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PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (this Agreement"), is made by and among the City of Council Bluffs, Iowa ("Seller"), and Michael A. Rensch and Renae L. Rensch, husband and wife, and their assignees (Purchaser).

Introduction

Seller is the owner of that certain real estate located north and west of the intersection of Franklin Avenue and Bennett Avenue in Council Bluffs, Iowa, consisting of approximately 6.36 acres of land, including any associated improvements, fixtures, hereditaments and appurtenances thereon, and legally described below, and all right, title and interest appertaining thereto, sometimes referred to herein as the Property. Purchaser desires to acquire the Property on the terms set forth in this Agreement, and Seller is willing to sell the Property to Purchaser on such terms. The property is presently identified as Parcel No. 754332152006 and legally described as:

> Lot 1, Franklin Heights Subdivision, City of Council Bluffs, Pottawattamie County, Iowa.

In consideration of the provisions of this Agreement, Seller and Purchaser agree as follows:

1. Purchase and Sale. Purchaser agrees to purchase the Property from Seller, and Seller agrees to sell the Property to Purchaser, for a purchase price of One Hundred Fifty Thousand and 00/100ths Dollars ($150,000.00), less any sums paid pursuant to Section 3 below, and subject to adjustments and prorations as provided herein, which purchase price shall be payable by Purchaser in cash or immediately available funds on the Closing Date, as hereinafter defined.

2. Deposit. Upon the "Effective Date" of this Agreement as hereinafter defined Purchaser shall deposit Fifteen Thousand and 00/100 Dollars ($15,000.00) (the Initial Deposit) with the Escrow Agent (as hereinafter defined) to be held in an interest bearing account for the benefit of Purchaser and all interest thereon shall be considered additional Deposit and applied against the purchase price due hereunder at Closing. The Initial Deposit shall allow Purchaser to inspect the Property for one hundred twenty (120) days from the "Effective Date" (Initial Inspection Period). Purchaser may extend the Inspection Period an additional sixty (90) days (Subsequent Inspection Period) by giving written notice of such extension to Seller within the Initial Inspection Period. If Purchaser extends the Initial Inspection Period, the Purchaser shall place an additional Deposit of Five Thousand and 00/100 ($5,000) into escrow. Purchaser may in

Purchaser's absolute discretion at any time during the Initial Inspection Period and any Subsequent Inspection Period(s) terminate this Agreement in which event all Deposits and interest thereon shall be refunded to Purchaser. If all contingencies are met as set forth in this agreement then upon expiration of the Initial Inspection Period and any Subsequent Inspection Period(s), all Deposit(s) and interest thereon shall become property of the Seller (and non-refundable to Purchaser) unless there is a default by Seller.

3. **Evidence of Title.** Purchaser, at its expense, shall promptly obtain an abstract of title to the Property continued through the Effective Date of this Agreement. It shall show marketable title in SELLER in conformity with this Agreement, Iowa law, and title standards of the Iowa State Bar Association. The SELLER shall make every reasonable effort to promptly perfect title. If closing is delayed due to SELLER's inability to provide marketable title, this Agreement shall continue in force and effect until either party rescinds the Agreement after giving thirty (30) days written notice to the other party. The abstract shall become the property of Purchaser when the Purchase Price is paid in full. The expense incurred by Purchaser in obtaining the Abstract of Title shall be credited to Purchaser at closing. SELLER shall pay the costs of any additional abstracting and title work due to any act or omission of SELLER.

After Purchaser's attorney has completed an examination of the abstract, Purchaser, at its option may elect to require the issuance of a commitment for an Iowa Title Guaranty Certificate. If Purchaser elects to require an Iowa Title Guaranty Certificate, Seller shall deliver to Purchaser within thirty (30) days of the notice of the request from Purchaser (or Purchaser's attorney) a current commitment for an Iowa Title Guaranty certificate, with extended coverage over survey exceptions, mechanics or materialmans liens, parties in possession and zoning compliance, in an amount equal to the purchase price of the Property, which shall commit to insure good and marketable fee simple title to the Property in Purchaser upon Closing. If Purchaser objects to the condition of the title disclosed by such Iowa Title Guaranty certificate commitment, Purchaser shall notify Seller in writing and Seller, at its expense, promptly shall use reasonable efforts to remedy such objectionable matters (which may include payment of liens at Closing out of the proceeds of the sale of the Property). If Seller does not so remedy the title matters objected to by Purchaser (other than liens to be paid at Closing) within thirty (30) days after the date of such notice from Purchaser, then, at the exclusive election of Purchaser, exercisable in Purchaser's absolute discretion, Purchaser (a) may complete the purchase of the Property and accept such title thereto as Seller is able to convey without reduction of the purchase price (unless such title objections are encumbrances or liens for an ascertainable amount, in which case that amount may be deducted from the purchase price) or (b) may declare this Agreement null and void. Such

commitment shall be updated to the date of Closing. The premium for the Iowa Title Guaranty Certificate and all other charges related to the issuance of the Iowa Title Guaranty Certificate including the attorney's opinion letter, and all other charges by Iowa Title Guaranty and the abstracting company relating to the issuance of the certificate shall be paid by Purchaser.

In lieu of continuing an Abstract of title or obtaining an Iowa Title Guaranty Certificate, Purchaser, at its option may elect to obtain title insurance for the Property. Said title insurance shall show merchantable title to the Property. The Seller shall make every reasonable effort to promptly perfect title. If closing is delayed due to the Seller's inability to provide marketable title, this Agreement shall continue in full force and effect until either party rescinds the Agreement after giving thirty (30) days written notice to the other party. The Abstract, if one exists, shall become the property of Purchaser when the purchase price is paid in full. Seller shall pay the costs of any additional title work due to any act or omission of Seller. The cost of such title insurance shall be split equally between Seller and Purchaser.

The Escrow Agent designated for this transaction and the title company shall be N.P. Dodge Real Estate, Inc./Title Core National.

4. **Survey.** Purchaser may during the Initial Inspection Period, at its expense, obtain a current and accurate ALTA as-built survey of the Property, prepared and certified (to Purchaser, Iowa Title Guaranty, if applicable, and Purchasers lender if so requested by Purchaser) by a registered land surveyor, showing (a) all existing structures, facilities, improvements, rights-of-way, utility lines, storm sewers, sanitary sewers, and easements on or affecting the Property, (b) the boundaries and legal description of the Property, and (c) all building set-back requirements applicable to the Property. If such survey discloses (a) any right-of-way, easement, or building set-back requirement on or applicable to the Property which in Purchasers reasonable business judgment will interfere with Purchasers intended use of the Property, (b) any material encroachment or projection on the Property by structures, facilities, or improvements on adjoining property, (c) any violation on the Property of building set-back requirements or of use or other restrictions contained in prior conveyances or in any zoning ordinances, permits, authorizations, or regulations applicable to the Property, or (d) any material encroachment or projection on adjoining property by structures, facilities, or improvements located on the Property or the survey discloses any discrepancies or conflicts in boundary lines, overlaps, any encroachments, or any other matters adversely affecting the marketability of title to the Property, Purchaser shall notify Seller of the same and Seller, at its expense, shall cure such defects within thirty (30) days after the date of such notice from Purchaser. If Seller does not cure such defects within such thirty (30) day period, Purchaser may, at the exclusive election of Purchaser, exercisable in its absolute discretion,

(a) complete the purchase of the Property in its existing condition without a reduction of the purchase price; or (b) declare this Agreement null and void.

5. Environmental Audit. Purchaser may during the Initial Inspection Period, at its expense, obtain a Phase I environmental audit of the Property addressed to Purchaser and Purchasers lender performed by qualified environmental consultants and engineers reasonably satisfactory to Purchaser. The scope of the work to be performed in connection with such environmental audit will be dictated by Purchaser. If the Phase I environmental audit report indicates that the Property is, or that there is a significant potential that the Property is, contaminated by regulated substances, hazardous wastes or substances or asbestos, then Purchaser may (i) terminate this Agreement by written notice delivered to Seller, or (ii) cause Phase II environmental sampling and testing, at Purchaser's expense, to be performed based upon recommendations of qualified environmental consultants and engineers in order to determine whether the Property is contaminated and the nature and extent of any such contamination within a reasonable degree of scientific certainty. If such sampling and testing reveals contamination, Purchaser may (i) complete the purchase of the Property in its existing condition without a reduction of the purchase price; or (ii) terminate this Agreement.

6. Inspection Period. It is acknowledged that Purchaser has made only a cursory inspection of the Property. It is the intention of this provision that Purchaser, at Purchasers expense, shall have the right to conduct an economic feasibility study and examine or review, as it pertains to the Property, conditions or factors of physical condition, proposed development restrictions and zoning for Purchasers intended use, existing and proposed easements, covenants and restrictions, surface and subsurface conditions; and environmental matters so as to enable Purchaser to determine the existence of any such conditions or factors that would prohibit, in Purchasers opinion, the adequacy or financing of the Property or the marketability thereof to prospective users, and whether the Property is suitable for Purchaser's intended purposes. Purchaser and his agents shall have the right to conduct inspections, re-inspections, analyses and feasibility studies regarding the Property at any time prior to Closing, upon 24 hours notice to Seller, to satisfy itself as to the aforesaid conditions and factors, at Purchasers sole cost and expense. At Purchasers option, such inspections may be conducted by one or more surveyors, appraisers, engineers, contractors, environmental consultants, accountants or architects, the expense of which shall be borne by Purchaser. Seller agrees to cooperate fully with Purchaser and Purchasers agents to allow them to review all documents relating to the Property and to allow them full access to the Property and such documents and information during normal business hours, and Seller will approve and execute all documents reasonably required by Purchaser

concerning rezoning, replatting, planning department approvals and other matters in connection with Purchasers proposed development of the Property.

Purchaser agrees to indemnify Seller and hold Seller harmless for any costs or liabilities for personal injury or property damage arising from Purchasers right of entry on the Property. Seller grants Purchaser the right to enter the Property and disc under the current vegetation located throughout the Property.

In addition, Seller shall provide Purchaser with, and Purchaser shall have the right to copy, the following documentation (Inspection Period Documentation):

(a) All soils reports, compaction tests completed to date or other tests, if any, relating to the Property.

(b) Copies of all environmental reports, if any, engineering reports, if any, surveys, if any, or any other information relating to the condition of the Property as reasonably requested by Seller.

All Inspection Period Documentation shall be assigned to Purchaser at Closing.

Purchaser shall have the right, in Purchaser's absolute discretion and for any reason or no reason, to declare this Agreement null and void with respect to the Property, by notice to Seller at any time within the Inspection Period(s) for such Property, in which event all Deposits and interest thereon shall be refunded to Purchaser. All deposits and interest thereon shall become non-refundable upon the expiration of the Inspection Period(s) unless Purchaser has given prior written notice to Seller of its intent to terminate this Agreement.

7. **Additional Contingencies.** This Agreement is further contingent upon:

(a) Financing Contingency. Purchaser obtaining financing as it in its sole discretion may determine necessary for its needs. In the event Purchaser has not obtained such suitable financing within sixty (60) days from the date of execution of this Agreement, Purchaser shall give written notice to Seller within said time period of the failure of this financing contingency and all Deposits and interest thereon shall be refunded to Purchaser. This contingency shall be deemed satisfied unless Purchaser gives such written notice to Seller within this sixty (60) day period.

(b) Development Agreement and Zoning. Purchaser obtaining, during the inspection period(s), a satisfactory Development Agreement and rezoning with the City of Council Bluffs, if necessary. In the event these contingencies are not resolved to the satisfaction of Purchaser within the inspection Period(s), Purchaser may terminate this Agreement in which event all Deposits and interest thereon shall be refunded to Purchaser.

(c) Real Estate Tax Abatement. Purchaser shall receive a three (3) year tax abatement with a ten (10) year graduated increase.

8. **Representations and Warranties of Seller**. Seller represents and warrants to Purchaser:

(a) Seller has full authority and power to enter into this Agreement and to consummate the transactions contemplated herein. Neither the execution, delivery nor performance of this Agreement shall violate or constitute a breach of any existing agreement by Seller or any applicable law, rule or regulation;

(b) There is no action, suit, proceeding or investigation pending or, to Seller's knowledge, threatened before any agency, court or other governmental authority which would materially affect the Property or the operation thereof;

(c) There is no condemnation proceeding affecting the Property currently pending nor, to Seller's knowledge, is any such proceeding threatened;

(d) The Property complies with all applicable governmental requirements in regard to the use and occupation of the Property, including but not limited to environmental, zoning, platting and other land use requirements, and Seller has not received notice of and has no knowledge of any violations or investigations relating thereto. Seller has not received any notice from any entity having jurisdiction over the Property requesting any improvements, alterations, additions, corrections or other work in, or about the Property which is currently unsatisfied. Seller will promptly notify Purchaser if it receives any such notice;

(e) Seller has not received notice of any default or breach by Seller under any agreements, covenants, conditions, restrictions, rights-of-way, or easements which may affect the Property, and no such default or breach now exists to the best of Sellers knowledge;

(f) There are no management, service or other contracts pertaining to the Property, and Seller will not enter into any new management, service or other contracts, or amendments to any such contracts, prior to Closing without Purchasers prior written consent, except for contracts entered into in the ordinary course of managing and operating the Property which are terminable at will without penalty. Seller will notify Purchaser promptly upon entering into any such contract and will cause the same to be terminated as of Closing at no expense to Purchaser if so requested by Purchaser.

(g) There are no leases or occupancy agreements affecting the Property and no third parties are in possession of the Property or have any right to possession of the Property, except as set forth in Section 14 below. Seller will not enter into any lease or occupancy agreement longer than 30 days prior to Closing without Purchasers prior written consent.

(h) Seller is not a foreign person within the meaning of Section 1445 of the Internal Revenue Code, and at Closing Seller shall deliver to Purchaser an affidavit or certificate to that effect satisfying the requirements of such Section.

All of the representations, warranties and covenants of Seller contained in this Agreement shall be true and complete as of the date of this Agreement and as of the date of Closing, and shall survive Closing.

9. Closing Date. The Closing Date for the sale and purchase of the Property shall be at any time during the term of this Agreement at a time and date agreed to by Purchaser and Seller, but in no event later than sixty (60) days after the expiration of the Inspection Period(s) or any extension thereof. The Closing shall be held at 10:00 a.m. at the office of the Escrow Agent referred to in Section 3, or at such other time and place as the parties hereto shall mutually agree. Purchasers' obligation to close and pay the purchase price for the Property is also subject to the satisfaction of the following conditions as of Closing:

(a) All of the Sellers representations and warranties set forth in this Agreement are true and complete as of the date of Closing; and

(b) Seller has performed all of Sellers obligations under this Agreement as of the date of Closing.

If the conditions in Section 9 (a) and (b) are not satisfied as of the date of Closing, Purchaser may elect to declare this Agreement null and void and Escrow Agent shall return all Deposits and interest thereon to Purchaser.

10. Conveyance of Property. At Closing, Seller shall execute and deliver to Purchaser a good and sufficient general warranty deed or deeds, as applicable, in recordable form, conveying to Purchaser marketable fee simple title to the Property, free and clear of all liens, charges, claims, actions, encumbrances, easements, rights-of-way, restrictions, and title exceptions of any kind whatsoever, and title exceptions or other matters shown on the Iowa Title Guaranty commitment referred to in Section 3 and not objected to by Purchaser. Seller shall also execute and deliver any other documentation reasonably necessary in connection with the Closing, including but not limited to a Groundwater Hazard Statement and a Real Estate Transfer - Declaration of Value.

11. Possession. Purchaser shall take possession of the Property on the Closing Date (the Possession Date).

12. Prorations. All real estate taxes assessed on the Property shall be prorated as of the date of Closing, which proration shall be based upon the latest tax bills available. Seller shall pay all real estate taxes assessed prior to the date of Closing. Fees of Escrow Agent for acting as such shall be divided equally by Purchaser and Seller. All consolidated real estate taxes, assessments, penalties or liens which may be extended against the Property at any time shall be paid by Seller and such obligation shall survive Closing.

13. Special Assessments. All special assessments against the Property for public improvements completed or commenced prior to Closing, whether or not levied or assessed prior to Closing, shall be the obligation of and shall be paid in full by Seller. If such special assessments have not been levied or assessed prior to Closing, then Sellers obligation to pay such special assessments as soon as they have been levied and assessed shall survive Closing; and Seller shall pay such special assessments in full as soon as they have been levied and assessed.

14. Documentation to Sellers: If Purchaser does not close on the Property for any reason, Purchaser shall provide Seller with a copy of all inspection, analysis, audit, and testing reports comp.

15. Protection Against Construction Liens. Seller represents and warrants to Purchaser that all contractors, subcontractors, laborers, and materialmen performing work upon or furnishing labor and materials to improve or benefit the Property at Sellers request have been or will be paid in full by Seller as of the Closing Date. Accordingly, Seller hereby agrees to indemnify and save Purchaser harmless from any claims, liabilities, damages, or expenses which Purchaser, or its successors or assigns, may incur by reason of any construction liens being filed against the Property for work performed or materials furnished by or at the request of Seller. Seller will execute the necessary affidavits and indemnities required by the title insurance

company to eliminate from its owners and lender's title policies any exception for unfiled construction liens.

16. Zoning. The Property is currently zoned "AP," Administrative-Professional. Seller makes no representations or warranties that current zoning is compatible with Purchasers intended use of the Property. Purchaser shall have the right to apply for rezoning and/or subdivision of the Property. Purchaser may do so either before or after the Closing Date, and Seller agrees to cooperate reasonably with Purchaser, at Purchasers expense, in seeking such rezoning and/or subdivision approval, including joining in the application for rezoning and/or subdivision if requested to do so by Purchaser. However, Purchaser shall not seek final rezoning and/or subdivision approval by the appropriate governmental authority (but may seek a recommendation of approval from the appropriate jurisdictions planning commission or planning board) on the Property prior to Closing. If the appropriate governmental authority has not approved Purchasers application to rezone and/or subdivide the Property, prior to Closing, then Purchaser may elect to terminate this Agreement.

17. Notices. All notices required or permitted to be given under this Agreement shall be in writing and either personally delivered or sent by prepaid United States certified mail, return receipt requested, addressed as follows:

If to Seller:
City of Council Bluffs
ATTN: Richard Wade
Legal Department
209 Pearl Street
Council Bluffs, IA 51503

If to Purchaser:
Michael A. Rensch,
1601 McPherson Avenue
Council Bluffs, IA 51503

Scott J. Rogers
Peters Law Firm, P.C.
233 Pearl Street, P.O. Box 1078
Council Bluffs, IA 51502-1078

Either party may change its address shown above by giving notice of such change to the other party.

18. Offer to Purchase. In the event that Purchaser has signed this Agreement prior to Seller, then this Agreement shall be deemed to be merely an offer to purchase on the part of Purchaser which automatically shall terminate seven (7) days after the date upon which Purchaser

executed this Agreement unless Seller shall have signed this Agreement and delivered a fully executed copy thereof to Purchaser within such seven (7) day period.

19. Multiple Copies. Seller and Purchaser may execute multiple copies of this Agreement, each of which shall be an original for all purposes.

20. Brokerage. Neither Seller nor Purchaser has dealt with any agent or broker in connection with this transaction other than Brian Jensen of NP Dodge Real Estate who is acting as agent of Purchaser, and each party will hold harmless and indemnify the other party from the claim of any such broker other than Brian Jensen and NP Dodge Real Estate. Seller shall pay a six percent (6%) commission to NP Dodge Real Estate at closing.

21. Condemnation. In the event that any action is initiated prior to Closing by any governmental entity to acquire all or any portion of the Property by condemnation or eminent domain proceedings, then Purchaser at its exclusive election may declare this Agreement null and void by giving written notice of the exercise of such election to Seller within thirty (30) days after Seller furnishes written notice of the commencement of such condemnation or eminent domain proceedings to Purchaser or, if no such notice is furnished by Seller, at any time prior to Closing.

22. Governing Law. This Agreement shall be governed by the laws of the State of Iowa.

23. Section Titles. The Section titles in this Agreement are solely for convenient reference and shall not be considered in the interpretation or application of this Agreement.

24. Number and Gender. Where the context requires, all singular words in this Agreement shall be construed to include their plural and all words of neuter gender shall be construed to include the masculine and feminine forms of such words.

25. Entire Agreement. This document contains the entire agreement between Seller and Purchaser with respect to the subject matter of this Agreement; and there are no agreements, promises, assurances, representations, warranties, undertakings, or understandings, either written or oral, between Seller and Purchaser concerning the Property other than those set forth in this Agreement. No amendment of this Agreement shall be effective or binding unless it is in writing and has been signed by both Seller and Purchaser.

26. Time of the Essence. Time shall be of the essence with respect to the performance by the parties of their respective obligations hereunder.

27. **Severability; Construction.** The invalidity of any provision of this Agreement as determined by a court of competent jurisdiction shall in no way affect the validity of any other provision hereof so long as the original purpose of this Agreement is not substantially frustrated by reason of the severance of such provision. This Agreement shall not be construed either for or against a particular party by reason of draftsmanship or otherwise but, rather, shall be interpreted in accordance with the general tenor of the language in order to reach an equitable result. The reference to any exhibit in this Agreement, unless the context clearly indicates otherwise, shall be deemed to be a reference to the corresponding exhibit attached hereto, if any, which shall be deemed to be incorporated by such reference into this Agreement as if set out in full.

28. **Recording.** Purchaser may record this Agreement; provided, however, in the event a sale is not consummated pursuant to this Agreement, Purchaser shall execute such releases or quitclaim deeds as are reasonably necessary to clear Seller's title of any encumbrance hereby created.

29. **Binding Agreement\Assignment.** This Agreement shall be binding upon and shall inure to the benefit of the parties named herein and their respective personal representatives, successors and permitted assigns. No party to this Agreement may assign either this Agreement or any of its rights, interests or obligations hereunder without the prior written approval of the other party; provided, however, that Purchaser may upon written notice to Seller (a) assign any or all of its rights and interests hereunder to a Person which directly or indirectly controls, are controlled by, or under common control with Purchaser ("Affiliate" or "Affiliates"), or (b) designate one or more of its Affiliates to perform its obligations under this Agreement (in any or all of which cases Purchaser nonetheless shall remain responsible for the performance of all of its obligations hereunder).

30. **Default; Remedies.** If Seller shall perform all obligations required by this Agreement and Purchaser shall fail or refuse to perform this Agreement within the time and in the manner provided, then Seller shall retain all sums paid to Seller under Section 2 of this Agreement as liquidated damages and Sellers sole remedy if Purchaser fails to consummate the purchase of the Property and such failure is not related to a default of Seller or Sellers failure to satisfy a condition to Closing set forth herein. Purchaser and Seller acknowledge and agree that actual damages to Seller would be difficult to calculate and that the above-referenced liquidated damages are a reasonable approximate thereof. Purchaser may seek specific performance of this Agreement in the event of default by Seller.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the date set forth beneath their respective signatures, however the parties agree that this Agreement shall be effective as of March _____, 2018 (the "Effective Date").

SELLER:

Date: _____ City of Council Bluffs, Iowa

By: _____
Matthew J. Walsh, Mayor

Attest: _____
Jodi Quakenbush, City Clerk

STATE OF IOWA, COUNTY OF POTTAWATTAMIE) ss:

On this _____ day of _____, 2018 before me, the undersigned, a Notary Public in and for said County and State, personally appeared Matthew J. Walsh and Jodi Quakenbush, to me personally known, who being by me duly sworn, did say that they are the Mayor and City Clerk, respectively, of the said City of Council Bluffs, Iowa, a municipal corporation; that said instrument was signed on behalf of the City of Council Bluffs, Iowa, by authority of its City Council; and that said Matthew J. Walsh and Jodi Quakenbush, as such officers acknowledged the execution of said instrument to be the voluntary act and deed of said City, by it and by them voluntarily executed.

_____
Notary Public in and for said State

PURCHASER:

Date: 3/27/18

Michael A. Rensch

Renae L. Rensch

STATE OF IOWA, COUNTY OF POTTAWATTAMIE) ss:

Subscribed and sworn to before me this 27th day of March, 2018.

_____
Notary Public in and for said State

Brian Jensen
Commission No. 727007
Expires May 11, 2019

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