALTERNATE BID #3</td>
<td>Add 5 overhead doors</td>
<td>+44,987</td>
<td>+23,909</td>
<td>+24,000</td>
<td>+27,426</td>
<td>+22,900</td>
<td></td>
</tr>
<tr>
<td>BASE BID PLUS ALTERNATES #1, #2, and #3</td>
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<td>204,725</td>
<td>221,225</td>
<td>242,402</td>
<td>232,954</td>
<td>194,060</td>
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**REGISTERED ARCHITECT**

**ARNOLD E. FISCHER**

**1618**

**IOWA**
Des Moines, Iowa

April 19, 1993

The Board of Directors of the Des Moines Area Community College met in regular session on the 19th day of April, 1993 at 4:05 o'clock p.m., at the Urban Campus of the College in Des Moines, Iowa. The meeting was called to order and there were present Doug Shull, President of the Board, in the chair, and the following named Board Members:

Harold Belken, De Vere Bendixen, Lloyd Courter, Dick Johnson, Eldon Leonard, Gerry Pecinovsky, Nancy Wolf-Keith

Absent: Susan Clouser

Matters were discussed concerning an additional new jobs training agreement between the College and AMBICO, Inc. Following a discussion of the proposal, Board Member P. Johnson _______ introduced and caused to be read a resolution entitled "A Resolution Approving the Form and Content and Execution and Delivery of a New Jobs Training Agreement, Instituting Proceedings for the Taking of Additional Action for the Issuance of New Jobs Training Certificates, and Directing the Publication of a Notice of Intention to Issue Not to Exceed $50,000 Aggregate Principal Amount of New Jobs Training Certificates (AMBICO, Inc. Project Number 2) of the Des Moines Area Community College"; and moved its adoption. The motion was seconded by Board Member L. Courter. After due consideration of said resolution by the Board, the President put the question on the motion and, the roll being called, the following named Board Members voted:

Ayes: Bendixen, Courter, Johnson, Leonard, Pecinovsky, Shull, Wolf-Keith

Nays: Belken

Whereupon, the President declared said Resolution, a copy of which is attached hereto, duly adopted and signed his approval thereto.

* * * * * *

President of the Board of Directors

Attest:

Secretary of the Board of Directors
RESOLUTION

A RESOLUTION APPROVING THE FORM AND CONTENT AND EXECUTION AND DELIVERY OF A NEW JOBS TRAINING AGREEMENT, INSTITUTING PROCEEDINGS FOR THE TAKING OF ADDITIONAL ACTION FOR THE ISSUANCE OF NEW JOBS TRAINING CERTIFICATES, AND DIRECTING THE PUBLICATION OF A NOTICE OF INTENTION TO ISSUE NOT TO EXCEED $50,000 AGGREGATE PRINCIPAL AMOUNT OF NEW JOBS TRAINING CERTIFICATES (AMBICO, INC. PROJECT NUMBER 2) OF THE DES MOINES AREA COMMUNITY COLLEGE.

WHEREAS, The Des Moines Area Community College (hereinafter referred to as the "College"), is an area community college and a body politic organized and existing under the laws of the State of Iowa, and is authorized and empowered by Chapter 260E of the Code of Iowa, as amended (hereinafter referred to as the "Act"), to issue New Jobs Training Certificates and use the proceeds from the sale of said Certificates to defray all or a portion of the cost of a "New Jobs Training Program" as that term is defined in the Act, including the program costs, the purpose of which is to encourage industry and trade to locate and expand within the State of Iowa (the "State") in order to create jobs and employment opportunities and to improve the economic welfare of the residents of the State; and

WHEREAS, the College has undertaken negotiations with AMBICO, Inc. (the "Company") for the purpose of establishing an additional job training program (hereinafter referred to as the "Project") to educate and train workers for new jobs with the Company at its facilities located in the merged area served by the College, which Project will be beneficial to the Company and the College; and

WHEREAS, the College has determined that the amount necessary to defray all or a portion of the cost of the Project, including necessary expenses incidental thereto, will require the issuance by the College of not to exceed $50,000 aggregate principal amount of its New Jobs Training Certificates pursuant to the provisions of the Act; and

WHEREAS, it is proposed to finance the cost of the Project through the issuance of not to exceed $50,000 New Jobs Training Certificates (AMBICO, Inc. Project Number 2) of the College (the "Certificates"); and

WHEREAS, before the Certificates may be issued, it is necessary to publish a notice of the proposal to issue new jobs training certificates and the right to appeal the decision of the Board of Directors of the College to issue the Certificates pursuant to the provisions of the Act, all as required and provided for by Section 260E.6 of the Act; and
WHEREAS, an Industrial New Jobs Training Agreement, in the form and with the contents set forth in Exhibit A attached hereto, has been negotiated by the College under the terms of which the College agrees, subject to the provisions of such Agreement, to provide a new jobs training program for the Company;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DES MOINES AREA COMMUNITY COLLEGE, AS FOLLOWS:

Section 1. That the Secretary of the Board of Directors is hereby directed to give notice of intention to issue the Certificates, stating the amount and purpose thereof, and the Project for which the Certificates are to be issued, by publication at least once in a legal newspaper, printed in the English language published at least once weekly and having a general circulation within the merged area served by the College. The notice shall be in substantially the following form:
Affidavit of Publication

COPY OF ADVERTISEMENT
Exhibit "A"

STATE OF IOWA
POLK COUNTY

SS.

The undersigned, being first duly sworn, on oath states that she/he is the

Chief Clerk, Sinda Gibson
of Des Moines Register and Tribune
Company, a corporation duly organized and
existing under the laws of the State of
Iowa, with its principal place of
business in Des Moines, Iowa, the

publisher of

THE DES MOINES REGISTER (Daily)
DES MOINES SUNDAY REGISTER

newspapers of general circulation printed
and published in the City of Des Moines,
Polk County, Iowa, and that an
advertisement, a printed copy of which is
attached as Exhibit "A" and made a part
of this affidavit, was printed and
published in

The Des Moines Register (daily) the
following dates May 13, 1993

in Des Moines Sunday Register on

Subscribed and sworn to before me by
said affiant this 20th day of

May 1993.

Mary J. Butler
Notary Public in and for Polk County, Iowa
NOTICE OF INTENTION TO ISSUE
NEW JOBS TRAINING CERTIFICATES
(AMBICO, INC. PROJECT NUMBER 2)
OF THE DES MOINES AREA COMMUNITY COLLEGE

Notice is hereby given that the Board of Directors of the Des Moines Area Community College intends to issue in the manner required by law not to exceed $50,000 aggregate principal amount of Des Moines Area Community College New Jobs Training Certificates (AMBICO, Inc. Project Number 2). The Certificates are to be issued for the purpose of providing funds to pay the costs, including program costs, of a new jobs training program to educate and train workers for new jobs at AMBICO, Inc. in Dallas Center, Iowa.

The Board of Directors has instituted proceedings and taken further and additional action for the authorization and issuance of the certificates.

A person may, within fifteen days after the publication of this notice by action in the district court of a county in the area within which the Des Moines Area Community College is located, appeal the decision of the Board of Directors in proposing to issue the Certificates. The action of the Board of Directors in determining to issue the Certificates is final and conclusive unless the district court finds that the Board of Directors has exceeded its legal authority. An action shall not be brought which questions the legality of the Certificates, the power of the Board of Directors to issue the Certificates, the effectiveness of any proceedings relating to the authorization of the Project, or the authorization and issuance of the Certificates from and after fifteen days from the publication of this notice.

This notice is published pursuant to the provisions of Chapter 260E of the Iowa Code.

By Order of the Board of Directors

Secretary of the Board of Directors
Section 2. That the Industrial New Jobs Training Agreement, in the form and with the contents set forth in Exhibit A attached hereto, be and the same is hereby approved and the President of the Board of Directors is hereby authorized to execute said Industrial New Jobs Training Agreement, and the Secretary of the Board of Directors is hereby authorized to attest the same, said Industrial New Jobs Training Agreement, which constitutes and is hereby made a part of this Resolution, to be in substantially the form, text and containing the provisions set forth in Exhibit A attached hereto.

Section 3. That this Board does hereby institute proceedings and take further and additional action for the authorization and issuance in the manner required by law of not to exceed $50,000 of New Jobs Training Certificates (AMBICO, Inc. Project Number 2), the proceeds of which Certificates will be used to provide funds to pay costs, including program costs, of new jobs training by providing education and training of workers for new jobs at the Company.

Section 4. That officials of the College are hereby authorized to take such further action as may be necessary to carry out the intent and purpose of this Resolution.

Section 5. That all resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved this 19th day of April, 1993.

[Signature]
President of the Board of Directors

Attest:

[Signature]
Secretary of the Board of Directors
STATE OF IOWA  )
COUNTY OF POLK  )

I, Helen M. Harris, Secretary of the Board of Directors of
the Des Moines Area Community College, do hereby certify that I
have in my possession or have access to the complete corporate
records of said College and of its Board of Directors and offic­
ers; and that I have carefully compared the transcript hereto
attached with the aforesaid corporate records and that said tran­
script hereto attached is a true, correct and complete copy of
all of the corporate records showing the action taken with
respect to the matters set forth therein by the Board of Direc­
tors of said College on April 19, 1993, which proceedings remain
in full force and effect, and have not been amended or rescinded
in any way; that such meeting was duly and publicly held in
accordance with the Notice of Meeting and tentative agenda, a
copy of which was timely served on each member of the Board of
Directors 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 of Directors (a copy
of the face sheet of said agenda being attached hereto) pursuant
to the rules of the Board of Directors and the provisions of
Chapter 21, Code of Iowa, as amended, upon reasonable advance
notice to the public and media at least twenty-four (24) hours
prior to the commencement of the meeting as required by said law
and with members of the public in attendance. I further certify
that the individuals named in the attached proceedings were on
the date thereof duly and lawfully possessed of their respective
offices as indicated therein, that no Board of Directors vacan­
cies existed except as may be stated in said proceedings, and
that no controversy or litigation is pending, prayed or threat­
ened involving the organization, existence or boundaries of the
College or the right of the individuals named therein as officers
to their respective positions.

WITNESS my hand hereto affixed this 19th day of April, 1993.

Secretary of the Board of
Directors
INDUSTRIAL NEW JOBS
TRAINING AGREEMENT

between

Des Moines Area Community College
Ankeny, Iowa

and

Ambico, Inc.
902 Sugar Grove Avenue
P.O. Box 522
Dallas Center, IA 50063

Dated as of April 19, 1993

Relating to

Des Moines Area Community College
Job Training Certificates
INDUSTRIAL NEW JOBS TRAINING AGREEMENT

This Training Agreement (the "Agreement") made and entered into as of April 19, 1993 between Des Moines Area Community College, Ankeny, Iowa (the "Area School") and Ambico, Inc., a(n) Iowa corporation (the "Employer"), under the following circumstances:

A. Pursuant to Chapter 260E of Code of Iowa, as amended (the "Act"), the Area School has determined to enter into this Agreement with Employer for the purpose of establishing a new jobs training program to educate and train certain persons employed by Employer in new jobs.

B. The Area School and the Employer each have full right and lawful authority to enter into this Agreement and to perform and observe the provisions hereof on their respective parts to be performed and observed.

NOW THEREFORE, in consideration of the premises and the mutual representations and agreements hereinafter contained, the parties hereto agree as follows:

ARTICLE I

REPRESENTATIONS

Section 1.1 Representations of the Area School. The Area School represents and covenants that: (a) it is duly organized and validly existing under the laws of the State of Iowa; (b) it is not in violation of any provisions of the laws of the State which would impair its ability to carry out its obligations hereunder; (c) it is empowered to enter into the transactions contemplated by this Agreement; and (d) it will do all things in its power required of it in order to maintain its existence or assure the assumption of its obligations hereunder by any successor public body.

Section 1.2 Representations and Covenants of the Employer. The Employer represents and covenants that:

(a) It is a(n) Iowa corporation.

(b) It has full power and authority to execute, deliver and perform this Agreement and all other instruments given by the Employer to secure the Certificates (hereinafter described and referred to herein as the "Certificates") and to enter into and carry out the transactions contemplated herein. Such execution, delivery of performance are not in contravention of law or Employer's articles of incorporation, by-laws or any indenture, agreement, mortgage, lease, undertaking or any other restriction, obligation or instrument to which the Company is a party or by which it is bound. This Agreement has by proper action been duly authorized, executed and delivered by the Employer and all steps necessary have been taken to constitute this Agreement a valid and binding obligation of the Employer.
(c) There is no litigation or proceeding pending, or to the knowledge of the Employer threatened, against the Employer or any other person affecting in any manner whatsoever the right of the Employer to execute this Agreement or to otherwise comply with its obligations contained in this Agreement.

(d) The employees to be covered by this Agreement had not commenced work for the Employer as of the date of the execution of the Preliminary Industrial New Jobs Training Agreement between the Area School and the Employer (the "Preliminary Agreement"), and those employees are or will be employed in new jobs in connection with the expansion of the Employer's business operations.

(e) The Employer is engaged in interstate/intrastate commerce for the purpose of manufacturing, processing or assembling products, conducting research and development, or providing services in interstate commerce.

ARTICLE II

PROJECT: PROGRAM SERVICES

Section 2.1. The "Project" shall consist of the program services described and the on-the-job training program described on Exhibit "A" entitled "Training Plan For Ambico, Inc."

Exhibit "A" is incorporated herein by reference. Exhibit "A" shows the number of employees, areas of training, training period and estimated costs. Included as a part of Exhibit "A" and incorporated by reference is a copy of the proposed budget of the Area School and the Employer relating to the Project.

Section 2.2. The Employer represents and agrees that the Program Services are for the purpose of providing education and training services to persons to be employed as a part of the Project.

Section 2.3. The Area School agrees to provide the Program Services. It is understood and agreed that the Employer and the Area School will cooperate in the coordination and programming of the specific expenditures and operation of the Project within the guidelines set out in Exhibit "A".

Section 2.4. The Employer agrees to pay or cause to be paid all necessary and incidental costs of the Project, including principal and interest on the Certificates. The costs shall be paid from new jobs credit from withholding with respect to persons employed at the Project and the incremental property taxes produced by the expansion by the Employer as a part of the Project.

Section 2.5. The terms of this Agreement shall be for not to exceed ten (10) years and shall coincide with the period of time over which the Certificates mature and the Project costs are deferred.
Section 2.6. The Area School may revise the training curriculum from time to time with the consent of the Employer; provided that no revision shall be made which would change the Project to other than purposes permitted by the Act; provided, however, that this Agreement shall not terminate until the Certificates have been paid in full.

Section 2.7. The Certificates will be issued pursuant to a resolution adopted by the Board of Directors of the Area School in the aggregate principal amount, bearing interest, maturing and being redeemable as set forth in such resolution.

The proceeds from the sale of the Certificates shall be paid to the Area School and deposited in a Project Fund established by the Area School. Pending disbursement, the proceeds so deposited in the Project Fund, together with any investment earnings thereon, shall be subject to a lien in favor of the holders of the Certificates as provided in the resolution authorizing the Certificates.

Section 2.8. In the event that moneys in the Project Fund are not sufficient to pay all costs of the Project, the Employer will, nonetheless, pay all costs of such Project in full from its own funds. If the Employer should pay any portion of such costs, it shall not be entitled to any reimbursement therefor from the Area School; nor shall it be entitled to any abatement, diminution or postponement of the payments required to satisfy the debt service requirements on the Certificates. Provided, however, that the Employer will be entitled to reimbursement of its own funds from the Project Fund when a surplus is attained in such fund and not needed to satisfy the debt service requirements on the Certificates.

ARTICLE III
PAYMENTS: SECURITY

Section 3.1. Whether or not the amounts described in Section 2.4 are sufficient for such purpose, the Employer shall make, or cause to be made, payments on or before each principal and interest payment date until the principal and premium, if any, and interest on the Certificates shall have been paid, by paying, or causing to be paid, to the Area School, as payments hereunder, an amount equal to the amount payable as installments or principal (whether at maturity or by redemption) and premium, if any, and interest on the Certificates on such principal and interest payment date.

In any event, the sum of all payments under this Agreement shall be sufficient to pay the total amount due with respect to such principal of and interest and any premium of the Certificates as and when due.

Section 3.2. The Employer shall make, or cause to be made, from the sources described in Section 2.4 hereof, all payments directly to the Area School at its principal office for application to the payment of the corresponding installments of principal and premium, if any, and interest on the Certificates. The parties shall agree upon a payment schedule prior to the issuance of Certificates.
Section 3.3. The obligation of the Employer to make payments shall be absolute and unconditional upon issuance of the Certificates, and the Employer shall make such payments without abatement, diminution or deduction regardless of any cause or circumstances whatsoever including, without limitation, any defense, set-off, recoupment or counterclaim which the Employer may have or assert against the Area School or any other person.

Section 3.4. To secure the payment by the Employer of the payments and compliance by the Employer with all the terms, provisions and conditions hereof, Employer agrees that the new jobs credit from withholding, as defined and described in Section 5 of the Act, and the incremental property taxes, as defined and described in Section 4 of the Act, shall be pledged for payment of the principal of and premium, if any, and interest on the Certificates. To the extent required by the Act, the Employer further agrees that the payments required to be made by it hereunder are a lien upon the Employer's business property in the State of Iowa until paid and have equal precedence with ordinary taxes and shall not be divested by a judicial sale. Property subject to this lien may be sold for sums due and delinquent at a tax sale, with the same forfeitures, penalties and consequences as for the nonpayment of ordinary taxes. The purchaser at any such tax sale shall obtain the property subject to the remaining payments.

ARTICLE IV
EVENT OF DEFAULT AND REMEDIES

Section 4.1. Events of Default. Each of the following shall be an "event of default" hereunder:

(a) The Employer shall fail to pay any required payment on or prior to the date on which such payment is due and payable and continuing for more than five (5) business days thereafter.

(b) The Employer shall fail to observe and perform any other agreement, term or condition contained in this Agreement, if such failure continues for a period of thirty (30) days after notice of such failure is given to the Employer by the Area School, or for such longer period as the Area School may agree to in writing; provided, that if the failure is other than the payment of money and is of such nature that it cannot be corrected within the applicable period, such failure shall not constitute an event of default so long as the Employer institutes curative action within the applicable period and diligently pursues such action to completion.

(c) The Employer shall: (i) admit in writing its inability to pay its debts generally as they become due; (ii) have an order for relief entered in any case commenced by or against it under the federal bankruptcy laws, as now or hereafter in effect; (iii) commence a proceeding under any other federal or state bankruptcy, insolvency, reorganization or other similar law, or have such a proceeding commenced against it and either have an order of insolvency or
reorganization entered against it or have the proceeding remain undismissed and unstayed for 90 days; (iv) make an assignment for the benefit of creditors; or (v) have a receiver or trustee appointed for it or for the whole or any substantial part of its property.

(d) Any representation or warranty made by the Employer herein or any statement in any report, certificate, financial statement or other instrument furnished in connection with this Agreement or with the sale of the Certificates shall at any time prove to have been false or misleading in any material respect when made or given.

The declaration of an event of default under Subsection (c) above, and the exercise of remedies upon any such declaration shall be subject to any applicable limitations of federal bankruptcy law affecting or precluding such declaration or exercise during the pendency of or immediately following any bankruptcy, liquidation or reorganization proceedings.

Section 4.2. Whenever an event of default shall have happened and be continuing, the Area School may take whatever action at law or in equity may appear necessary or desirable to collect the payments due and other amounts then due and thereafter to become due, or to enforce performance and observance of any other obligation or agreement of the Employer under this Agreement. Notwithstanding the foregoing, the Area School shall not be obligated to take any step which in its opinion will or might cause it to expend time or money or otherwise incur liability unless and until a satisfactory indemnity bond has been furnished to the Area School at no cost or expense to the Area School. Any amounts collected as payments or applicable to payments and any other amounts which would be applicable to payment of principal and premium, if any, and interest on the Certificates collected pursuant to action taken under this Section shall be paid to the holders of the Certificates for application to such payment.

Section 4.3. No remedy conferred upon or reserved to the Area School by this Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy now or hereafter existing at law, 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. In order to entitle the Area School to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be expressly required herein.

Section 4.4. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.
ARTICLE V

MISCELLANEOUS

Section 5.1. All notices, certificates, requests or other communications hereunder shall be in writing and shall be deemed to be sufficiently given when mailed by registered or certified mail, postage prepaid, addressed to the appropriate notice address as follows:

Area School: Joseph A. Borgen, Ph.D.
President
Des Moines Area Community College
2006 S. Ankeny Blvd.
Ankeny, Iowa 50021

Employer: Norman D. Amsberry, VP
Ambico, Inc.
902 Sugar Grove Avenue
P.O. Box 522
Dallas Center, IA 50063

Employer and the Area School may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent.

Section 5.2. All covenants, stipulations, obligations and agreements of the Area School contained in this Agreement shall be effective to the extent authorized and permitted by applicable law. No such covenant, stipulation, obligation or agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, officer, agent or employee of the Area School or the Board of Directors other than in his official capacity, and neither the members of the Board of Directors nor any official executing the Certificates shall be liable personally on the Certificates or be subject to any personal liability or accountability by reason of the issuance thereof or by reason of the covenants, stipulations, obligations or agreements of the Area School contained in this Agreement.

Section 5.3. This Agreement shall inure to the benefit of and shall be binding in accordance with its terms upon the Area School, the Employer and their respective permitted successors and assigns provided that this Agreement may not be assigned by the Employer and may not be assigned by the Area School except as may otherwise be necessary to enforce or secure payment of the principal or premium, if any, and interest on the Certificates.

Section 5.4. This Agreement may be executed in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same instrument.
Section 5.5. If any provision of this Agreement, or any covenant, stipulation, obligation, agreement, act, or action, or part thereof made, assumed, entered into or taken thereunder or any application thereof, is for any reason held to be illegal or invalid, such illegality or invalidity shall not affect any other provision or any other covenant, stipulation, obligation, agreement, act or action or part thereof, made, assumed, entered into, or taken, each of which shall be construed and enforced as if such illegal or invalid portion were not contained herein. Nor shall such illegality or invalidity or any application thereof affect any legal and valid application thereof, and each such provision, covenant, stipulation, obligation, agreement, act or action, or part shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

Section 5.6. This Agreement shall be governed exclusively by and construed in accordance with the laws of the State of Iowa.

Section 5.7. To further secure the payment of principal or premium, if any, and interest on the Certificates, the Employer shall, upon the request of the Area School, prior to the sale and issuance of the Certificates, cause to be provided to the Area School a guarantee of such payments by the Employer (or a letter-of-credit from a financial institution) in form and content acceptable to the Area School.

Section 5.8. The Area School and the Employer agree to use their best efforts to sell and issue the Certificates and the Employer will cooperate with the Area School to provide necessary financial information in connection with the sale of the Certificates. The parties shall agree upon a repayment schedule prior to the issuance of Certificates. It is understood and agreed that should the Certificates not be marketed or marketable within a reasonable time that this Agreement shall terminate and the Project shall be terminated by mutual agreement of the parties.

Section 5.9. The Employer covenants that it shall take such action or shall refrain from taking any action as shall be necessary to maintain the exemption from Federal income taxes of the interest on the Certificates.

Section 5.10. The Employer agrees to keep the facilities for which the Project has been established continuously insured in an amount at least equal to the total amount of the Certificates outstanding insuring the facilities against loss or damage by fire, lightning, such other perils as are covered by standard "extended coverage" endorsements, vandalism and malicious mischief and containing customary loss deductible provisions. If loss or damage occurs and the Employer determines not to rebuild or restore the facilities to their former condition, the Employer agrees to cause the insurance proceeds to be applied to the payment of principal and interest on the Certificates.
Section 5.11. This Agreement shall supplement the Preliminary Agreement which, except as modified herein, is hereby ratified and confirmed and together this Agreement and the Preliminary Agreement shall constitute one agreement between the Employer and the Area School with respect to the Project.

IN WITNESS WHEREOF, the Area School and the Employer have caused this Agreement to be duly executed in their respective names, all as of the date hereinabove written.

DES MOINES AREA COMMUNITY COLLEGE

By ________________________ April 19, 1993
Date

Company Name

By ________________________ 11-6-92
Date

ATTEST:

Addie M. Harris

ATTEST:

Marjorie Schoeder

ROBERT E. THORSEN

EXP. 40-29-93
TRAINING PLAN

FOR

AMBICO, INC.

PROJECT #2

Prepared by

Des Moines Area Community College
Economic Development Group
John Stapley, Training Consultant
March 31, 1993
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<th>Section</th>
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Ambico, Inc.

Introduction

Ambico, Inc. is located in Dallas Center, Iowa. Founded by Dr. C. Joseph Welter in 1974, Ambico has gained worldwide respect for its vaccines used in the prevention and control of diseases in swine. A previous agreement with Ambico was made in October 1988 for 15 positions. This second agreement is for Ambico's current expansion calling for the enlargement of the current swine building, a new administration building, warehouse, bacterin manufacturing building and a research building. With these additional facilities Ambico will be adding 32 positions.

As the company's need for controlled environments is critical, so is the training. This training plan has been developed to meet the specialized training needs of Ambico and to train the new positions on a phase-in hiring schedule. The objectives of the training are to provide new employees the necessary skill training to become productive employees in biotechnology and vaccine production. The rapid growth of Ambico has created new positions within the company requiring the development of supervisory skills of the new supervisors or managers of the new employees.

All training which is conducted under this training program will be evaluated. For certain jobs, supervisors will be involved in evaluating the new employees ability to complete critical tasks and must be certified to do these task before the actual job. All other training under this plan will be evaluated by individual course evaluations and periodic training program evaluation by Ambico management and DMACC Training Consultant.
List of Positions And Salary Rates

For

AMBICO, INC.

<table>
<thead>
<tr>
<th>POSITIONS</th>
<th>NUMBER</th>
<th>SALARY</th>
</tr>
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<tbody>
<tr>
<td>Marketing Manager</td>
<td>1</td>
<td>$19.00/hr.</td>
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<tr>
<td>Scientists</td>
<td>2</td>
<td>$17.00/hr.</td>
</tr>
<tr>
<td>Sales Representative</td>
<td>2</td>
<td>$17.00/hr.</td>
</tr>
<tr>
<td>Research Assistant</td>
<td>4</td>
<td>$10.50/hr.</td>
</tr>
<tr>
<td>Diagnostician</td>
<td>1</td>
<td>$10.00/hr.</td>
</tr>
<tr>
<td>QC Technician</td>
<td>3</td>
<td>$9.50/hr.</td>
</tr>
<tr>
<td>Secretary</td>
<td>4</td>
<td>$6.00/hr.</td>
</tr>
<tr>
<td>Clerk</td>
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<td>$7.00/hr.</td>
</tr>
<tr>
<td>Production Technician II</td>
<td>2</td>
<td>$10.50/hr.</td>
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<tr>
<td>Production Technician I</td>
<td>4</td>
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<tr>
<td>Maintenance</td>
<td>2</td>
<td>$5.25/hr.</td>
</tr>
<tr>
<td>Packaging Technician</td>
<td>2</td>
<td>$5.25/hr.</td>
</tr>
<tr>
<td>Animal Technician</td>
<td>4</td>
<td>$5.25/hr.</td>
</tr>
</tbody>
</table>

Fringe Benefits

After 90 days - life, health and disability insurance (100% paid by Ambico) vacation, sick days and company paid holidays.

After one year all employees over age 21 are eligible for company 401K Retirement Plan. Company contributes 2% nondiscretionary gross. Employee may contribute up to an additional 6% with company matching 25 cents for each $1.00 employee contributes.

Hourly workers first pay raise ($.25/hr.) after 90 days.
TRAINING OUTLINE

I. Job Specific Skill Development

All new AMBICO employees must complete an orientation program that includes orientation to AMBICO, its customers and its industry. Due to the nature of its production of vaccines and research the need for a controlled environment must be understood by all. To achieve and maintain the necessary controls all employees must follow AMBICO’s Good Manufacturing Practices (GMP) policies and safety program (Right to Know). CIRAS will provide an MRP II overview.

All new employees will receive advanced skill enhancement training within the first year of employment. Subject areas may include process operations, specialized equipment orientation, chemical and lab safety, forklift training, warehouse safety, training on new products.

II. Supervisory and Management Development Training

Today AMBICO has gained a position of world wide respect for its vaccines. With the resulting expansion AMBICO desires to build a stronger professional team. They plan to do this with Management Development and Supervision Skills programs. A number of the managers/supervisors will be the job-specific trainers for their employees. The DMACC course "Teaching the New Employee How to Do the Job" will be provided.

III. Training Materials

The initial employee training includes expenditures for books, video tapes, manuals and printing expenses. A training library has been established where video tapes, books, magazines and technical bulletins will be located. Expenditures from this category are expected to be for TQM, MRPII, GMP, management/supervisory, safety and technical materials associated with AMBICO’s business.

IV. Professional/Skill Development Seminars/Workshops For Individual Employees

Funds in this category will be allocated to meeting individual training needs of new employees. It may fund tuition for credit/noncredit courses, outside seminars including travel expenses and professional membership.

V. On-The-Job Training (OJT)

On-The-Job training funds will be used for employees who require closely supervised training on equipment or processes used for production or in the laboratory.
AMBICO, INC.
Estimated Training Budget

The training fund is generated by a credit to new jobs withholding taxes under the provisions of HF623, Iowa Code 260E.

Revisions of this budget are allowable if both parties consent. A revised budget with signatures of college and company representatives will be filed with the original training plan.

Training plan components

I. Job Specific Skill Development $13,500
   - Orientation
   - GMP
   - Safety
   - Process/Equipment Orientation

II. Management/Supervisory Job Specific Training $ 6,000
   - Management/Supervisor courses/seminars
   - Training techniques for Managers/Supervisors

III. Training Materials $ 5,311
   - Manuals, Books, Training Aids, Training Equipment, Videos and Reference Handbooks

IV. Professional/Skill Development Seminars/Workshops For Individual Employees $ 7,250
   - Tuition reimbursements for credit/noncredit courses
   - Seminar tuition and travel expenses
   - Membership

V. On-The-Job Training (OJT) $ 4,250

TOTAL BUDGET $36,311

The Training Plan is to begin August 1992 and estimate for completion by April 1996.

Upon receipt of proper documentation, reimbursement for all training expenses that meet the guidelines of HF623 and DMACC will be made on an applied-for-basis.
Mission Statement

It is Ambico’s mission to improve the productivity of livestock production systems worldwide by providing meat-animal producers with products designed to prevent and control major disease complexes which would otherwise detract from these animals ability to convert feed to lean meat.

Further, it is Ambico’s mission to increase shareholders’ value and to expand its fixed asset operating base.

Finally, Ambico’s near term three year goals are to:

* Increase annual sales to $10.5 million
* Expand international market coverage
* Reposition product line for very large pork producers
* Expand customer oriented product support and services
* Expand product line to include other livestock species and companion animals
* Introduce broad spectrum (multivalent) feed additive vaccines for the livestock production industry
* Establish a manufacturing facility in Spain to serve markets in Europe
Ambico was founded in 1974 by Dr. C. Joseph Welter. The company offices are located in Dallas Center, Iowa on a 10.3 A tract. Its current physical plant is described in the outline below:

<table>
<thead>
<tr>
<th>Facility</th>
<th>Size (Sq. Ft.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>12700</td>
</tr>
<tr>
<td>Research and Development</td>
<td>5600</td>
</tr>
<tr>
<td>Livestock Buildings</td>
<td>12500</td>
</tr>
<tr>
<td>Administration</td>
<td>3800</td>
</tr>
</tbody>
</table>

The Company’s manufacturing capability is based on bacterial fermentation, tissue culture virus production and the associated recovery technologies for the production of immunogenic material, the “Stuff that vaccines are made of.” The research base includes classical microbiology, disease free facilities and genetic engineering. The Company’s operations are maintained under federal guidelines set forth under Title 9 Code of Federal Regulations (9 CFR).

It was and has been Dr. Welter’s goal to prevent the economic losses from disease in meat producing animals by:

* diagnosing the disease and its etiology-the pathogenic agent
* developing strategies and prototype products to stimulate immunity to the pathogen
* marketing the products and diagnostic capability to the livestock industry.

The initial and current focus is the animal diseases involving body cavities - intestinal, respiratory and reproductive tracts. These body cavities have in common an epithelial surface, which serves as the point of attachment and invasion of disease causing agents. The immunology of these diseases has been poorly understood for many years. Research has, however, begun to demonstrate a framework to explain the mechanism of acquired immunity to the pathogen. This is now being applied to develop methods and products of disease prevention. The Company has achieved numerous industry first noted later. Not the least of these is the first successful, orally applied vaccine for livestock.

Today, Ambico has gained a position of world wide respect for its vaccines to prevent and control major enteric and respiratory swine diseases. This understanding of the host pathogen relationship has been applied to other livestock species for new product development. Recent technical advances in microbiology will provide novel ways to exploit this ever-growing understanding of the immune response in livestock.

Over time the Ambico’s production capability grew with the increasing demand for product and accompanied its research commitment. The development of the intellectual assets of the business has been the result of the integration of the research, development and manufacturing triad.
Though clearly separate functions, the Company's ability to obtain nineteen USDA licenses in ten years speaks to the quality of the team.

Federal licensing of biologicals is a complex process, described in IX CFR. All producers of animal vaccines must now conform to these rules, which assures the animal producers that approved products will work: they are safe, pure, potent and effective.

Along with this intellectual asset base, referred to as "trade secrets," the Company has obtained and filed applications on numerous US and international patents and trademarks.

The Company's products for pork production are marketed predominantly through veterinarians (70%), the ethical distribution channel, and to a lesser extent through the OTC channel (30%). The product-support capability includes, as it always has, a diagnostic service. This free service is available to veterinarians, consultants and producers. Beyond its obvious benefits, this marketing tool also provides the research group with a source of new pathogenic organisms. Product communications are supported by an outside agency, Lessing & Flynn, with Ambico targeting key verticals in the pork industry for its advertising campaign.

From this solid base the company has undertaken a major expansion involving its markets, its products and its assets.

Management And Capital Facilities

"Reorganize the management group at Ambico to improve operational efficiency. This would entail grouping the senior level management to work in closer proximity. This team would manage the five functional areas represented below:

* Human resources and public relations - vice president level
* Finance and administration - vice president level
* Production and distribution - vice president level
* Research and development - vice president level
* marketing and sales - vice president level"

This team would report to the President and CEO. Within the time horizon of this plan a succession plan will be devised and individuals trained to assume greater corporate responsibility through time.

Vesting these individuals with the responsibility and authority for these sections will ensure timely decisions and efficient management. Long range planning will be part of the continuing responsibility of this team and will naturally select younger individuals to assume these positions later on.

Reporting to this Executive team and outside routine channels will be an Opportunities Committee. Consisting of one staff member from each functional area, this committee will identify, evaluate and recommend action on each development opportunity. A "project manager" will then be assigned to guide the development opportunity, throughout to product licensure.

"Build a new office-laboratory complex placing the management team under one roof with a wing to house the R & D group. The design of this new structure will serve closer communication within the Company."
Inherent to Ambico's success has been the close knit management of a small company. As the Company expands to become a major player in the worldwide vaccine market it must guard against the imposition of functional anonymity on its culture. To maintain good communications within the Company during this expansion and beyond, Ambico plans to design and construct a new office building. This new structure will place the Executive team in contiguous offices and adjacent to their areas of responsibility. This office suite will also contain the corporate library and a conference room.

The scope of this new building will be to house the Company's management and research, the library and conference space. Wings to the central core will house Marketing, Research & Development. Quality Control and diagnostic services will occupy the old research building, which will undergo some renovation.

The Company's need for controlled environment, animal test facilities is critical. Expanding the current swine building and adding two other facilities one for cattle and the other for any species will provide the Research team with the resources needed to be successful.

Plan Summary

1. New markets
   - more emphasis on the Ambico label through the ethical channel
   - more emphasis on marketing to the ultralarge producers
   - more emphasis on marketing to the Asia Pacific Rim, South America and Europe

2. New products
   - new swine enterics, new swine reproductive
   - new species-cattle, canine and equine
   - marketing technology-human rotavirus
   - feed additive vaccines

3. Manufacturing
   - increase to two shifts per day
   - enlarged facilities to expand capacity
   - new equipment to improve productivity

4. Management
   - building a stronger professional team

5. Capital Facilities
   - an expanded physical plant keyed to serving the Company's needs for growth.
Des Moines, Iowa
April 19, 1993

The Board of Directors of the Des Moines Area Community College met in regular session on the 19th day of April, 1993, at 4:05 o'clock p.m., at the Urban Campus of the College in Des Moines, Iowa. The meeting was called to order and there were present Doug Shull, President of the Board, in the chair, and the following named Board Members:

Harold Belken, Devere Bendixen, Lloyd Courter, Dick Johnson,
Eldon Leonard, Gerry Pecinovsky, Nancy Wolf-Keith

Absent: Susan Clouser

Matters were discussed concerning an additional New Jobs Training Agreement between the College and Perishable Distributors of Iowa, Ltd. Following a discussion of the proposal, Board Member E. Leonard introduced and caused to be read a resolution entitled "A Resolution Approving the Form and Content and Execution and Delivery of a New Jobs Training Agreement, Instituting Proceedings for the Taking of Additional Action for the Issuance of New Jobs Training Certificates, Directing the Publication of a Notice of Intention to Issue Not to Exceed $145,000 Aggregate Principal Amount of New Jobs Training Certificates (Perishable Distributors of Iowa, Ltd. Project Number 4) of the Des Moines Area Community College, and Providing for the Division of Taxes Levied on Property Where New Jobs are Created as a Result of a New Jobs Training Program"; and moved its adoption. The motion was seconded by Board Member D. Bendixen. After due consideration of said resolution by the Board, the President put the question on the motion and, the roll being called, the following named Board Members voted:

Ayes: Belken, Bendixen, Courter, Johnson, Leonard,
Pecinovsky, Shull, Wolf-Keith

Nays: NONE

Whereupon, the President declared said resolution, a copy of which is attached hereto, duly adopted and signed his approval thereto.

* * * * * *

[Signature]
President of the Board of Directors

Attest:
[Signature]
Secretary of the Board of Directors
RESOLUTION

A RESOLUTION APPROVING THE FORM AND CONTENT AND EXECUTION AND DELIVERY OF A NEW JOBS TRAINING AGREEMENT, INSTITUTING PROCEEDINGS FOR THE TAKING OF ADDITIONAL ACTION FOR THE ISSUANCE OF NEW JOBS TRAINING CERTIFICATES, DIRECTING THE PUBLICATION OF A NOTICE OF INTENTION TO ISSUE NOT TO EXCEED $145,000 AGGREGATE PRINCIPAL AMOUNT OF NEW JOBS TRAINING CERTIFICATES (PERISHABLE DISTRIBUTORS OF IOWA, LTD. PROJECT NUMBER 4) OF THE DES MOINES AREA COMMUNITY COLLEGE, AND PROVIDING FOR THE DIVISION OF TAXES LEVIED ON PROPERTY WHERE NEW JOBS ARE CREATED AS A RESULT OF A NEW JOBS TRAINING PROGRAM.

WHEREAS, The Des Moines Area Community College (hereinafter referred to as the "College"), is an area community college and a body politic organized and existing under the laws of the State of Iowa, and is authorized and empowered by Chapter 260E of the Code of Iowa, as amended (hereinafter referred to as the "Act"), to issue New Jobs Training Certificates and use the proceeds from the sale of said Certificates to defray all or a portion of the cost of a "New Jobs Training Program" as that term is defined in the Act, including the program costs, the purpose of which is to encourage industry and trade to locate and expand within the State of Iowa (the "State") in order to create jobs and employment opportunities and to improve the economic welfare of the residents of the State; and

WHEREAS, the College has undertaken negotiations with respect to an additional New Jobs Training Program with Perishable Distributors of Iowa, Ltd. (the "Company"), pursuant to the provisions of the Act for the purpose of establishing an additional job training program (hereinafter referred to as the "Project") to educate and train workers for new jobs with the Company at its facilities located or to be located in the merged area served by the College, which Project will be beneficial to the Company and the College; and

WHEREAS, the College has determined that the amount necessary to defray all or a portion of the cost of the Project, including necessary expenses incidental thereto, will require the issuance by the College of not to exceed $145,000 aggregate principal amount of its New Jobs Training Certificates pursuant to the provisions of the Act; and

WHEREAS, it is proposed to finance the cost of the Project through the issuance of not to exceed $145,000 New Jobs Training Certificates (Perishable Distributors of Iowa, Ltd. Project Number 4) of the College (the "Certificates"); and

WHEREAS, in order to provide for a division of taxes levied on the taxable business property where the Project will be
WHEREAS, the Project will be located, and the new jobs will be created at the real property which is legally described on Exhibit "B" attached hereto and hereby incorporated herein; and

WHEREAS, before the Certificates may be issued, it is necessary to publish a notice of the proposal to issue new jobs training certificates and the right to appeal the decision of the Board of Directors of the College to issue the Certificates pursuant to the provisions of the Act, all as required and provided for by Section 260E.6 of the Act; and

WHEREAS, an Industrial New Jobs Training Agreement, in the form and with the contents set forth in Exhibit "A" attached hereto, has been negotiated by the College under the terms of which the College agrees, subject to the provisions of such Agreement, to provide a new jobs training program for the Company;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DES MOINES AREA COMMUNITY COLLEGE, AS FOLLOWS:

Section 1. That the Secretary of the Board of Directors is hereby directed to give notice of intention to issue the Certificates, stating the amount and purpose thereof, and the Project for which the Certificates are to be issued, by publication at least once in a legal newspaper, printed in the English language published at least once weekly and having a general circulation within the merged area served by the College. The notice shall be in substantially the following form:
Notice is hereby given that the Board of Directors of the Des Moines Area Community College intends to issue in the manner required by law not to exceed $45,000 aggregate principal amount of Des Moines Area Community College New Jobs Training Certificates (Perishable Distributors of Iowa, Ltd. Project Number 2). The Certificates are to be issued for the purpose of providing funds to pay the cost, including fringe benefits, of job training programs for workers in the perishable distributors of Iowa, Ltd. in Ankeny, Iowa.

The Board of Directors has instituted proceedings and taken further and additional action for the authorization and issuance of the certificates.

A person may, within fifteen days after the publication of this notice by action in the district court of a county in the area within which the Des Moines Area Community College is located, appeal the decision of the board of directors in proposing to issue the certificates. The action of the board of directors in determining to issue the certificates is final and conclusive unless the district court finds that the board of directors has exceeded its legal authority. An action shall not be brought which questions the legality of the certificates, the power of the board of directors to issue the certificates, the effectiveness of any proceedings relating to the authorization of the project, or the authorization and issuance of the certificates from and after fifteen days from the publication of this notice.

This notice is published pursuant to the provisions of Chapter 280E of the Iowa Code.

By Order of the Board of Directors
Helen M. Harris
Secretary of the Board of Directors

Affidavit of Publication

STATE OF IOWA

POLK COUNTY

The undersigned, being first duly sworn, on oath states that she/he is the Chief Clerk of Des Moines Register and Tribune Company, a corporation duly organized and existing under the laws of the State of Iowa, with its principal place of business in Des Moines, Iowa, the publisher of newspapers of general circulation printed and published in the City of Des Moines, Polk County, Iowa, and that an advertisement, a printed copy of which is attached as Exhibit "A" and made a part of this affidavit, was printed and published in The Des Moines Register (daily) the following dates: May 13, 1993

in Des Moines Sunday Register on

Subscribed and sworn to before me by said affiant this 20th day of May 1993.

Mary J. Bradley
Notary Public in and for Polk County, Iowa
NOTICE OF INTENTION TO ISSUE
NEW JOBS TRAINING CERTIFICATES
(PERISHABLE DISTRIBUTORS OF IOWA, LTD. PROJECT)
OF THE DES MOINES AREA COMMUNITY COLLEGE

Notice is hereby given that the Board of Directors of the Des Moines Area Community College intends to issue in the manner required by law not to exceed $145,000 aggregate principal amount of Des Moines Area Community College New Jobs Training Certificates (Perishable Distributors of Iowa, Ltd. Project Number 4). The Certificates are to be issued for the purpose of providing funds to pay the costs, including program costs, of a new jobs training program to educate and train workers for new jobs at Perishable Distributors of Iowa, Ltd. in Ankeny, Iowa.

The Board of Directors has instituted proceedings and taken further and additional action for the authorization and issuance of the Certificates.

A person may, within fifteen days after the publication of this notice by action in the district court of a county in the area within which the Des Moines Area Community College is located, appeal the decision of the Board of Directors in proposing to issue the Certificates. The action of the Board of Directors in determining to issue the Certificates is final and conclusive unless the district court finds that the Board of Directors has exceeded its legal authority. An action shall not be brought which questions the legality of the Certificates, the power of the Board of Directors to issue the Certificates, the effectiveness of any proceedings relating to the authorization of the Project, or the authorization and issuance of the Certificates from and after fifteen days from the publication of this notice.

This notice is published pursuant to the provisions of Chapter 260E of the Iowa Code.

By Order of the Board of Directors

Secretary of the Board of Directors
Section 2. That the Industrial New Jobs Training Agreement, in the form and with the contents set forth in Exhibit "A" attached hereto, be and the same is hereby approved and the President of the Board of Directors is hereby authorized to execute said Industrial New Jobs Training Agreement, and the Secretary of the Board of Directors is hereby authorized to attest the same, said Industrial New Jobs Training Agreement, which constitutes and is hereby made a part of this Resolution, to be in substantially the form, text and containing the provisions set forth in Exhibit "A" attached hereto.

Section 3. That this Board does hereby institute proceedings and take further and additional action for the authorization and issuance in the manner required by law of not to exceed $145,000 of New Jobs Training Certificates (Perishable Distributors of Iowa, Ltd. Project Number 4) the proceeds of which Certificates will be used to provide funds to pay costs, including program costs, of new jobs training by providing education and training of workers for new jobs at the Company.

Section 4. That all taxes levied on the Company's taxable business property, including equipment, located on the real property legally described on Exhibit "B" attached hereto each year shall be divided as provided in Section 403.19 of the Iowa Code, subsections 1 and 2, in the same manner as if the Company's business property was taxable property in an urban renewal project and this Resolution was an ordinance within the meaning of those subsections, all in accordance with the provisions of the Act.

Section 5. That the County Auditor of the County where the property described on Exhibit "B" is located shall after the date of the adoption of this Resolution make the allocations provided for herein.

Section 6. The taxes received by this Board of Directors shall be allocated to and when collected be paid into a special fund of the College and shall be irrevocably pledged by the College to pay the principal of and interest on the Certificates issued by the College to finance the Project.

Section 7. That the Secretary of the Board of Directors shall certify a copy of this Resolution to the County Auditor of the County where the property described on Exhibit "B" is located.

Section 8. That officials of the College are hereby authorized to take such further action as may be necessary to carry out the intent and purpose of this Resolution.

Section 9. That all resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.
Passed and approved this 19th day of April, 1993.

[Signature]
President of the Board of Directors

Attest:

[Signature]
Secretary of the Board of Directors
I, Helen M. Harris, Secretary of the Board of Directors of the Des Moines Area Community College, do hereby certify that I have in my possession or have access to the complete corporate records of said College and of its Board of Directors and officers; and that I have carefully compared the transcript hereto attached with the aforesaid corporate records and that said transcript hereto attached is a true, correct and complete copy of all of the corporate records showing the action taken with respect to the matters set forth therein by the Board of Directors of said College on April 19, 1993, which proceedings remain in full force and effect, and have not been amended or rescinded in any way; that such meeting was duly and publicly held in accordance with the Notice of Meeting and tentative agenda, a copy of which was timely served on each member of the Board of Directors 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 of Directors (a copy of the face sheet of said agenda being attached hereto) pursuant to the rules of the Board of Directors and the provisions of Chapter 21, Code of Iowa, as amended, upon reasonable advance notice to the public and media at least twenty-four (24) hours prior to the commencement of the meeting as required by said law and with members of the public in attendance. I further certify that the individuals named in the attached proceedings were on the date thereof duly and lawfully possessed of their respective offices as indicated therein, that no Board of Directors vacancies existed except as may be stated in said proceedings, and that no controversy or litigation is pending, prayed or threatened involving the organization, existence or boundaries of the College or the right of the individuals named therein as officers to their respective positions.

WITNESS my hand hereto affixed this 19th day of April, 1993.

[Signature]

Secretary of the Board of Directors
INDUSTRIAL NEW JOBS
TRAINING AGREEMENT

between

Des Moines Area Community College
Ankeny, Iowa

and

Perishable Distributors of Iowa

Dated as of April 19, 1993

Relating to

Des Moines Area Community College
Job Training Certificates
INDUSTRIAL NEW JOBS TRAINING AGREEMENT

This Training Agreement (the "Agreement") made and entered into as of April 19, 1993 between Des Moines Area Community College, Ankeny, Iowa (the "Area School") and Perishable Distributors of Iowa, Ltd., a(n) Iowa corporation (the "Employer"), under the following circumstances:

A. Pursuant to Chapter 280B of Code of Iowa, as amended (the "Act"), the Area School has determined to enter into this Agreement with Employer for the purpose of establishing a new jobs training program to educate and train certain persons employed by Employer in new jobs.

B. The Area School and the Employer each have full right and lawful authority to enter into this Agreement and to perform and observe the provisions hereof on their respective parts to be performed and observed.

NOW THEREFORE, in consideration of the premises and the mutual representations and agreements hereinafter contained, the parties hereto agree as follows:

ARTICLE I

REPRESENTATIONS

Section 1.1 Representations of the Area School. The Area School represents and covenants that: (a) it is duly organized and validly existing under the laws of the State of Iowa; (b) it is not in violation of any provisions of the laws of the State which would impair its ability to carry out its obligations hereunder; (c) it is empowered to enter into the transactions contemplated by this Agreement; and (d) it will do all things in its power required of it in order to maintain its existence or assure the assumption of its obligations hereunder by any successor public body.

Section 1.2 Representations and Covenants of the Employer. The Employer represents and covenants that:

(a) It is a(n) Iowa corporation.

(b) It has full power and authority to execute, deliver and perform this Agreement and all other instruments given by the Employer to secure the Certificates (hereinafter described and referred to herein as the "Certificates") and to enter into and carry out the transactions contemplated herein. Such execution, delivery of performance are not in contravention of law or Employer's articles of incorporation, by-laws or any indenture, agreement, mortgage, lease, undertaking or any other restriction, obligation or instrument to which the Company is a party or by which it is bound. This Agreement has by proper action been duly authorized, executed and delivered by the Employer and all steps necessary have been taken to constitute this Agreement a valid and binding obligation of the Employer.
(c) There is no litigation or proceeding pending, or to the knowledge of the Employer threatened, against the Employer or any other person affecting in any manner whatsoever the right of the Employer to execute this Agreement or to otherwise comply with its obligations contained in this Agreement.

(d) The employees to be covered by this Agreement had not commenced work for the Employer as of the date of the execution of the Preliminary Industrial New Jobs Training Agreement between the Area School and the Employer (the "Preliminary Agreement"), and those employees are or will be employed in new jobs in connection with the expansion of the Employer's business operations.

(e) The Employer is engaged in interstate/intrastate commerce for the purpose of manufacturing, processing or assembling products, conducting research and development, or providing services in interstate commerce.

ARTICLE II

PROJECT: PROGRAM SERVICES

Section 2.1. The "Project" shall consist of the program services described and the on-the-job training program described on Exhibit "A" entitled "Training Plan For ..." Exhibit "A" is incorporated herein by reference. Exhibit "A" shows the number of employees, areas of training, training period and estimated costs. Included as a part of Exhibit "A" and incorporated by reference is a copy of the proposed budget of the Area School and the Employer relating to the Project.

Section 2.2. The Employer represents and agrees that the Program Services are for the purpose of providing education and training services to persons to be employed as a part of the Project.

Section 2.3. The Area School agrees to provide the Program Services. It is understood and agreed that the Employer and the Area School will cooperate in the coordination and programming of the specific expenditures and operation of the Project within the guidelines set out in Exhibit "A".

Section 2.4. The Employer agrees to pay or cause to be paid all necessary and incidental costs of the Project, including principal and interest on the Certificates. The costs shall be paid from new jobs credit from withholding with respect to persons employed at the Project and the incremental property taxes produced by the expansion by the Employer as a part of the Project.

Section 2.5. The terms of this Agreement shall be for not to exceed ten (10) years and shall coincide with the period of time over which the Certificates mature and the Project costs are deferred.
Section 2.6. The Area School may revise the training curriculum from time to time with the consent of the Employer; provided that no revision shall be made which would change the Project to other than purposes permitted by the Act; provided, however, that this Agreement shall not terminate until the Certificates have been paid in full.

Section 2.7. The Certificates will be issued pursuant to a resolution adopted by the Board of Directors of the Area School in the aggregate principal amount, bearing interest, maturing and being redeemable as set forth in such resolution.

The proceeds from the sale of the Certificates shall be paid to the Area School and deposited in a Project Fund established by the Area School. Pending disbursement, the proceeds so deposited in the Project Fund, together with any investment earnings thereon, shall be subject to a lien in favor of the holders of the Certificates as provided in the resolution authorizing the Certificates.

Section 2.8. In the event that moneys in the Project Fund are not sufficient to pay all costs of the Project, the Employer will, nonetheless, pay all costs of such Project in full from its own funds. If the Employer should pay any portion of such costs, it shall not be entitled to any reimbursement therefrom from the Area School; nor shall it be entitled to any abatement, diminution or postponement of the payments required to satisfy the debt service requirements on the Certificates. Provided, however, that the Employer will be entitled to reimbursement of its own funds from the Project Fund when a surplus is attained in such fund and not needed to satisfy the debt service requirements on the Certificates.

ARTICLE III
PAYMENTS: SECURITY

Section 3.1. Whether or not the amounts described in Section 2.4 are sufficient for such purpose, the Employer shall make, or cause to be made, payments on or before each principal and interest payment date until the principal and premium, if any, and interest on the Certificates shall have been paid, by paying, or causing to be paid, to the Area School, as payments hereunder, an amount equal to the amount payable as installments of principal (whether at maturity or by redemption) and premium, if any, and interest on the Certificates on such principal and interest payment date.

In any event, the sum of all payments under this Agreement shall be sufficient to pay the total amount due with respect to such principal of and interest and any premium of the Certificates as and when due.

Section 3.2. The Employer shall make, or cause to be made, from the sources described in Section 2.4 hereof, all payments directly to the Area School at its principal office for application to the payment of the corresponding installments of principal and premium, if any, and interest on the Certificates. The parties shall agree upon a payment schedule prior to the issuance of Certificates.
Section 3.3. The obligation of the Employer to make payments shall be absolute and unconditional upon issuance of the Certificates, and the Employer shall make such payments without abatement, diminution or deduction regardless of any cause or circumstances whatsoever including, without limitation, any defense, set-off, recoupment or counterclaim which the Employer may have or assert against the Area School or any other person.

Section 3.4. To secure the payment by the Employer of the payments and compliance by the Employer with all the terms, provisions and conditions hereof, Employer agrees that the new jobs credit, from withholding, as defined and described in Section 5 of the Act, and the incremental property taxes, as defined and described in Section 4 of the Act, shall be pledged for payment of the principal of and premium, if any, and interest on the Certificates. To the extent required by the Act, the Employer further agrees that the payments required to be made by it hereunder are a lien upon the Employer's business property in the State of Iowa until paid and have equal precedence with ordinary taxes and shall not be divested by a judicial sale. Property subject to this lien may be sold for sums due and delinquent at a tax sale, with the same forfeitures, penalties and consequences as for the nonpayment of ordinary taxes. The purchaser at any such tax sale shall obtain the property subject to the remaining payments.

ARTICLE IV

EVENT OF DEFAULT AND REMEDIES

Section 4.1. Events of Default. Each of the following shall be an "event of default" hereunder:

(a) The Employer shall fail to pay any required payment on or prior to the date on which such payment is due and payable and continuing for more than five (5) business days thereafter.

(b) The Employer shall fail to observe and perform any other agreement, term or condition contained in this Agreement, if such failure continues for a period of thirty (30) days after notice of such failure is given to the Employer by the Area School, or for such longer period as the Area School may agree to in writing; provided, that if the failure is other than the payment of money and is of such nature that it cannot be corrected within the applicable period, such failure shall not constitute an event of default so long as the Employer institutes curative action within the applicable period and diligently pursues such action to completion.

(c) The Employer shall: (i) admit in writing its inability to pay its debts generally as they become due; (ii) have an order for relief entered in any case commenced by or against it under the federal bankruptcy laws, as now or hereafter in effect; (iii) commence a proceeding under any other federal or state bankruptcy, insolvency, reorganization or other similar law, or have such a proceeding commenced against it and either have an order of insolvency or
reorganization entered against it or have the proceeding remain undismissed and unstayed for 90 days; (iv) make an assignment for the benefit of creditors; or (v) have a receiver or trustee appointed for it or for the whole or any substantial part of its property.

(d) Any representation or warranty made by the Employer herein or any statement in any report, certificate, financial statement or other instrument furnished in connection with this Agreement or with the sale of the Certificates shall at any time prove to have been false or misleading in any material respect when made or given.

The declaration of an event of default under Subsection (c) above, and the exercise of remedies upon any such declaration shall be subject to any applicable limitations of federal bankruptcy law affecting or precluding such declaration or exercise during the pendency of or immediately following any bankruptcy, liquidation or reorganization proceedings.

Section 4.2. Whenever an event of default shall have happened and be continuing, the Area School may take whatever action at law or in equity may appear necessary or desirable to collect the payments due and other amounts then due and thereafter to become due, or to enforce performance and observance of any other obligation or agreement of the Employer under this Agreement. Notwithstanding the foregoing, the Area School shall not be obligated to take any step which in its opinion will or might cause it to expend time or money or otherwise incur liability unless and until a satisfactory indemnity bond has been furnished to the Area School at no cost or expense to the Area School. Any amounts collected as payments or applicable to payments and any other amounts which would be applicable to payment of principal and premium, if any, and interest on the Certificates collected pursuant to action taken under this Section shall be paid to the holders of the Certificates for application to such payment.

Section 4.3. No remedy conferred upon or reserved to the Area School by this Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy now or hereafter existing at law, 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. In order to entitle the Area School to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be expressly required herein.

Section 4.4. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.
ARTICLE V
MISCELLANEOUS

Section 5.1. All notices, certificates, requests or other communications hereunder shall be in writing and shall be deemed to be sufficiently given when mailed by registered or certified mail, postage prepaid, addressed to the appropriate notice address as follows:

Area School: Joseph A. Borgen, Ph.D.
President
Des Moines Area Community College
2006 S. Ankeny Blvd.
Ankeny, Iowa 50021

Employer: Richard Smith
Vice President-Treasurer
Perishable Distributors of Iowa
2741 PDI Place
Ankeny, IA 50021

Employer and the Area School may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent.

Section 5.2. All covenants, stipulations, obligations and agreements of the Area School contained in this Agreement shall be effective to the extent authorized and permitted by applicable law. No such covenant, stipulation, obligation or agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, officer, agent or employee of the Area School or the Board of Directors other than in his official capacity, and neither the members of the Board of Directors nor any official executing the Certificates shall be liable personally on the Certificates or be subject to any personal liability or accountability by reason of the issuance thereof or by reason of the covenants, stipulations, obligations or agreements of the Area School contained in this Agreement.

Section 5.3. This Agreement shall inure to the benefit of and shall be binding in accordance with its terms upon the Area School, the Employer and their respective permitted successors and assigns provided that this Agreement may not be assigned by the Employer and may not be assigned by the Area School except as may otherwise be necessary to enforce or secure payment of the principal or premium, if any, and interest on the Certificates.

Section 5.4. This Agreement may be executed in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same instrument.
Section 5.5. If any provision of this Agreement, or any covenant, stipulation, obligation, agreement, act, or action, or part thereof made, assumed, entered into or taken thereunder or any application thereof, is for any reason held to be illegal or invalid, such illegality or invalidity shall not affect any other provision or any other covenant, stipulation, obligation, agreement, act or action or part thereof, made, assumed, entered into, or taken, each of which shall be construed and enforced as if such illegal or invalid portion were not contained herein. Nor shall such illegality or invalidity or any application thereof affect any legal and valid application thereof, and each such provision, covenant, stipulation, obligation, agreement, act or action, or part shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

Section 5.6. This Agreement shall be governed exclusively by and construed in accordance with the laws of the State of Iowa.

Section 5.7. To further secure the payment of principal or premium, if any, and interest on the Certificates, the Employer shall, upon the request of the Area School, prior to the sale and issuance of the Certificates, cause to be provided to the Area School a guarantee of such payments by the Employer (or a letter-of-credit from a financial institution) in form and content acceptable to the Area School.

Section 5.8. The Area School and the Employer agree to use their best efforts to sell and issue the Certificates and the Employer will cooperate with the Area School to provide necessary financial information in connection with the sale of the Certificates. The parties shall agree upon a repayment schedule prior to the issuance of Certificates. It is understood and agreed that should the Certificates not be marketed or marketable within a reasonable time that this Agreement shall terminate and the Project shall be terminated by mutual agreement of the parties.

Section 5.9. The Employer covenants that it shall take such action or shall refrain from taking any action as shall be necessary to maintain the exemption from Federal income taxes of the interest on the Certificates.

Section 5.10. The Employer agrees to keep the facilities for which the Project has been established continuously insured in an amount at least equal to the total amount of the Certificates outstanding insuring the facilities against loss or damage by fire, lightning, such other perils as are covered by standard "extended coverage" endorsements, vandalism and malicious mischief and containing customary loss deductible provisions. If loss or damage occurs and the Employer determines not to rebuild or restore the facilities to their former condition, the Employer agrees to cause the insurance proceeds to be applied to the payment of principal and interest on the Certificates.
Section 5.11. This Agreement shall supplement the Preliminary
Agreement which, except as modified herein, is hereby ratified and
confirmed and together this Agreement and the Preliminary Agreement shall
constitute one agreement between the Employer and the Area School with
respect to the Project.

IN WITNESS WHEREOF, the Area School and the Employer have caused this
Agreement to be duly executed in their respective names, all as of the date
hereinabove written.

DES MOINES AREA COMMUNITY COLLEGE

By ___________ Date Apr. 19, 1993

Perishable Distributors of Iowa
(Company Name)

By ___________ Date 4/9/93

Richard Smith
Vice President-Treasurer

ATTEST:

[Signature]

ATTEST:

[Signature]
TRAINING PLAN
FOR
PERISHABLE DISTRIBUTORS OF IOWA
FOURTH PROJECT

Prepared by:
Collette Saylor
Training Consultant
DMACC
March 1993
# Table of Contents

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Perishable Distributors of Iowa
Fourth Project
Introduction

Perishable Distributors of Iowa, located in Ankeny, is a wholly owned subsidiary of HyVee Food Stores, Inc. PDI warehouses and distributes perishable food items, dairy products, deli and bakery supplies and frozen foods for grocery stores. In 1991, Sunrise Dairy in Ankeny, became a fully owned subsidiary of PDI adding approximately 62 employees to PDI’s workforce. This purchase has allowed PDI to expand into ice cream distribution to grocery stores.

This fourth project will cover the addition of 70 new positions to PDI and a building expansion at the Ankeny facility.

This training plan has been designed to meet the needs of new PDI employees as well as enhance the skills of supervisors and upgrade the systems of PDI.

To meet these objectives DMACC, in cooperation with PDI staff, has prepared the following plan for training which began in August 1992 and will continue through December 1995. This training plan includes:

I. Job skill specific training including safety training

II. Management/Supervisory Training including the implementation of an ongoing supervisory training program.

III. Training materials

IV. Professional and Job Skill Development Seminars, Workshops and Conferences

V. On-the-Job Training

VI. Other Training/Compensation and Performance Evaluation Consulting and System Development

VII. Other Training/Reimbursement for Trainer’s Salary
# NEW POSITIONS FILLED

*8/1/92 – 3/23/93*

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<td>$6.00</td>
<td>$7,800</td>
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<td>Driver’s Helper</td>
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<td>Sunrise Selector</td>
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<tr>
<td>Executive Secretary – PDI</td>
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70
I. Job Skill Specific Training $8,279.00

The training described below is for new employees of PDI to assist in the development of the skills necessary to better perform their jobs:

A. Safety training needed by warehouse workers and truck drivers will be provided by both PDI trainers and outside vendors experienced in the grocery warehousing business.

B. Train the trainer workshop will be provided for warehouse trainers. These trainers are responsible for training new PDI employees. This workshop will concentrate on training techniques, development of feedback systems and organizing training activities for better results. DMACC will provide this workshop.

II. Management/Supervisory Training $20,000.00

Outlined below are the training activities offered to improve the skills of managers and supervisors that impact the work of new employees:

A. Dollars from this fund will be used for the development of a long term/ongoing supervisory skills training program. This training to be designed in modular units will be offered on a regular schedule on such topics as, Basics of Supervision, Leadership, Decision Making, Coaching, Performance Evaluation and Internal PDI Systems and Departmental Relations. DMACC will assist in the development, instruction, and implementation of this supervisory training program.

B. Management training and the senior management retreat speaker will also be funded under this plan.
III. Training Materials $10,000.00

A. PDI will purchase or have DMACC produce training videos in the following areas:
   - Forklift operation
   - Truck driver customer service

B. DMACC will assist PDI in the development of accounting and CIS departmental process and procedures manuals to be used in training new employees.

C. A portion of these funds will be used to establish a reference library of safety training manuals and videos.

D. Journal subscriptions specific to the grocery industry, safety, and personnel will be purchased for the reference library.

E. In conjunction with DMACC, PDI is investigating and will purchase assessment instruments to screen new employees and current PDI employees seeking internal promotion. These assessments may be in the areas of math, number skills, management skills and potential, and personality profiles.

IV. Professional and Job Skills Development Seminars and Workshops $25,000.00

Funds will be used for training opportunities not available within PDI or for those applicable to only a few employees.

These off-site activities include:

A. Dale Carnegie Courses for managers and supervisors as directed by senior management.

B. Computer Software Courses at DMACC.

C. Conferences, Seminars, and consulting for human resources personnel specific to grocery wholesale and warehousing, including the National Wholesale Grocers Association training program.
D. Conferences, seminars, and consulting for human resources personnel and trainers needed to upgrade/update their knowledge and skills.

V. On-the-Job Training $34,615.02

No more than 33% of the total training fund may be used for on the job training reimbursement.

VI. Other Training: Compensation and Performance Evaluation Consulting $7,000.00

PDI is currently beginning work with McGladry to develop a viable compensation plan along with position evaluation and a new performance evaluation system. Dollars from this fund will be used to pay a portion of these costs, also those associated with training supervisors and workers on the new system.
EVALUATION

All training which is conducted under this training plan will be evaluated. The procedure to be used will vary depending upon the type of training which is to take place. Techniques used will be: 1) completion of an evaluation form by participants at the conclusion of each course which DMACC provides instruction, 2) a written evaluation of training that was provided under the training plan to be completed by management/supervisory staff at the end of the first and second year of training, 3) focus group sessions with management/supervisors regarding outcomes of training.
BUDGET SUMMARY
for
Perishable Distributors of Iowa
Ankeny, Iowa
260E
Fourth Project

The source of training funds is from the Iowa New Jobs Credit withholding and the use of incremental property tax under Iowa Code 260E.

Revision of this budget is allowable if both parties consent. A revised budget with signatures of college and company representatives will be filed with the original training plan.

The training fund dollars will be allocated as follows:

I. Job Skill Specific Training $8,279.00
II. Management/Supervisory Skills Training 20,000.00
III. Training Materials 10,000.00
IV. Professional and Job Skills Development Seminars, Workshops and Conferences 25,000.00
V. On-The-Job Training 34,615.02
VI. Other Training/Compensation and Performance Evaluation Consulting and System 7,000.00

Total Budget $104,894.02

The training began in August 1992 and will continue through December 1995.

Upon receipt of proper documentation, reimbursement to providers of training that meets the guidelines of Iowa Code 260E, DMACC, and this training plan will be made on an applied for basis. This plan can be adjusted based upon changes in the company, with agreement of PDI and DMACC.
Des Moines, Iowa

April 19, 1993

The Board of Directors of the Des Moines Area Community College met in regular session on the 19th day of April, 1993, at 4:05 o'clock p.m., at the Urban Campus of the College in Des Moines, Iowa. The meeting was called to order and there were present Doug Shull, President of the Board, in the chair, and the following named Board Members:

Harold Belken, DeVerE Bendixen, Lloyd Courter, Dick Johnson,
Eldon Leonard, Gerry Pecinovsky, Nancy Wolf-Keith

Absent: Susan Clouser ___________________________________

Matters were discussed concerning a New Jobs Training Agreement between the College and Qualis, Inc. Following a discussion of the proposal, Board Member D. Johnson introduced and caused to be read a resolution entitled "A Resolution Approving the Form and Content and Execution and Delivery of a New Jobs Training Agreement, Instituting Proceedings for the Taking of Additional Action for the Issuance of New Jobs Training Certificates, Directing the Publication of a Notice of Intention to Issue Not to Exceed $40,000 Aggregate Principal Amount of New Jobs Training Certificates (Qualis, Inc. Project) of the Des Moines Area Community College, and Providing for the Division of Taxes Levied on Property Where New Jobs are Created as a Result of a New Jobs Training Program"; and moved its adoption. The motion was seconded by Board Member D. Bendixen. After due consideration of said resolution by the Board, the President put the question on the motion and, the roll being called, the following named Board Members voted:

Ayes: Belken, Bendixen, Courter, Johnson, Leonard,
Pecinovsky, Shull, Wolf-Keith

Nays: NONE

Whereupon, the President declared said resolution, a copy of which is attached hereto, duly adopted and signed his approval thereto.

* * * * * *

[Signature]
President of the Board of Directors

Attest:

[Signature]
Secretary of the Board of Directors
RESOLUTION

A RESOLUTION APPROVING THE FORM AND CONTENT AND EXECUTION AND DELIVERY OF A NEW JOBS TRAINING AGREEMENT, INSTITUTING PROCEEDINGS FOR THE TAKING OF ADDITIONAL ACTION FOR THE ISSUANCE OF NEW JOBS TRAINING CERTIFICATES, DIRECTING THE PUBLICATION OF A NOTICE OF INTENTION TO ISSUE NOT TO EXCEED $40,000 AGGREGATE PRINCIPAL AMOUNT OF NEW JOBS TRAINING CERTIFICATES (QUALIS, INC. PROJECT) OF THE DES MOINES AREA COMMUNITY COLLEGE, AND PROVIDING FOR THE DIVISION OF TAXES LEVIED ON PROPERTY WHERE NEW JOBS ARE CREATED AS A RESULT OF A NEW JOBS TRAINING PROGRAM.

WHEREAS, The Des Moines Area Community College (hereinafter referred to as the "College"), is an area community college and a body politic organized and existing under the laws of the State of Iowa, and is authorized and empowered by Chapter 260E of the Code of Iowa, as amended (hereinafter referred to as the "Act"), to issue New Jobs Training Certificates and use the proceeds from the sale of said Certificates to defray all or a portion of the cost of a "New Jobs Training Program" as that term is defined in the Act, including the program costs, the purpose of which is to encourage industry and trade to locate and expand within the State of Iowa (the "State") in order to create jobs and employment opportunities and to improve the economic welfare of the residents of the State; and

WHEREAS, the College has undertaken negotiations with respect to a New Jobs Training Program with Qualis, Inc. (the "Company"), pursuant to the provisions of the Act for the purpose of establishing an additional job training program (hereinafter referred to as the "Project") to educate and train workers for new jobs with the Company at its facilities located or to be located in the merged area served by the College, which Project will be beneficial to the Company and the College; and

WHEREAS, the College has determined that the amount necessary to defray all or a portion of the cost of the Project, including necessary expenses incidental thereto, will require the issuance by the College of not to exceed $40,000 aggregate principal amount of its New Jobs Training Certificates pursuant to the provisions of the Act; and

WHEREAS, it is proposed to finance the cost of the Project through the issuance of not to exceed $40,000 New Jobs Training Certificates (Qualis, Inc. Project) of the College (the "Certificates"); and

WHEREAS, in order to provide for a division of taxes levied on the taxable business property where the Project will be located, the Board of Directors of the College must adopt a resolution to that effect; and
WHEREAS, the Project will be located, and the new jobs will be created at the real property which is legally described on Exhibit "B" attached hereto and hereby incorporated herein; and

WHEREAS, before the Certificates may be issued, it is necessary to publish a notice of the proposal to issue new jobs training certificates and the right to appeal the decision of the Board of Directors of the College to issue the Certificates pursuant to the provisions of the Act, all as required and provided for by Section 260E.6 of the Act; and

WHEREAS, an Industrial New Jobs Training Agreement, in the form and with the contents set forth in Exhibit "A" attached hereto, has been negotiated by the College under the terms of which the College agrees, subject to the provisions of such Agreement, to provide a new jobs training program for the Company;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DES MOINES AREA COMMUNITY COLLEGE, AS FOLLOWS:

Section 1. That the Secretary of the Board of Directors is hereby directed to give notice of intention to issue the Certificates, stating the amount and purpose thereof, and the Project for which the Certificates are to be issued, by publication at least once in a legal newspaper, printed in the English language published at least once weekly and having a general circulation within the merged area served by the College. The notice shall be in substantially the following form:
The Des Moines Register

Affidavit of Publication

STATE OF IOWA

POLK COUNTY

The undersigned, being first duly sworn, on oath states that she/he is the Chief Clerk of Des Moines Register and Tribune Company, a corporation duly organized and existing under the laws of the State of Iowa, with its principal place of business in Des Moines, Iowa, the publisher of

THE DES MOINES REGISTER (Daily)

DES MOINES SUNDAY REGISTER

newspapers of general circulation printed and published in the City of Des Moines, Polk County, Iowa, and that an advertisement, a printed copy of which is attached as Exhibit "A" and made a part of this affidavit, was printed and published in

The Des Moines Register (daily) the following dates May 13, 1993

in Des Moines Sunday Register on

Subscribed and sworn to before me by said affiant this 20th day of May, 1993.

Mary F. Baldy
Notary Public in and for Polk County, Iowa
NOTICE OF INTENTION TO ISSUE
NEW JOBS TRAINING CERTIFICATES
(QUALIS, INC. PROJECT)
OF THE DES MOINES AREA COMMUNITY COLLEGE

Notice is hereby given that the Board of Directors of the Des Moines Area Community College intends to issue in the manner required by law not to exceed $40,000 aggregate principal amount of Des Moines Area Community College New Jobs Training Certificates (Qualis, Inc. Project). The Certificates are to be issued for the purpose of providing funds to pay the costs, including program costs, of a new jobs training program to educate and train workers for new jobs at Qualis, Inc. in Des Moines, Iowa.

The Board of Directors has instituted proceedings and taken further and additional action for the authorization and issuance of the Certificates.

A person may, within fifteen days after the publication of this notice by action in the district court of a county in the area within which the Des Moines Area Community College is located, appeal the decision of the Board of Directors in proposing to issue the Certificates. The action of the Board of Directors in determining to issue the Certificates is final and conclusive unless the district court finds that the Board of Directors has exceeded its legal authority. An action shall not be brought which questions the legality of the Certificates, the power of the Board of Directors to issue the Certificates, the effectiveness of any proceedings relating to the authorization of the Project, or the authorization and issuance of the Certificates from and after fifteen days from the publication of this notice.

This notice is published pursuant to the provisions of Chapter 260E of the Iowa Code.

By Order of the Board of Directors

Secretary of the Board of Directors
Section 2. That the Industrial New Jobs Training Agreement, in the form and with the contents set forth in Exhibit "A" attached hereto, be and the same is hereby approved and the President of the Board of Directors is hereby authorized to execute said Industrial New Jobs Training Agreement, and the Secretary of the Board of Directors is hereby authorized to attest the same, said Industrial New Jobs Training Agreement, which constitutes and is hereby made a part of this Resolution, to be in substantially the form, text and containing the provisions set forth in Exhibit "A" attached hereto.

Section 3. That this Board does hereby institute proceedings and take further and additional action for the authorization and issuance in the manner required by law of not to exceed $40,000 of New Jobs Training Certificates (Qualis, Inc. Project) the proceeds of which Certificates will be used to provide funds to pay costs, including program costs, of new jobs training by providing education and training of workers for new jobs at the Company.

Section 4. That all taxes levied on the Company's taxable business property, including equipment, located on the real property legally described on Exhibit "B" attached hereto each year shall be divided as provided in Section 403.19 of the Iowa Code, subsections 1 and 2, in the same manner as if the Company's business property was taxable property in an urban renewal project and this Resolution was an ordinance within the meaning of those subsections, all in accordance with the provisions of the Act.

Section 5. That the County Auditor of the County where the property described on Exhibit "B" is located shall after the date of the adoption of this Resolution make the allocations provided for herein.

Section 6. The taxes received by this Board of Directors shall be allocated to and when collected be paid into a special fund of the College and shall be irrevocably pledged by the College to pay the principal of and interest on the Certificates issued by the College to finance the Project.

Section 7. That the Secretary of the Board of Directors shall certify a copy of this Resolution to the County Auditor of the County where the property described on Exhibit "B" is located.

Section 8. That officials of the College are hereby authorized to take such further action as may be necessary to carry out the intent and purpose of this Resolution.

Section 9. That all resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.
Passed and approved this 19th day of April, 1993.

[Signature]
President of the Board of Directors

Attest:
[Signature]
Secretary of the Board of Directors
I, Helen M. Harris, Secretary of the Board of Directors of the Des Moines Area Community College, do hereby certify that I have in my possession or have access to the complete corporate records of said College and of its Board of Directors and officers; and that I have carefully compared the transcript hereto attached with the aforesaid corporate records and that said transcript hereto attached is a true, correct and complete copy of all of the corporate records showing the action taken with respect to the matters set forth therein by the Board of Directors of said College on April 19, 1993, which proceedings remain in full force and effect, and have not been amended or rescinded in any way; that such meeting was duly and publicly held in accordance with the Notice of Meeting and tentative agenda, a copy of which was timely served on each member of the Board of Directors 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 of Directors (a copy of the face sheet of said agenda being attached hereto) pursuant to the rules of the Board of Directors and the provisions of Chapter 21, Code of Iowa, as amended, upon reasonable advance notice to the public and media at least twenty-four (24) hours prior to the commencement of the meeting as required by said law and with members of the public in attendance. I further certify that the individuals named in the attached proceedings were on the date thereof duly and lawfully possessed of their respective offices as indicated therein, that no Board of Directors vacancies existed except as may be stated in said proceedings, and that no controversy or litigation is pending, prayed or threatened involving the organization, existence or boundaries of the College or the right of the individuals named therein as officers to their respective positions.

WITNESS my hand hereto affixed this 19th day of April, 1993.

Helen M. Harris
Secretary of the Board of Directors
INDUSTRIAL NEW JOBS TRAINING AGREEMENT

between

Des Moines Area Community College
Ankeny, Iowa

and

Qualis, Inc.
Des Moines, Iowa

Dated as of April 19, 1993

Relating to

Des Moines Area Community College
Job Training Certificates
This Training Agreement (the "Agreement") made and entered into as of April 19, 1993 between Des Moines Area Community College, Ankeny, Iowa (the "Area School") and Qualis, Inc., a(n) Iowa corporation (the "Employer"), under the following circumstances:

A. Pursuant to Chapter 260E of Code of Iowa, as amended (the "Act"), the Area School has determined to enter into this Agreement with Employer for the purpose of establishing a new jobs training program to educate and train certain persons employed by Employer in new jobs.

B. The Area School and the Employer each have full right and lawful authority to enter into this Agreement and to perform and observe the provisions hereof on their respective parts to be performed and observed.

NOW THEREFORE, in consideration of the premises and the mutual representations and agreements hereinafter contained, the parties hereto agree as follows:

ARTICLE I

REPRESENTATIONS

Section 1.1 Representations of the Area School. The Area School represents and covenants that: (a) it is duly organized and validly existing under the laws of the State of Iowa; (b) it is not in violation of any provisions of the laws of the State which would impair its ability to carry out its obligations hereunder; (c) it is empowered to enter into the transactions contemplated by this Agreement; and (d) it will do all things in its power required of it in order to maintain its existence or assure the assumption of its obligations hereunder by any successor public body.

Section 1.2 Representations and Covenants of the Employer. The Employer represents and covenants that:

(a) It is a(n) Iowa corporation.

(b) It has full power and authority to execute, deliver and perform this Agreement and all other instruments given by the Employer to secure the Certificates (hereinafter described and referred to herein as the "Certificates") and to enter into and carry out the transactions contemplated herein. Such execution, delivery of performance are not in contravention of law or Employer's articles of incorporation, by-laws or any indenture, agreement, mortgage, lease, undertaking or any other restriction, obligation or instrument to which the Company is a party or by which it is bound. This Agreement has by proper action been duly authorized, executed and delivered by the Employer and all steps necessary have been taken to constitute this Agreement a valid and binding obligation of the Employer.
(c) There is no litigation or proceeding pending, or to the knowledge of the Employer threatened, against the Employer or any other person affecting in any manner whatsoever the right of the Employer to execute this Agreement or to otherwise comply with its obligations contained in this Agreement.

(d) The employees to be covered by this Agreement had not commenced work for the Employer as of the date of the execution of the Preliminary Industrial New Jobs Training Agreement between the Area School and the Employer (the "Preliminary Agreement"), and those employees are or will be employed in new jobs in connection with the expansion of the Employer's business operations.

(e) The Employer is engaged in interstate/intrastate commerce for the purpose of manufacturing, processing or assembling products, conducting research and development, or providing services in interstate commerce.

ARTICLE II
PROJECT: PROGRAM SERVICES

Section 2.1. The "Project" shall consist of the program services described and the on-the-job training program described on Exhibit "A" entitled "Training Plan For Qualis, Inc". Exhibit "A" is incorporated herein by reference. Exhibit "A" shows the number of employees, areas of training, training period and estimated costs. Included as a part of Exhibit "A" and incorporated by reference is a copy of the proposed budget of the Area School and the Employer relating to the Project.

Section 2.2. The Employer represents and agrees that the Program Services are for the purpose of providing education and training services to persons to be employed as a part of the Project.

Section 2.3. The Area School agrees to provide the Program Services. It is understood and agreed that the Employer and the Area School will cooperate in the coordination and programming of the specific expenditures and operation of the Project within the guidelines set out in Exhibit "A".

Section 2.4. The Employer agrees to pay or cause to be paid all necessary and incidental costs of the Project, including principal and interest on the Certificates. The costs shall be paid from new jobs credit from withholding with respect to persons employed at the Project and the incremental property taxes produced by the expansion by the Employer as a part of the Project.

Section 2.5. The terms of this Agreement shall be for not to exceed ten (10) years and shall coincide with the period of time over which the Certificates mature and the Project costs are deferred.
Section 2.6. The Area School may revise the training curriculum from time to time with the consent of the Employer; provided that no revision shall be made which would change the Project to other than purposes permitted by the Act; provided, however, that this Agreement shall not terminate until the Certificates have been paid in full.

Section 2.7. The Certificates will be issued pursuant to a resolution adopted by the Board of Directors of the Area School in the aggregate principal amount, bearing interest, maturing and being redeemable as set forth in such resolution.

The proceeds from the sale of the Certificates shall be paid to the Area School and deposited in a Project Fund established by the Area School. Pending disbursement, the proceeds so deposited in the Project Fund, together with any investment earnings thereon, shall be subject to a lien in favor of the holders of the Certificates as provided in the resolution authorizing the Certificates.

Section 2.8. In the event that moneys in the Project Fund are not sufficient to pay all costs of the Project, the Employer will, nonetheless, pay all costs of such Project in full from its own funds. If the Employer should pay any portion of such costs, it shall not be entitled to any reimbursement therefor from the Area School; nor shall it be entitled to any abatement, diminution or postponement of the payments required to satisfy the debt service requirements on the Certificates. Provided, however, that the Employer will be entitled to reimbursement of its own funds from the Project Fund when a surplus is attained in such fund and not needed to satisfy the debt service requirements on the Certificates.

ARTICLE III
PAYMENTS: SECURITY

Section 3.1. Whether or not the amounts described in Section 2.4 are sufficient for such purpose, the Employer shall make, or cause to be made, payments on or before each principal and interest payment date until the principal and premium, if any, and interest on the Certificates shall have been paid, by paying, or causing to be paid, to the Area School, as payments hereunder, an amount equal to the amount payable as installments or principal (whether at maturity or by redemption) and premium, if any, and interest on the Certificates on such principal and interest payment date.

In any event, the sum of all payments under this Agreement shall be sufficient to pay the total amount due with respect to such principal of and interest and any premium of the Certificates as and when due.

Section 3.2. The Employer shall make, or cause to be made, from the sources described in Section 2.4 hereof, all payments directly to the Area School at its principal office for application to the payment of the corresponding installments of principal and premium, if any, and interest on the Certificates. The parties shall agree upon a payment schedule prior to the issuance of Certificates.
Section 3.3. The obligation of the Employer to make payments shall be absolute and unconditional upon issuance of the Certificates, and the Employer shall make such payments without abatement, diminution or deduction regardless of any cause or circumstances whatsoever including, without limitation, any defense, set-off, recoupment or counterclaim which the Employer may have or assert against the Area School or any other person.

Section 3.4. To secure the payment by the Employer of the payments and compliance by the Employer with all the terms, provisions and conditions hereof, Employer agrees that the new jobs credit from withholding, as defined and described in Section 5 of the Act, and the incremental property taxes, as defined and described in Section 4 of the Act, shall be pledged for payment of the principal of and premium, if any, and interest on the Certificates. To the extent required by the Act, the Employer further agrees that the payments required to be made by it hereunder are a lien upon the Employer's business property in the State of Iowa until paid and have equal precedence with ordinary taxes and shall not be divested by a judicial sale. Property subject to this lien may be sold for sums due and delinquent at a tax sale, with the same forfeitures, penalties and consequences as for the nonpayment of ordinary taxes. The purchaser at any such tax sale shall obtain the property subject to the remaining payments.

ARTICLE IV
EVENT OF DEFAULT AND REMEDIES

Section 4.1. Events of Default. Each of the following shall be an "event of default" hereunder:

(a) The Employer shall fail to pay any required payment on or prior to the date on which such payment is due and payable and continuing for more than five (5) business days thereafter.

(b) The Employer shall fail to observe and perform any other agreement, term or condition contained in this Agreement, if such failure continues for a period of thirty (30) days after notice of such failure is given to the Employer by the Area School, or for such longer period as the Area School may agree to in writing; provided, that if the failure is other than the payment of money and is of such nature that it cannot be corrected within the applicable period, such failure shall not constitute an event of default so long as the Employer institutes curative action within the applicable period and diligently pursues such action to completion.

(c) The Employer shall: (i) admit in writing its inability to pay its debts generally as they become due; (ii) have an order for relief entered in any case commenced by or against it under the federal bankruptcy laws, as now or hereafter in effect; (iii) commence a proceeding under any other federal or state bankruptcy, insolvency, reorganization or other similar law, or have such a proceeding commenced against it and either have an order of insolvency or
reorganization entered against it or have the proceeding remain undismissed and unstayed for 90 days; (iv) make an assignment for the benefit of creditors; or (v) have a receiver or trustee appointed for it or for the whole or any substantial part of its property.

(d) Any representation or warranty made by the Employer herein or any statement in any report, certificate, financial statement or other instrument furnished in connection with this Agreement or with the sale of the Certificates shall at any time prove to have been false or misleading in any material respect when made or given.

The declaration of an event of default under Subsection (c) above, and the exercise of remedies upon any such declaration shall be subject to any applicable limitations of federal bankruptcy law affecting or precluding such declaration or exercise during the pendency of or immediately following any bankruptcy, liquidation or reorganization proceedings.

Section 4.2. Whenever an event of default shall have happened and be continuing, the Area School may take whatever action at law or in equity may appear necessary or desirable to collect the payments due and other amounts then due and thereafter to become due, or to enforce performance and observance of any other obligation or agreement of the Employer under this Agreement. Notwithstanding the foregoing, the Area School shall not be obligated to take any step which in its opinion will or might cause it to expend time or money or otherwise incur liability unless and until a satisfactory indemnity bond has been furnished to the Area School at no cost or expense to the Area School. Any amounts collected as payments or applicable to payments and any other amounts which would be applicable to payment of principal and premium, if any, and interest on the Certificates collected pursuant to action taken under this Section shall be paid to the holders of the Certificates for application to such payment.

Section 4.3. No remedy conferred upon or reserved to the Area School by this Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy now or hereafter existing at law, 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. In order to entitle the Area School to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be expressly required herein.

Section 4.4. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.
ARTICLE V

MISCELLANEOUS

Section 5.1. All notices, certificates, requests or other communications hereunder shall be in writing and shall be deemed to be sufficiently given when mailed by registered or certified mail, postage prepaid, addressed to the appropriate notice address as follows:

Area School: Joseph A. Borgen, Ph.D.
President
Des Moines Area Community College
2006 S. Ankeny Blvd.
Ankeny, Iowa 50021

Employer: Qualis, Inc
4600 Park Avenue
Des Moines, IA 50321
Paul Strayer

Employer and the Area School may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent.

Section 5.2. All covenants, stipulations, obligations and agreements of the Area School contained in this Agreement shall be effective to the extent authorized and permitted by applicable law. No such covenant, stipulation, obligation or agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, officer, agent or employee of the Area School or the Board of Directors other than in his official capacity, and neither the members of the Board of Directors nor any official executing the Certificates shall be liable personally on the Certificates or be subject to any personal liability or accountability by reason of the issuance thereof or by reason of the covenants, stipulations, obligations or agreements of the Area School contained in this Agreement.

Section 5.3. This Agreement shall inure to the benefit of and shall be binding in accordance with its terms upon the Area School, the Employer and their respective permitted successors and assigns provided that this Agreement may not be assigned by the Employer and may not be assigned by the Area School except as may otherwise be necessary to enforce or secure payment of the principal or premium, if any, and interest on the Certificates.

Section 5.4. This Agreement may be executed in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same instrument.
Section 5.5. If any provision of this Agreement, or any covenant, stipulation, obligation, agreement, act, or action, or part thereof made, assumed, entered into or taken thereunder or any application thereof, is for any reason held to be illegal or invalid, such illegality or invalidity shall not affect any other provision or any other covenant, stipulation, obligation, agreement, act or action or part thereof, made, assumed, entered into, or taken, each of which shall be construed and enforced as if such illegal or invalid portion were not contained herein. Nor shall such illegality or invalidity or any application thereof affect any legal and valid application thereof, and each such provision, covenant, stipulation, obligation, agreement, act or action, or part shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

Section 5.6. This Agreement shall be governed exclusively by and construed in accordance with the laws of the State of Iowa.

Section 5.7. To further secure the payment of principal or premium, if any, and interest on the Certificates, the Employer shall, upon the request of the Area School, prior to the sale and issuance of the Certificates, cause to be provided to the Area School a guarantee of such payments by the Employer (or a letter-of-credit from a financial institution) in form and content acceptable to the Area School.

Section 5.8. The Area School and the Employer agree to use their best efforts to sell and issue the Certificates and the Employer will cooperate with the Area School to provide necessary financial information in connection with the sale of the Certificates. The parties shall agree upon a repayment schedule prior to the issuance of Certificates. It is understood and agreed that should the Certificates not be marketed or marketable within a reasonable time that this Agreement shall terminate and the Project shall be terminated by mutual agreement of the parties.

Section 5.9. The Employer covenants that it shall take such action or shall refrain from taking any action as shall be necessary to maintain the exemption from Federal income taxes of the interest on the Certificates.

Section 5.10. The Employer agrees to keep the facilities for which the Project has been established continuously insured in an amount at least equal to the total amount of the Certificates outstanding insuring the facilities against loss or damage by fire, lightning, such other perils as are covered by standard "extended coverage" endorsements, vandalism and malicious mischief and containing customary loss deductible provisions. If loss or damage occurs and the Employer determines not to rebuild or restore the facilities to their former condition, the Employer agrees to cause the insurance proceeds to be applied to the payment of principal and interest on the Certificates.
Section 5.11. This Agreement shall supplement the Preliminary Agreement which, except as modified herein, is hereby ratified and confirmed and together this Agreement and the Preliminary Agreement shall constitute one agreement between the Employer and the Area School with respect to the Project.

IN WITNESS WHEREOF, the Area School and the Employer have caused this Agreement to be duly executed in their respective names, all as of the date hereinabove written.

DES MOINES AREA COMMUNITY COLLEGE

By Day School April 19, 1973

ATTEST:

Nema McVicar

(Company Name)

By DeWitt J. Trayer 4-7-93

ATTEST:
TRAINING PLAN
FOR
QUALIS, INC.

Prepared by:
Jolyne Ghanatabadi
Executive Director
Economic Development Group
Des Moines Area Community College
April 1993
Qualis, Inc.

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Qualis, Inc.

Introduction

Qualis is a manufacturer of over-the-counter pharmaceutical, personal care, chemical specialties, and animal health products and has served the contract packaging and private label needs of a variety of major marketers since 1975. It is located on seven acres of prime industrial property at 4600 Park Avenue in Des Moines, Iowa.

Qualis has a current employee base of 94 nonunion employees. A five year contract with Gillette to package ethnic hair products and Toni Perms will result in 37 new positions over the next two years along with the purchase of additional machinery and equipment.

Their training plan has been designed to meet the needs of new Qualis employees.

To meet their objective, Des Moines Area Community College in cooperation with Qualis staff, has prepared the following plan for training which began in January 1993 and will continue through December 1995.
### New Positions
1/1/93 - 12/31/94

<table>
<thead>
<tr>
<th>Position</th>
<th>No. of Positions</th>
<th>Hourly Rate/Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supervisor</td>
<td>2</td>
<td>$65,000</td>
</tr>
<tr>
<td>Accounting</td>
<td>2</td>
<td>$41,750</td>
</tr>
<tr>
<td>Project Manager</td>
<td>1</td>
<td>$40,000</td>
</tr>
<tr>
<td>Clerical</td>
<td>1</td>
<td>$19,000</td>
</tr>
<tr>
<td>Mechanics</td>
<td>2</td>
<td>$13.00/hr</td>
</tr>
<tr>
<td>Lab Technician</td>
<td>3</td>
<td>$11.00/hr</td>
</tr>
<tr>
<td>Truck Driver</td>
<td>1</td>
<td>$10.00/hr</td>
</tr>
<tr>
<td>Compounders</td>
<td>4</td>
<td>$10.00/hr</td>
</tr>
<tr>
<td>Quality Insurance</td>
<td>2</td>
<td>$9.00/hr</td>
</tr>
<tr>
<td>Warehouse</td>
<td>2</td>
<td>$8.50/hr</td>
</tr>
<tr>
<td>Line Leaders</td>
<td>2</td>
<td>$7.62/hr</td>
</tr>
<tr>
<td>Line Workers</td>
<td>37</td>
<td>$5.41/hr</td>
</tr>
</tbody>
</table>

Employee benefits begin after 90 days and include health, dental and life insurance, paid vacation, paid holidays for eligible employees, 401K retirement savings plan, gain sharing and management bonus plans.
Proposed 260E
Training Plan and Budget
for Qualis, Inc.

I. Job Specific Training $ 9,039

The training described below is for new employees of Qualis to assist in the development of the skills necessary to perform the job.

A. Employee orientation provided by the company will include general orientation to Qualis, cGMP (Continuing Good Manufacturing Practices), safety training and right-to-know.

B. Selected employees will receive training regarding FDA and EPA regulations, inflammable storage procedures, forklift training, instrumentation training, and compound blending training. The providers of training will come from vendors and internal trainers.

II. Management/Supervisory Training None

III. Training Materials $ 6,000

A. Procedures manuals for compounders, lab technicians, plant personnel, warehouse personnel, and quality assurance personnel will be prepared by Qualis.

B. Des Moines Area Community College will assist in the editing, typesetting, printing, collating and binding of an Employee Handbook.

C. A portion of these funds will be used for purchase/rental of videos on safety topics such as lifting, hazardous materials, flammable storage, workplace safety, etc.

D. Journal subscription to periodicals will be purchased for the reference library.

IV. Professional And Job Skills Development None

V. On-The-Job Training $15,038

All new employees will receive instruction, guidance and supervision on an individual basis from an immediate supervisor during OJT. Due to the nature of the line of work, OJT is the most feasible method of training.
VI. Project Management Fee $ 1,583

A project management fee of 5% of the training funds will be assessed by Des Moines Area Community College to cover the costs and activities of the Economic Development Group’s work with the company to develop and monitor this project.

EVALUATION

All training conducted under this training plan will be evaluated. The procedure to be used will vary depending upon the type of training which is to take place. Classroom instruction will have a participant evaluation form completed. Evaluation is to be an ongoing process. At completion of the training program there will be an assessment of training outcomes.
BUDGET Summary

For

Qualis, Inc.
Des Moines, Iowa

The source of training funds is from the Iowa New Jobs Credit Withholding and the use of incremental property tax under Iowa Code 260E.

Revision of this budget is allowable if both partners consent. A revised budget with signatures of college and company representatives will be filed with the original training plan.

The training fund dollars will be allocated as follows:

I. Job Specific Training $ 9,039
II. Management Supervisory Training $ -
III. Training Materials $ 6,000
IV. Professional and Job Skills Development $ -
V. On-The-Job Training $15,038
VI. Project Management Fee $ 1,583

Total Budget $31,660

The training began January 1993 and will continue through December 1995.

Upon receipt of proper documentation, reimbursement to providers of training that meets the guidelines of Iowa Code 260E, Des Moines Area Community College, and this training plan will be made on an applied for basis.
Tips For Successful Training Results

The following are suggestions on what the company can do to help ensure that training or job enrichment is successful.

1. Work with the employees to identify what they see as being beneficial training to help them on the job.

2. Gain support from the employees for the training program.

3. Point out the benefits that are to be derived from the training.

4. Provide a training room that is free from distractions and where the employees will not be disturbed.

5. Reinforce on the job what took place in training.
Qualities Of Successful In-House Trainers

The following is a list of qualities a person should possess who is going to be a trainer in a company for which they work.

1. Organizational credibility -- Perceived by others as being both competent and credible within one’s present position or previous positions in the organization.

2. Knowledge of organization norms -- Relates to and clearly expresses organizational policies, procedures, and practices concerning work regulations, ethics, and rules of both supervisors and hourly employees.

3. Planning and organizing -- Established an effective course of action which, when implemented, leads to accomplishment of specific objects/goals.

4. Communication -- Expresses one’s knowledge, thoughts or ideas, individually or in a group, in a manner that can be clearly understood by others.

5. Leadership -- Gains acceptance for one’s ideas from peers, subordinates, and superiors and guides a group’s activities toward the accomplishment of a task.

6. Sensitivity to individuals -- Perceives and is aware of the needs, feelings, and concerns of others and reacts appropriately.

7. Ability to learn -- is receptive to new ideas, assimilates new information, and applies that which is being learned.
Des Moines, Iowa

April 19, 1993

The Board of Directors of the Des Moines Area Community College met in regular session on the 19th day of April, 1993 at 4:05 o'clock p.m., at the Urban Campus of the College in Des Moines, Iowa. The meeting was called to order and there were present Doug Shull, President of the Board, in the chair, and the following named Board Members:

Harold Belken, DeVere Bendixen, Lloyd Courter, Dick Johnson, Eldon Leonard, Gerry Pecinovsky, Nancy Wolf-Keith

Absent: Susan Clouser

Matters were discussed concerning an additional new jobs training agreement between the College and Sears, Roebuck and Co. Following a discussion of the proposal, Board Member L. Courter introduced and caused to be read a resolution entitled "A Resolution Approving the Form and Content and Execution and Delivery of a New Jobs Training Agreement, Instituting Proceedings for the Taking of Additional Action for the Issuance of New Jobs Training Certificates, and Directing the Publication of a Notice of Intention to Issue Not to Exceed $150,000 Aggregate Principal Amount of New Jobs Training Certificates (Sears, Roebuck and Co. Project Number 4) of the Des Moines Area Community College"; and moved its adoption. The motion was seconded by Board Member N. Wolf-Keith. After due consideration of said resolution by the Board, the President put the question on the motion and, the roll being called, the following named Board Members voted:

Ayes: Belken, Bendixen, Courter, Johnson, Leonard, Pecinovsky, Shull, Wolf-Keith

Nays: NONE

Whereupon, the President declared said Resolution, a copy of which is attached hereto, duly adopted and signed his approval thereto.

* * * * * *

President of the Board of Directors

Attest:

Secretary of the Board of Directors
RESOLUTION

A RESOLUTION APPROVING THE FORM AND CONTENT AND EXECUTION AND DELIVERY OF A NEW JOBS TRAINING AGREEMENT, INSTITUTING PROCEEDINGS FOR THE TAKING OF ADDITIONAL ACTION FOR THE ISSUANCE OF NEW JOBS TRAINING CERTIFICATES, AND DIRECTING THE PUBLICATION OF A NOTICE OF INTENTION TO ISSUE NOT TO EXCEED $150,000 AGGREGATE PRINCIPAL AMOUNT OF NEW JOBS TRAINING CERTIFICATES (SEARS, ROEBUCK AND CO. PROJECT NUMBER 4) OF THE DES MOINES AREA COMMUNITY COLLEGE.

WHEREAS, The Des Moines Area Community College (hereinafter referred to as the "College"), is an area community college and a body politic organized and existing under the laws of the State of Iowa, and is authorized and empowered by Chapter 260E of the Code of Iowa, as amended (hereinafter referred to as the "Act"), to issue New Jobs Training Certificates and use the proceeds from the sale of said Certificates to defray all or a portion of the cost of a "New Jobs Training Program" as that term is defined in the Act, including the program costs, the purpose of which is to encourage industry and trade to locate and expand within the State of Iowa (the "State") in order to create jobs and employment opportunities and to improve the economic welfare of the residents of the State; and

WHEREAS, the College has undertaken negotiations with Sears, Roebuck and Co. (the "Company") for the purpose of establishing an additional job training program (hereinafter referred to as the "Project") to educate and train workers for new jobs with the Company at its facilities located in the merged area served by the College, which Project will be beneficial to the Company and the College; and

WHEREAS, the College has determined that the amount necessary to defray all or a portion of the cost of the Project, including necessary expenses incidental thereto, will require the issuance by the College of not to exceed $150,000 aggregate principal amount of its New Jobs Training Certificates pursuant to the provisions of the Act; and

WHEREAS, it is proposed to finance the cost of the Project through the issuance of not to exceed $150,000 New Jobs Training Certificates (Sears, Roebuck and Co. Project Number 4) of the College (the "Certificates"); and

WHEREAS, before the Certificates may be issued, it is necessary to publish a notice of the proposal to issue new jobs training certificates and the right to appeal the decision of the Board of Directors of the College to issue the Certificates pursuant to the provisions of the Act, all as required and provided for by Section 260E.6 of the Act; and
WHEREAS, an Industrial New Jobs Training Agreement, in the form and with the contents set forth in Exhibit A attached hereto, has been negotiated by the College under the terms of which the College agrees, subject to the provisions of such Agreement, to provide a new jobs training program for the Company;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DES MOINES AREA COMMUNITY COLLEGE, AS FOLLOWS:

Section 1. That the Secretary of the Board of Directors is hereby directed to give notice of intention to issue the Certificates, stating the amount and purpose thereof, and the Project for which the Certificates are to be issued, by publication at least once in a legal newspaper, printed in the English language published at least once weekly and having a general circulation within the merged area served by the College. The notice shall be in substantially the following form:
The undersigned, being first duly sworn, on oath states that she/he is the Chief Clerk, Linda Jakubec of Des Moines Register and Tribune Company, a corporation duly organized and existing under the laws of the State of Iowa, with its principal place of business in Des Moines, Iowa, the publisher of THE DES MOINES REGISTER (Daily) and DES MOINES SUNDAY REGISTER newspapers of general circulation printed and published in the City of Des Moines, Polk County, Iowa, that an advertisement, a printed copy of which is attached as Exhibit "A" and made a part of this affidavit, was printed and published in

The Des Moines Register (daily) the following dates May 13, 1993

Subscribed and sworn to before me by said affiant this 20th day of May, 1993.

Notary Public in and for Polk County, Iowa
NOTICE OF INTENTION TO ISSUE
NEW JOBS TRAINING CERTIFICATES
(SEARS, ROEBUCK AND CO. PROJECT NUMBER 4)
OF THE DES MOINES AREA COMMUNITY COLLEGE

Notice is hereby given that the Board of Directors of the Des Moines Area Community College intends to issue in the manner required by law not to exceed $150,000 aggregate principal amount of Des Moines Area Community College New Jobs Training Certificates (Sears, Roebuck and Co. Project Number 4). The Certificates are to be issued for the purpose of providing funds to pay the costs, including program costs, of a new jobs training program to educate and train workers for new jobs at Sears, Roebuck and Co. in West Des Moines, Iowa.

The Board of Directors has instituted proceedings and taken further and additional action for the authorization and issuance of the certificates.

A person may, within fifteen days after the publication of this notice by action in the district court of a county in the area within which the Des Moines Area Community College is located, appeal the decision of the Board of Directors in proposing to issue the Certificates. The action of the Board of Directors in determining to issue the Certificates is final and conclusive unless the district court finds that the Board of Directors has exceeded its legal authority. An action shall not be brought which questions the legality of the Certificates, the power of the Board of Directors to issue the Certificates, the effectiveness of any proceedings relating to the authorization of the Project, or the authorization and issuance of the Certificates from and after fifteen days from the publication of this notice.

This notice is published pursuant to the provisions of Chapter 260E of the Iowa Code.

By Order of the Board of Directors

Secretary of the Board of Directors
Section 2. That the Industrial New Jobs Training Agreement, in the form and with the contents set forth in Exhibit A attached hereto, be and the same is hereby approved and the President of the Board of Directors is hereby authorized to execute said Industrial New Jobs Training Agreement, and the Secretary of the Board of Directors is hereby authorized to attest the same, said Industrial New Jobs Training Agreement, which constitutes and is hereby made a part of this Resolution, to be in substantially the form, text and containing the provisions set forth in Exhibit A attached hereto.

Section 3. That this Board does hereby institute proceedings and take further and additional action for the authorization and issuance in the manner required by law of not to exceed $150,000 of New Jobs Training Certificates (Sears, Roebuck and Co. Project Number 4), the proceeds of which Certificates will be used to provide funds to pay costs, including program costs, of new jobs training by providing education and training of workers for new jobs at the Company.

Section 4. That officials of the College are hereby authorized to take such further action as may be necessary to carry out the intent and purpose of this Resolution.

Section 5. That all resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved this 19th day of April, 1993.

[Signature]
President of the Board of Directors

Attest:

[Signature]
Secretary of the Board of Directors
I, Helen M. Harris, Secretary of the Board of Directors of the Des Moines Area Community College, do hereby certify that I have in my possession or have access to the complete corporate records of said College and of its Board of Directors and officers; and that I have carefully compared the transcript hereto attached with the aforesaid corporate records and that said transcript hereto attached is a true, correct and complete copy of all of the corporate records showing the action taken with respect to the matters set forth therein by the Board of Directors of said College on April 19, 1993, which proceedings remain in full force and effect, and have not been amended or rescinded in any way; that such meeting was duly and publicly held in accordance with the Notice of Meeting and tentative agenda, a copy of which was timely served on each member of the Board of Directors 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 of Directors (a copy of the face sheet of said agenda being attached hereto) pursuant to the rules of the Board of Directors and the provisions of Chapter 21, Code of Iowa, as amended, upon reasonable advance notice to the public and media at least twenty-four (24) hours prior to the commencement of the meeting as required by said law and with members of the public in attendance. I further certify that the individuals named in the attached proceedings were on the date thereof duly and lawfully possessed of their respective offices as indicated therein, that no Board of Directors vacancies existed except as may be stated in said proceedings, and that no controversy or litigation is pending, prayed or threatened involving the organization, existence or boundaries of the College or the right of the individuals named therein as officers to their respective positions.

WITNESS my hand hereto affixed this 19th day of April, 1993.

[Signature]
Secretary of the Board of Directors
December 16, 1992

The training plan for Sears Roebuck & Company—Des Moines Regional Credit Card Operations Center—Addendum #3, prepared by Barbara Hartman Giese has been reviewed by me and is in proper order.

Jolyne L. Ghanatabadi, Ph.D.
Director, Instructional Design Services
INDUSTRIAL NEW JOBS
TRAINING AGREEMENT

between

Des Moines Area Community College
Ankeny, Iowa

and

Sears Roebuck and Company
Des Moines Regional Credit Card Center
Project #4

Dated as of

Relating to

Des Moines Area Community College
Job Training Certificates
INDUSTRIAL NEW JOBS TRAINING AGREEMENT

This Training Agreement (the "Agreement") made and entered into as of between Des Moines Area Community College, Ankeny, Iowa (the "Area School") and Sears Roebuck and Company, a(n) New York corporation (the "Employer"), under the following circumstances:

A. Pursuant to Chapter 280B of Code of Iowa, as amended (the "Act"), the Area School has determined to enter into this Agreement with Employer for the purpose of establishing a new jobs training program to educate and train certain persons employed by Employer in new jobs.

B. The Area School and the Employer each have full right and lawful authority to enter into this Agreement and to perform and observe the provisions hereof on their respective parts to be performed and observed.

NOW THEREFORE, in consideration of the premises and the mutual representations and agreements hereinafter contained, the parties hereto agree as follows:

ARTICLE I

REPRESENTATIONS

Section 1.1 Representations of the Area School. The Area School represents and covenants that: (a) it is duly organized and validly existing under the laws of the State of Iowa; (b) it is not in violation of any provisions of the laws of the State which would impair its ability to carry out its obligations hereunder; (c) it is empowered to enter into the transactions contemplated by this Agreement; and (d) it will do all things in its power required of it in order to maintain its existence or assure the assumption of its obligations hereunder by any successor public body.

Section 1.2 Representations and Covenants of the Employer. The Employer represents and covenants that:

(a) It is a(n) New York corporation.

(b) It has full power and authority to execute, deliver and perform this Agreement and all other instruments given by the Employer to secure the Certificates (hereinafter described and referred to herein as the "Certificates") and to enter into and carry out the transactions contemplated herein. Such execution, delivery of performance are not in contravention of law or Employer's articles of incorporation, by-laws or any indenture, agreement, mortgage, lease, undertaking or any other restriction, obligation or instrument to which the Company is a party or by which it is bound. This Agreement has by proper action been duly authorized, executed and delivered by the Employer and all steps necessary have been taken to constitute this Agreement a valid and binding obligation of the Employer.
(c) There is no litigation or proceeding pending, or to the knowledge of the Employer threatened, against the Employer or any other person affecting in any manner whatsoever the right of the Employer to execute this Agreement or to otherwise comply with its obligations contained in this Agreement.

(d) The employees to be covered by this Agreement had not commenced work for the Employer as of the date of the execution of the Preliminary Industrial New Jobs Training Agreement between the Area School and the Employer (the "Preliminary Agreement"), and those employees are or will be employed in new jobs in connection with the expansion of the Employer's business operations.

(e) The Employer is engaged in interstate/intrastate commerce for the purpose of manufacturing, processing or assembling products, conducting research and development, or providing services in interstate commerce.

ARTICLE II

PROJECT: PROGRAM SERVICES

Section 2.1. The "Project" shall consist of the program services described and the on-the-job training program described on Exhibit "A" entitled "Training Plan For Sears Roebuck and Company". Exhibit "A" is incorporated herein by reference. Exhibit "A" shows the number of employees, areas of training, training period and estimated costs. Included as a part of Exhibit "A" and incorporated by reference is a copy of the proposed budget of the Area School and the Employer relating to the Project.

Section 2.2. The Employer represents and agrees that the Program Services are for the purpose of providing education and training services to persons to be employed as a part of the Project.

Section 2.3. The Area School agrees to provide the Program Services. It is understood and agreed that the Employer and the Area School will cooperate in the coordination and programming of the specific expenditures and operation of the Project within the guidelines set out in Exhibit "A".

Section 2.4. The Employer agrees to pay or cause to be paid all necessary and incidental costs of the Project, including principal and interest on the Certificates. The costs shall be paid from new jobs credit from withholding with respect to persons employed at the Project and the incremental property taxes produced by the expansion by the Employer as a part of the Project.

Section 2.5. The terms of this Agreement shall be for not to exceed ten (10) years and shall coincide with the period of time over which the Certificates mature and the Project costs are deferred.
Section 2.6. The Area School may revise the training curriculum from time to time with the consent of the Employer; provided that no revision shall be made which would change the Project to other than purposes permitted by the Act; provided, however, that this Agreement shall not terminate until the Certificates have been paid in full.

Section 2.7. The Certificates will be issued pursuant to a resolution adopted by the Board of Directors of the Area School in the aggregate principal amount, bearing interest, maturing and being redeemable as set forth in such resolution.

The proceeds from the sale of the Certificates shall be paid to the Area School and deposited in a Project Fund established by the Area School. Pending disbursement, the proceeds so deposited in the Project Fund, together with any investment earnings thereon, shall be subject to a lien in favor of the holders of the Certificates as provided in the resolution authorizing the Certificates.

Section 2.8. In the event that moneys in the Project Fund are not sufficient to pay all costs of the Project, the Employer will, nonetheless, pay all costs of such Project in full from its own funds. If the Employer should pay any portion of such costs, it shall not be entitled to any reimbursement therefor from the Area School; nor shall it be entitled to any abatement, diminution or postponement of the payments required to satisfy the debt service requirements on the Certificates. Provided, however, that the Employer will be entitled to reimbursement of its own funds from the Project Fund when a surplus is attained in such fund and not needed to satisfy the debt service requirements on the Certificates.

ARTICLE III
PAYMENTS: SECURITY

Section 3.1. Whether or not the amounts described in Section 2.4 are sufficient for such purpose, the Employer shall make, or cause to be made, payments on or before each principal and interest payment date until the principal and premium, if any, and interest on the Certificates shall have been paid, by paying, or causing to be paid, to the Area School, as payments hereunder, an amount equal to the amount payable as installments or principal (whether at maturity or by redemption) and premium, if any, and interest on the Certificates on such principal and interest payment date.

In any event, the sum of all payments under this Agreement shall be sufficient to pay the total amount due with respect to such principal of and interest and any premium of the Certificates as and when due.

Section 3.2. The Employer shall make, or cause to be made, from the sources described in Section 2.4 hereof, all payments directly to the Area School at its principal office for application to the payment of the corresponding installments of principal and premium, if any, and interest on the Certificates. The parties shall agree upon a payment schedule prior to the issuance of Certificates.
Section 3.3. The obligation of the Employer to make payments shall be absolute and unconditional upon issuance of the Certificates, and the Employer shall make such payments without abatement, diminution or deduction regardless of any cause or circumstances whatsoever including, without limitation, any defense, set-off, recoupment or counterclaim which the Employer may have or assert against the Area School or any other person.

Section 3.4. To secure the payment by the Employer of the payments and compliance by the Employer with all the terms, provisions and conditions hereof, Employer agrees that the new jobs credit from withholding, as defined and described in Section 5 of the Act, and the incremental property taxes, as defined and described in Section 4 of the Act, shall be pledged for payment of the principal of and premium, if any, and interest on the Certificates. To the extent required by the Act, the Employer further agrees that the payments required to be made by it hereunder are a lien upon the Employer's business property in the State of Iowa until paid and have equal precedence with ordinary taxes and shall not be divested by a judicial sale. Property subject to this lien may be sold for sums due and delinquent at a tax sale, with the same forfeitures, penalties and consequences as for the nonpayment of ordinary taxes. The purchaser at any such tax sale shall obtain the property subject to the remaining payments.

ARTICLE IV

EVENT OF DEFAULT AND REMEDIES

Section 4.1. Events of Default. Each of the following shall be an "event of default" hereunder:

(a) The Employer shall fail to pay any required payment on or prior to the date on which such payment is due and payable and continuing for more than five (5) business days thereafter.

(b) The Employer shall fail to observe and perform any other agreement, term or condition contained in this Agreement, if such failure continues for a period of thirty (30) days after notice of such failure is given to the Employer by the Area School, or for such longer period as the Area School may agree to in writing; provided, that if the failure is other than the payment of money and is of such nature that it cannot be corrected within the applicable period, such failure shall not constitute an event of default so long as the Employer institutes curative action within the applicable period and diligently pursues such action to completion.

(c) The Employer shall: (i) admit in writing its inability to pay its debts generally as they become due; (ii) have an order for relief entered in any case commenced by or against it under the federal bankruptcy laws, as now or hereafter in effect; (iii) commence a proceeding under any other federal or state bankruptcy, insolvency, reorganization or other similar law, or have such a proceeding commenced against it and either have an order of insolvency or
reorganization entered against it or have the proceeding remain undismissed and unstayed for 90 days; (iv) make an assignment for the benefit of creditors; or (v) have a receiver or trustee appointed for it or for the whole or any substantial part of its property.

(d) Any representation or warranty made by the Employer herein or any statement in any report, certificate, financial statement or other instrument furnished in connection with this Agreement or with the sale of the Certificates shall at any time prove to have been false or misleading in any material respect when made or given.

The declaration of an event of default under Subsection (c) above, and the exercise of remedies upon any such declaration shall be subject to any applicable limitations of federal bankruptcy law affecting or precluding such declaration or exercise during the pendency of or immediately following any bankruptcy, liquidation or reorganization proceedings.

Section 4.2. Whenever an event of default shall have happened and be continuing, the Area School may take whatever action at law or in equity may appear necessary or desirable to collect the payments due and other amounts then due and thereafter to become due, or to enforce performance and observance of any other obligation or agreement of the Employer under this Agreement. Notwithstanding the foregoing, the Area School shall not be obligated to take any step which in its opinion will or might cause it to expend time or money or otherwise incur liability unless and until a satisfactory indemnity bond has been furnished to the Area School at no cost or expense to the Area School. Any amounts collected as payments or applicable to payments and any other amounts which would be applicable to payment of principal and premium, if any, and interest on the Certificates collected pursuant to action taken under this Section shall be paid to the holders of the Certificates for application to such payment.

Section 4.3. No remedy conferred upon or reserved to the Area School by this Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy now or hereafter existing at law, 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. In order to entitle the Area School to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be expressly required herein.

Section 4.4. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.
ARTICLE V

MISCELLANEOUS

Section 5.1. All notices, certificates, requests or other communications hereunder shall be in writing and shall be deemed to be sufficiently given when mailed by registered or certified mail, postage prepaid, addressed to the appropriate notice address as follows:

Area School: Joseph A. Borgen, Ph.D.
President
Des Moines Area Community College
2006 S. Ankeny Blvd.
Ankeny, Iowa 50021

Employer: Dale Pells
Regional Operations Center Manager
Sears Des Moines Regional Credit Card Operation Center
5400 University Avenue
West Des Moines IA 50266

Employer and the Area School may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent.

Section 5.2. All covenants, stipulations, obligations and agreements of the Area School contained in this Agreement shall be effective to the extent authorized and permitted by applicable law. No such covenant, stipulation, obligation or agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, officer, agent or employee of the Area School or the Board of Directors other than in his official capacity, and neither the members of the Board of Directors nor any official executing the Certificates shall be liable personally on the Certificates or be subject to any personal liability or accountability by reason of the issuance thereof or by reason of the covenants, stipulations, obligations or agreements of the Area School contained in this Agreement.

Section 5.3. This Agreement shall inure to the benefit of and shall be binding in accordance with its terms upon the Area School, the Employer and their respective permitted successors and assigns provided that this Agreement may not be assigned by the Employer and may not be assigned by the Area School except as may otherwise be necessary to enforce or secure payment of the principal or premium, if any, and interest on the Certificates.

Section 5.4. This Agreement may be executed in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same instrument.
Section 5.5. If any provision of this Agreement, or any covenant, stipulation, obligation, agreement, act, or action, or part thereof made, assumed, entered into or taken thereunder or any application thereof, is for any reason held to be illegal or invalid, such illegality or invalidity shall not affect any other provision or any other covenant, stipulation, obligation, agreement, act or action or part thereof, made, assumed, entered into, or taken, each of which shall be construed and enforced as if such illegal or invalid portion were not contained herein. Nor shall such illegality or invalidity or any application thereof affect any legal and valid application thereof, and each such provision, covenant, stipulation, obligation, agreement, act or action, or part shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

Section 5.6. This Agreement shall be governed exclusively by and construed in accordance with the laws of the State of Iowa.

Section 5.7. To further secure the payment of principal or premium, if any, and interest on the Certificates, the Employer shall, upon the request of the Area School, prior to the sale and issuance of the Certificates, cause to be provided to the Area School a guarantee of such payments by the Employer (or a letter-of-credit from a financial institution) in form and content acceptable to the Area School.

Section 5.8. The Area School and the Employer agree to use their best efforts to sell and issue the Certificates and the Employer will cooperate with the Area School to provide necessary financial information in connection with the sale of the Certificates. The parties shall agree upon a repayment schedule prior to the issuance of Certificates. It is understood and agreed that should the Certificates not be marketed or marketable within a reasonable time that this Agreement shall terminate and the Project shall be terminated by mutual agreement of the parties.

Section 5.9. The Employer covenants that it shall take such action or shall refrain from taking any action as shall be necessary to maintain the exemption from Federal income taxes of the interest on the Certificates.

Section 5.10. The Employer agrees to keep the facilities for which the Project has been established continuously insured in an amount at least equal to the total amount of the Certificates outstanding insuring the facilities against loss or damage by fire, lightning, such other perils as are covered by standard "extended coverage" endorsements, vandalism and malicious mischief and containing customary loss deductible provisions. If loss or damage occurs and the Employer determines not to rebuild or restore the facilities to their former condition, the Employer agrees to cause the insurance proceeds to be applied to the payment of principal and interest on the Certificates.
Section 5.11. This Agreement shall supplement the Preliminary Agreement which, except as modified herein, is hereby ratified and confirmed and together this Agreement and the Preliminary Agreement shall constitute one agreement between the Employer and the Area School with respect to the Project.

IN WITNESS WHEREOF, the Area School and the Employer have caused this Agreement to be duly executed in their respective names, all as of the date hereinabove written.

DES MOINES AREA COMMUNITY COLLEGE

By ________________________________ Date April 19, 1993

ATTEST: ____________________________

SEARS ROEBUCK AND COMPANY

By ________________________________ Date 4/19/93

ATTEST: ____________________________

Regional Operations Center Manager
TRAINING PLAN
FOR
SEARS ROEBUCK & COMPANY
DES MOINES REGIONAL CREDIT CARD OPERATIONS CENTER
ADDENDUM #3

Prepared by
Barbara Giese, Training Consultant
Des Moines Area Community College
December 18, 1992
ADDENDUM #3
TRAINING PLAN INTRODUCTION

The Sears Des Moines Regional Credit Card Operations Center was created in 1989 through the consolidation of credit operations in Iowa, Wisconsin, Minnesota, Missouri and the Dakotas. This addendum training agreement is due to company growth through continued consolidation and the addition of the Home Improvement Finance Division (HIP). The HIP Finance Division serves a special sales group that sells Sears home improvement products and service. The HIP Finance Division is currently serving 75% of the nation. Between July 1992 and June 30, 1993, 84 positions are being added for this expansion of business. This plan outlines the training that will be provided to enhance the skills and personal growth of the new employees between July 1992 and March 1995.

The new employees will continue to participate in an intensive company and job skill specific orientation. As the Credit Center has matured, the training needs of the organization have taken a different focus. Additionally, employees will work with their job coaches on a personal development plan. Implementation of this career development program will enhance employees’ personal growth as well as identify individuals for future leadership positions at Sears. This is a Sears corporate program. This program will also identify in-house training to be developed to meet employee growth needs. The company will make more extensive use of the Sears Extension Institute, a series of free home study courses from Sears corporate.

Sears Credit delivers the majority of their training using in-house trainers because they believe this provides a consistent message and ties together the various training programs. A coordination fee of 5% of the training fund will be assessed by Des Moines Area Community College to cover the EDG costs for project management.

Sears includes basic skills screening as part of their new hire practices. This screening includes reading level analysis by the computerized interview and verbal and numeric assessment. At the present time the company is not experiencing problems in hiring employees with inadequate basic skill levels.

Evaluation - All training which is conducted under this training plan will be evaluated. The procedure to be used will vary depending on the type of training which is to take place. New employees are closely monitored and coached on job performance by their individual job coaches. This coaching provides feedback to trainers on needed training revisions. The written evaluation of training that is provided under the training plan will be completed at the end of the first and second years of training by management staff.
Sears Roebuck & Company  
Des Moines Regional Credit Card Operations Center  
Addendum #3  
Training Plan Outline

I. Job Specific Skill Development

All new employees participate in the eight-hour general company orientation. This orientation covers benefits, company history, general company overview and initial customer service training. New associates then receive job skill specific training for their specific department. The hours spent in department training vary as follows:

- Service - 50 hours
- Risk (credit approved) - 60 hours
- Collections/Asset Management - 62 hours

After the initial training, departmental training continues at regular intervals.

Sears Credit has initiated a Sears corporate customer service workshop series for all employees. New employees under this agreement will attend 15 hours and 40 minutes of customer service workshop.

A new company-wide program on career/personal development will start in 1993. Implementation of this career development program will enhance employees' personal growth through personal development plans for each employee. These plans, developed by employees and their job coaches, will also identify additional training needs for the new employees.

Funds from this project will be used mainly for internal trainer’ salaries. Sears feels that consistency of training comes from use of their own trainers who understand the company culture. Funds will also be used to finance the development of the career development program.

II. Management/Supervisory Skills

Sears Credit regularly provides training for all managers, supervisors and lead workers. New managers and supervisors attend a two-day Leadership Seminar. All supervisors, managers, and lead workers attend a fourteen-hour coaching workshop. Part of the career development program will be training coaches in employee career development.

Funds will be used for trainers’ salaries and materials.
III. Training Materials

Materials will be purchased to initiate the career development program as well as other ongoing Sears corporate programs. Additional training library materials will be purchased.

The company will develop a procedures manual to be used for training in the Home Improvement Finance Division. It is anticipated that DMACC will be the contractor for this project.

IV. Professional/Skill Development

Selected individual training needs will be met by sending employees to outside classes and seminars. Funds will be used for registration, tuition, fees and travel expenses to such workshops and classes.

V. On-The-Job Training (OJT)

All new employees will receive instruction, guidance and supervision on an individual basis from an immediate supervisor during on-the-job training (OJT).

VI. DMACC Coordination Fee

A coordination fee of 5% of the training fund will be assessed by Des Moines Area Community College to cover the costs and activities of the EDG training consultant’s work with the company to develop and monitor this project.
The training fund is generated by a credit to new jobs withholding taxes under the provision of HF 623, Iowa Code 280B.

Revision of this budget is allowable if both parties consent. A revised budget with signatures of college and company representatives will be filed with the original training plan.

Training Plan Components:

I. Job Specific Skill Development: $74,085.00
   Includes new employee orientation, department specific training, and employee personal growth classes

II. Management/Supervisory Skills 15,000.00

III. Training Materials 5,400.00

IV. Professional/Skill Development 10,000.00

V. On-The-Job Training 10,000.00

VI. DMACC Coordination Fee 6,025.00

Total Training Fund $120,510.00


Upon receipt of proper documentation, reimbursement to all providers of training and training materials that meet the guidelines of HF 623 will be made on a quarterly basis.
Des Moines, Iowa

April 19, 1993

The Board of Directors of the Des Moines Area Community College met in regular session on the 19th day of April, 1993, at 4:05 o'clock p.m., at the Urban Campus of the College in Des Moines, Iowa. The meeting was called to order and there were present Doug Shull, President of the Board, in the chair, and the following named Board Members:

Harold Belken, Devere Bendixen, Susan Clouser, Lloyd Courter, Dick Johnson, Eldon Leonard, Gerry Pecinovsky, Nancy Wolf-Keith

Absent: NONE

Matters were discussed concerning an additional New Jobs Training Agreement between the College and Vermeer Manufacturing Company. Following a discussion of the proposal, Board Member N. Wolf-Keith introduced and caused to be read a resolution entitled "A Resolution Approving the Form and Content and Execution and Delivery of a New Jobs Training Agreement, Instituting Proceedings for the Taking of Additional Action for the Issuance of New Jobs Training Certificates, Directing the Publication of a Notice of Intention to Issue Not to Exceed $385,000 Aggregate Principal Amount of New Jobs Training Certificates (Vermeer Manufacturing Company Project Number 4) of the Des Moines Area Community College, and Providing for the Division of Taxes Levied on Property Where New Jobs are Created as a Result of a New Jobs Training Program"; and moved its adoption. The motion was seconded by Board Member D. Bendixen. After due consideration of said resolution by the Board, the President put the question on the motion and, the roll being called, the following named Board Members voted:

Ayes: Belken, Bendixen, Clouser, Courter, Johnson, Leonard, Pecinovsky, Shull, Wolf-Keith

Nays: NONE

Whereupon, the President declared said resolution, a copy of which is attached hereto, duly adopted and signed his approval thereto.

* * * * * *

President of the Board of Directors

Attest:
Helen McHarris
Secretary of the Board of Directors
RESOLUTION
A RESOLUTION APPROVING THE FORM AND CONTENT AND EXE­CU­TION AND DELIVERY OF A NEW JOBS TRAINING AGREEMENT, INSTITUTING PROCEEDINGS FOR THE TAKING OF ADDITIONAL ACTION FOR THE ISSUANCE OF NEW JOBS TRAINING CERTIFI­CATES, DIRECTING THE PUBLICATION OF A NOTICE OF INTEN­TION TO ISSUE NOT TO EXCEED $385,000 AGGREGATE PRINCI­PAL AMOUNT OF NEW JOBS TRAINING CERTIFICATES (VERMEER MANUFACTURING COMPANY PROJECT NUMBER 4) OF THE DES MOINES AREA COMMUNITY COLLEGE, AND PROVIDING FOR THE DIVISION OF TAXES LEVIED ON PROPERTY WHERE NEW JOBS ARE CREATED AS A RESULT OF A NEW JOBS TRAINING PROGRAM.

WHEREAS, The Des Moines Area Community College (hereinafter referred to as the "College"), is an area community college and a body politic organized and existing under the laws of the State of Iowa, and is authorized and empowered by Chapter 260E of the Code of Iowa, as amended (hereinafter referred to as the "Act"), to issue New Jobs Training Certificates and use the proceeds from the sale of said Certificates to defray all or a portion of the cost of a "New Jobs Training Program" as that term is defined in the Act, including the program costs, the purpose of which is to encourage industry and trade to locate and expand within the State of Iowa (the "State") in order to create jobs and employment opportunities and to improve the economic welfare of the residents of the State; and

WHEREAS, the College has undertaken negotiations with respect to an additional New Jobs Training Program with Vermeer Manufacturing Company (the "Company"), pursuant to the provisions of the Act for the purpose of establishing an additional job training program (hereinafter referred to as the "Project") to educate and train workers for new jobs with the Company at its facilities located or to be located in the merged area served by the College, which Project will be beneficial to the Company and the College; and

WHEREAS, the College has determined that the amount neces­sary to defray all or a portion of the cost of the Project, including necessary expenses incidental thereto, will require the issuance by the College of not to exceed $385,000 aggregate principal amount of its New Jobs Training Certificates pursuant to the provisions of the Act; and

WHEREAS, it is proposed to finance the cost of the Project through the issuance of not to exceed $385,000 New Jobs Training Certificates (Vermeer Manufacturing Company Project Number 4) of the College (the "Certificates"); and

WHEREAS, in order to provide for a division of taxes levied on the taxable business property where the Project will be located, the Board of Directors of the College must adopt a reso­lution to that effect; and
WHEREAS, the Project will be located, and the new jobs will be created at the real property which is legally described on Exhibit "B" attached hereto and hereby incorporated herein; and

WHEREAS, before the Certificates may be issued, it is necessary to publish a notice of the proposal to issue new jobs training certificates and the right to appeal the decision of the Board of Directors of the College to issue the Certificates pursuant to the provisions of the Act, all as required and provided for by Section 260E.6 of the Act; and

WHEREAS, an Industrial New Jobs Training Agreement, in the form and with the contents set forth in Exhibit "A" attached hereto, has been negotiated by the College under the terms of which the College agrees, subject to the provisions of such Agreement, to provide a new jobs training program for the Company;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DES MOINES AREA COMMUNITY COLLEGE, AS FOLLOWS:

Section 1. That the Secretary of the Board of Directors is hereby directed to give notice of intention to issue the Certificates, stating the amount and purpose thereof, and the Project for which the Certificates are to be issued, by publication at least once in a legal newspaper, printed in the English language published at least once weekly and having a general circulation within the merged area served by the College. The notice shall be in substantially the following form:
STATE OF IOWA

POLK COUNTY

The undersigned, being first duly sworn, on oath states that she/he is the

Chief Clerk

of Des Moines Register and Tribune Company, a corporation duly organized and
existing under the laws of the State of

Iowa, with its principal place of

business in Des Moines, Iowa, the

publisher of

THE DES MOINES REGISTER (Daily)

DES MOINES SUNDAY REGISTER

newspapers of general circulation printed
and published in the City of Des Moines,
Polk County, Iowa, and that an
advertisement, a printed copy of which is
attached as Exhibit "A" and made a part
of this affidavit, was printed and
published in

The Des Moines Register (daily) the
following dates May 13, 1993

in Des Moines Sunday Register on

Subscribed and sworn to before me by
said affiant this 20th day of

May , 1993 .

Mary F. Bailey

Notary Public in and for Polk County, Iowa
NOTICE OF INTENTION TO ISSUE
NEW JOBS TRAINING CERTIFICATES
(VERMEER MANUFACTURING COMPANY PROJECT NUMBER 4)
OF THE DES MOINES AREA COMMUNITY COLLEGE

Notice is hereby given that the Board of Directors of the Des Moines Area Community College intends to issue in the manner required by law not to exceed $385,000 aggregate principal amount of Des Moines Area Community College New Jobs Training Certificates (Vermeer Manufacturing Company Project Number 4). The Certificates are to be issued for the purpose of providing funds to pay the costs, including program costs, of a new jobs training program to educate and train workers for new jobs at Vermeer Manufacturing Company in Pella, Iowa.

The Board of Directors has instituted proceedings and taken further and additional action for the authorization and issuance of the Certificates.

A person may, within fifteen days after the publication of this notice by action in the district court of a county in the area within which the Des Moines Area Community College is located, appeal the decision of the Board of Directors in proposing to issue the Certificates. The action of the Board of Directors in determining to issue the Certificates is final and conclusive unless the district court finds that the Board of Directors has exceeded its legal authority. An action shall not be brought which questions the legality of the Certificates, the power of the Board of Directors to issue the Certificates, the effectiveness of any proceedings relating to the authorization of the Project, or the authorization and issuance of the Certificates from and after fifteen days from the publication of this notice.

This notice is published pursuant to the provisions of Chapter 260E of the Iowa Code.

By Order of the Board of Directors

Secretary of the Board of Directors
Section 2. That the Industrial New Jobs Training Agreement, in the form and with the contents set forth in Exhibit "A" attached hereto, be and the same is hereby approved and the President of the Board of Directors is hereby authorized to execute said Industrial New Jobs Training Agreement, and the Secretary of the Board of Directors is hereby authorized to attest the same, said Industrial New Jobs Training Agreement, which constitutes and is hereby made a part of this Resolution, to be in substantially the form, text and containing the provisions set forth in Exhibit "A" attached hereto.

Section 3. That this Board does hereby institute proceedings and take further and additional action for the authorization and issuance in the manner required by law of not to exceed $385,000 of New Jobs Training Certificates (Vermeer Manufacturing Company Project Number 4) the proceeds of which Certificates will be used to provide funds to pay costs, including program costs, of new jobs training by providing education and training of workers for new jobs at the Company.

Section 4. That all taxes levied on the Company's taxable business property, including equipment, located on the real property legally described on Exhibit "B" attached hereto each year shall be divided as provided in Section 403.19 of the Iowa Code, subsections 1 and 2, in the same manner as if the Company's business property was taxable property in an urban renewal project and this Resolution was an ordinance within the meaning of those subsections, all in accordance with the provisions of the Act.

Section 5. That the County Auditor of the County where the property described on Exhibit "B" is located shall after the date of the adoption of this Resolution make the allocations provided for herein.

Section 6. The taxes received by this Board of Directors shall be allocated to and when collected be paid into a special fund of the College and shall be irrevocably pledged by the College to pay the principal of and interest on the Certificates issued by the College to finance the Project.

Section 7. That the Secretary of the Board of Directors shall certify a copy of this Resolution to the County Auditor of the County where the property described on Exhibit "B" is located.

Section 8. That officials of the College are hereby authorized to take such further action as may be necessary to carry out the intent and purpose of this Resolution.

Section 9. That all resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.
Passed and approved this 19th day of April, 1993.

_______
President of the Board of Directors

Attest:

[Signature]
Secretary of the Board of Directors
STATE OF IOWA  
COUNTY OF POLK  

I, Helen M. Harris, Secretary of the Board of Directors of the Des Moines Area Community College, do hereby certify that I have in my possession or have access to the complete corporate records of said College and of its Board of Directors and officers; and that I have carefully compared the transcript hereto attached with the aforesaid corporate records and that said transcript hereto attached is a true, correct and complete copy of all of the corporate records showing the action taken with respect to the matters set forth therein by the Board of Directors of said College on April 19, 1993, which proceedings remain in full force and effect, and have not been amended or rescinded in any way; that such meeting was duly and publicly held in accordance with the Notice of Meeting and tentative agenda, a copy of which was timely served on each member of the Board of Directors 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 of Directors (a copy of the face sheet of said agenda being attached hereto) pursuant to the rules of the Board of Directors and the provisions of Chapter 21, Code of Iowa, as amended, upon reasonable advance notice to the public and media at least twenty-four (24) hours prior to the commencement of the meeting as required by said law and with members of the public in attendance. I further certify that the individuals named in the attached proceedings were on the date thereof duly and lawfully possessed of their respective offices as indicated therein, that no Board of Directors vacancies existed except as may be stated in said proceedings, and that no controversy or litigation is pending, prayed or threatened involving the organization, existence or boundaries of the College or the right of the individuals named therein as officers to their respective positions.

WITNESS my hand hereto affixed this 19th day of April, 1993.

[Signature]
Secretary of the Board of Directors

SE6:E6109305.93
INDUSTRIAL NEW JOBS
TRAINING AGREEMENT

between

Des Moines Area Community College
Ankeny, Iowa

and

Vermeer Manufacturing Company
(Project #4)

Dated as of April 19, 1993

Relating to

Des Moines Area Community College
Job Training Certificates
INDUSTRIAL NEW JOBS TRAINING AGREEMENT

This Training Agreement (the "Agreement") made and entered into as of April 19, 1993 between Des Moines Area Community College, Ankeny, Iowa (the "Area School") and Vermeer Manufacturing Company, a(n) Iowa corporation (the "Employer"), under the following circumstances:

A. Pursuant to Chapter 280B of Code of Iowa, as amended (the "Act"), the Area School has determined to enter into this Agreement with Employer for the purpose of establishing a new jobs training program to educate and train certain persons employed by Employer in new jobs.

B. The Area School and the Employer each have full right and lawful authority to enter into this Agreement and to perform and observe the provisions hereof on their respective parts to be performed and observed.

NOW THEREFORE, in consideration of the premises and the mutual representations and agreements hereinafter contained, the parties hereto agree as follows:

ARTICLE I
REPRESENTATIONS

Section 1.1 Representations of the Area School. The Area School represents and covenants that: (a) it is duly organized and validly existing under the laws of the State of Iowa; (b) it is not in violation of any provisions of the laws of the State which would impair its ability to carry out its obligations hereunder; (c) it is empowered to enter into the transactions contemplated by this Agreement; and (d) it will do all things in its power required of it in order to maintain its existence or assure the assumption of its obligations hereunder by any successor public body.

Section 1.2 Representations and Covenants of the Employer. The Employer represents and covenants that:

(a) It is a(n) Iowa corporation.

(b) It has full power and authority to execute, deliver and perform this Agreement and all other instruments given by the Employer to secure the Certificates (hereinafter described and referred to herein as the "Certificates") and to enter into and carry out the transactions contemplated herein. Such execution, delivery of performance are not in contravention of law or Employer's articles of incorporation, by-laws or any indenture, agreement, mortgage, lease, undertaking or any other restriction, obligation or instrument to which the Company is a party or by which it is bound. This Agreement has by proper action been duly authorized, executed and delivered by the Employer and all steps necessary have been taken to constitute this Agreement a valid and binding obligation of the Employer.
(c) There is no litigation or proceeding pending, or to the knowledge of the Employer threatened, against the Employer or any other person affecting in any manner whatsoever the right of the Employer to execute this Agreement or to otherwise comply with its obligations contained in this Agreement.

(d) The employees to be covered by this Agreement had not commenced work for the Employer as of the date of the execution of the Preliminary Industrial New Jobs Training Agreement between the Area School and the Employer (the "Preliminary Agreement"), and those employees are or will be employed in new jobs in connection with the expansion of the Employer's business operations.

(e) The Employer is engaged in interstate/intrastate commerce for the purpose of manufacturing, processing or assembling products, conducting research and development, or providing services in interstate commerce.

ARTICLE II

PROJECT: PROGRAM SERVICES

Section 2.1. The "Project" shall consist of the program services described and the on-the-job training program described on Exhibit "A" entitled "Training Plan For Vermeer Manufacturing Company." Exhibit "A" is incorporated herein by reference. Exhibit "A" shows the number of employees, areas of training, training period and estimated costs. Included as a part of Exhibit "A" and incorporated by reference is a copy of the proposed budget of the Area School and the Employer relating to the Project.

Section 2.2. The Employer represents and agrees that the Program Services are for the purpose of providing education and training services to persons to be employed as a part of the Project.

Section 2.3. The Area School agrees to provide the Program Services. It is understood and agreed that the Employer and the Area School will cooperate in the coordination and programming of the specific expenditures and operation of the Project within the guidelines set out in Exhibit "A".

Section 2.4. The Employer agrees to pay or cause to be paid all necessary and incidental costs of the Project, including principal and interest on the Certificates. The costs shall be paid from new jobs credit from withholding with respect to persons employed at the Project and the incremental property taxes produced by the expansion by the Employer as a part of the Project.

Section 2.5. The terms of this Agreement shall be for not to exceed ten (10) years and shall coincide with the period of time over which the Certificates mature and the Project costs are deferred.
Section 2.6. The Area School may revise the training curriculum from time to time with the consent of the Employer; provided that no revision shall be made which would change the Project to other than purposes permitted by the Act; provided, however, that this Agreement shall not terminate until the Certificates have been paid in full.

Section 2.7. The Certificates will be issued pursuant to a resolution adopted by the Board of Directors of the Area School in the aggregate principal amount, bearing interest, maturing and being redeemable as set forth in such resolution.

The proceeds from the sale of the Certificates shall be paid to the Area School and deposited in a Project Fund established by the Area School. Pending disbursement, the proceeds so deposited in the Project Fund, together with any investment earnings thereon, shall be subject to a lien in favor of the holders of the Certificates as provided in the resolution authorizing the Certificates.

Section 2.8. In the event that moneys in the Project Fund are not sufficient to pay all costs of the Project, the Employer will, nonetheless, pay all costs of such Project in full from its own funds. If the Employer should pay any portion of such costs, it shall not be entitled to any reimbursement therefor from the Area School; nor shall it be entitled to any abatement, diminution or postponement of the payments required to satisfy the debt service requirements on the Certificates. Provided, however, that the Employer will be entitled to reimbursement of its own funds from the Project Fund when a surplus is attained in such fund and not needed to satisfy the debt service requirements on the Certificates.

ARTICLE III

PAYMENTS: SECURITY

Section 3.1. Whether or not the amounts described in Section 2.4 are sufficient for such purpose, the Employer shall make, or cause to be made, payments on or before each principal and interest payment date until the principal and premium, if any, and interest on the Certificates shall have been paid, by paying, or causing to be paid, to the Area School, as payments hereunder, an amount equal to the amount payable as installments or principal (whether at maturity or by redemption) and premium, if any, and interest on the Certificates on such principal and interest payment date.

In any event, the sum of all payments under this Agreement shall be sufficient to pay the total amount due with respect to such principal of and interest and any premium of the Certificates as and when due.

Section 3.2. The Employer shall make, or cause to be made, from the sources described in Section 2.4 hereof, all payments directly to the Area School at its principal office for application to the payment of the corresponding installments of principal and premium, if any, and interest on the Certificates. The parties shall agree upon a payment schedule prior to the issuance of Certificates.
Section 3.3. The obligation of the Employer to make payments shall be absolute and unconditional upon issuance of the Certificates, and the Employer shall make such payments without abatement, diminution or deduction regardless of any cause or circumstances whatsoever including, without limitation, any defense, set-off, recoupment or counterclaim which the Employer may have or assert against the Area School or any other person.

Section 3.4. To secure the payment by the Employer of the payments and compliance by the Employer with all the terms, provisions and conditions hereof, Employer agrees that the new jobs credit from withholding, as defined and described in Section 5 of the Act, and the incremental property taxes, as defined and described in Section 4 of the Act, shall be pledged for payment of the principal of and premium, if any, and interest on the Certificates. To the extent required by the Act, the Employer further agrees that the payments required to be made by it hereunder are a lien upon the Employer's business property in the State of Iowa until paid and have equal precedence with ordinary taxes and shall not be divested by a judicial sale. Property subject to this lien may be sold for sums due and delinquent at a tax sale, with the same forfeitures, penalties and consequences as for the nonpayment of ordinary taxes. The purchaser at any such tax sale shall obtain the property subject to the remaining payments.

ARTICLE IV

EVENT OF DEFAULT AND REMEDIES

Section 4.1. Events of Default. Each of the following shall be an "event of default" hereunder:

(a) The Employer shall fail to pay any required payment on or prior to the date on which such payment is due and payable and continuing for more than five (5) business days thereafter.

(b) The Employer shall fail to observe and perform any other agreement, term or condition contained in this Agreement, if such failure continues for a period of thirty (30) days after notice of such failure is given to the Employer by the Area School, or for such longer period as the Area School may agree to in writing; provided, that if the failure is other than the payment of money and is of such nature that it cannot be corrected within the applicable period, such failure shall not constitute an event of default so long as the Employer institutes curative action within the applicable period and diligently pursues such action to completion.

(c) The Employer shall: (i) admit in writing its inability to pay its debts generally as they become due; (ii) have an order for relief entered in any case commenced by or against it under the federal bankruptcy laws, as now or hereafter in effect; (iii) commence a proceeding under any other federal or state bankruptcy, insolvency, reorganization or other similar law, or have such a proceeding commenced against it and either have an order of insolvency or
reorganization entered against it or have the proceeding remain undismissed and unstayed for 90 days; (iv) make an assignment for the benefit of creditors; or (v) have a receiver or trustee appointed for it or for the whole or any substantial part of its property.

(d) Any representation or warranty made by the Employer herein or any statement in any report, certificate, financial statement or other instrument furnished in connection with this Agreement or, with the sale of the Certificates shall at any time prove to have been false or misleading in any material respect when made or given.

The declaration of an event of default under Subsection (c) above, and the exercise of remedies upon any such declaration shall be subject to any applicable limitations of federal bankruptcy law affecting or precluding such declaration or exercise during the pendency of or immediately following any bankruptcy, liquidation or reorganization proceedings.

Section 4.2. Whenever an event of default shall have happened and be continuing, the Area School may take whatever action at law or in equity may appear necessary or desirable to collect the payments due and other amounts then due and thereafter to become due, or to enforce performance and observance of any other obligation or agreement of the Employer under this Agreement. Notwithstanding the foregoing, the Area School shall not be obligated to take any step which in its opinion will or might cause it to expend time or money or otherwise incur liability unless and until a satisfactory indemnity bond has been furnished to the Area School at no cost or expense to the Area School. Any amounts collected as payments or applicable to payments and any other amounts which would be applicable to payment of principal and premium, if any, and interest on the Certificates collected pursuant to action taken under this Section shall be paid to the holders of the Certificates for application to such payment.

Section 4.3. No remedy conferred upon or reserved to the Area School by this Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy now or hereafter existing at law, 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. In order to entitle the Area School to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be expressly required herein.

Section 4.4. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.
ARTICLE V

MISCELLANEOUS

Section 5.1. All notices, certificates, requests or other communications hereunder shall be in writing and shall be deemed to be sufficiently given when mailed by registered or certified mail, postage prepaid, addressed to the appropriate notice address as follows:

Area School: Joseph A. Borgen, Ph.D.
President
Des Moines Area Community College
2006 S. Ankeny Blvd.
Ankeny, Iowa 50021

Employer: Richard T. VanderLann
Vice President, Human Resources
Vermeer Manufacturing Company
P.O. Box 200
Pella, IA 50219

Employer and the Area School may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent.

Section 5.2. All covenants, stipulations, obligations and agreements of the Area School contained in this Agreement shall be effective to the extent authorized and permitted by applicable law. No such covenant, stipulation, obligation or agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, officer, agent or employee of the Area School or the Board of Directors other than in his official capacity, and neither the members of the Board of Directors nor any official executing the Certificates shall be liable personally on the Certificates or be subject to any personal liability or accountability by reason of the issuance thereof or by reason of the covenants, stipulations, obligations or agreements of the Area School contained in this Agreement.

Section 5.3. This Agreement shall inure to the benefit of and shall be binding in accordance with its terms upon the Area School, the Employer and their respective permitted successors and assigns provided that this Agreement may not be assigned by the Employer and may not be assigned by the Area School except as may otherwise be necessary to enforce or secure payment of the principal or premium, if any, and interest on the Certificates.

Section 5.4. This Agreement may be executed in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same instrument.
Section 5.5. If any provision of this Agreement, or any covenant, stipulation, obligation, agreement, act, or action, or part thereof made, assumed, entered into or taken thereunder or any application thereof, is for any reason held to be illegal or invalid, such illegality or invalidity shall not affect any other provision or any other covenant, stipulation, obligation, agreement, act or action or part thereof, made, assumed, entered into, or taken, each of which shall be construed and enforced as if such illegal or invalid portion were not contained herein. Nor shall such illegality or invalidity or any application thereof affect any legal and valid application thereof, and each such provision, covenant, stipulation, obligation, agreement, act or action, or part shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

Section 5.6. This Agreement shall be governed exclusively by and construed in accordance with the laws of the State of Iowa.

Section 5.7. To further secure the payment of principal or premium, if any, and interest on the Certificates, the Employer shall, upon the request of the Area School, prior to the sale and issuance of the Certificates, cause to be provided to the Area School a guarantee of such payments by the Employer (or a letter-of-credit from a financial institution) in form and content acceptable to the Area School.

Section 5.8. The Area School and the Employer agree to use their best efforts to sell and issue the Certificates and the Employer will cooperate with the Area School to provide necessary financial information in connection with the sale of the Certificates. The parties shall agree upon a repayment schedule prior to the issuance of Certificates. It is understood and agreed that should the Certificates not be marketed or marketable within a reasonable time that this Agreement shall terminate and the Project shall be terminated by mutual agreement of the parties.

Section 5.9. The Employer covenants that it shall take such action or shall refrain from taking any action as shall be necessary to maintain the exemption from Federal income taxes of the interest on the Certificates.

Section 5.10. The Employer agrees to keep the facilities for which the Project has been established continuously insured in an amount at least equal to the total amount of the Certificates outstanding insuring the facilities against loss or damage by fire, lightning, such other perils as are covered by standard "extended coverage" endorsements, vandalism and malicious mischief and containing customary loss deductible provisions. If loss or damage occurs and the Employer determines not to rebuild or restore the facilities to their former condition, the Employer agrees to cause the insurance proceeds to be applied to the payment of principal and interest on the Certificates.
Section 5.11. This Agreement shall supplement the Preliminary Agreement which, except as modified herein, is hereby ratified and confirmed and together this Agreement and the Preliminary Agreement shall constitute one agreement between the Employer and the Area School with respect to the Project.

IN WITNESS WHEREOF, the Area School and the Employer have caused this Agreement to be duly executed in their respective names, all as of the date hereinabove written.

DES MOINES AREA COMMUNITY COLLEGE

By [Signature] April 19, 1993

ATTEST:

VERMEER MANUFACTURING COMPANY

By [Signature] 2-26-93

Richard T. VanderLaan Date

ATTEST:

Barbara [Signature]
TRAINING PLAN
FOR
VERMEER MANUFACTURING COMPANY
PROJECT #4

Prepared by
Des Moines Area Community College
Economic Development Group
Barbara Giese, Training Consultant
January 11, 1993
VERMEER MANUFACTURING COMPANY
PROJECT #4
TRAINING PLAN INTRODUCTION

Vermeer Manufacturing Company is located in rural Pella, Iowa. Vermeer, which began in 1948 with its inventive young farmer founder Gary Vermeer, has grown to be a major manufacturer of agricultural machinery, industrial equipment and tree equipment with a worldwide market. This fourth project is due to continued business expansion that is adding 50 new positions, a parts depot, a building for hazardous materials, and new equipment worth $2,500,000. Vermeer is currently undertaking strategic planning to define Vermeer 2000. A task force on training issues is part of this planning.

Vermeer’s commitment to development of employees and to quality will be reflected in this training plan. A hazardous material project will provide extensive training to 50 employees and training for all Vermeer employees. Expansion of the Vermeer quality program will include Statistical Process Control (SPC) and inventory control training. This training plan will also address defining and assessing job skills through post-/pre-employment job skill assessment, basic skills analysis, and development of a welding assessment/training center. Videos will be developed for hazardous materials, job specific safety and right-to-know. Vermeer University offers classes for employee job skill development and for employees to better themselves in their positions. An intensive training needs assessment and development of an employee skill and training data base are included in this plan.

Currently Vermeer is not testing for basic skills. However, the employees are encouraged to increase their basic skills through local GED preparation and the Vermeer University courses on communications skills, writing, math review, and basic money management. This training plan will include further development of an employee basic skills program.

Des Moines Area Community College staff, in cooperation with Vermeer Manufacturing Company staff, have prepared this plan to train 50 new employees between January 1993 and March 1996. The training under this plan will be evaluated by individual course evaluations and periodic training program evaluation by Vermeer management and DMACC training consultant.
I. **Job Specific Skill Development**

All new Vermeer employees participate in company orientation, safety and Right-To-Know training.

Under this project, Vermeer will establish an extensive Hazardous Materials training program. Trace Lab will provide the initial 48-hour training for 50 employees. This group will also receive an additional 24 hours of training per year. This initial group will train all other Vermeer employees in Hazardous Materials procedures.

Employees' basic skills will be addressed in several ways. Funds will be used for developing a post-/pre-employment job skill testing program. The job skill testing will focus mainly on welding with the development of a welding assessment and training center. Basic skills audit will be considered for addressing beginning skills needed for positions. Funds will also be used to conduct an intensive training needs assessment and to develop an employee skill and training data base. DMACC will assist company staff with the development of these skill development projects.

Classes offered through Vermeer University provide additional job specific skill development for employees. Taught mainly by Vermeer employees, these courses cover topics such as welding, supervisory training, communications skills, computer languages, design for technicians and blueprint reading.

II. **Management and Supervisory Training**

Vermeer has initiated a quality program through the American Productivity and Quality Center. Funds from this project will extend the quality training and provide Statistical Process Control (SPC) and Inventory Control training for 100 employees. DMACC will assist with the SPC and Inventory Control training. Funds will also be used for a team empowerment program.

III. **Training Materials**

A video and manual will be developed for the hazardous materials program and a VCR will be purchased for the Haz Mat trainer. Job specific safety videos will be developed and the Right-To-Know video will be updated.
IV. Professional/Skill Development for Individual Employees

Funds in this category will be used to train individual employees through outside seminars, workshops and classes. Funds will cover registration and tuition, travel expenses and relevant association memberships.

V. On-The-Job Training

All new Vermeer employees receive extensive on-the-job training. This training includes skill evaluation for wage upgrades.
VERMEER MANUFACTURING COMPANY
PROJECT #4
TRAINING BUDGET

The training fund is generated by a credit to new jobs withholding taxes under the provision of HF 623, Iowa Code 280B.

Revision of this budget is allowable if both parties consent. A revised budget with signatures of college and company representatives will be filed with the original training plan.

<table>
<thead>
<tr>
<th>I. Job Specific Skill Development</th>
<th>$100,000.00</th>
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<tr>
<td>Includes the Hazardous Material project, basic skills program, and the welding assessment center.</td>
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<table>
<thead>
<tr>
<th>II. Management and Supervisory Training</th>
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<tbody>
<tr>
<td>Includes the quality program, SPC, Inventory Control and Team Empowerment.</td>
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<table>
<thead>
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<th>III. Training Materials</th>
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<td>Video and manual development and materials purchase.</td>
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<tr>
<th>IV. Professional/Skill Development for Individual Employees</th>
<th>15,000.00</th>
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</table>

<table>
<thead>
<tr>
<th>V. On-The-Job Training</th>
<th>25,239.00</th>
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</thead>
<tbody>
<tr>
<td>Total Training Budget</td>
<td>$254,239.00</td>
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</tbody>
</table>

Training began January 1993 with completion anticipated in March 1996.

Upon receipt of proper documentation, reimbursement to all providers of training and training that meets the guidelines of HF 623 will be made on a quarterly basis.
Des Moines, Iowa

April 19, 1993

The Board of Directors of the Des Moines Area Community College met in regular session on the 19th day of April, 1993, at 4:05 o'clock p.m., at the Urban Campus of the College in Des Moines, Iowa. The meeting was called to order and there were present Doug Shull, President of the Board, in the chair, and the following named Board Members:

Harold Belken, Devere Bendixen, Susan Clouser, Lloyd Courter, Dick Johnson, Eldon Leonard, Gerry Pecinovsky, Nancy Wolf-Keith

Absent: NONE

Matters were discussed concerning the financing of the Newton Polytechnic Facility by Des Moines Area Community College Foundation. Following a discussion of the financing, Board Member G. Pecinovsky introduced and caused to be read a resolution entitled "A Resolution Approving the Borrowing by Des Moines Area Community College Foundation of a Total of $2,750,000 for the Newton Polytechnic Facility", and moved its adoption. The motion was seconded by Board Member D. Johnson. After due consideration of said resolution by the Board, the President put the question on the motion and, the roll being called, the following named Board Members voted:

Ayes: Belken, Bendixen, Clouser, Courter, Johnson, Leonard, Pecinovsky, Shull, Wolf-Keith

Nays: NONE

Whereupon, the President declared said resolution, a copy of which is attached hereto, duly adopted and signed his approval thereto.

***

President of the Board of Directors

Attest:

Secretary of the Board of Directors
RESOLUTION

A RESOLUTION APPROVING THE FINANCING OF THE NEWTON POLYTECHNIC FACILITY BY DES MOINES AREA COMMUNITY COLLEGE FOUNDATION

WHEREAS, the Des Moines Area Community College (hereinafter referred to as the "College"), is an area community college and a body politic organized and existing under the laws of the State of Iowa, including Chapter 260C of the Code of Iowa, as amended (hereinafter referred to as the "Act"); and

WHEREAS, Des Moines Area Community College Foundation (the "Foundation") is an Iowa nonprofit corporation organized exclusively for the benefit of the College and no part of the income of the Foundation inures to any private person; and

WHEREAS, the Board of Directors of the College has previously approved the establishment of the Foundation; and

WHEREAS, the Board of Directors of the Foundation are elected by the Board of Directors of the College; and

WHEREAS, the Foundation intends to borrow money from Hawkeye Bank of Jasper County (the "Bank") in order to finance a portion of the costs of the renovation of the Newton Polytechnic Facility (the "Project"); and

WHEREAS, a portion of the space in the Project (the "DMACC Space") will be for the exclusive beneficial possession and use of the College; and

WHEREAS, the Foundation will issue a promissory note to the Bank in the amount of $1,527,500 (the "Tax Exempt Note") in order to finance the costs of the renovation of the DMACC Space; and

WHEREAS, the Foundation will issue its promissory note to the Bank in the amount of $1,222,500 (the "Taxable Note") in order to finance a portion of the costs of the renovation of the remainder of the Project; and

WHEREAS, the Foundation will mortgage the Project to the Bank as security for the Tax Exempt Note and the Taxable Note.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DES MOINES AREA COMMUNITY COLLEGE, AS FOLLOWS:

Section 1. That the issuance of the Tax Exempt Note and the Taxable Note by the Foundation be and the same are hereby authorized, approved and confirmed.
Section 2. That the mortgage of the Project to the Bank as security for the Tax Exempt Note and the Taxable Note is hereby authorized, approved and confirmed.

Section 3. That the College will subject to any necessary approval from the Iowa Department of Education, accept title to the Project, including any additions to the Project, when the Tax Exempt Note and the Taxable Note are discharged.

Section 4. That officials of the College are hereby authorized to take such further action as may be necessary to carry out the intent and purpose of this Resolution.

Section 5. That all resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved this 19th day of April, 1993.

President of the Board of Directors

Attest:

Secretary of the Board of Directors
STATE OF IOWA                        )
COUNTY OF POLK                        ) SS:

I, Helen M. Harris, Secretary of the Board of Directors of
the Des Moines Area Community College, do hereby certify that I
have in my possession or have access to the complete corporate
records of said College and of its Board of Directors and offic­
ers; and that I have carefully compared the transcript hereto
attached with the aforesaid corporate records and that said tran­
script hereto attached is a true, correct and complete copy of
all of the corporate records showing the action taken with
respect to the matters set forth therein by the Board of Direc­
tors of said College on April 19, 1993, which proceedings remain
in full force and effect, and have not been amended or rescinded
in any way; that such meeting was duly and publicly held in
accordance with the Notice of Meeting and tentative agenda, a
copy of which was timely served on each member of the Board of
Directors 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 of Directors (a copy
of the face sheet of said agenda being attached hereto) pursuant
to the rules of the Board of Directors and the provisions of
Chapter 21, Code of Iowa, as amended, upon reasonable advance
notice to the public and media at least twenty-four (24) hours
prior to the commencement of the meeting as required by said law
and with members of the public in attendance. I further certify
that the individuals named in the attached proceedings were on
the date thereof duly and lawfully possessed of their respective
offices as indicated therein, that no Board of Directors vacan­
cies existed except as may be stated in said proceedings, and
that no controversy or litigation is pending, prayed or threat­
going involving the organization, existence or boundaries of the
College or the right of the individuals named therein as officers
to their respective positions.

WITNESS my hand hereto affixed this 19th day of April, 1993.

[Signature]
Secretary of the Board of
Directors

SE6:E6109005.93
SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT is made and entered into among Des Moines Area Community College ("DMACC"), Maytag Corporation, f/k/a The Maytag Company ("Maytag"), the City of Newton, Iowa (the "City"), the Des Moines Area Community College Foundation (the "Foundation"), and Hawkeye Bank of Jasper County ("Hawkeye" or the "Bank").

Recitals

A. The Foundation and Hawkeye contemplate entering into a Business Loan Agreement (the "Agreement") and various other Related Documents as defined in the Agreement concerning credit facilities totaling $2,750,000 (the "Loans").

B. The proceeds of the Loans shall be used along with other funds to renovate a building in Newton, Iowa (the "Project") gifted to the Foundation by Maytag.

C. The City shall contribute $1,000,000 toward the Project prior to June 1, 1993. Maytag has also already contributed $870,000 toward the Project. DMACC, Maytag, the Foundation and the City entered into a Master Agreement for Redevelopment (the "Redevelopment Agreement") concerning the Project on March 2, 1993.

D. The Foundation has leased the Project to DMACC under a lease dated March 2, 1993 (the "DMACC Lease"). DMACC, in turn, has leased part of the Project to Maytag under a lease dated March 2, 1993 (the "Maytag Sublease").
E. As security for the Loans, the Foundation intends to grant Hawkeye a first mortgage with respect to the Project and other security interests, including, but not limited to, an assignment of the rents attributable to the DMACC Lease.

F. The Foundation and Hawkeye desire that DMACC, Maytag, and the City subordinate whatever right, claim, or demand of any kind concerning the Project which they may have now or which they hereafter claim.

NOW, THEREFORE, in consideration of the promises of the parties, and, in particular, as a further inducement to the Bank to grant the Foundation the Loans, the parties agree as follows:

1. DMACC, Maytag, and the City hereby subordinate in all respects to Hawkeye and the indebtedness of the Foundation to Hawkeye all rights, claims, and demands of any kind, in particular rights, claims, and demands which they may have, now or in the future, concerning the Project under the DMACC Lease, Maytag Sublease, or the Redevelopment Agreement; provided, however, that the rights of possession of DMACC and Maytag as lessees shall not be disturbed so long as the Bank receives the rent payments and other payments under the DMACC Lease and the Maytag Sublease, and so long as DMACC and Maytag otherwise comply with their respective leases. If DMACC, Maytag or the City hold one or more security interests in real or personal property asso-
associated with the Project, DMACC, Maytag, and the City also specifically subordinate all of their security interests to the security interest held by Hawkeye with respect to the Project, whether the Bank's security interest exists now or is later acquired.

2. DMACC warrants and agrees that if requested by Hawkeye at any time in the future, it shall make any payment due under the DMACC Lease directly to Hawkeye because of a default by the Foundation under the Agreement or any Related Document as defined in the Agreement.

3. In the event the City desires a second and inferior mortgage with respect to the Project, Hawkeye shall allow the same, notwithstanding any term or condition contained in the Agreement and the Related Documents as defined in the Agreement; provided, though, that the City's interest in the Project shall be and remain subordinate to the rights, claims and demands of the Bank.
DES MOINES AREA COMMUNITY COLLEGE FOUNDATION

By: Jim Wilson, President

By: Donald L. Davis, Treasurer

DES MOINES AREA COMMUNITY COLLEGE

By: Douglas K. Shull, President

By: Helen M. Harris, Secretary

MAYTAG CORPORATION

By: Carleton F. Zacheis, Senior Vice President

By: E. James Bennett, Secretary

HAWKEYE BANK OF JASPER COUNTY

By: Ronald M. Nagel, Executive Vice President

CITY OF NEWTON, IOWA

By: Mayor
STATE OF IOWA  )  SS:
COUNTY OF _POLK_ )

On this 26th day of April, 1993, before me, the undersigned, a Notary Public in and for said state, personally appeared Jim Wilson and Donald L. Davis, to me personally known, who being by me duly sworn, did say that they are the President and Treasurer, respectively, of Des Moines Area Community College Foundation; that no seal has been procured by the said corporation/that the seal affixed hereto is the seal of said corporation; that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and that the said President and Treasurer acknowledged the execution of said instrument to be the voluntary act and deed of said corporation, by it and by them voluntarily executed.

Notary Public in and for the State of Iowa

STATE OF IOWA  )  SS:
COUNTY OF _POLK_ )

On this 19th day of April, 1993, before me, the undersigned, a Notary Public in and for said state, personally appeared Douglas K. Shull and Helen M. Harris, to me personally known, who being by me duly sworn, did say that they are the President and Secretary of Des Moines Area Community College; that no seal has been procured by the said corporation/that the seal affixed hereto is the seal of said corporation; that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and that the said President and Secretary acknowledged the execution of said instrument to be the voluntary act and deed of said corporation, by it and by them voluntarily executed.

Notary Public in and for the State of Iowa
On this _____ day of April, 1993, before me, the undersigned, a Notary Public in and for said state, personally appeared Carleton F. Zacheis and E. James Bennett, to me personally known, who being by me duly sworn, did say that they are the Senior Vice President and Secretary, respectively, of Maytag Corporation; that no seal has been procured by the said corporation; that the seal affixed hereto is the seal of said corporation; that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and that the said Senior Vice President acknowledged the execution of said instrument to be the voluntary act and deed of said corporation, by it and by them voluntarily executed.

Notary Public in and for the State of Iowa

On this _____ day of April, 1993, before me, the undersigned, a Notary Public in and for said state, personally appeared Ronald M. Nagel, to me personally known, who being by me duly sworn, did say that he is the Executive Vice President President of Hawkeye Bank of Jasper County, an Iowa banking corporation; that no seal has been procured by the said banking corporation; that the seal affixed hereto is the seal of said banking corporation; that said instrument was signed and sealed on behalf of said banking corporation by authority of its Board of Directors; and that the said Executive Vice President acknowledged the execution of said instrument to be the voluntary act and deed of said corporation, by it and by them voluntarily executed.

Notary Public in and for the State of Iowa

DAVID B. VANSICKEL
On this day of April, 1993, before me, the undersigned, a Notary Public in and for said state, personally appeared __________________________, to me personally known, who being by me duly sworn, did say that he is the Mayor of the City of Newton, Iowa; that said instrument was signed on behalf of the City of Newton, Iowa, by authority of the Newton City Council pursuant to an ordinance passed on the ______ day of __________, 1993; and that the said Mayor acknowledged the execution of said instrument to be the voluntary act and deed of the City of Newton, by it and by him voluntarily executed.

Notary Public in and for the State of Iowa
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1  Balance Sheet — All Funds
2  Statement of Revenue, Expenditures & Changes in Fund Balances
3  Schedule B — Investments
4  Schedule F — Detail of Liabilities

BUDGET VS ACTUAL SUMMARY REPORTS:
5  Budget Balance Report for All Funds
6  Budget Status Graph Funds 1 and 2
7  Budget Status Graph Funds 3 - 7
8  Graph Showing Actual Expenditures & Revenue Comparisons between Current and Prior Year for Funds 1, 2, and 7.
### ASSETS

**Current Assets**

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<th>Description</th>
<th>General Fund 1</th>
<th>General Fund 2</th>
<th>Auxiliary Fund 3</th>
<th>Agency Fund 4</th>
<th>Scholarship Fund 5</th>
<th>Loan Fund 6</th>
<th>Plant Fund 7</th>
<th>Total</th>
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<td>121,895</td>
<td>8,021</td>
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<td></td>
<td>1,036,002</td>
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<td>130,209</td>
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**Total current assets**

- **Unrestricted**: 10,265,265
- **Restricted**: 36,592,350
- **Auxiliary**: 706,897
- **Agency**: 75,986
- **Scholarship**: 1,083,405
- **Loan**: 1,083,405
- **Plant**: 51,082,534

**Fixed Assets**

- **Land, Buildings & Improvements**: 35,664
- **Equipment, Leased Property, Books & Films**: 127,463

**Total fixed assets**

- **Unrestricted**: 0
- **Restricted**: 0
- **Auxiliary**: 163,127
- **Agency**: 0
- **Scholarship**: 0
- **Loan**: 0
- **Plant**: 58,567,524

**Total assets**

- **Unrestricted**: 10,265,265
- **Restricted**: 36,592,350
- **Auxiliary**: 706,897
- **Agency**: 75,986
- **Scholarship**: 1,083,405
- **Loan**: 1,083,405
- **Plant**: 109,813,185

### LIABILITIES AND FUND BALANCES

**Current liabilities**

- **Unrestricted**: 6,770,445
- **Restricted**: 7,691,846
- **Auxiliary**: 64,436
- **Agency**: 88,495
- **Scholarship**: 790,410
- **Loan**: 15,405,632
- **Plant**: 15,777,029

**Long term liabilities**

- **Unrestricted**: 28,584,000
- **Restricted**: 127,463
- **Auxiliary**: 601,013
- **Agency**: 30,770,475
- **Scholarship**: 599,349

**Total liabilities**

- **Unrestricted**: 6,768,781
- **Restricted**: 36,275,846
- **Auxiliary**: 64,436
- **Agency**: 689,508
- **Scholarship**: 0
- **Loan**: 0
- **Plant**: 46,775,456

**Fund Balance**

- **Unrestricted**: 3,311,223
- **Restricted - spec purposes**: 185,261
- **Net Investment in Plant**: 3,496,484

**Total fund balance**

- **Unrestricted**: 3,311,223
- **Restricted**: 55,641,946
- **Auxiliary**: 642,461
- **Agency**: 75,986
- **Scholarship**: 1,083,405
- **Loan**: 57,422,889
- **Plant**: 63,037,729

**Total liabilities & fund balance**

- **Unrestricted**: 10,265,265
- **Restricted**: 36,592,350
- **Auxiliary**: 706,897
- **Agency**: 75,986
- **Scholarship**: 1,083,405
- **Loan**: 1,083,405
- **Plant**: 109,813,185
## Statement of Revenue, Expenditures & Changes in Fund Balances

**March 31, 1993**

<table>
<thead>
<tr>
<th>REVENUES &amp; OTHER ADDITIONS</th>
<th>General</th>
<th>Restricted</th>
<th>Auxiliary</th>
<th>Agency</th>
<th>Scholarship</th>
<th>Loan</th>
<th>Plant</th>
<th>Total</th>
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<td>Tuition &amp; Fees</td>
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<td>Sales &amp; Services</td>
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<td>Training Revenue</td>
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<td>Other Income</td>
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<td><strong>Total Revenue &amp; Other Additions</strong></td>
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<td>5,406,839</td>
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<td>519,909</td>
<td>4,478,675</td>
<td>68,644</td>
<td>2,406,606</td>
<td>42,165,867</td>
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<th>EXPENDITURES &amp; OTHER DEDUCTIONS</th>
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<th>Restricted</th>
<th>Auxiliary</th>
<th>Agency</th>
<th>Scholarship</th>
<th>Loan</th>
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<td>Plant Fund Expense</td>
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<tr>
<td>Agency Fund Expense</td>
<td>1,153,624</td>
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<td></td>
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<tr>
<td><strong>Total Expenditures &amp; Other Deductions</strong></td>
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<td>4,633,701</td>
<td>446,055</td>
<td>4,624,743</td>
<td>19,347</td>
<td>1,153,624</td>
<td>39,976,865</td>
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<table>
<thead>
<tr>
<th>TRANSFER AMONG FUNDS: ADDITIONS &amp; DEDUCTIONS</th>
<th>General</th>
<th>Restricted</th>
<th>Auxiliary</th>
<th>Agency</th>
<th>Scholarship</th>
<th>Loan</th>
<th>Plant</th>
<th>Total</th>
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<td>Mandatory</td>
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<td>6,087</td>
<td>99,957</td>
<td>6,000</td>
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<td>Non-Mandatory</td>
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<tr>
<td><strong>NET INCREASE (DECREASE) FOR THE PERIOD</strong></td>
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<table>
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<th>FUND BALANCE AT BEGINNING OF YEAR</th>
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<th>Restricted</th>
<th>Auxiliary</th>
<th>Agency</th>
<th>Scholarship</th>
<th>Loan</th>
<th>Plant</th>
<th>Total</th>
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<td></td>
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<td>479,833</td>
<td>104,450</td>
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<td>56,169,907</td>
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<table>
<thead>
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<th>FUND BALANCE AT END OF PERIOD</th>
<th>General</th>
<th>Restricted</th>
<th>Auxiliary</th>
<th>Agency</th>
<th>Scholarship</th>
<th>Loan</th>
<th>Plant</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>3,496,484</td>
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<td>642,461</td>
<td>601,013</td>
<td>75,986</td>
<td>1,083,605</td>
<td>57,422,889</td>
<td>63,638,742</td>
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## SCHBALS

**DES MOINES AREA COMMUNITY COLLEGE**

**SCHEDULE B**

**INVESTMENTS**

March 31, 1993

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<tr>
<th>INSTITUTION</th>
<th>OBJECT CODE</th>
<th>INVESTMENT CODE</th>
<th>TYPE</th>
<th>INTEREST RATE</th>
<th>DUE DATE</th>
<th>PRINCIPAL AMOUNT</th>
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<tr>
<td>First Natl Bk, Ames</td>
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<td>Savings Acct</td>
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<td>Life Insur/Pres</td>
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<td>Hawkeye Bk &amp; Trust</td>
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<td>Savings Acct</td>
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<td>20,574</td>
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<td>State Bk &amp; Trust</td>
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<td>1,560,742</td>
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<td>Carroll Cty St Bk</td>
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<td>Savings Acct</td>
<td>3.43%</td>
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<td>2,825,364</td>
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<td>First Natl Bk, Ames</td>
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<td>Savings Acct</td>
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<td><strong>AGENCY FUND (FUND 4)</strong></td>
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<td>Cert of Deposit</td>
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<td>Carroll Cty St Bk</td>
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<td>Cert of Deposit</td>
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<td>Savings Acct</td>
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<td>75,986</td>
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<td><strong>LOAN FUND (FUND 6)</strong></td>
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<td>Auxiliary</td>
<td>Agency</td>
<td>Scholarship</td>
<td>Loan</td>
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<td>Total</td>
<td>6,768,781</td>
<td>36,275,846</td>
<td>64,436</td>
<td>88,695</td>
<td>0</td>
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</tbody>
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**PAYABLES:**
- Trade Payables: 6,575
- Anticipatory Warrant: 4,325,000
- Long Term Payables (Bonds): 28,584,000
- Leaseholds Payable: 2,280,000
- 700,152

**ACCRADED LIABILITIES:**
- Payroll: 1,548,143
- Accrued Vacation: 399,400
- Interest on Debt: 76,554
- Total: 890

**UNAMORITIZED DISC ON CERTIF:**
- (305,141)
- (8,677)

**FUNDS HELD IN TRUST:**
- (1,664)
- 87,785

**DEFERRED INCOME:**
- 421,348
- 7,901,419
- 710

**TOTAL LIABILITIES:**
- 6,768,781
- 36,275,846
- 64,436
- 88,695
- 0
- 0
- 2,976,885
BUDREP
DISK #1

DES MOINES AREA COMMUNITY COLLEGE
BUDGET REPORT
SUMMARY BY FUND (ALL FUNDS)
March 31, 1993

<table>
<thead>
<tr>
<th>FUND NAME</th>
<th>FUND NO.</th>
<th>BOARD APPROVED BUDGET</th>
<th>WORKING BUDGET</th>
<th>AMOUNT EXPENDED/RECEIVED</th>
<th>AMOUNT ENCUMBERED</th>
<th>WORKING BALANCE</th>
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<td>752,893</td>
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<td>4,117,647</td>
<td>4,596,322</td>
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<td>83,731</td>
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<td>3,166,610</td>
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<td>$42,701,952</td>
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<td>$32,458,384</td>
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<td>AGENCY</td>
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<td>4,152,941</td>
<td>4,117,647</td>
<td>4,624,786</td>
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<td>(507,139)</td>
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<td>LOAN</td>
<td>6</td>
<td>41,000</td>
<td>41,000</td>
<td>22,347</td>
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<td>PLANT</td>
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DMACC BUDGET STATUS MARCH 31, 1993
(FUNDS 3, 4, 5, 6, & 7)

*BUDGET is Current Working Budget for Funds 3, 4, & 6, and Published Budget for Fund 7.
BOARD OF TRUSTEES
WORKING/PLANNING SESSION
Monday, April 19, 1993
Des Moines Club, 666 Grand, Des Moines
(33rd Floor - Check Reader Board)

AGENDA

1. Call to order - 4:30 p.m.
2. Roll call.
3. Consideration of tentative agenda.
4. Discussion of goals and long range planning parameters.
5. Adjournment.
A special meeting of the Des Moines Area Community College Board of Trustees was held at the Des Moines Club, 666 Grand Avenue, Des Moines, Iowa, on April 19, 1993, for the purpose of conducting a working/planning session. The meeting was called to order at 4:30 p.m. by Board President Doug Shull.

Members Present:
Harold Belken
DeVere Bendixen
Susan Clouser
Lloyd Courter
Dick Johnson
Eldon Leonard
Gerry Pecinovsky
Doug Shull
Nancy Wolf-Keith

Others Present:
Joe Borgen, President
Don Zuck, College Treasurer
Kim Linduska, Executive Dean, Academic/Student Services

A motion to add a discussion of Tax Increment Financing to the tentative agenda and approval of the agenda as amended, was made by S. Clouser, seconded by E. Leonard.

Motion passed unanimously.

The following items were discussed:


- Governance of community colleges in Iowa. The IACCP is conducting a study.

- Tax Increment Financing (TIF) and how this differs from the community college HF623 program.

A motion for adjournment was made by E. Leonard, seconded by H. Belken. Motion passed unanimously and at 6 p.m., Board President Shull adjourned the meeting.

DOUG SHULL, President

HELEN M. HARRIS, Board Secretary