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ORIGINAL

ITEMS TO INCLUDE ON AGENDA

CITY OF HIAWATHA, IOWA
January 2, 2019
5:30 P.M.

Hiawatha Urban Renewal Plan

- Public hearing on the proposal to enter into a Purchase, Sale, and Development Agreement with PAKAR Management, LLC, which includes the potential sale of the City's interest in real property.

- Resolution making final determination on potential sale of interest in real property and approving and authorizing execution of a Purchase, Sale, and Development Agreement by and between the City of Hiawatha and PAKAR Management, LLC

IMPORTANT INFORMATION

1. The above agenda items should be included, along with any other agenda items, in the meeting agenda. The agenda should be 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 body holding the meeting. If no such office exists, the notice must be posted at the building in which the meeting is to be held.

2. If you do not now have a bulletin board designated as above mentioned, designate one and establish a uniform policy of posting your notices of meeting and tentative agenda.

3. Notice and tentative agenda must be posted at least 24 hours prior to the commencement of the meeting.

NOTICE MUST BE GIVEN PURSUANT TO IOWA CODE CHAPTER 21 AND THE LOCAL RULES OF THE CITY.

January 2, 2019

The City Council of the City of Hiawatha in the State of Iowa, met in _____ session, in the Council Chambers, City Hall, 101 Emmons Street, Hiawatha, Iowa, at 5:30 P.M., on the above date. There were present Mayor _____, in the chair, and the following named Council Members:

_____

_____

Absent: _____

* * * * * * *

The Mayor announced that this was the time and place for the public hearing and meeting on the matter of the proposal to approve and authorize execution of a Purchase, Sale, and Development Agreement by and between the City of Hiawatha and PAKAR Management, LLC, which Agreement includes the potential sale of the City's interest in real property, and that notice of the proposed action by the Council to enter into said Agreement and potentially sell real property thereunder had been published pursuant to the provisions of Section 364.6, 364.7, and 403.8 of the Code of Iowa.

The Mayor then asked the Clerk whether any written objections had been filed by any City resident or property owner to the proposed action. The Clerk advised the Mayor and the Council that _____ written objections had been filed. The Mayor then called for oral objections and _____ were made. Whereupon, the Mayor declared the time for receiving oral and written objections to be closed.

(Attach here a summary of objections received or made, if any)

The Council then considered the proposed action and the extent of objections thereto.

Whereupon, Council Member _____ introduced and delivered to the Clerk the Resolution hereinafter set out entitled "RESOLUTION MAKING FINAL DETERMINATION ON POTENTIAL SALE OF INTEREST IN REAL PROPERTY AND APPROVING AND AUTHORIZING EXECUTION OF A PURCHASE, SALE, AND DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF HIAWATHA AND PAKAR MANAGEMENT, LLC", and moved:

☐ that the Resolution be adopted.

☐ to defer action on the Resolution and the proposal to the meeting to be held at _____ _____.M. on the _____ day of _____, 2019, at _____.

Council Member _____ seconded the motion. The roll was called and the vote was,

AYES: _____

_____

NAYS: _____

Whereupon, the Mayor declared the measure duly adopted.

RESOLUTION NO. _____

RESOLUTION MAKING FINAL DETERMINATION ON POTENTIAL SALE OF INTEREST IN REAL PROPERTY AND APPROVING AND AUTHORIZING EXECUTION OF A PURCHASE, SALE, AND DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF HIAWATHA AND PAKAR MANAGEMENT, LLC

WHEREAS, by Resolution No. 91-68, adopted June 19, 1991, which has been amended 14 times, lastly by Amendment No. 14 as approved by Resolution No. 18-123 on July 18, 2018, this Council found and determined that certain areas located within the City are eligible and should be designated as an urban renewal area under Iowa law, and approved and adopted the Hiawatha Urban Renewal Plan (the "Urban Renewal Plan" or "Plan") for the Hiawatha Urban Renewal Area (the "Urban Renewal Area" or "Area") described therein, which Plan as amended, is on file in the office of the Recorder of Linn County; and

WHEREAS, it is desirable that properties within the Area be redeveloped as part of the overall redevelopment area covered by said Plan; and

WHEREAS, such Plan provides for, among other things, the disposition of property for private development as a proposed renewal action; and

WHEREAS, the City has received a proposal from PAKAR Management, LLC (the "Developer"), in the form of a proposed Purchase, Sale, and Development Agreement (the "Agreement") by and between the City and the Developer, pursuant to which, among other things, the City would agree to sell to Developer and the Developer would agree to purchase certain real property located within the Urban Renewal Area (the "Development Property"); and

WHEREAS, the Agreement further proposes that the Developer will construct certain Minimum Improvements (as defined in the Agreement) together with all related site improvements on the Development Property; and

WHEREAS, the Agreement further proposes that the City will provide Economic Development Grants to the Developer (as defined in the Agreement) in an amount not to exceed $430,000 under the terms and following satisfaction of the conditions set forth in the Agreement; and

WHEREAS, Iowa Code Chapters 15A and 403 (the "Urban Renewal Law") authorize cities to make grants for economic development in furtherance of the objectives of an urban renewal project and to appropriate such funds and make such expenditures as may be necessary to carry out the purposes of said Chapter, and to levy taxes and assessments for such purposes; and

WHEREAS, the terms of the Agreement satisfy the "fair market value" and "competitive bidding" requirements of Iowa Code Section 403.8; and

WHEREAS, in compliance with Sections 403.8, 364.6, and 364.7 of the Code of Iowa, the Council has set forth its proposal to dispose of interests in the Development Property, by publishing notice of a thirty day competitive bidding period followed by publication of notice of a public hearing on the Agreement and has held said hearing; and

WHEREAS, the Council has determined that the Agreement is in the best interests of the City and the residents thereof and that the performance by the City of its obligations thereunder is a public undertaking and purpose and in furtherance of the Plan and the Urban Renewal Law and, further, that the Agreement and the City's performance thereunder is in furtherance of appropriate economic development activities and objectives of the City within the meaning of Chapters 15A and 403 of the Iowa Code taking into account any or all of the factors set forth in Chapter 15A, to wit:

a. Businesses that add diversity to or generate new opportunities for the Iowa economy should be favored over those that do not.

b. Development policies in the dispensing of the funds should attract, retain, or expand businesses that produce exports or import substitutes or which generate tourism-related activities.

c. Development policies in the dispensing or use of the funds should be targeted toward businesses that generate public gains and benefits, which gains and benefits are warranted in comparison to the amount of the funds dispensed.

d. Development policies in dispensing the funds should not be used to attract a business presently located within the state to relocate to another portion of the state unless the business is considering in good faith to relocate outside the state or unless the relocation is related to an expansion which will generate significant new job creation. Jobs created as a result of other jobs in similar Iowa businesses being displaced shall not be considered direct jobs for the purpose of dispensing funds; and

WHEREAS, pursuant to notice published as required by law, this Council has held a public meeting and hearing upon the proposal to approve and authorize execution of the Agreement, which includes the potential sale of the Development Property (as defined in the Agreement), and has considered the extent of objections received from residents or property owners as to said proposed Agreement; and, accordingly the following action is now considered to be in the best interests of the City and residents thereof.

NOW THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF HIAWATHA IN THE STATE OF IOWA:

Section 1. The Council finds that disposal of interests in the Development Property to the Developer as set forth in the Agreement will benefit the health, safety and welfare of, and is in the best interests of the residents of the City. The Council further finds that transfer of the

Development Property will promote economic development in the City and that these benefits, together with the other consideration provided for in the Agreement, constitute fair consideration for the disposal of interests in the Development Property under Section 403.8, Code of Iowa.

Section 2. The proposal to sell the Development Property to the Developer pursuant to the terms of the proposed Agreement is hereby approved.

Section 3. That the performance by the City of its obligations under the Agreement, including but not limited to selling the Development Property to the Developer in connection with the redevelopment of the Development Property under the terms set forth in the Agreement, be and is hereby declared to be a public undertaking and purpose and in furtherance of the Plan and the Urban Renewal Law and, further, that the Agreement and the City's performance thereunder is in furtherance of appropriate economic development activities and objectives of the City within the meaning of Chapters 15A and 403 of the Iowa Code, taking into account the factors set forth therein.

Section 4. That the form and content of the Agreement, the provisions of which are incorporated herein by reference, be and the same hereby are in all respects authorized, approved and confirmed, and the Mayor and the Deputy City Clerk be and they hereby are authorized, empowered and directed to execute, attest, seal and deliver the Agreement for and on behalf of the City in substantially the form and content now before this meeting, but with such changes, modifications, additions or deletions therein as shall be approved by such officers, and that from and after the execution and delivery of the Agreement, the Mayor and the Deputy City Clerk are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Agreement as executed.

PASSED AND APPROVED this 2nd day of January, 2019.

_____

Mayor

ATTEST:

_____

Deputy City Clerk

CERTIFICATE

STATE OF IOWA)
) SS
COUNTY OF LINN)

I, the undersigned Deputy City Clerk of the City of Hiawatha, State of Iowa, do hereby certify that attached is a true and complete copy of the portion of the corporate records of the City showing proceedings of the Council, and the same is a true and complete copy of the action taken by the Council with respect to the matter at the meeting held on the date indicated in the attachment, which proceedings remain in full force and effect, and have not been amended or rescinded in any way; that meeting and all action thereat was duly and publicly held in accordance with a notice of public hearing and tentative agenda, a copy of which was timely served on each member of the Council 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 Council (a copy of the face sheet of the agenda being attached hereto) pursuant to the local rules of the Council and the provisions of Chapter 21, Code of Iowa, upon reasonable advance notice to the public and media at least twenty-four hours prior to the commencement of the meeting as required by law and with members of the public present in attendance; I further certify that the individuals named therein were on the date thereof duly and lawfully possessed of their respective city offices as indicated therein, that no vacancy existed except as may be stated in the proceedings, and that no controversy or litigation is pending, prayed or threatened involving the incorporation, organization, existence or boundaries of the City or the right of the individuals named therein as officers to their respective positions.

WITNESS my hand and the seal of the Council hereto affixed this _____ day of _____, 2019.

_____
Deputy City Clerk, City of Hiawatha, State of Iowa

(SEAL)

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PURCHASE, SALE, AND DEVELOPMENT AGREEMENT

BY AND BETWEEN

CITY OF HIAWATHA, IOWA

AND

PAKAR MANAGEMENT, LLC

_____ 2019

Execution Version

PURCHASE, SALE, AND
DEVELOPMENT AGREEMENT

THIS PURCHASE, SALE, AND DEVELOPMENT AGREEMENT (the "Agreement") is made on or as of the ____ day of _____, 2019, by and between the CITY OF HIAWATHA, IOWA, a municipality (the "City"), established pursuant to the Code of Iowa and acting under the authorization of Chapters 15A and 403 of the Code of Iowa, 2017, as amended, and PAKAR MANAGEMENT, LLC, an Iowa limited liability company, having offices for the transaction of business at 4160 Riverview Road, Cedar Rapids, Iowa (the "Developer").

WITNESSETH:

WHEREAS, in furtherance of the objectives of the Urban Renewal Act, the City has undertaken a program for the development of an economic development area in the City and, in this connection, is engaged in carrying out urban renewal project activities in an area known as the Hiawatha Urban Renewal Area (the "Urban Renewal Area"), which is described in the Urban Renewal Plan approved for such area by Resolution No. 91-68 on June 19, 1991 and which has been amended multiple times, lastly by Amendment No. 14 as approved by Resolution No. 18-123 on July 18, 2018 (the "Urban Renewal Plan"); and

WHEREAS, the City is the owner of certain real property located in the Urban Renewal Area as more particularly described in Exhibit A attached hereto and made a part hereof (the "Development Property"); and

WHEREAS, the City desires to sell the Development Property to allow for the development of private commercial and industrial enterprise; and

WHEREAS, the Developer desires to purchase the Development Property from the City and construct certain improvements thereon (the "Minimum Improvements") which will create new retail and office space in the City and generate new employment opportunities (the "Project"); and

WHEREAS, the City is willing to sell the Development Property to Developer and to provide certain incentives to Developer for the completion of Developer's obligations under this Agreement; and

WHEREAS, the City believes that the development of the Development Property pursuant to this Agreement and the fulfillment generally of this Agreement are in the vital and best interests of the City and in accord with the public purposes of the applicable State and local laws and requirements under which the foregoing project has been undertaken and is being assisted.

NOW, THEREFORE, in consideration of the promises and mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

ARTICLE I. DEFINITIONS

Section 1.1. Definitions. In addition to other definitions set forth in this Agreement, all capitalized terms used and not otherwise defined herein shall have the following meanings unless a different meaning clearly appears from the context:

Agreement means this Purchase, Sale, and Development Agreement and all exhibits and appendices hereto, as the same may be from time to time modified, amended, or supplemented.

Annual Certification means the certifications that the Developer must complete and submit to the City each year as described in Section 6.7 of this Agreement and attached as Exhibit E.

Certificate of Completion means a certification in the form of the certificate attached hereto as Exhibit D and hereby made a part of this Agreement.

City means the City of Hiawatha, Iowa, or any successor to its functions.

Closing means the closing of the real estate transfer of the Development Property to the Developer as further defined in Article III of this Agreement.

Closing Date means the date on which the closing shall occur as further described in Article III of this Agreement.

Code means the Code of Iowa, 2017, as amended.

Commencement Date means the date of this Agreement.

Construction Plans means the plans, specifications, drawings, and related documents reflecting the construction work to be performed by the Developer on the Development Property; the Construction Plans shall be as detailed as the plans, specifications, drawings, and related documents which are submitted to the building inspector of the City as required by applicable City codes.

County means Linn County, Iowa.

Deed means the Special Warranty Deed given by the City to Developer for the Development Property in the form attached hereto as Exhibit F.

Developer means PAKAR Management, LLC, an Iowa limited liability company, and each assignee that assumes in writing all of the obligations of the Developer under this Agreement with the written consent of the City as provided in Section 7.1 of this Agreement.

Development Property means that portion of the Hiawatha Urban Renewal Area described in the preambles hereof and legally described in Exhibit A.

Economic Development Grants means the payments to be made by the City to Developer under Article VIII of this Agreement.

Event of Default means any of the events described in Section 10.1 of this Agreement that have continued beyond applicable notice and cure periods.

First Mortgage means any Mortgage granted to secure any loan made pursuant to either a mortgage commitment obtained by Developer from a commercial lender or other financial institution to fund any portion of the construction costs and initial operating capital requirements of the Minimum Improvements.

Hiawatha Urban Renewal Tax Increment Revenue Fund means the special fund of the City created under the authority of Section 403.19(2) of the Code and the Ordinance, which fund will be created in order to pay the principal of and interest on loans, monies advanced to, or indebtedness, whether funded, refunded, assumed, or otherwise, including bonds or other obligations issued under the authority of Chapters 15A, 403, or 384 of the Code, incurred by the City to finance or refinance in whole or in part projects undertaken pursuant to the Urban Renewal Plan for the Urban Renewal Area.

Minimum Improvements means commercial improvements to be constructed on the Development Property, as more particularly described in Exhibit B-1 and depicted in Exhibit B-2 to this Agreement.

Mortgage means any mortgage or security agreement in which Developer has granted a mortgage or other security interest in the Development Property, or any portion or parcel thereof, or any improvements constructed thereon.

Net Proceeds means any proceeds paid by an insurer to Developer under a policy or policies of insurance required to be provided and maintained by Developer pursuant to Article V of this Agreement and remaining after deducting all expenses (including fees and disbursements of counsel) incurred in the collection of such proceeds.

Ordinance means the ordinance of the City, as may be amended and enacted from time to time, under which the taxes levied on taxable property in the Urban Renewal Area shall be divided and a portion paid into the Hiawatha Urban Renewal Tax Increment Revenue Fund.

PAKAR Management, LLC TIF Account means a separate account within the Hiawatha Urban Renewal Tax Increment Revenue Fund of the City in which Tax Increments received by the City with respect to the Minimum Improvements and the Development Property shall be deposited.

Project means the construction and operation of the Minimum Improvements on the Development Property and the creation and retention of jobs, as described in this Agreement.

Purchase Price means the sale price of the Development Property as provided in Section 3.2 of this Agreement.

State means the State of Iowa.

Tax Increments means the property tax revenues on the Minimum Improvements and Development Property divided and made available to the City for deposit in the PAKAR Management, LLC TIF Account of the Hiawatha Urban Renewal Tax Increment Revenue Fund under the provisions of Section 403.19 of the Code, as amended, and the Ordinance.

Termination Date means the date of termination of this Agreement, as established in Section 12.9 of this Agreement.

Unavoidable Delays means delays resulting from acts or occurrences outside the reasonable control of the party claiming the delay including but not limited to storms, floods, fires, explosions, or other casualty losses, unusual weather conditions, strikes, boycotts, lockouts, or other labor disputes, delays in transportation or delivery of material or equipment, litigation commenced by third parties, or the acts of any federal, State, or local governmental unit (other than acts of the City, with respect to a City-claimed delay).

Urban Renewal Area means the area known as the Hiawatha Urban Renewal Area.

Urban Renewal Plan means the Hiawatha Urban Renewal Plan, approved with respect to the Hiawatha Urban Renewal Area, described in the preambles hereof.

ARTICLE II. REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations and Warranties of the City. The City makes the following representations and warranties:

a. The City is a municipal corporation and municipality organized under the provisions of the Constitution and the laws of the State and has the power to enter into this Agreement and carry out its obligations hereunder.

b. The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, and the fulfillment of or compliance with the terms and conditions of this Agreement are not prevented by, limited by, in conflict with, or result in a breach of, the terms, conditions, or provisions of any contractual restriction, evidence of indebtedness, agreement, or instrument of whatever nature to which the City is now a party or by which it is bound, nor do they constitute a default under any of the foregoing.

c. All covenants, stipulations, promises, agreements, and obligations of the City contained herein shall be deemed to be the covenants, stipulations, promises, agreements, and obligations of the City, and not of any governing body member, officer, agent, servant, or employee of the City in the individual capacity thereof.

Section 2.2. Representations and Warranties of Developer. Developer makes the following representations and warranties:

a. PAKAR Management, LLC, is an Iowa limited liability company, duly organized and validly existing under the laws of the State of Iowa, and it has all requisite power and authority to own and operate its properties, to carry on its business as now conducted and as presently proposed to be conducted, and to enter into and perform its obligations under this Agreement.

b. This Agreement has been duly and validly authorized, executed, and delivered by Developer and, assuming due authorization, execution, and delivery by the City, is in full force and effect and is a valid and legally binding instrument of Developer enforceable in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization, or other laws relating to or affecting creditors' rights generally.

c. The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, and the fulfillment of or compliance with the terms and conditions of this Agreement are not prevented by, limited by, in conflict with, or result in a violation or breach of, the terms, conditions, or provisions of the governing documents of Developer or of any contractual restriction, evidence of indebtedness, agreement, or instrument of whatever nature to which Developer is now a party or by which it or its property is bound, nor do they constitute a default under any of the foregoing.

d. There are no actions, suits, or proceedings pending or threatened against or affecting Developer in any court or before any arbitrator or before or by any governmental body in which there is a reasonable possibility of an adverse decision which could materially adversely affect the business (present or prospective), financial position or results of operations of Developer or which in any manner raises any questions affecting the validity of the Agreement or Developer's ability to perform its obligations under this Agreement.

e. Developer has not received any notice from any local, State, or federal official that the activities of Developer with respect to the Development Property may or will be in violation of any environmental law or regulation (other than those notices, if any, of which the City has previously been notified in writing). Developer is not currently aware of any State or federal claim filed or planned to be filed by any party relating to any violation of any local, State, or federal environmental law, regulation, or review procedure applicable to the Development Property, and Developer is not currently aware of any violation of any local, State, or federal environmental law, regulation, or review procedure which would give any person a valid claim under any State or federal environmental statute with respect thereto.

f. Developer shall cooperate with the City in resolution of any traffic, parking, trash removal, or public safety problems which may arise in connection with the construction and operation of the Minimum Improvements.

g. Developer shall cause the Minimum Improvements to be constructed in accordance with the terms of this Agreement, the Urban Renewal Plan, and all local, State, and federal laws, ordinances, and regulations.

h. Developer shall obtain or cause to be obtained, in a timely manner, all required permits, licenses, and approvals, and shall meet, in a timely manner, all requirements of all applicable local, State, and federal laws and regulations which must be obtained or met before the Minimum Improvements may be lawfully constructed.

i. Developer anticipates construction of the Minimum Improvements will require an investment of not less than $4,000,000.

j. Developer has firm commitments for construction or acquisition and permanent financing for the Project in an amount sufficient, together with equity commitments, to successfully complete the Minimum Improvements in accordance with the Construction Plans contemplated in this Agreement.

k. Developer expects that, barring Unavoidable Delays, construction of the Minimum Improvements will be completed by December 31, 2019.

l. Developer shall use commercially reasonable efforts to cause the Minimum Improvements to be occupied by businesses that employ employees until at least the Termination Date.

m. Developer would not undertake its obligations under this Agreement without the payment by the City of the Economic Development Grants being made to Developer pursuant to this Agreement.

n. Developer will not seek to change the current land assessment category or the zoning classification of the Development Property and Minimum Improvements during the term of this Agreement.

ARTICLE III. PURCHASE AND SALE OF DEVELOPMENT PROPERTY

Section 3.1. Conditions Precedent to Transfer. The City's obligation to transfer title and possession of the Development Property to Developer at Closing, and Developer's obligation to pay the Purchase Price, shall be subject to satisfaction of the following conditions precedent:

a. The Developer is in material compliance with all of the terms of this Agreement; and

b. There has not been a substantial change for the worse in the financial resources and ability of the Developer, or a substantial decrease in the financing commitments secured by the Developer for construction of the Minimum Improvements, which change(s) make it likely, in the reasonable judgment of the City, that the Developer will be unable to fulfill its covenants and obligations under this Agreement.

Section 3.2. Transfer of Development Property. For the purchase price of Forty-Eight Thousand Dollars ($48,000.00) (the "Purchase Price") and other consideration, including the obligations being assumed by the Developer under this Agreement, the City agrees to sell, and the

Developer agrees to purchase, the Development Property, subject to easements and appurtenant servient estates and any zoning and other ordinances. Such transfer shall occur under the terms and conditions of this Agreement and following all process required by the City pursuant to Section 403.8 of the Iowa Code.

Section 3.3. Closing. The City's obligation to transfer title of the Development Property to Developer, and Developer's obligation to pay the Purchase Price to the City, upon the obligations of both parties hereunder being met, including the execution of all documents required hereunder, shall occur on or before January 23, 2019 (the "Closing Date"). Possession of the Development Property ("Possession") shall be delivered to Developer on or before the Closing Date. Any adjustments of rent, insurance, taxes, interest and all charges attributable to the City's possession shall be made as of the date of Possession. Developer shall pay the Purchase Price to the City by check or wire transfer at the Closing (subject to prorations, reductions, and credits as provided below). The transfer shall be considered closed upon the delivery to Developer of a duly executed special warranty deed for the Development Property in the form attached hereto as Exhibit F, the filing of all title transfer documents, and the City's receipt of all funds due at the Closing Date from Developer under this Agreement ("Closing"). All parties and individual signatories hereto further agree to make, execute and deliver such further and additional documents as may be reasonably requested by the other party for the purpose of accomplishing the transfer herein contemplated.

Section 3.4. Real Estate Taxes and Special Assessments.

a. The Development Property is currently tax-exempt while owned by the City. Developer shall be responsible for all taxes post- Closing, if any; and

b. All special assessments, if any, assessed post-Closing shall be paid by Developer.

Section 3.5. Reserved.

Section 3.6. Condition of Property; Care and Maintenance. The Developer agrees to take the Development Property "As Is," including with respect to environmental matters. Except as specifically set forth in this Agreement, the City makes no warranties or representations as to the condition of the Development Property. Notwithstanding anything herein to the contrary, Developer hereby waives all claims against the City as to the condition of the Development Property. Developer agrees to indemnify, release, defend, and hold harmless the City for all claims, damages, or costs relating to the Development Property that arise after the date of Closing.

Section 3.7. Abstract and Title. The City shall provide an abstract of title for the Development Property, continued through a date no more than Forty-Five (45) Days prior to Closing, and deliver it to Developer for examination, which shall become the property of Developer upon Closing. Such abstract of title shall show merchantable title in the City in conformity with this Agreement, the land title laws of the State of Iowa, and the Iowa Title Standards of the Iowa State Bar Association. Developer may, at its sole cost and expense, obtain title insurance on the Development Property for itself and/or its lenders.

Section 3.8. Survey and Platting. City shall be responsible for any survey or platting work necessary to perfect a title defect or convey the Development Property to Developer. Developer shall be responsible for all other survey and platting of the Development Property, if any. The City authorizes Developer and/or its agents and contractors reasonable access to the Development Property for survey and platting purposes prior to Closing.

Section 3.9. Certification. Developer and City each certify that they are not acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by any 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 my breach of the foregoing certification.

Section 3.10. Restriction. Developer acknowledges and agrees that until the Termination Date, the Development Property shall be used solely and exclusively for the purposes described in this Agreement.

Section 3.11. Environmental Matters. At Closing, the City will file with the County Recorder's Office a properly executed Groundwater Hazard Statement as required by law. Developer takes the Development Property "As Is" with respect to any environmental matters. The City makes no representation or warranties as to the environmental condition of the Development Property. Developer agrees to indemnity, release, defend and hold harmless the City for all claims, damages or costs relating to the Development Property that arise after the Closing Date.

ARTICLE IV. CONSTRUCTION OF MINIMUM IMPROVEMENTS; TAXES

Section 4.1. Construction of Minimum Improvements.

a. The Developer agrees that it will cause the Minimum Improvements to be constructed on the Development Property in conformance with the Construction Plans submitted to the City pursuant to Section 4.2. The Developer agrees that the scope and scale of the Minimum Improvements as constructed shall not be significantly less than the scope and scale as detailed and outlined in the Construction Plans.

b. Completion Deadline. Subject to Unavoidable Delays, the Developer shall cause construction of the Minimum Improvements to be undertaken and completed by the date set forth in Section 2.2(k) or such other dates as the parties shall mutually agree upon in writing. Time lost as a result of Unavoidable Delays shall be added to extend this date by a number of days equal to the number of days lost as a result of Unavoidable Delays. All work with respect to the Minimum Improvements to be constructed or provided by the Developer shall be in conformity with the Construction Plans and other plans approved by the building official or any amendments thereto as may be approved by the building official.

c. Inspection. The Developer agrees that it shall permit designated representatives of the City, upon reasonable notice to the Developer (which does not have to be written), to enter upon the Development Property during the construction of the Minimum Improvements to inspect such construction and the progress thereof.

Section 4.2. Construction Plans.

a. The Developer shall cause Construction Plans to be provided for the Minimum Improvements which shall be subject to approval by the City as provided in this Section 4.2. The Construction Plans shall be in conformity with the Urban Renewal Plan, this Agreement, and all applicable federal, State, and local laws and regulations.

b. The City shall approve the Construction Plans in writing if: (a) the Construction Plans conform to the terms and conditions of this Agreement; (b) the Construction Plans conform to the terms and conditions of the Urban Renewal Plan; (c) the Construction Plans conform to all applicable federal, State, and local laws, ordinances, rules, and regulations and City permit requirements; (d) the Construction Plans are adequate for purposes of this Agreement to provide for the construction of the Minimum Improvements; and (e) no Event of Default under the terms of this Agreement has occurred.

c. Notwithstanding the forgoing, any such approval of the Construction Plans pursuant to this Section 4.2 shall constitute approval for the purposes of this Agreement only and shall not: (a) be deemed to constitute approval or waiver by the City with respect to any building, fire, zoning, or other ordinances or regulations of the City, or with respect to any other City purpose; (b) be deemed to be sufficient plans to serve as the basis for the issuance of a building permit if the Construction Plans are not as detailed or complete as the plans otherwise required for the issuance of a building permit; (c) relieve the Developer of any obligation to comply with the terms and provisions of this Agreement, or any provision of applicable federal, State, and local laws, ordinances, and regulations; (d) be deemed to constitute a waiver of any Event of Default; or (e) subject the City to any liability for the Minimum Improvements as constructed.

Section 4.3. Certificate of Completion. Upon written request of Developer after issuance of a certificate of completion from the Community Development Department for the Minimum Improvements, the City will furnish Developer with a Certificate of Completion in recordable form, in substantially the form set forth in Exhibit D attached hereto. Such Certificate of Completion shall be a conclusive determination of satisfactory termination of the covenants and conditions of this Agreement with respect to the obligations of Developer to cause construction of the Minimum Improvements.

The Certificate of Completion may be recorded in the proper office for the recordation of deeds and other instruments pertaining to the Development Property at Developer's sole expense. If the City shall refuse or fail to provide a Certificate of Completion in accordance with the provisions of this Section 4.3, the City shall, within twenty (20) days after written request by Developer provide a written statement indicating in adequate detail in what respects Developer has failed to complete the Minimum Improvements in accordance with the provisions of this

Agreement, or is otherwise in default under the terms of this Agreement, and what measures or acts it will be necessary, in the opinion of the City, for Developer to take or perform in order to obtain such Certificate of Completion.

Issuance by the City of the Certificate of Completion pursuant to this Section 4.3 is solely for the purposes of this Agreement, and shall not constitute approval for any other City purpose shall it subject the City to any liability for the Development Property or the Minimum Improvements as constructed.

Section 4.4. Real Property Taxes. Developer or its successors shall pay or cause to be paid, when due, all real property taxes and assessments payable with respect to all and any parts of the Development Property acquired and owned by them and pursuant to the provisions of this Agreement. Until Developer's obligations have been assumed by any other person or legal title to the property is vested in another person, all pursuant to the provisions of this Agreement, Developer shall be solely responsible for all assessments and taxes.

Developer and its successors agree that following the Commencement Date and prior to the Termination Date:

a. They will not seek administrative review or judicial review of the applicability or constitutionality of any tax statute relating to the taxation of real property contained on the Development Property determined by any tax official to be applicable to the Development Property and Minimum Improvements, or raise the inapplicability or constitutionality of any such tax statute as a defense in any proceedings, including delinquent tax proceedings; and

b. They will not seek any tax exemption deferral or abatement either presently or prospectively authorized under any State, federal, or local law with respect to taxation of real property contained on the Development Property.

ARTICLE V. INSURANCE

Section 5.1. Insurance Requirements.

a. The Developer will provide written proof of and maintain or cause to be maintained at all times during Developer's ownership and during the process of constructing the Minimum Improvements (and, from time to time at the request of the City, furnish the City with proof of payment of premiums on):

i. Builder's risk insurance, written on the so-called "Builder's Risk -- Completed Value Basis," in an amount equal to one hundred percent (100%) of the insurable value of the Minimum Improvements at the date of completion, and with coverage available in non-reporting form on the so-called "all risk" form of policy;

ii. Comprehensive general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations and contractual liability insurance) together with an Owner's Contractor's Policy with limits against bodily injury and

property damage of not less than $500,000 for each occurrence (to accomplish the above-required limits, an umbrella excess liability policy may be used); and

iii. Workers' compensation insurance with at least statutory coverage.

b. Upon completion of construction of the Minimum Improvements and at all times prior the Termination Date, the Developer shall maintain, or cause to be maintained, at its cost and expense (and from time to time at the request of the City shall furnish proof of the payment of premiums on) insurance as follows:

i. Insurance against loss and/or damage to the Minimum Improvements that remain in Developer's ownership under a policy or policies covering such risks as are ordinarily insured against by similar businesses, including (without limitation the generality of the foregoing) fire, extended coverage, vandalism and malicious mischief, explosion, water damage, demolition cost, debris removal, and collapse in an amount not less than the full insurable replacement value of the Minimum Improvements, but any such policy may have a deductible amount of not more than $50,000. No policy of insurance shall be so written that the proceeds thereof will produce less than the minimum coverage required by the preceding sentence, by reason of co-insurance provisions or otherwise, without the prior consent thereto in writing by the City. The term "full insurable replacement value" shall mean the actual replacement cost of the Minimum Improvements (excluding foundation and excavation costs and costs of underground flues, pipes, drains and other uninsurable items) and equipment, and shall be determined from time to time at the request of the City, but not more frequently than once every three years, by an insurance consultant or insurer selected and paid for by the Developer and approved by the City.

ii. Comprehensive general public liability insurance, including personal injury liability for injuries to persons and/or property, including any injuries resulting from the operation of automobiles or other motorized vehicles on or about the Development Property, in the minimum amount for each occurrence and for each year of $1,000,000.

iii. Such other insurance, including workers' compensation insurance respecting all employees of Developer, in such amount as is customarily carried by like organizations engaged in like activities of comparable size and liability exposure; provided that Developer may be self-insured with respect to all or any part of its liability for workers' compensation.

c. All insurance required by this Article V shall be taken out and maintained in responsible insurance companies selected by Developer, which are authorized under the laws of the State to assume the risks covered thereby. Developer will with the City copies of policies evidencing all such insurance, or a certificate or certificates or binders of the respective insurers stating that such insurance is in force and effect upon the request of the City. Unless otherwise provided in this Article V, each policy shall contain a provision that the insurer shall not cancel or modify it without giving written notice to Developer and the City at least thirty (30) days before the cancellation or modification becomes effective. Not less than fifteen (15) days prior to the expiration of any policy, Developer shall furnish the City evidence satisfactory to the City that the policy has been renewed or replaced by another policy conforming to the provisions of this Article

V, or that there is no necessity therefor under the terms hereof. In lieu of separate policies, Developer may maintain a single policy, or blanket or umbrella policies, or a combination thereof, which provide the total coverage required herein, in which event Developer shall deposit with the City a certificate or certificates of the respective insurers as to the amount of coverage in force upon the Minimum Improvements. All insurance required under this Agreement shall name the City as an additional insured and shall contain a non-waiver of governmental liability clause.

d. Developer agrees to notify the City immediately in the case of damage exceeding $25,000 in amount to, or destruction of the Minimum Improvements, or any portion thereof resulting from fire or other casualty. Net Proceeds of any such insurance shall be paid directly to Developer, and Developer will forthwith repair, reconstruct, and restore the Minimum Improvements to substantially the same or an improved condition or value as they existed prior to the event causing such damage and, to the extent necessary to accomplish such repair, reconstruction and restoration, Developer will apply the Net Proceeds of any insurance relating to such damage received by Developer to the payment or reimbursement of the costs thereof.

e. Developer shall complete the repair, reconstruction, and restoration of the Minimum Improvements, whether or not the Net Proceeds of insurance received by Developer for such purposes are sufficient.

ARTICLE VI. FURTHER COVENANTS OF THE DEVELOPER

Section 6.1. Maintenance of Properties. Developer will maintain, preserve, and keep its properties within the City (whether owned in fee or a leasehold interest), including but not limited to the Minimum Improvements, in good repair and working order, ordinary wear and tear excepted, and from time to time will make all necessary repairs, replacements, renewals, and additions.

Section 6.2. Maintenance of Records. Developer will keep at all times proper books of record and account in which full, true, and correct entries will be made of all dealings and transactions of or in relation to its business and affairs relating to this Project in accordance with generally accepted accounting principles, consistently applied throughout the period involved, and Developer will provide reasonable protection against loss or damage to such books of record and account.

Section 6.3. Compliance with Laws. Developer will comply with all state, federal and local laws, rules and regulations relating to the Development Property and the Minimum Improvements.

Section 6.4. Non-Discrimination. In the construction and operation of the Minimum Improvements, Developer shall not discriminate against any applicant, employee, or tenant because of age, color, creed, national origin, race, religion, marital status, sex, physical disability, or familial status. Developer shall ensure that applicants, employees, and tenants are considered and are treated without regard to their age, color, creed, national origin, race, religion, marital status, sex, physical disability, or familial status.

Section 6.5. Available Information. Upon request, Developer shall promptly provide the City with copies of information requested by City that are related to this Agreement so that City can determine compliance with this Agreement.

Section 6.6. Employment. Developer agrees that the Minimum Improvements are expected to create usable commercial space for business tenants. Developer agrees to use commercially reasonable efforts to sell or lease the Development Property to tenants that create and retain employment in the community. Developer shall provide information as requested by the City to determine compliance with the foregoing employment obligations.

Section 6.7. Annual Certification. To assist the City in monitoring the Agreement and performance of Developer hereunder, a duly authorized officer of Developer shall annually provide to the City: (i) proof that all ad valorem taxes on the Development Property and Minimum Improvements have been paid for the prior fiscal year and any taxes due and payable for the current fiscal year as of the date of certification; (ii) the date of the first full assessment of the Minimum Improvements; (iii) certification that no tenants have relocated to the City from another part of Linn County (except from Cedar Rapids) or a contiguous county in violation of Iowa law and Section 6.10 of this Agreement, and the names of all current tenants, if any; and (iv) certification that such officer has re-examined the terms and provisions of this Agreement and that at the date of such certificate, and during the preceding twelve (12) months, Developer is not, or was not, in default in the fulfillment of any of the terms and conditions of this Agreement and that no Event of Default (or event which, with the lapse of time or the giving of notice, or both, would become an Event of Default) is occurring or has occurred as of the date of such certificate or during such period, or if the signer is aware of any such default, event or Event of Default, said officer shall disclose in such statement the nature thereof, its period of existence and what action, if any, has been taken or is proposed to be taken with respect thereto. Such statement, proof and certificate shall be provided not later than October 15 of each year, commencing October 15, 2020 and ending on October 15, 2025, both dates inclusive. Developer shall provide supporting information for its Annual Certification upon request of the City. See Exhibit E for form required for the Annual Certification.

Section 6.8. Reserved.

Section 6.9. Developer Completion Guarantee. By signing this Agreement, Developer hereby guarantees to the City performance by Developer of all the terms and provisions of this Agreement pertaining to Developer's obligations with respect to the construction of the Minimum Improvements. Without limiting the generality of the foregoing, Developer guarantees that: (a) construction of the Minimum Improvements shall commence and be completed within the time limits set forth herein; (b) the Minimum Improvements shall be constructed and completed in accordance with the Construction Plans; (c) the Minimum Improvements shall be constructed and completed free and clear of any mechanic's liens, materialman's liens and equitable liens; and (d) all costs of constructing the Minimum Improvements shall be paid when due.

Section 6.10. Relocation. Developer agrees and covenants not to lease, assign, or sublease the Minimum Improvements to any entity that is relocating to the City from another part of Linn County or a contiguous county under the term of this Agreement; provided, however, that they may lease the Minimum Improvements to any entity relocating from the City of Cedar Rapids

since there is a fair play agreement in place. In general, use of urban renewal incentives cannot be used for projects that involve a relocating entity unless there is a written agreement regarding the use of economic incentives from the city where the business is currently located and the city to which the business is relocating, either specific to this Project or in general (a fair play or neutrality agreement), or if the City finds the use of tax increment in connection with the relocation is in the public interest, which means that the business has provided a written affirmation that it is considering moving part or all of its operations out of state and such relocation would result in either significant employment or wage loss in Iowa. Developer understands and agrees that if it leases to a relocating entity, as determined by the City in its sole discretion, the Developer is not eligible to receive all or a pro rata portion of the Economic Development Grants under this Agreement and will be responsible for paying back previously received Economic Development Grants, if applicable.

ARTICLE VII. PROHIBITION AGAINST ASSIGNMENT AND TRANSFER

Section 7.1. Status of Developer; Transfer of Substantially All Assets; Assignment. As security for the obligations of Developer under this Agreement, Developer represents and agrees that, prior to the Termination Date, Developer will maintain its existence as a company and will not wind up or otherwise dispose of all or substantially all of its assets or transfer, convey, or assign its interest in the Development Property, Minimum Improvements, or this Agreement to any other party unless: (i) the transferee partnership, corporation, limited liability company or individual assumes in writing all of the obligations of Developer under this Agreement; and (ii) the City consents thereto in writing in advance thereof.

In the event that Developer wishes to assign this Agreement, including their rights and duties hereunder, Developer and transferee individual or entity shall request that the City and Developer consent to an amendment or assignment of this Agreement to accommodate the transfer and to provide for the assumption of all Developer obligations under this Agreement. Such transfer shall not be effective unless and until the City and Developer consent in writing to an amendment or assignment of this Agreement authorizing the transfer.

Section 7.2. Prohibition Against Use as Non-Taxable or Centrally Assessed Property. During the term of this Agreement, the Developer, and its successors or assigns agree that the Development Property cannot be transferred or sold to a non-profit entity or used for a purpose that would exempt the Development Property or Minimum Improvements from property tax liability. Nor can the Development Property or Minimum Improvements be used as centrally assessed property (including but not limited to, Iowa Code § 428.24 to 428.29 (Public Utility Plants and Related Personal Property); Chapter 433 (Telegraph and Telephone Company Property); Chapter 434 (Railway Property); Chapter 437 (Electric Transmission Lines); Chapter 437A (Property Used in the Production, Generation, Transmission or Delivery of Electricity or Natural Gas); and Chapter 438 (Pipeline Property)).

ARTICLE VIII. ECONOMIC DEVELOPMENT GRANTS

Section 8.1. Economic Development Grants. For and in consideration of the obligations being assumed by Developer hereunder, and in furtherance of the goals and objectives of the Urban

Renewal Plan for the Urban Renewal Area and the Urban Renewal Act, the City agrees, subject to Developer being and remaining in compliance with the terms of this Agreement, to make up to five (5) years of consecutive annual payments of Economic Development Grants to Developer up to a total amount not to exceed Four Hundred Thirty Thousand Dollars ($430,000) in the aggregate, under the following formula:

Assuming completion of the Minimum Improvements by December 31, 2019 and full assessment of the Minimum Improvements on January 1, 2020, and debt certification by the City to the Auditor prior to December 1, 2020, the Economic Development Grants shall commence on June 1, 2022 and end on June 1, 2026 pursuant to Section 403.19 of the Urban Renewal Act in the following amounts:

Date	Amount of Economic Development Grants
June 1, 2022	75% of Tax Increments for Fiscal Year 2021-2022, not to exceed $86,000
June 1, 2023	75% of Tax Increments for Fiscal Year 2022-2023, not to exceed $86,000
June 1, 2024	75% of Tax Increments for Fiscal Year 2023-2024, not to exceed $86,000
June 1, 2025	75% of Tax Increments for Fiscal Year 2024-2025, not to exceed $86,000
June 1, 2026	75% of Tax Increments for Fiscal Year 2025-2026, not to exceed $86,000

Each annual payment shall be equal in amount to the above percentages of the Tax Increments, not to exceed $86,000, collected by the City with respect to the Minimum Improvements on the Development Property under the terms of the Ordinance and deposited into the PAKAR Management, LLC TIF Account (without regard to any averaging that may otherwise by utilized under Section 403.19 and excluding any interest that may accrue thereon prior to payment to Developer) during the preceding twelve-month period in respect of the Minimum Improvements, but subject to limitation and adjustment as provided in this Article (such payments being referred to collectively as the "Economic Development Grants").

Section 8.2. Payment Schedule. After the Minimum Improvements are first fully assessed and if in compliance with this Agreement, if Developer's Annual Certification is timely filed and contain the information required under Section 6.7 and the Council approves of the same, the City shall certify to the County prior to December 1 of that year its request for the available Tax Increments resulting from the assessments imposed by the County as of January 1 of that year, to be collected by the County and paid to the City as taxes are paid during the following fiscal year and which shall thereafter by disbursed to Developer on the following June 1. (Example: assuming completion by December 2019 and first full assessment on January 1, 2020, if Developer certifies in October 2020 and the City certifies to the County by December 1, 2020, the first Economic Development Grants would be paid to Developer on June 1, 2022 (for 75% of the Tax Increment for fiscal year 2021-2022 and thereafter during the term of this Agreement). The schedule of the payments for Economic Development Grants set forth in Section 8.1 is based on the first full assessment of the Minimum Improvements being January 1, 2020. If the completion of the Minimum Improvements is delayed so that the Minimum Improvements are not fully assessed as of January 1, 2020, then the first Economic Development Grant will not begin as scheduled, but will be delayed one year. However, in no event shall the schedule of Economic Development

Grants be delayed more than one year, meaning that the latest potential date for Developer's first Economic Development Grant, if eligible, is June 1, 2023.

Section 8.3. Maximum Amount of Grants. The aggregate amount of the Economic Development Grants that may be paid to Developer under this Agreement shall be equal to the sum of the total amount of the applicable percentage of Tax Increments collected in respect of the assessments imposed on the Minimum Improvements over the specified time period, but in no event shall exceed Eighty-Six Thousand Dollars ($86,000) annually, or Four Hundred Thirty Thousand Dollars ($430,000) over five (5) years.

Section 8.4. Limitations. The Economic Development Grants are only for the Minimum Improvements described in this Agreement (building/improvement increase value only) and not any future expansions or phases which, to be eligible for Economic Development Grants, would be the subject of an amendment or new agreement, at the sole discretion of the City Council.

Section 8.5. Conditions Precedent. Notwithstanding the provisions of Section 8.1 above, the obligation of the City to make an Economic Development Grant in any year shall be subject to and conditioned upon the following:

a. compliance with the terms of this Agreement, including, but not limited to, the payment of property taxes;

b. timely filing by Developer of the Annual Certifications required under Section 6.7 hereof and the Council's approval thereof; and

c. no Event of Default shall have occurred and be continuing.

In the event that an Event of Default occurs or any certification filed by Developer under Section 6.7 (or other information) discloses the existence or prior occurrence of an Event of Default that was not cured or cannot reasonably be cured, the City shall have no obligation thereafter to make any payments to Developer in respect of the Economic Development Grants and the provisions of this Article shall terminate and be of no further force or effect.

Each Annual Certification filed by Developer under Section 6.7 hereof shall be considered separately in determining whether the City shall make any of the Economic Development Grant payments available to Developer under this Section. Under no circumstances shall the failure by Developer to qualify Developer for an Economic Development Grant in any year serve to extend the term of this Agreement beyond the Termination Date or the years during which Economic Development Grants may be awarded to Developer or the total amount thereof, it being the intent of the parties hereto to provide Developer with an opportunity to receive Economic Development Grants only if Developer fully complies with the provisions hereof and Developer becomes entitled thereto, up to the maximum aggregate amount set forth in Sections 8.1 and 8.3.

Section 8.6. Source of Grant Funds Limited.

a. The Economic Development Grants shall be payable from and secured solely and only by amounts deposited and held in the PAKAR Management, LLC TIF Account of the Hiawatha Urban Renewal Tax Increment Revenue Fund of the City. The City hereby covenants and agrees to maintain the Ordinance in force during the term hereof and to apply the appropriate percentage of Tax Increments collected in respect of the Development Property and Minimum Improvements and allocated to the PAKAR Management, LLC TIF Account to pay the Economic Development Grants, as and to the extent set forth in this Article. The Economic Development Grants shall not be payable in any manner by other tax increment revenues or by general taxation or from any other City funds. Any commercial and industrial property tax replacement monies that may be received under chapter 441.21A shall not be included in the calculation to determine the amount of Economic Development Grants for which Developer is eligible, and any monies received back under chapter 426C relating to the Business Property Tax Credit shall not be included in the calculation to determine the amount of Economic Development Grants for which Developer is eligible.

b. Each Economic Development Grant is subject to annual appropriation by the City Council each fiscal year. The City has no obligation to make any payments to Developer as contemplated under this Agreement until the City Council annually appropriates the funds necessary to make such payments. The right of non-appropriation reserved to the City in this Section is intended by the parties, and shall be construed at all times, so as to ensure that the City's obligation to make future Economic Development Grants shall not constitute a legal indebtedness of the City within the meaning of any applicable constitutional or statutory debt limitation prior to the adoption of a budget which appropriates funds for the payment of that installment or amount. In the event that any of the provisions of this Agreement are determined by a court of competent jurisdiction or by the City's bond counsel to create, or result in the creation of, such a legal indebtedness of the City, the enforcement of the said provision shall be suspended, and the Agreement shall at all times be construed and applied in such a manner as will preserve the foregoing intent of the parties, and no Event of Default by the City shall be deemed to have occurred as a result thereof. If any provision of this Agreement or the application thereof to any circumstance is so suspended, the suspension shall not affect other provisions of this Agreement which can be given effect without the suspended provision. To this end the provisions of this Agreement are severable.

c. Notwithstanding the provisions of Section 8.1 hereof, the City shall have no obligation to make an Economic Development Grant to Developer if at any time during the term hereof the City fails to appropriate funds for payment, or receives an opinion from its legal counsel to the effect that the use of Tax Increments resulting from the Minimum Improvements to fund an Economic Development Grant to Developer, as contemplated under said Section 8.1, is not authorized or otherwise an appropriate urban renewal activity permitted to be undertaken by the City under the Urban Renewal Act or other applicable provisions of the Code, as then constituted or under controlling decision of any Iowa Court having jurisdiction over the subject matter hereof. Upon receipt of any such legal opinion or non-appropriation, the City shall promptly forward notice of the same to Developer. If the non-appropriation or circumstances or legal constraints giving rise to the decision continue for a period during which two (2) annual Economic Development Grants would otherwise have been paid to Developer under the terms of Section 8.1,

the City may terminate this Agreement, without penalty or other liability to the City, by written notice to Developer.

Section 8.7. Use of Other Tax Increments. The City shall be free to use any and all Tax Increments above and beyond the percentages to be given to Developer in this Agreement, or any available Tax Increments resulting from the suspension or termination of the Economic Development Grants, for any purpose for which the Tax Increments may lawfully be used pursuant to the provisions of the Urban Renewal Act (including an allocation of all or any portion thereof to the reduction of any eligible City costs), and the City shall have no obligations to Developer with respect to the use thereof.

ARTICLE IX. INDEMNIFICATION

Section 9.1. Release and Indemnification Covenants.

a. The Developer releases the City and the governing body members, officers, agents, servants and employees thereof (hereinafter, for purposes of this Article IX, the "Indemnified Parties") from, covenants and agrees that the Indemnified Parties shall not be liable for, and agrees to indemnify, defend and hold harmless the Indemnified Parties against, any loss or damage to property or any injury to or death of any person occurring at or about, or resulting from any defect in, the Minimum Improvements or Development Property.

b. Except for any willful misrepresentation or any willful or wanton misconduct or any unlawful act of the Indemnified Parties, the Developer agrees to protect and defend the Indemnified Parties, now or forever, and further agrees to hold the Indemnified Parties harmless, from any claim, demand, suit, action or other proceedings whatsoever by any person or entity whatsoever arising or purportedly arising from (i) any violation of any agreement or condition of this Agreement (except with respect to any suit, action, demand or other proceeding brought by the Developer against the City to enforce its rights under this Agreement), (ii) the acquisition and condition of the Development Property and the construction, installation, ownership, and operation of the Minimum Improvements, or (iii) any hazardous substance or environmental contamination located in or on the Development Property.

c. The Indemnified Parties shall not be liable for any damage or injury to the persons or property of the Developer or its officers, agents, servants or employees or any other person who may be about the Minimum Improvements due to any act of negligence of any person, other than any act of negligence on the part of any such Indemnified Party or its officers, agents, servants or employees.

d. All covenants, stipulations, promises, agreements and obligations of the City contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City only, and not of any governing body member, officer, agent, servant or employee of the City in the individual capacity thereof.

e. All covenants, stipulations, promises, agreements and obligations of the Developer contained in this Article IX shall be deemed to be the covenants, stipulations, promises, agreements

and obligations of the Developer only, and not of any governing body member, officer, agent, servant or employee of the Developer in the individual capacity thereof.

f. The provisions of this Article IX shall survive the termination of this Agreement.

ARTICLE X. DEFAULT AND REMEDIES

Section 10.1. Events of Default Defined. The following shall be "Events of Default" under this Agreement and the term "Event of Default" shall mean, whenever it is used in this Agreement, any one or more of the following events during the term of this Agreement:

a. Failure by Developer to cause the construction of the Minimum Improvements to be completed and the operations to continue pursuant to the terms and conditions of this Agreement;

b. Transfer of Developer's interest in the Development Property, Minimum Improvements, or this Agreement or the assets of Developer in violation of the provisions of this Agreement;

c. Failure by Developer to timely pay ad valorem taxes on the Development Property and Minimum Improvements;

d. Failure by Developer to substantially observe or perform any covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement, including but not limited to Sections 6.6, 6.7, and 6.9 of this Agreement;

e. The holder of any Mortgage on the Development Property, or any improvements thereon, or any portion thereof, commences foreclosure proceedings as a result of any default under the applicable Mortgage documents;

f. Developer:

i. files any petition in bankruptcy or for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the United States Bankruptcy Act of 1978, as amended, or under any similar federal or state law; or

ii. makes an assignment for the benefit of its creditors; or

iii. admits in writing its inability to pay its debts generally as they become due; or

iv. is adjudicated as bankrupt or insolvent; or if a petition or answer proposing the adjudication of Developer as a bankrupt or its reorganization under any present or future federal bankruptcy act or any similar federal or state law shall be filed in any court and such petition or answer shall not be discharged or denied within ninety (90) days after the filing thereof; or a receiver, trustee or liquidator of Developer or the Minimum Improvements, or part thereof, shall

be appointed in any proceedings brought against Developer, and shall not be discharged within ninety (90) days after such appointment, or if Developer shall consent to or acquiesce in such appointment; or

g. Any representation or warranty made by Developer in this Agreement or in any written statement or certificate furnished by Developer pursuant to this Agreement, shall prove to have been incorrect, incomplete or misleading in any material respect on or as of the date of the issuance or making thereof.

Section 10.2. Remedies on Default. Whenever any Event of Default referred to in Section 10.1 of this Agreement occurs and is continuing, the City may take any one or more of the following actions after giving thirty (30) days' written notice to Developer and the holder of the First Mortgage (but only to the extent the City has been informed in writing of the existence of a First Mortgage and been provided with the address of the holder thereof) of the Event of Default, but only if the Event of Default has not been cured to the satisfaction of the City within said thirty (30) days, or if the Event of Default cannot reasonably be cured within thirty (30) days and Developer and Tenant do not provide assurances reasonably satisfactory to the City that the Event of Default will be cured as soon as reasonably possible:

a. The City may suspend its performance under this Agreement until it receives assurances from Developer, deemed adequate by the City, that Developer will cure the default and continue their performance under this Agreement;

b. The City may terminate this Agreement;

c. The City may withhold the Certificate of Completion;

d. The City may take any action, including legal, equitable or administrative action, which may appear necessary or desirable to enforce performance and observance of any obligation, agreement, or covenant of Developer, as the case may be, under this Agreement; or

e. The City shall have no obligation to make payment of Economic Development Grants to Developer subsequent to an Event of Default and shall be entitled to recover from the Developer, and the Developer shall repay to the City, an amount equal to the full amount of the Economic Development Grants previously made to Developer under Article VIII hereof, with interest thereon at the highest rate permitted by State law. The City may take any action, including any legal action it deems necessary, to recover such amount from Developer. The City may demand such payment at any time following its determination that Developer is in default under this Agreement.

Section 10.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the City is intended to be exclusive of any other available remedy or remedies, but each and every remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or 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.

Section 10.4. No Implied Waiver. In the event any agreement contained in this Agreement should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 10.5. Agreement to Pay Attorneys' Fees and Expenses.

a. Developer and the City shall each pay for its own attorney's fees associated with this Agreement.

b. Whenever any Event of Default occurs and the City employs attorneys or incurs other expenses for the collection of payments due or to become due or for the enforcement or performance or observance of any obligation or agreement on the part of Developer herein contained, Developer agrees that it shall, on demand therefor, pay to the City the reasonable fees of such attorneys and such other expenses as may be reasonably and appropriately incurred by the City in connection therewith.

ARTICLE XI. RESERVED

ARTICLE XII. MISCELLANEOUS

Section 12.1. Conflict of Interest. The Developer represents and warrants that, to its best knowledge and belief after due inquiry, no officer or employee of the City, or its designees or agents, nor any consultant or member of the governing body of the City, and no other public official of the City who exercises or has exercised any functions or responsibilities with respect to the Project during his or her tenure, or who is in a position to participate in a decision-making process or gain insider information with regard to the Project, has had or shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work or services to be performed in connection with the Project, or in any activity, or benefit therefrom, which is part of the Project at any time during or after such person's tenure.

Section 12.2. Notices and Demands. A notice, demand or other communication under this Agreement by any party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, and

a. In the case of the Developer, is addressed or delivered personally to PAKAR Management, LLC at 4160 Riverview Road, Cedar Rapids, IA 52411; Attn: Pat Callanan, President; and

b. In the case of the City, is addressed to or delivered personally to the City of Hiawatha at 101 Emmons Street, Hiawatha, IA 52233, Attn: Cindy Kudrna, Finance Director;

or to such other designated individual or officer or to such other address as any party shall have furnished to the other in writing in accordance herewith.

Section 12.3. Memorandum of Agreement. The parties agree to execute and record a Memorandum of Agreement, in substantially the form attached as Exhibit C, to serve as notice to the public of the existence and provisions of this Agreement, and the rights and interests held by the City by virtue hereof. The City shall pay for the costs of recording.

Section 12.4. Titles of Articles and Sections. Any titles of the several parts, Articles, and Sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 12.5. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 12.6. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Iowa.

Section 12.7. Entire Agreement. This Agreement and the exhibits hereto reflect the entire agreement between the parties regarding the subject matter hereof, and supersedes and replaces all prior agreements, negotiations or discussions, whether oral or written. This Agreement may not be amended except by a subsequent writing signed by all parties hereto.

Section 12.8. Successors and Assigns. This Agreement is intended to and shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

Section 12.9. Termination Date. This Agreement shall terminate and be of no further force or effect on and after December 31, 2027, unless the Agreement is terminated earlier by the other terms of this Agreement.

Section 12.10. No Third-Party Beneficiaries. No rights or privileges of either party hereto shall inure to the benefit of any landowner, homebuyer, contractor, subcontractor, material supplier, or any other person or entity, and no such contractor, landowner, subcontractor, material supplier, or any other person or entity shall be deemed to be a third-party beneficiary of any of the provisions contained in this Agreement.

IN WITNESS WHEREOF, the City has caused this Agreement to be duly executed in its name and behalf by its Mayor and its seal to be hereunto duly affixed and attested by its City Clerk, the Developer has caused this Agreement to be duly executed in its name and behalf all on or as of the day first above written.

[Rest of page intentionally left blank; signature pages to follow]

(SEAL)

CITY OF HIAWATHA, IOWA

By: _____
Bill Bennett, Mayor

ATTEST:

By: _____
Kari Graber, Deputy City Clerk

STATE OF IOWA)
) SS
COUNTY OF LINN)

On this _____ day of _____, 2019, before me a Notary Public in and for said State, personally appeared Bill Bennett and Kari Graber, to me personally known, who being duly sworn, did say that they are the Mayor and Deputy City Clerk, respectively, of the City of Hiawatha, Iowa, a Municipality created and existing under the laws of the State of Iowa, and that the seal affixed to the foregoing instrument is the seal of said Municipality, and that said instrument was signed and sealed on behalf of said Municipality by authority and resolution of its City Council, and said Mayor and Deputy City Clerk acknowledged said instrument to be the free act and deed of said Municipality by it voluntarily executed.

_____
Notary Public in and for the State of Iowa

[Signature page to Purchase, Sale, and Development Agreement – City of Hiawatha]

PAKAR Management, LLC,
an Iowa limited liability company

By: Pat Callanan
Pat Callanan, President

ATTEST:

By: Kara Callanan
Kara Callanan, Vice President

STATE OF IOWA)
) SS
COUNTY OF Linn)

On this 10 day of December, 2018, before me the undersigned, a Notary Public in and for said State, personally appeared Pat Callanan and Kara Callanan to me personally known, who, being by me duly sworn, did say that they are the President and Vice President, respectively, of PAKAR Management, LLC, and that said instrument was signed on behalf of said company; and that the said officers acknowledged the execution of said instrument to be the voluntary act and deed of said company, by them voluntarily executed.

NOTARIAL SEAL IOWA
CINDY KUDRNA
Commission Number 719775
My Commission Expires
12-2-20

Cindy Kudrna
Notary Public in and for the State of Iowa

[Signature page to Purchase, Sale, and Development Agreement – PAKAR Management, LLC]

EXHIBIT A
DEVELOPMENT PROPERTY

The Development Property is legally described as:

Parcel No. 11333-51015-00000, P.O.S. 2261

EXHIBIT B-1

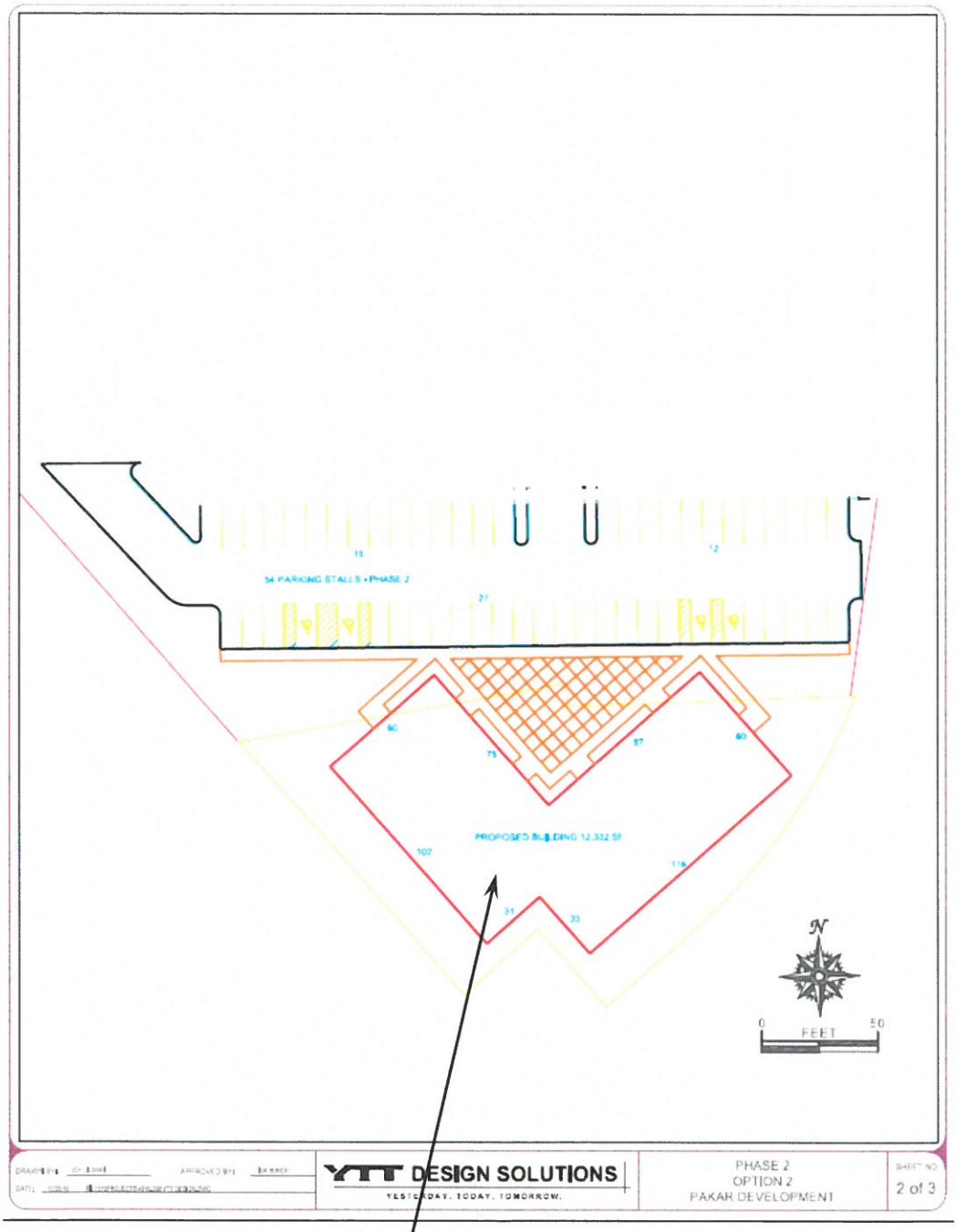
DESCRIPTION OF MINIMUM IMPROVEMENTS

Minimum Improvements means construction of a new structure containing approximately 12,332 square feet of commercial retail/office space to be constructed on the Development Property by the Developer.

Below is a depiction of the Minimum Improvements. The incentives offered under this Agreement by the City are only for the Minimum Improvements as defined herein.

EXHIBIT B-2

DEPICTION OF MINIMUM IMPROVEMENTS



Minimum Improvements

Execution Version

EXHIBIT B-2 (continued)
DEPICTION OF MINIMUM IMPROVEMENTS

Execution Version

EXHIBIT B-2 (continued)
DEPICTION OF MINIMUM IMPROVEMENTS

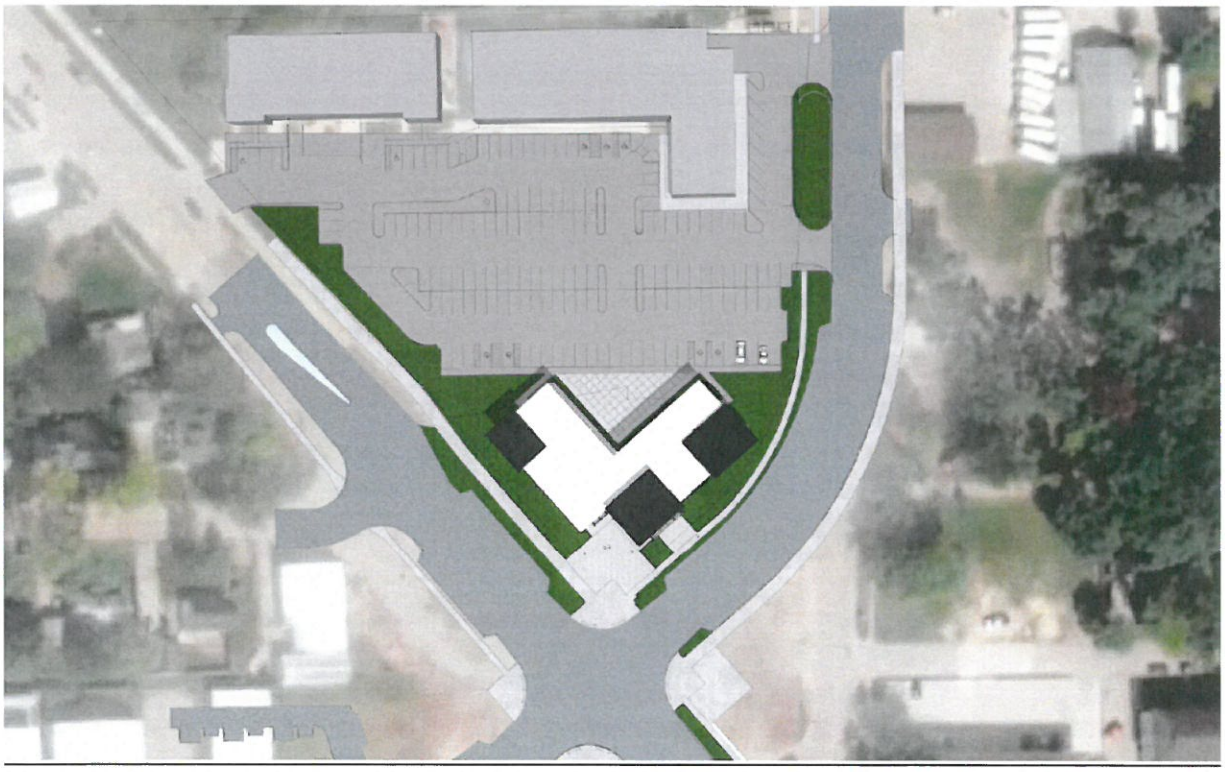


EXHIBIT C
MEMORANDUM OF AGREEMENT

WHEREAS, the City of Hiawatha, Iowa (the "City") and PAKAR Management, LLC, an Iowa limited liability company, ("Developer") did on or about the _____ day of _____, 2019, make, execute, and deliver a Purchase, Sale, and Development Agreement (the "Agreement"), wherein and whereby Developer agreed, in accordance with the terms of the Agreement and the Hiawatha Urban Renewal Plan (the "Plan"), to develop and operate certain real property located within the City and within the Hiawatha Urban Renewal Area.

The Development Property is described as follows:

Parcel No. 11333-51015-00000, P.O.S. 2261

(the "Development Property"); and

WHEREAS, the term of the Agreement commences on the ____ day of _____, 2019, and terminates on December 31, 2027, unless otherwise terminated as set forth in the Agreement; and

WHEREAS, the City and Developer desire to record a Memorandum of the Agreement referring to the Development Property and their respective interests therein.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. That the recording of this Memorandum of Agreement shall serve as notice to the public that the Agreement contains provisions restricting development and use of the Development Property and the improvements located and operated on such Development Property.

2. That all of the provisions of the Agreement and any subsequent amendments thereto, if any, even though not set forth herein, are by the filing of this Memorandum of Agreement made a part hereof by reference, and that anyone making any claim against any of said Development Property in any manner whatsoever shall be fully advised as to all of the terms and conditions of the Agreement, and any amendments thereto, as if the same were fully set forth herein.

3. That a copy of the Agreement and any subsequent amendments thereto, if any, shall be maintained on file for public inspection during ordinary business hours in the office of the City Clerk, Hiawatha, Iowa.

IN WITNESS WHEREOF, the City and Developer have executed this Memorandum of Agreement on the _____ day of _____, 2019.

[Signature pages to follow]

(SEAL)

CITY OF HIAWATHA, IOWA

By: _____
Bill Bennett, Mayor

ATTEST:

By: _____
Kari Graber, Deputy City Clerk

STATE OF IOWA)
) SS
COUNTY OF LINN)

On this _____ day of _____, 2019, before me a Notary Public in and for said State, personally appeared Bill Bennett and Kari Graber, to me personally known, who being duly sworn, did say that they are the Mayor and Deputy City Clerk, respectively, of the City of Hiawatha, Iowa, a Municipality created and existing under the laws of the State of Iowa, and that the seal affixed to the foregoing instrument is the seal of said Municipality, and that said instrument was signed and sealed on behalf of said Municipality by authority and resolution of its City Council, and said Mayor and Deputy City Clerk acknowledged said instrument to be the free act and deed of said Municipality by it voluntarily executed.

_____
Notary Public in and for the State of Iowa

[Signature page to Memorandum of Agreement – City of Hiawatha]

PAKAR Management, LLC,
an Iowa limited liability company

By: Pat Callanan
Pat Callanan, President

ATTEST:

By: Kara Callanan
Kara Callanan, Vice President

STATE OF IOWA)
) SS
COUNTY OF Linn)

On this 10 day of December, 2018, before me the undersigned, a Notary Public in and for said State, personally appeared Pat Callanan and Kara Callanan to me personally known, who, being by me duly sworn, did say that they are the President and Vice President, respectively, of PAKAR Management, LLC, and that said instrument was signed on behalf of said company; and that the said officers acknowledged the execution of said instrument to be the voluntary act and deed of said company, by them voluntarily executed.

NOTARIAL SEAL IOWA
CINDY KUDRNA
Commission Number 719775
My Commission Expires
12-2-20

Cindy Kudrna
Notary Public in and for the State of Iowa

[Signature page to Memorandum of Agreement – PAKAR Management*, LLC]*

Execution Version

EXHIBIT D

CERTIFICATE OF COMPLETION

WHEREAS, the City of Hiawatha, Iowa (the "City") and PAKAR Management, LLC (the "Developer") did on or about the _____ day of _____, 2019, make, execute, and deliver a Purchase, Sale, and Development Agreement (the "Agreement"), wherein and whereby the Developer agreed, in accordance with the terms of the Agreement, to develop and maintain certain real property located within the City and as more particularly described as follows:

Parcel No. 11333-51015-00000, P.O.S. 2261

(the "Development Property"); and

WHEREAS, the Agreement incorporated and contained certain covenants and restrictions with respect to the development of the Development Property, and obligated the Developer to construct certain Minimum Improvements (as defined therein) in accordance with the Agreement; and

WHEREAS, Developer has to the present date performed said covenants and conditions insofar as they relate to the construction of said Minimum Improvements in a manner deemed by the City to be in conformance with the Agreement to permit the execution and recording of this certification.

NOW, THEREFORE, this is to certify that all covenants and conditions of the Agreement with respect to the obligations of Developer and its successors and assigns, to construct the Minimum Improvements on the Development Property have been completed and performed by Developer and are hereby released absolutely and forever terminated insofar as they apply to the land described herein. The county recorder is hereby authorized to accept for recording and to record the filing of this instrument, to be a conclusive determination of the satisfactory termination of the covenants and conditions of said Agreement with respect to the construction of the Minimum Improvements on the Development Property.

All other provisions of the Agreement shall otherwise remain in full force and effect until termination as provided therein.

[Signature Page to Follow]

SEAL)

CITY OF HIAWATHA, IOWA

By: _____
Bill Bennett, Mayor

ATTEST:

By: _____
Kari Graber, Deputy City Clerk

STATE OF IOWA)
) SS
COUNTY OF LINN)

On this _____ day of _____, 2019, before me a Notary Public in and for said State, personally appeared Bill Bennett and Kari Graber, to me personally known, who being duly sworn, did say that they are the Mayor and Deputy City Clerk, respectively, of the City of Hiawatha, Iowa, a Municipality created and existing under the laws of the State of Iowa, and that the seal affixed to the foregoing instrument is the seal of said Municipality, and that said instrument was signed and sealed on behalf of said Municipality by authority and resolution of its City Council, and said Mayor and Deputy City Clerk acknowledged said instrument to be the free act and deed of said Municipality by it voluntarily executed.

_____
Notary Public in and for the State of Iowa

[Signature page to Certificate of Completion – City of Hiawatha]

EXHIBIT E

DEVELOPER ANNUAL CERTIFICATION

(due by October 15th as required under terms of Development Agreement)

The Developer certifies the following:

During the time period covered by this Certification, the Developer is and was in compliance with Section 6.7 of the Agreement as follows:

(i) all ad valorem taxes on the Development Property then owned by the Developer in the Urban Renewal Area have been timely paid for the prior fiscal year (and for the current year, if due) and attached to this Annual Certification are proof of payment of said taxes;

(ii) The Minimum Improvements (building only) were first fully assessed on January 1, 20___, at a full assessment value of $_____;

(iii) No tenants occupying the Minimum Improvements have relocated to the City from another part of Linn County (except from Cedar Rapids) or a contiguous county in violation of Iowa law and Section 6.10 of this Agreement, and the names of all current tenants at the Minimum Improvements are as follows (use additional pages if necessary):

_____

_____

_____

_____

(iv) the undersigned officer of Developer has re-examined the terms and provisions of the Agreement and certify that at the date of such certificate, and during the preceding twelve (12) months, the Developer is not, or was not, in default in the fulfillment of any of the terms and conditions of the Agreement and that no Event of Default (or event which, with the lapse of time or the giving of notice, or both, would become an Event of Default) is occurring or has occurred as of the date of such certificate or during such period, or if the signer is aware of any such default, event or Event of Default, said officer shall disclose in such statement the nature thereof, its period of existence and what action, if any, has been taken or is proposed to be taken with respect thereto.

I certify under penalty of perjury and pursuant to the laws of the State of Iowa that the preceding is true and correct to the best of my knowledge and belief.

Signed this _____ day of _____, 20___.

PAKAR Management, LLC

By: _____

Name: _____

Title: _____

Attachments: Proof of payment of taxes

EXHIBIT F

FORM OF SPECIAL WARRANTY DEED

See following pages.

SPECIAL WARRANTY DEED

Recorder's Cover Sheet

Preparer Information: (name, address and phone number)
Jason L. Comisky
Ahlers & Cooney, P.C.
100 Court Avenue, Suite 600
Des Moines, IA 50309
(515) 243-7611

Taxpayer Information:
PAKAR Management, LLC
4160 Riverview Road
Cedar Rapids, IA 52411

Return Document To:
PAKAR Management, LLC
4160 Riverview Road
Cedar Rapids, IA 52411

Grantors: City of Hiawatha, Iowa

Grantees: PAKAR Management, LLC

Legal Description: Parcel No. 11333-51015-00000, P.O.S. 2261

Document or instrument number of previously recorded documents:

SPECIAL WARRANTY DEED

For the consideration of One Dollar ($1.00) and other valuable consideration, the **City of Hiawatha, Iowa,** ("Grantor") does hereby convey to **PAKAR Management, LLC**, an Iowa limited liability company, ("Grantee") the following described real estate in Linn County, Iowa:

Parcel No. 11333-51015-00000, P.O.S. 2261

This Deed is subject to all the terms, provisions, covenants, conditions and restrictions contained in that certain Purchase, Sale, and Development Agreement, executed by the Grantor and Grantee herein, dated _____, 2019 (hereinafter the "Agreement") which is herein incorporated by reference, a copy of which is on file for public inspection at the office of the City Clerk of the Grantor. All capitalized terms contained in this Deed have the same meaning as assigned to them in the Agreement.

None of the provisions of the Agreement shall be deemed merged in, affected or impaired by this Deed.

This transfer is exempt under Iowa Code Chapter 428A.2.19

Grantor does hereby covenant with Grantee and successors in interest to warrant and defend the real estate against the lawful claims of all persons claiming by, through or under them, except as may be above stated. Each of the undersigned hereby relinquishes all rights of dower, homestead and distributive share in and to the real estate.

Words and phrases herein, including acknowledgment hereof, shall be construed as in the singular or plural number, and as masculine or feminine gender, according to the context.

Dated: _____

(SEAL)

CITY OF HIAWATHA, IOWA

By: _____
Bill Bennett, Mayor

ATTEST:

By: _____
Kari Graber, Deputy City Clerk

STATE OF IOWA)
) SS
COUNTY OF LINN)

On this _____ day of _____, 2019, before me a Notary Public in and for said State, personally appeared Bill Bennett and Kari Graber, to me personally known, who being duly sworn, did say that they are the Mayor and Deputy City Clerk, respectively, of the City of Hiawatha, Iowa, a Municipality created and existing under the laws of the State of Iowa, and that the seal affixed to the foregoing instrument is the seal of said Municipality, and that said instrument was signed and sealed on behalf of said Municipality by authority and resolution of its City Council, and said Mayor and Deputy City Clerk acknowledged said instrument to be the free act and deed of said Municipality by it voluntarily executed.

_____
Notary Public in and for the State of Iowa

[Signature page to Special Warranty Deed– City of Hiawatha]

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