

PURCHASE AGREEMENT

Date of Purchase: _____

TO: Arrow Properties, L.L.C, Seller(s);

1. REAL ESTATE DESCRIPTION. The Undersigned Buyer(s) hereby agrees to purchase the real property situated in Clive, Dallas County, Iowa,

legally described as: _____ in Chayse Landings

with any easements and appurtenant servient estates, but subject to the following: (a.) any zoning and other ordinances; (b.) any covenants of record; (c.) any easements of record for public utilities, roads and highways (“Real Estate”), provided Buyer, on possession, is permitted to make the following use of the Real Estate: single family residential.

2. PRICE. The purchase price shall be \$ _____, and the method of payment to be as follows: \$ _____ earnest money (“Earnest Money”) paid upon acceptance of this Purchase Agreement to be held in trust at Wilson Law Firm, P.C. pending Closing. Buyer shall pay the balance of the purchase price in cash at the time of closing with adjustments for closing costs to be added or deducted from this amount.

3. CONTINGENCIES OF PURCHASE. This Purchase Agreement shall be subject to the following:

- a. Seller’s ability to obtain final plat approval from the City of Clive for the subdivision of Chayse Landings into a minimum of 47 single family residential lots and upon conditions and terms acceptable to Seller, in Seller’s sole and absolute discretion. In the event Seller is unable to obtain final plat approval from the City of Clive upon terms acceptable to Seller, in Seller’s sole discretion, Buyer’s earnest money shall be refunded and this Purchase Agreement shall become null and void and neither party shall have any further obligation to one another.

4. POSSESSION AND CLOSING: If Seller and Buyer timely perform all obligations, closing shall occur and possession is to be given within two (2) weeks following: (i) approval and filing of final plat by the City of Clive and (ii) the date when building permits can be issued by the City of Clive (“Closing”). Adjustment of interest, rents and all charges attributable to the Sellers’ possession are to be made of like date. This transaction shall be considered closed upon filing of documents and receipt of all funds by the Seller.

5. REAL ESTATE TAXES.

- A. The Sellers shall pay all real estate taxes that are liens for prior years and all those that are due and payable in the fiscal year in which possession is given.

B. The Seller shall pay its pro-rated share, based upon date of possession, of real estate taxes for the fiscal year in which possession is given due and payable in the subsequent fiscal year. The Buyer shall be given credit for such pro-ration at closing based upon the last known actual real estate's taxes payable according to public record. However, if such taxes are not based upon the full assessment of the present real estate improvements or the tax classification as of the date of possession, such pro-rations shall be based on the current millage and the assessed value as shown by the Assessor's Records on the date of possession. Notwithstanding the foregoing, if the Real Estate is an individual Lot within a subdivision plat and said Lot has not yet been individually assessed as a separate tax parcel, Buyer hereby agrees to waive pro-ration required by this paragraph "B".

6. COVENANT ACKNOWLEDGEMENT. The undersigned Buyer by its signature hereon acknowledges receipt of a full and complete copy of the Covenants, if any, pertaining to the Real Estate to be purchased herein and further states and declares that said Buyer has reviewed in detail the Covenants as to the subject Real Estate and by the signature hereon of said Buyer, hereby accepts and agrees to be bound by said Covenants without exception. If said Covenants are preliminary and not yet filed of record, or Covenants have not been drafted and given to Buyer at the time of this Purchase Agreement, Buyer acknowledges the Seller has the right to place restrictive covenants against the Real Estate and all Covenants are subject to change, without further notice, and Buyer shall be bound by those Covenants placed of record. The covenants and provisions of this Section shall survive Closing.

7. SPECIAL ASSESSMENTS. The Seller shall pay in full all special assessments that are certified as liens on the public record at closing. Any preliminary or deficiency assessment which cannot be discharged by payment shall be paid through an escrow account with sufficient funds to pay such liens when payable with any unused funds to be returned to the Seller. All charges for solid waste removal, sewage, and assessments for maintenance that are attributable to Seller's possession shall be paid by Seller.

8. ABSTRACT AND TITLE. Seller, at its expense, after filing of final plat, shall obtain an abstract of title to the Real Estate continued through filing of the final plat, and deliver it to Buyer for examination. It shall show merchantable title in Seller in conformity with this Purchase Agreement, Iowa law and Title Standards of the Iowa State Bar Association. The abstract shall become the property of the Buyer when the purchase price is paid in full. Seller shall pay the costs of any additional abstracting and title work due to any act or omission of Seller, including transfers by or the death of Seller or its assignees.

9. DEED. Upon payment of purchase price, Seller shall convey the Real Estate to Buyer or its assignees, by General Warranty Deed, free and clear of all liens, restrictions, and encumbrances except as provided in 1.a. through 1.c.

10. FUNDS. It is agreed at time of closing, funds of the purchase price, received from the Buyer and/or Buyer's lender, may be used to apply to the purchase price, to pay taxes and other items,

same to be handled under supervision of the Seller and subject to approval of Buyer's attorney on title questions needed to produce marketable title.

11. RISK OF LOSS AND INSURANCE. Seller shall bear the risk of loss or damage to the Real Estate prior to closing or possession, whichever occurs first. Seller shall preserve and care for the Real Estate until Closing and shall keep and preserve the Real Estate in the condition existing as of the date hereof, except as to the subdivision thereof. The covenants and provisions of this Section shall survive Closing.

13. REMEDIES OF THE PARTIES.

A. If Buyer fails to timely perform any of its obligations hereunder, Seller shall be entitled to utilize any and all remedies or actions at law or in equity available to them, including but not limited to the remedy of specific performance and the option to forfeit this contract under Iowa Code Chapter 656, and shall be entitled to collect from the party in default any costs and attorney fees incurred. All payments made shall be forfeited to Seller as liquidated damages and this Purchase Agreement shall become null & void (unless Seller elects to pursue specific performance). Buyer and Seller agree and acknowledge that Seller's damages in the event of default by Buyer would be difficult or impracticable to ascertain and the liquidated damages (if retained by Seller) provided for herein are fair and reasonable under the circumstances.

B. If Sellers fail to timely perform any of its obligations hereunder, Buyers shall be entitled to utilize any and all remedies or actions at law or in equity available to them, including but not limited to the remedy of specific performance and shall be entitled to collect from the party in default any costs and attorney fees incurred. Buyer shall have the right to have all payments made returned to them, including any earnest money deposits made, regardless of whether such earnest money deposit is considered refundable or non-refundable, and this Purchase Agreement shall become null & void (unless Buyer elects to pursue specific performance).

14. STATEMENT AS TO LIENS. If Buyer intends to assume or take subject to a lien on the Real Estate, the Seller shall furnish Buyer with a written statement from the holder of such lien, showing the correct balance due.

15. SELLER WARRANTIES. The Seller represents and warrants that, to the best of the Seller's knowledge and belief, there are no known wells, solid waste disposal sites, hazardous wastes, underground storage tanks or private burial sites at, upon or within the Real Estate other than as set forth on the Ground Water Hazard Statement. To the best of its knowledge, the Seller has done nothing to contaminate the Real Estate with hazardous waste or substances. Additionally, the Seller represents and warrants, to the best of its knowledge, that the Real Estate is not subject to any local, county, municipal, state or federal judicial administrative action, investigation or order concerning use or environmental hazards.

16. **STORM WATER DISCHARGE COMPLIANCE AND INDEMNIFICATION.** The NPDES Addendum to Purchase Agreement relating to storm water discharge compliance is incorporated into this Purchase Agreement as though fully set forth herein. Buyer agrees to notify its agents, successors, assigns, heirs and/or contractors and sub-contractors of the terms of the NPDES Addendum and to require their compliance with the terms of the NPDES Addendum. Buyer further agrees to defend, indemnify and hold harmless Seller from and against any and all claims, penalties, liabilities, damages and costs (including reasonable attorney fees) of Buyer related to or arising out of Buyer's use or ownership of, or construction on, the Real Estate.

The covenants and provisions of this Section shall survive closing.

17. **GOVERNING LAW.** This Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Iowa. The parties, by their execution of this Purchase Agreement, submit to the jurisdiction of the courts of the State of Iowa and agree that venue shall be in county in which the Real Estate is situated.

18. **SURVIVAL.** The respective agreements, duties, warranties, terms, conditions and representations of the parties hereunder shall survive Closing and shall not be merged into the Warranty Deed or any other agreement or document.

19. **CONSTRUCTION AGAINST PARTY DRAFTING.** The parties to this Purchase Agreement acknowledge and agree that this Purchase Agreement represents a negotiated agreement, having been drafted, negotiated and agreed upon by the parties and their respective legal counsel. The parties agree that the fact that one party or the other may have been primarily responsible for drafting or editing this Purchase Agreement shall not, in any dispute over the term of this Purchase Agreement, be held or interpreted against such party.

20. **CONTRACT BINDING ON SUCCESSORS IN INTEREST/ASSIGNMENT.** Seller shall have the right to assign this Purchase Agreement to a related entity without Buyer's consent. Buyer shall not assign this Purchase Agreement without the prior written consent of Seller, which consent shall not be unreasonably withheld. This Purchase Agreement shall apply to, bind and benefit the successors and assigns of Seller and Buyer.

21. **CONSTRUCTION.** Words and phrases shall be construed as in the singular or plural number, and as masculine, feminine or neuter gender according to the context.

22. **GENERAL PROVISIONS.** Paragraph headings are for the convenience of reference and shall not limit nor affect the meaning of this Purchase Agreement.

23. **COMMISSION.** Seller and Buyer each represent and warrant to the other that no brokerage commission, finder's fee or other compensation is due and payable hereunder. Seller and Buyer represent that it knows of no fee, commission or payment due to any broker, finder, agent or other person or entity in connection with the transactions contemplated herein. Seller and Buyer each indemnify, protect, defend and hold the other harmless from and against all losses, claims, costs, expenses and damages, including attorney fees, resulting from the claims of any broker,

finder or other such party claiming by, through or under the acts or agreements of the indemnifying party. All such warranties shall survive Closing.

24. TIME IS OF THE ESSENCE. Time is of the essence in this contract.

25. TIME FOR ACCEPTANCE. If this Purchase Agreement is not accepted by Sellers on or before _____, 2015, it shall become void and all payments, if any, shall be repaid to the Buyers.

26. NOTICE. Any notice required under this Purchase Agreement shall be deemed given when it is received in writing either by hand delivery or by certified mail return receipt requested. Persons designated for receipt of any notice for the purpose of this Purchase Agreement shall be Seller and Buyer at the addresses set forth below.

27. CERTIFICATION. Buyer and Seller each certify that they are not acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by 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.

28. INSPECTION OF PRIVATE SEWAGE DISPOSAL SYSTEM. Seller represents and warrants to Buyer that the Real Estate is not served by a private sewage disposal system, and there are no known private sewage disposal systems on the Real Estate.

29. MANHOLES. Buyer understands and agrees that, from and after Closing, it is Buyer's sole responsibility and obligation to maintain all manholes for the Real Estate at grade level in accordance with City specifications, provisions, and requirements and shall protect, defend, indemnify and hold Seller harmless from any claims, liabilities, fines, penalties or costs resulting from any alleged violations thereof after the date of sale of the Real Estate. The covenants and provisions of this Section shall survive Closing.

30. CONCRETE WASHOUT. Buyer acknowledges and agrees that from and after Closing, it is Buyer's sole responsibility and obligation to provide Buyer's own concrete washout during construction of the dwelling on the Real Estate. Buyer shall take care not to cause concrete washout migration to adjacent lots and shall be liable for any damage caused to such adjacent lots, including but not limited to, costs and expenses incurred as a result of any remedial action taken to cure a violation hereof. The covenants and provisions of this Section shall survive Closing.

31. MAINTENANCE OF PROPERTY. The undersigned Buyer shall keep the Real Estate well maintained, groomed and mowed, free of uncut weeds, rubbish, garbage and debris (including construction debris) whether such Real Estate is vacant or improved. Additionally, Buyers shall ensure that materials or items, building or otherwise, shall not be stored or kept on adjacent properties at any time. In the event Buyer violates this provision, Seller shall have the authority to remove such materials/items and assess the costs associated with such removal to Buyer. The covenants and provisions of this Section shall survive Closing.

32. PARKING. The undersigned Buyer shall ensure that, before and during construction, all vehicles, including construction vehicles, are parked and operated only on designated roadways within the development and not on the Real Estate or on any other property/lot within the development. Off-roadway parking/driving is not permitted under any circumstance. The covenants and provisions of this Section shall survive Closing.

33. IMPROVEMENTS TO PROPERTY/GRADING. Buyer acknowledges and agrees Buyer will not make any improvements to the Real Estate prior to Closing, including digging, grading or staking. Additionally, Buyer shall ensure that all grading and digging is done in a manner so as not to disturb the soil of adjacent properties. In the event Buyer violates this provision and damage is caused to an adjacent property, Seller shall have the right to require Buyer to re-grade or re-seed the damaged property at Buyer's sole cost and expense. The covenants and provisions of this Section shall survive Closing.

34. ARCHITECTURAL REVIEW. Buyer acknowledges that all building, design and site plans must be submitted to and approved by Seller prior to commencement of construction on the Real Estate.

ARROW PROPERTIES, L.L.C.

By: Toby Torstenson, Manager Seller Date
Its: _____

Buyer Date

Address:

NPDES ADDENDUM TO PURCHASE AGREEMENT

Buyer and any successor-in-interest (hereafter "Buyer") is hereby notified that there exists, for Chayse Landings (the "Development") (which includes the Real Estate), an NPDES Storm Water Discharge Permit No. 2 (the "General Permit") and a storm water pollution prevention plan ("SWPPP"). Buyer understands that a copy of the General Permit and the SWPPP for the Development is located at Bishop Engineering.

Buyer has purchased Lot(s) _____ in Chayse Landings (hereafter the "Real Estate"). Buyer understands and agrees that, from and after the Closing Date, Buyer shall become the sole responsible permittee for the Real Estate and for compliance with all terms, provisions and requirements of the General Permit, the SWPPP and any and all applicable storm water and/or erosion control statutes, rules and ordinances.

Additionally, Buyer shall undertake all activities necessary to comply with any and all applicable storm water and/or erosion control statutes, rules and ordinances. Buyer shall, under all circumstances, prevent the loss, transfer or migration of any soil, silt, sediment, petroleum product, hazardous substance or solid waste from or beyond the boundaries of the Real Estate purchased by Buyer. At all times, Buyer shall have sole operational control of storm water discharges associated with the Real Estate.

Buyer shall protect, defend, indemnify and hold Seller harmless from any and all damages, claims, liabilities, fines, penalties, cleanup costs and/or attorneys and consultant fees caused by, or in any manner related to: 1) any discharges from the Real Estate identified above; and/or 2) any alleged violation of any NPDES, storm water and/or erosion control statute, rule or ordinance, after the date of sale of the Real Estate to Buyer. Buyer shall release, waive and otherwise discharge any and all claims that Buyer may assert against Seller relating, in any manner, to any discharges from the Real Estate and/or any alleged violation of any NPDES, storm water and/or erosion control statute, rule or ordinance. The covenants and provisions of this Addendum shall survive the Closing Date. Further, Buyer's obligations shall not be discharged by sale of the Real Estate without written consent of the Seller.

ARROW PROPERTIES, L.L.C.

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| By: <u>Toby Torstenson, Manager</u> | Seller | Date |
|-------------------------------------|--------|------|

Its: _____

| | |
|-------|------|
| Buyer | Date |
|-------|------|

Address:

