

Real Estate Purchase Agreement

This Real Estate Purchase Agreement is dated _____, 2022 (the “Effective Date”) and is between Lutheran Services in Iowa, Inc. (the “Seller”) and Ames Community School District (the “Buyer”).

The parties agree as follows:

1. **Purchase and Sale of Property.** The Seller shall convey to the Buyer the real property known locally as 1323 Northwestern Avenue, Ames, IA 50010 and as Story County Tax Parcel No. 05-34-455-130 (the “Property”). The legal description for the Property will be determined following a review of the abstract of title described in section 8 of this agreement. The Seller shall convey the Property together with any easements and servient estates appurtenant to it and subject only to (i) zoning restrictions, (ii) easements of record acceptable to Buyer, and (iii) restrictive covenants of record acceptable to Buyer; provided Buyer, on possession, is permitted to make use of the Property and the improvements constructed thereon for school purposes.

2. **Purchase Price.** The Purchase Price shall be \$2,625,000.00 (the “Purchase Price”). The Buyer shall pay the Purchase Price as follows:

- a. Within two (2) business days of the Effective Date, Buyer shall deposit \$26,250.00 with Dentons Davis Brown PC, by wire transfer of immediately available funds, to be held as earnest money.
- b. The remainder of the Purchase Price shall be paid in cash on the Closing Date with adjustments as provided in this agreement.

3. **Real Estate Taxes.**

- a. Seller shall pay all real estate taxes that are due and payable as of the date of possession and constitute a lien against the Property, including any unpaid real estate taxes for any prior years.
- b. Seller shall also give Buyer a credit for the prorated share of real estate taxes payable in the following fiscal year, attributable to Seller’s possession of the Property. The amount of the proration credit will be based upon the last known actual net real estate taxes payable according to public record.
- c. The Seller shall pay all assessments levied against the Property on or prior to the Closing Date. If any assessments are not payable as of the Closing Date, Seller shall pay the anticipated amount of the assessment into an escrow account to be used to satisfy the assessment, with any remaining funds returned to the Seller.

4. **Closing and Possession.**

- a. Closing shall occur on a date mutually agreed to between the parties on or before

30 calendar days after expiration of the Buyer Acquisition Study Period (the “Closing Date”).

- b. Seller shall give Buyer possession of the Property on the Closing Date.
- c. This transaction shall be considered closed upon (i) the filing of all title transfer documents, and (ii) Seller’s receipt of all funds due from Buyer under this agreement (“Closing”).

5. **Closing Costs.**

- a. Seller shall pay the following costs associated with this transaction:
 - i. Seller’s attorney’s fees or other professional fees incurred by Seller in connection with this transaction.
 - ii. Transfer taxes.
 - iii. The cost to update the abstract under section 8(a) of this agreement.
 - iv. Recording fees necessary to cure title defects identified under Section 8(b) of this agreement.
 - v. All other costs allocated to the Seller in this agreement or customarily paid by sellers of real estate in Iowa.
- b. Buyer shall pay the following costs associated with this transaction:
 - i. The Purchase Price under section 2 of this agreement.
 - ii. Buyer’s attorney’s fees.
 - iii. Any cost to prepare a survey under section 9 of this agreement
 - iv. Buyer’s expenses incurred during Buyer’s Acquisition Study Period under section 7(b).
 - v. The recording fee to record the deed transferring title to Buyer.
 - vi. All other costs allocated to the Buyer in this agreement or customarily paid by buyers of real estate in Iowa.

6. **Fixtures.** Included with the Property shall be all fixtures that integrally belong to, are specifically adapted to, or are a part of the real estate, whether attached or detached.

7. **Condition of Property.**

- a. Until the Closing, Seller shall preserve the Property in the condition it exists as of the Effective Date, including buildings, grounds, and all improvements; provided, however, Seller shall have no obligation to preserve the one-story building located closest to 13th St. on the Property (the “Odland Building”) beyond material structural issues and any remedial work shall be performed as set forth on Exhibit “A”. If any improvements located on the Property are substantially damaged or destroyed prior to the Closing Date, the Buyer may terminate this agreement by written notice to the Seller and the earnest money shall be returned to the Buyer. Notwithstanding anything to the contrary contained in this Section 7(a), Buyer and Seller agree that Seller may remove the “donor wall” located in the residential

treatment building, which building is South of the gymnasium.

- b. Within 5 business days of the Effective Date, the Seller will provide physical or electronic copies of all documents in its possession concerning the Property to the Buyer, including but not limited to surveys, as-built drawings, site plans, maps, historical records, reports, studies, investigations, audits, actions, or tests, relating in any way to the physical or environmental condition of the Property ("Due Diligence Documents"). The Seller authorizes the Buyer to speak to any person involved in the preparation of the Due Diligence Documents. The obligation of the Seller to supply the information, materials, reports, and documents described in this Section 7(b) shall be continuing and the Seller shall promptly supply the Buyer with any additional such materials obtained by the Seller prior to Closing. Any Due Diligence Documents provided are solely for the convenience of Buyer. Seller has made no independent investigation or verification of such Due Diligence Documents or the information contained therein, and, except as expressly set forth in this Agreement, makes no representation or warranty as to the truth, accuracy, or completeness of the Due Diligence Documents, or any other information provided to Buyer hereunder and Seller expressly disclaims any implied representations as to any matter disclosed or omitted. Notwithstanding the foregoing, the Seller is not aware of any materially false information contained within the Due Diligence Documents.
- c. For 90 calendar days (as the same may be extended as set forth herein, the "Buyer Acquisition Study Period") from the Effective Date (the "Study Expiration Date"), Buyer may, at Buyer's expense, perform an acquisition study to determine the suitability of the Property for Buyer's intended use, which study may include, but not be limited to, Buyer's evaluation of the Due Diligence Documents, a physical inspection of the Property by persons of Buyer's choice; Buyer's evaluation of the area of the Property and availability to the Property of sufficient sanitary and storm sewer, gas, water, communication, and electrical utility services; Buyer's evaluation of parking availability, traffic flow, and ingress and egress to and from the Property; Buyer's evaluation of the zoning classification of the Property; Buyer's inspection and review of all agreements, leases, conveyances, encumbrances, restrictive covenants, contracts, or easements affecting the Property in any manner whatsoever; preparation, review, and approval of the Buyer's site and development plans for the Property, if any, by all governing agencies and necessary third parties; and other aspects of the Property pertaining to its use for Buyer's purposes. In the event Buyer is not satisfied for any reason whatsoever with the results of its acquisition study of the Property, then on or before the expiration of the Buyer Acquisition Study Period, Buyer may, in its sole discretion, terminate this agreement by providing written notice to Seller and the earnest money shall be returned to the Buyer, except as otherwise set forth below. Buyer may, in its sole and absolute discretion, extend the Buyer Acquisition Study Period for a term of thirty (30) days from the Study Expiration Date by providing written notice to Seller at any time on or before 11:59 P.M. Central Time on the Study Expiration Date, in which case the Study Expiration Date shall be extended to thirty

(30) days after the Study Expiration Date (the “Extended Study Expiration Date”). In the event Buyer extends the Buyer Acquisition Study Period as set forth herein, Buyer agrees that Buyer shall be responsible for Seller’s operating expenses (the “Operating Expenses”) with respect to the Property from the Study Expiration Date until the earlier of: (i) the Closing Date; or (ii) the termination of this Agreement. At Seller’s sole option: (i) the Operating Expenses may be added to the Purchase Price, in which case, the Purchase Price, plus the Operating Expenses, shall be paid at Closing; or (ii) shall be paid by Buyer to Seller within ten (10) days after Buyer’s receipt of a monthly invoice or other reasonable documentation thereof. In the event: (i) Buyer extends the Buyer Acquisition Study Period; or (ii) in the event such extension is not exercised, upon expiration of the Buyer Acquisition Study Period, as the case may be, the earnest money will become nonrefundable, except in the event of Seller default.

- d. The Seller agrees that during the Buyer Acquisition Study Period, Seller shall provide Buyer and its representatives and consultants with full and complete access to the Property so that Buyer can perform its due diligence on the Property, including without limitation, surveys, audits, tests, physical inspections, title examinations, appraisal inspections, air, soil, and water samples, temporary monitoring wells and soil borings, and other environmental and engineering audits by which Buyer can determine in its sole discretion that the Property is suitable for Buyer’s intended purpose. Any due diligence performed by Buyer shall be made or performed at Buyer’s sole risk and expense. Notwithstanding anything to the contrary contained herein, Buyer, nor any of Buyer’s employees, agents, contractors, inspectors, consultants or other representatives, without the prior written consent of Seller, which may be withheld in Seller’s reasonable discretion, make any intrusive physical testing at the Property.
- e. In the event this transaction fails to close for any reason, Buyer agrees to restore the Property to substantially the same condition in which it existed prior to the Acquisition Study Period. This section shall survive the termination of this agreement.
- f. In connection with any entry upon the Property, Buyer shall maintain or cause to be maintained, at Buyer’s sole cost and expense, a policy of commercial general liability insurance, with a broad form contractual liability endorsement and with a combined single limit of not less than \$1,000,000.00 per occurrence and \$2,000,000.00 in the aggregate for bodily injury and property damage, insuring Buyer and Seller, as an additional insured, against any injury or damage that may result from: (a) Buyer’s or Buyer’s employees, agents, contractors, inspectors, consultants, or other representatives entry onto the Property; (b) any investigations or inspections or other activities conducted on the Property; and (c) any and all other activities undertaken by the Buyer or Buyer’s employees, agents, contractors, inspectors, consultants or other representatives.

- g. Buyer shall not permit its investigations, inspections, or other activities undertaken by Buyer to result in any liens, judgments, or other encumbrances being filed or recorded against the Property and Buyer shall, at its sole cost and expense, immediately discharge of record any such liens, judgments, or encumbrances that are so filed or recorded. This section shall survive the termination of this agreement.
- h. Except as otherwise required by this agreement, the Seller shall sell and the Buyer shall accept the Property “as is, where is, with all faults” and Buyer is relying solely upon Buyer’s own independent factual, physical, and legal investigations, examinations and inquiries and the material and information prepared by Buyer or by third parties at Buyer’s request in determining that the Property and each portion thereof is suitable and adequate in all respects for any and all activities and uses which Buyer may elect to conduct thereon. For the convenience of Buyer, Seller discloses those items set forth on Exhibit “A”. ACCORDINGLY, EXCEPT AS OTHERWISE SPECIFICALLY SET FORTH IN THIS AGREEMENT, SELLER EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES OF ANY KIND OR CHARACTER, WHETHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF HABITABILITY, MERCHANTABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS FOR A PARTICULAR PURPOSE. THIS SECTION SHALL SURVIVE THE CLOSING.

8. **Abstract and Title.**

- a. Seller, at Seller’s expense, shall promptly obtain an abstract of title to the Property continued to within 45 days of the Closing Date and deliver it to Buyer’s attorney for examination.
- b. The abstract shall show marketable title in Seller in conformity with this agreement, Iowa law, and the title standards of the Iowa State Bar Association. Seller shall make every reasonable effort to promptly perfect title. If Closing is delayed due to Seller’s inability to provide marketable title, either party may terminate this agreement by giving 10 calendar days written notice to the other party and the earnest money shall be returned to the Buyer.
- c. The abstract shall become the property of Buyer on the Closing Date.

9. **Survey.** Buyer may, at Buyer’s expense prior to Closing, have the Property surveyed by a registered land surveyor. If any encroachments are identified on the survey, they will be treated as a title defect under section 8(b) of this agreement.

10. **Deed.** Seller shall convey the Property to Buyer by warranty deed, free and clear of all liens, restrictions, and encumbrances except as permitted by this agreement.

11. **Lease Agreements.** Seller represents and warrants to Buyer that there are no lease or occupancy agreements concerning the Property.

12. **Use of Purchase Price.** Seller agrees that at time of settlement, funds of the Purchase Price may be used to pay taxes, other liens, and to acquire outstanding interests, if any, prior to the proceeds being paid to Seller.

13. **Remedies.**

- a. If Buyer breaches, repudiates, or otherwise fails to timely perform this agreement (collectively, a “Buyer Default”), Seller’s sole remedies shall be to terminate this agreement by written notice to Buyer, in which case any earnest money or deposit shall be paid to Seller and Buyer shall pay to Seller the amount of One Hundred Thousand and 00/100 Dollars (\$100,000.00) as liquidated damages (the “Liquidated Damages”). The parties intend that the Liquidated Damages constitute a reasonable estimate of the anticipated or actual harm that may arise from a Buyer Default and not a penalty. The parties acknowledge and agree that in the event of a Buyer Default, Seller’s harm would be impractical or impossible to calculate or otherwise difficult or impossible to ascertain as of the Effective Date and that the Liquidated Damages are a reasonable estimate of the anticipated or actual harm that may arise from a Buyer Default..
- b. If Seller breaches, repudiates, or otherwise fails to timely perform this agreement, Buyer may elect, at its option, to (i) terminate this agreement by written notice to Seller, in which case earnest money or deposits made hereunder shall be returned to the Buyer, and Buyer may also recover Buyer’s actual, documented expenses associated with this transaction in an amount not to exceed \$5,000.00, or (ii) to enforce this agreement by specific performance.
- c. The prevailing party in any dispute arising out of this agreement shall be entitled to obtain judgment for its reasonable costs and attorney fees.

14. **Notice.** For a notice under this agreement to be valid, it must be in writing and must be delivered either (i) in person, (ii) via certified mail to the address noted below, or (iii) via email if the receiving party consents to receiving notice via email. All notices shall be effective upon receipt.

If to the Seller:

Lutheran Services in Iowa, Inc.
ATTN: John Twardos
3125 Cottage Grove Avenue
Des Moines, IA 50311

With copy to:

Dentons Davis Brown PC
ATTN: Sean Raisch
215 10th St., Ste. 1300
Des Moines, IA 50309

If to the Buyer:

Ames Community School District
ATTN: Chris Stensland
2005 24th St.
Ames, Iowa 50010

With copy to:

Ahlers & Cooney, P.C.
ATTN: Conner Wasson
100 Court Ave., Ste. 600
Des Moines, IA 50309

15. **Time of the Essence.** In the performance of each part of this agreement, time shall be of the essence.

16. **Choice of Law.** All claims relating to this agreement shall be governed by the laws of the State of Iowa without regard to principles of conflicts of law.

17. **Forum.** The sole and exclusive jurisdiction for any action arising from or relating to this agreement shall be in the state courts located in Story County, Iowa.

18. **Assignment.** Neither party may transfer to any other person (i) any discretion granted under this agreement, (ii) any right under this agreement, (iii) any remedy under this agreement, or (iv) any obligation imposed under this agreement, without the prior written consent of the other party, which consent shall not be unreasonably withheld, conditioned, or delayed.

19. **Survival.** This agreement shall survive the Closing.

20. **Entire Agreement.** This agreement constitutes the entire understanding between the parties with respect to the subject matter of this agreement and supersedes all other agreements, whether written or oral, between the parties.

21. **Modification and Waiver.** No amendment of this agreement will be effective unless it is in writing and signed by both parties. No waiver under this agreement will be effective unless it is in writing and signed by the party granting the waiver.

22. **Severability.** The parties agree that if a dispute between the parties arises out of this agreement, they would want the court to interpret this agreement as follows:

- a. With respect to any provision that it holds to be unenforceable, by modifying that provision to the minimum extent necessary to make it enforceable or, if that modification is not permitted by law, by disregarding that provision;
- b. If an unenforceable provision is modified or disregarded in accordance with this section, by holding that the rest of this agreement will remain in effect;
- c. By holding that any unenforceable provision will remain as written in any circumstances other than those in which the provision is held to be unenforceable; and
- d. If modifying or disregarding the unenforceable provision would result in failure of an essential purpose of this agreement, by holding the entire agreement unenforceable.

23. **Brokers.** Seller represents and warrants to Buyer and Buyer represents and warrants to Seller that no broker or finder has been engaged by it. Each party shall be responsible for any claim for broker fees, finder's fees or commissions in connection with this agreement or the acquisition of the Property.

24. **Groundwater Hazards.** Seller represents and warrants to Buyer that there is no known private burial site, well, solid waste disposal site, underground storage tank, hazardous waste, or private sewage disposal system on the property as described in Iowa Code Section 558.69, and therefore this transaction is exempt from the requirement to submit a groundwater hazard statement.

25. **Counterpart and Electronic Signatures.** This agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Facsimile and PDF signatures are as effective as original signatures.

The parties are signing this agreement as of the date stated in the introductory clause.

Seller:
Lutheran Services in Iowa, Inc.

Buyer:
Ames Community School District

By: _____

By: _____
Sabrina Shields-Cook, Board President

Name: _____

By: _____
Chris Stensland, Board Secretary

Title: _____

EXHIBIT “A”

Disclosures

With respect to the Odland Building, Seller discloses the following:

- There is water damage and mold in the Odland Building, Seller is unaware of the extent of such water damage and mold; and
- The Odland Building contains asbestos, Seller is unaware of the extent of any asbestos.

Seller will not repair and/or remediate any water damage, mold, or asbestos in the Odland Building.

With respect to the two story building known as the “Administration Building”, Seller discloses the following:

- The Administration Building has water damage and contains asbestos. Seller will remediate such water damage and will remediate the asbestos (to the extent the asbestos will require remediation due to the water intrusion) prior to closing; provided, however, Seller will not repair the ceiling or any damage caused by any water intrusion aside from remediation.