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CEDAR CO. IOWA RECORDER

TAX INCREMENT DEVELOPMENT AGREEMENT

BY AND BETWEEN

THE CITY OF WEST BRANCH, IOWA

AND

PROCTER AND GAMBLE HAIR CARE, L.L.C.

The City of West Branch, Iowa, (hereinafter "City") has been presented with a proposal for an urban renewal project (hereinafter "Project") to be undertaken by Procter and Gamble Hair Care, L.L.C. (hereinafter "P & G") on property described on the attached Exhibit A (hereinafter "Project Area"). The Project Area is located in the West Branch Urban Renewal Project Area (hereinafter "Urban Renewal Area") which has been determined to be classified as an economic development area and for which the West Branch Urban Renewal Project Area Plan (hereinafter "Plan") has been adopted.

The City has also adopted Ordinance No. 421, Ordinance No. 465, and Ordinance No. 556, under which incremental tax revenues from the Urban Renewal Area are divided with a portion going into the Urban Renewal Tax Increment Fund of the City pursuant to Iowa Code Section 403.19.

P & G intends to expand its business and to thereby generate employment opportunities within West Branch's Urban Renewal Area.

Under the terms of the proposal, P & G will undertake the Project consisting of certain improvements as set forth in Section II (hereinafter "Minimum Improvements") to be completed in the Project Area by P & G, and will create approximately 225 new full-time jobs in a period of not to exceed five years commencing January 1, 2003, if the City will agree to assist the Project by rebating to P & G, for a period five years, incremental property taxes actually paid with respect to the Minimum Improvements and received under Iowa Code Section 403.19 by the City (hereinafter "City Contribution") and if the City will agree to property tax abatement under the provisions of Section 15.332, Code of Iowa. The five-year rebate period shall begin with the tax year in which property taxes are paid on the completed value of the Minimum Improvements. The property tax abatement shall occur in the subsequent five years, as set forth below.

The City has determined that the Project is consistent with the objectives of the Plan for the Urban Renewal Area and that development of the Project Area and the Urban Renewal Area by construction of the Minimum Improvements is in the vital and best interests of the City. The City has further found that the use of City funds to finance the City Contribution is in accord with the provisions of the applicable laws under which the Project will be undertaken, including, but not limited to, Iowa Code Chapters 15A and 403.

Now, therefore, the City and P & G, in consideration of the promises and mutual obligations set forth in the Development Agreement (hereinafter "Agreement"), agree and covenant as follows:

SECTION I

1. P & G will cause the Minimum Improvements to be constructed in the Project Area in accordance with the terms of this Agreement, the Plan and all local, state and federal laws and regulations. The Minimum Improvements shall include:
 - a. A capital investment of at least \$18,300,000.
 - b. Provision and payment of at least 80 percent of the cost of a standard medical and dental insurance plan for all full-time employees working at the facilities in which the new investment will occur.
 - c. The creation of approximately 225 new, full-time jobs within a period of not to exceed five (5) years.
 - d. Payment of a median wage for the 202 new, full-time, hourly, non-management production jobs of at least \$12.00 per hour.
 - e. Provision of a retirement/pension plan of the 401(k) type to all full-time employees.
 - f. Provision of a productivity and safety improvement plan.
 - g. Annual investment of no less than one percent of the business' new Iowa facility's pretax profits in worker training and skills enhancement.
2. The Minimum Improvements shall be completed within a five-year period beginning January 1, 2003.
3. P & G will own the Minimum Improvements and agrees to pay, when due, all real property taxes and assessments payable with respect to the Minimum Improvement.
4. P & G agrees to indemnify, defend and hold harmless the City from any claim arising out of or connected with the Project Area, and agrees to maintain and provide proof of property insurance against loss or damage to the Project Area in amounts sufficient to replace the Minimum Improvements.
5. P & G acknowledges that they may be eligible for certain property tax abatement benefits under Iowa Law, including, but not limited to, those provided under Iowa Code Chapter 427B and 15, and agrees that they will not file an application for any such abatement for which they are, or may in the future become, eligible with respect to the Project Area until the first five years after which the rebate described in Section II has expired.
6. P & G has the power to enter into the Agreement without violation of their articles of incorporation, bylaws, other charter documents or any other contract instrument or agreement to which they are a party.
7. P & G is not in violation of any local, state or federal environmental law or regulation at the Project Area and is not aware of any pending or threatened claim against them with respect to such laws.

SECTION II

1. The City agrees to assist in the Project by rebating to P & G, or its successor in interest with written consent of the City, incremental taxes actually paid with respect to the Minimum Improvements and received under Iowa Code Chapter 403.19 by the City, for a period of five years beginning with the tax year in which property taxes on the completed value of the Minimum Improvements are first paid. Except for certification of the City Contribution for reimbursement under Iowa Code Section 403.19 and except for the property tax abatements as set forth in Section III, this shall be the only consideration given by the City in connection with this Agreement. The rebate shall be paid to P & G on the first working day in July of the fiscal year following the fiscal year such incremental taxes are paid.

2. To effectuate this commitment, the City agrees to annually certify under Section 403.19 to the Cedar County Auditor no later than December 1 of each year. If the City fails to certify as set out above, no rebate shall be paid for said year and the remaining rebate schedule shall be extended by one year so as to allow five full years of rebates under this Agreement. In any given year in which incremental taxes actually paid with respect to the Minimum Improvements cannot be paid to P & G because of a change in state law, the rebate shall be limited to the amount that can be legally rebated to P & G due to said change in law.

SECTION III

1. The City agrees to allow for a schedule of exemption from property taxes under Chapter 15-Part 13 (New Jobs and Income Act) (on the value added by the Minimum Improvements from the time the improvements are first assessed as follows:

Years 1-5:	No exemptions under Iowa Code Section 15.332
Year 6:	75% exemption under Iowa Code Section 15.332
Year 7:	60% exemption under Iowa Code Section 15.332
Year 8:	45% exemption under Iowa Code Section 15.332
Year 9:	30% exemption under Iowa Code Section 15.332
Year 10:	15% exemption under Iowa Code Section 15.332

SECTION IV

1. If P & G breaches any term of this Agreement and said breach is not cured within 30 days after written notice, the City shall have the right to cancel this Agreement, suspend performance, take any legal or administrative action deemed appropriate to obtain a refund of its consideration paid under Sections II and III, and to recover damages under this Agreement, all costs of collection, including reasonable attorney fees, or seek any combination of these remedies.

2. If the City breaches its Agreement to provide the contribution to development of the Project

foregoing instrument is the corporate seal of the corporation, and that the instrument was signed and sealed on behalf of the corporation, by authority of its City Council, as contained in Ordinance No. _____/Resolution No. Motion passed by the City Council on the 3rd day of February, 2003, and that Mike Guindan and Ty Doermon acknowledged the execution of the instrument to be their voluntary act and deed and the voluntary act and deed of the corporation, by it voluntarily executed.



Marilyn J. Lacina
NOTARY PUBLIC in the state
of Iowa

STATE OF Ohio, Hamilton COUNTY, ss:

On this 3rd day of April A.D. 2003, before me, a notary public in and for said county, personally appeared C. C. Daley and XX, to me personally known, who being by me duly (sworn or affirmed) did say that that person(s) is (are) Vice President - Finance and _____ (Insert title of executing officer(s) of said (corporation or association), that (the seal affixed to said instrument is the seal of said or no seal has been procured by the said) (corporation or association) and that said instrument was signed and sealed on behalf of the said (corporation or association) by authority of its board of (directors or trustees) and the said C. C. Daley (clayton) and _____ acknowledged the execution of said instrument to be the voluntary act and deed of said (corporation or association) by it voluntarily executed.

Isele V. Bertsch
NOTARY PUBLIC



ISELA V. BERTSCH
Notary Public, State of Ohio
My Commission Expires 05-14-06

EXHIBIT A

The Northwest Quarter (NW 1/4) of the Northwest Quarter (NW 1/4) of Section 17, Township 79 North, Range 4 West of the 5th P.M., Cedar County, Iowa; the Northeast Quarter (NE 1/4) of the Northwest Quarter (NW 1/4) of Section 17, Township 79 North, Range 4 West of the 5th P.M., Cedar County, Iowa; the Southwest Quarter of the Northeast Quarter (SW 1/4 NE 1/4) of Section 17, Township 79 North, Range 4, West of the 5th P.M., Cedar County, Iowa; and the North Sixty (60) acres in the South Half (S 1/2) of the Northwest Quarter (NW 1/4) of Section 17, Township 79 North, Range 4 West of the 5th P.M., Cedar County, Iowa.

PROCTER & GAMBLE HAIR CARE LLC
OFFICERS

<i>PRESIDENT</i>	Rob S. Matteucci	One Procter & Gamble Plaza	Cincinnati, OH 45202
<i>VP – FINANCE</i>	Clayton C. Daley, Jr.	One Procter & Gamble Plaza	Cincinnati, OH 45202
<i>VP & TREASURER</i> (VP with Authority to Act in the Absence of the President)	Juan P. Hernandez	One Procter & Gamble Plaza	Cincinnati, OH 45202
<i>VP &</i> <i>COMPTROLLER</i>	John K. Jensen	One Procter & Gamble Plaza	Cincinnati, OH 45202
<i>VICE PRESIDENTS</i>	Ricahard L. Antoine	One Procter & Gamble Plaza	Cincinnati, OH 45202
	Ravi Chaturvedi	One Procter & Gamble Plaza	Cincinnati, OH 45202
	Gary Hagopian	One Procter & Gamble Plaza	Cincinnati, OH 45202
	J. Timothy Sullivan	One Procter & Gamble Plaza	Cincinnati, OH 45202
	Jane Wildman	One Procter & Gamble Plaza	Cincinnati, OH 45202
<i>SECRETARY</i>	Sharon E. Abrams	One Procter & Gamble Plaza	Cincinnati, OH 45202
<i>ASSISTANT</i> <i>SECRETARIES</i>	<u>Timothy J. Kehoe</u>	One Procter & Gamble Plaza	Cincinnati, OH 45202
	David M. Moyer	One Procter & Gamble Plaza	Cincinnati, OH 45202
	<u>Linda D. Rohrer</u>	One Procter & Gamble Plaza	Cincinnati, OH 45202
	Robert J. Thompson	One Procter & Gamble Plaza	Cincinnati, OH 45202
<i>ASSISTANT</i> <i>TREASURERS</i>	Steven D. Kiracofe	One Procter & Gamble Plaza	Cincinnati, OH 45202
	Thomas J. Mess	One Procter & Gamble Plaza	Cincinnati, OH 45202
	Roger C. Stewart	One Procter & Gamble Plaza	Cincinnati, OH 45202

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Expiration of Term of Office

October 13, 2003

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