

**OFFER TO BUY REAL ESTATE AND ACCEPTANCE
(NONRESIDENTIAL)**

TO: Money Pit, LLC ("SELLERS")

Cedar Falls Community School District ("BUYERS"), the undersigned hereby offer to buy and the undersigned SELLERS by their acceptance agree to sell the real property situated in Cedar Falls, Black Hawk County, Iowa, legally described as:

The East 19.5 acres of the following: SW SE SEC 15 T 89 R 14 EXC THAT PART OF ABOVE DESC LYING WITHIN THE FOL COM AT SW COR SE SW SEC 15 TH N 50 FT TO PT OF BEG TH CONT N 20 FT TH E 1343.26 FT TH CONT E 313.43 FT TH N 84 DEG 40 MIN 08 SEC E 215.93 FT TH S 85 DEG 22 MIN 52 SEC E 185.61 FT TH E 589.22 FT TH S 25 FT TH W 1302.64 FT TH W 1343.26 FT TO PT OF BEG (Parcel 8914-15-451-002) to be determined by a survey,

together with any easements and appurtenant servient estates, but subject to any reasonable easements of record for public utilities or roads, any zoning restrictions customary restrictive covenants and mineral reservations of record, if any, herein referred to as the "Property," upon the following terms and conditions:

1. **PURCHASE PRICE.** The Purchase Price shall be \$780,000 (\$40,000 per acre for 19.5 acres), with \$10,000.00 to be held by Beecher, Field, Walker, Morris, Hoffman, & Johnson, P.C. as Earnest Money, and the remainder to be paid at Closing.

2. **REAL ESTATE TAXES.**

A. Real Estate Taxes Constituting a Lien. SELLERS shall pay all real estate taxes that are due and payable as of the date of possession or that constitute a lien against the Property, including without limitation the 2018-2019 fiscal year real estate taxes (payable in September 2019 and March 2020) and any unpaid real estate taxes for any prior years.

B. Real Estate Taxes for the Current Year. SELLERS shall pay its prorated share, based upon the date of possession, of the real estate taxes for the 2019-2020 fiscal year (payable in September 2020 and March 2021). BUYER shall be given a credit for such proration at Closing based upon the 2018-2019 fiscal year taxes.

C. Subsequent Real Estate Taxes. BUYERS shall pay all subsequent real estate taxes on the Property.

3. **SPECIAL ASSESSMENTS.** SELLERS shall pay in full at time of Closing all installments of special assessments which are a lien on the Property as of the date of acceptance of this offer. BUYERS shall pay all other special assessments or installments not payable by SELLERS.

4. **RISK OF LOSS AND INSURANCE.** SELLERS shall bear the risk of loss or damage to the Property prior to Closing or possession, whichever first occurs. SELLERS agree to maintain existing insurance and BUYERS may purchase additional insurance. In the event of substantial damage or destruction prior to Closing, this Agreement shall be null and void; provided, however, BUYERS shall have the option to complete Closing and receive insurance proceeds regardless of the extent of damages. The property shall be deemed substantially damaged or destroyed if it cannot be restored to its present condition on or before Closing.

5. **POSSESSION AND CLOSING.** If BUYERS timely perform all obligations, possession of the Property shall be delivered to BUYERS at Closing, and any adjustments of rent, insurance, interest and all charges attributable to the SELLERS' possession shall be made as of the date of possession. Closing shall occur on or before October 15, 2019. SELLERS agree to permit BUYERS to inspect the Property within 24 hours prior to closing to assure that the premises are in the condition required by this Agreement. If possession is given on a day other than Closing, the parties shall make a separate agreement with adjustments as of the date of possession. This transaction shall be considered closed upon the delivery of the title transfer documents and receipt of all funds due at Closing from BUYERS under the Agreement.

6. **CONDITION OF PROPERTY.** The condition of the Property at Closing shall be in substantially the same as present condition of the Property as of the date hereof, ordinary wear and tear and damage by casualty or condemnation.

7. **ABSTRACT AND TITLE.** SELLERS, at their expense, shall promptly obtain an abstract of title to the Property continued through the date of acceptance of this Agreement, and deliver it to BUYERS' attorney for examination. It shall show marketable title in SELLERS in conformity with this Agreement, Iowa law, and title standards of the Iowa State Bar Association. Notwithstanding anything to the contrary herein, the parties agree that BUYERS shall have discretion to determine whether there are easements, restrictions, restrictive covenants, or other provisions revealed by an examination of said abstract, that will negatively impact the Property's value or its usefulness for BUYERS' intended purposes. If BUYER makes such a determination, in its sole judgment exercised in good faith, BUYER shall have the right to declare this Agreement null and void, and all earnest money paid shall be returned promptly to BUYERS. As to any other matters revealed by such title examination, the SELLERS shall make every reasonable effort to promptly perfect title. If Closing is delayed due to SELLERS' inability to provide marketable title, this Agreement shall continue in force and effect until either party rescinds the Agreement after giving ten days written notice to the other party. The abstract shall become the property of BUYERS when the Purchase Price is paid in full. SELLERS shall pay the costs of any additional abstracting and title work due to any act or omission of SELLERS, including transfers by or the death of SELLERS or their assignees. The abstract shall be obtained from an abstracter qualified by the Guaranty Division of the Iowa Housing Finance Authority.

8. **SURVEY.** SELLERS shall, at SELLERS' expense prior to Closing, have the property surveyed and certified by a registered land surveyor. If the survey shows an encroachment on the Property or if any improvements located on the Property encroach on lands of others, the encroachments shall be treated as a title defect. The parties agree that the Property shall consist of approximately 19.5 acres, of which the westerly boundary shall be placed no further west than the field access entrance located roughly 650 feet east of the Southwest corner of the Southwest Quarter of the Southeast Quarter of Section 15; the parties will reach consensus on the precise westerly boundary (consistent with the foregoing) prior to the finalization of the survey.

9. **ENVIRONMENTAL MATTERS.**

A. SELLERS warrant to the best of their knowledge and belief that there are no abandoned wells, solid waste disposal sites, hazardous wastes or substances, underground storage tanks, private burial sites, or private sewage disposal systems located on the Property, the Property does not contain levels of radon gas, asbestos, or urea-formaldehyde foam insulation which require remediation under current governmental standards, and SELLERS have done nothing to contaminate the Property with hazardous wastes or substances. SELLERS warrant that the property is not subject to any local, state, or federal judicial or administrative action, investigation or order, as the case may be, regarding wells, solid waste disposal sites, hazardous wastes or substances, or underground storage tanks. SELLERS shall also provide BUYERS with a properly executed GROUNDWATER HAZARD STATEMENT showing no wells, solid waste disposal sites, hazardous wastes and underground storage tanks on the Property.

B. BUYERS may at their expense, within 20 days after the date of acceptance, obtain a report from a qualified engineer or other person qualified to analyze the existence or nature of any hazardous materials, substances, conditions or wastes located on the Property. In the event any hazardous materials, substances, conditions or wastes are discovered on the Property, BUYERS' obligation hereunder shall be contingent upon the removal of such materials, substances, conditions or wastes or other resolution of the matter reasonably satisfactory to BUYERS. However, in the event SELLERS are required to expend any sum in excess of \$10,000 to remove any hazardous materials, substances, conditions or wastes, SELLERS shall have the option to cancel this transaction and refund to BUYERS all earnest money paid and declare this Agreement null and void. The expense of any inspection shall be paid by BUYERS. The expense of any action necessary to remove or otherwise make safe any hazardous material, substances, conditions or waste shall be paid by SELLERS, subject to SELLERS' right to cancel this transaction as provided above.

10. **DEED.** Upon payment of the Purchase Price, SELLERS shall convey the Property to BUYERS by warranty deed, free and clear of all liens, restrictions, and encumbrances except as provided in this Agreement. General warranties of the title shall extend to the time of delivery of the deed excepting liens and encumbrances suffered or permitted by BUYERS.

11. **USE OF PURCHASE PRICE.** At time of settlement, funds of the Purchase Price may be used to pay taxes and other liens and to acquire outstanding interests, if any, of others.

12. REMEDIES OF THE PARTIES. If BUYERS or SELLERS fail to timely fulfill the terms of this Agreement, then the other party shall be entitled to utilize any and all remedies or actions at law or in equity which may be available to them (including but not limited to forfeiture, foreclosure, termination, rescission, or specific performance), and the prevailing party shall further be entitled to obtain judgment for costs and attorney fees.

13. GENERAL PROVISIONS. In the performance of each part of this Agreement, time shall be of the essence. Failure to promptly assert rights herein shall not, however, be a waiver of such rights or a waiver of any existing or subsequent default. This Agreement shall apply to and bind the successors in interest of the parties. This Agreement shall survive the Closing. This Agreement contains the entire agreement of the parties and shall not be amended except by a written instrument duly signed by SELLERS and BUYERS. Paragraph headings are for convenience of reference and shall not limit or affect the meaning of this Agreement. Words and phrases herein shall be construed as in the singular or plural number, and as masculine, feminine or neuter gender according to the context.

14. CERTIFICATION. Buyer and Seller each certify that they are not acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by an Executive Order or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person" or any other banned or blocked person, entity, nation, or transaction pursuant to any law, order, rule or regulation that is enforced or administered by the Office of Foreign Assets Control; and are not engaged in this transaction, directly or indirectly on behalf of, any such person, group, entity or nation. Each party hereby agrees to defend, indemnify and hold harmless the other party from and against any and all claims, damages, losses, risks, liabilities, and expenses (including attorney's fees and costs) arising from or related to any breach of the foregoing certification. Seller further certifies that none of Seller is a "foreign person" within the meaning of Section 1445(f)(3) of the Internal Revenue Code of 1986, as amended and the related Treasury Department regulations.

15. ADDITIONAL PROVISION

A. Neither party has used the service of a real estate agent or broker in connection with this transaction. No broker fee is due and owing.

B. BUYERS accept the Property in "As Is" condition, except as otherwise provided herein.

C. This Agreement is contingent upon final approval of the Cedar Falls Community School District Board of Education, which approval shall be obtained on or before October 15, 2019. If such approval is not obtained for any reason on or before said date, this Agreement shall be null and void and all amounts paid by BUYERS shall be refunded.

D. SELLERS reserve the right to have the Property appraised. If the Property appraises for more than \$40,000 per acre, SELLERS may attempt to claim a charitable deduction and BUYERS agree to cooperate with the same, at no cost or risk to BUYERS, including signing IRS Form 8283.

E. BUYERS are aware that SELLERS have a lease with Robert L. Smith, Sr. for Property and adjoining real estate ("Lease"). SELLERS shall have Lease terminated for Property on or before Closing.

16. ELECTRONIC TRANSMISSION. Any notice required under this Agreement shall be deemed given when it is received in writing either by hand delivery, fax, return receipt requested mail, or electronic mail. A signed copy of this Agreement, counteroffers, and all addendums or amendments to this Agreement shall, taken together, constitute a single binding agreement.

17. ACCEPTANCE. When accepted, this Agreement shall become a binding contract. If not accepted and delivered to BUYERS on or before the ____ day of August, 2019, this Agreement shall be null and void and all payments made shall be returned immediately to BUYERS. If accepted by SELLERS at a later date and acceptance is satisfied in writing, then this contract shall be valid and binding.

Accepted _____

Dated _____

SELLERS

BUYERS

Money Pit, LLC

Cedar Falls Community School District
By Its Board of Directors

By: Brent Dahlstrom
Its: Manager

By: Joyce Coil
Its: President

By: Denelle Gonnerman
Its: Secretary

Address:

604 Clay St.
Cedar Falls, IA 50613

Address:

1002 W. 1st St.
Cedar Falls, IA 50613