

PURCHASE, SALE, AND DEVELOPMENT AGREEMENT
BY AND BETWEEN
THE CITY OF NEW LONDON
AND
[DEVELOPER/BUYER NAME]

THIS PURCHASE, SALE, AND DEVELOPMENT AGREEMENT (the “Agreement”) is made on or as of the ____ day of _____, 2020, by and between the CITY OF NEW LONDON, 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, 2019, as amended (the “Code”), and [DEVELOPER/BUYER NAME] (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 South Pine Street Urban Renewal Area (the “Urban Renewal Area”), which is described in the South Pine Street Urban Renewal Plan approved for such Urban Renewal Area by Resolution No. 278 on July 2, 2019 (the “Urban Renewal Plan”); and

WHEREAS, the City is the owner of certain real property more particularly described as

Lot ____, Pine Street Subdivision, City of New London, in Henry County, Iowa

(the “Development Property”); and

WHEREAS, the City desires to sell the Development Property to allow for new residential development that will create property tax revenues and provide housing for existing and/or new residents of the City; and

WHEREAS, the Developer has proposed to purchase the Development Property from the City and construct thereon a single family home and related improvements as more particularly described in Section 3.1(a) (the “Minimum Improvements”), which Minimum Improvements are to be used for residential purposes (the “Project”); and

WHEREAS, the City is willing to sell the Development Property 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. DEVELOPER REPRESENTATIONS AND WARRANTIES

Section 1.1. Representations and Warranties of Developer. Developer makes the following representations and warranties:

a. [Developer/Buyer Name] is [an individual] [an Iowa _____, duly organized and validly existing under the laws of the State of Iowa], and has all requisite power and authority to own and operate properties, to carry on business as now conducted and as presently proposed to be conducted, and to enter into and perform the 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 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 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.

f. Developer shall cause the Minimum Improvements to be constructed in accordance with the terms of this Agreement; in accordance with all local, State, and federal laws, ordinances, and regulations; and in accordance with the Restrictive Covenants for the Pine Street Subdivision – First Addition, New London, Iowa, recorded in the Henry County Recorder's records at Book 2020 Page 0194 (the "Restrictive Covenants").

g. 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.

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ARTICLE II. PURCHASE AND SALE OF DEVELOPMENT PROPERTY

Section 2.1. Transfer of Development Property. For the purchase price of \$ [REDACTED] (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 364.7 of the Iowa Code.

Section 2.2. 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 a date to be mutually agreed on by the parties (the "Closing Date"), provided that the Closing Date shall be scheduled for no later than thirty (30) days following execution of this Agreement. Possession of the Development Property ("Possession") shall be delivered to Developer on 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 A, 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 2.3. Real Estate Taxes and Special Assessments.

a. The Development Property is currently tax-exempt while owned by the City; therefore, there will be no proration or credit of real estate taxes at Closing and 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 2.4. Risk of Loss and Insurance. The City shall bear the risk of loss or damage to the Development Property prior to Closing, excepting any improvements undertaken or caused by Developer on the Development Property prior to Closing. The City agrees to maintain existing insurance, if any, and Developer may purchase additional insurance on the Development Property prior to Closing. In the event of substantial damage or destruction prior to the Closing, the City shall have the option of using insurance proceeds to repair the Development Property such that this Agreement shall continue and Developer shall complete the Closing regardless of the extent of damages. Developer shall bear the risk of loss or damage to: (i) any improvements undertaken or caused by Developer on the Development Property prior to Closing, and (ii) the Development Property after the Closing.

Section 2.5. 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. The City and Developer acknowledge and agree that City has undertaken no investigations with respect to the suitability of the Development Property for Developer’s proposed uses, including but not limited to subsurface investigations regarding the soil conditions 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. This Section shall survive the Closing.

Section 2.6. Abstract and Title. The City shall provide an abstract of title for the Development Property, continued through a date continued to and including the date of this Agreement, 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 2.7. Survey and Platting. Developer may, at Developer’s expense prior to Closing, have the Development Property surveyed and certified by a Registered Land Surveyor. Developer shall be responsible for all surveys and platting of the Development Property after Closing, if any.

Section 2.8. 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 2.9. Environmental Matters. At Closing, the City will file with the County Recorder’s Office a properly executed Groundwater Hazard Statement to the extent required by law. Developer takes the Development Property “As Is” with respect to any environmental matters. The City makes non-representation or warranties as to the environmental 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 Closing Date. This Section shall survive Closing.

Section 2.10. Restrictions on Property. Developer acknowledges that the Development Property is subject to the Restrictive Covenants. Developer further acknowledges and agrees that

the City will transfer the Development Property to Developer on the condition that it be developed and used solely and exclusively for the residential uses described in this Agreement and in the Restrictive Covenants. This entire Section shall survive Closing.

Section 2.11. Reversionary Right.

a. As security for completion of the Minimum Improvements, the City shall hold a right of reversion in the Development Property (the “Reversionary Right”), which may be exercised by the City, in its reasonable discretion, if: (i) Developer has not completed construction of the Minimum Improvements within eighteen (18) months from the Closing Date set in Section 2.2, or (ii) Developer otherwise commits an Event of Default under this Agreement, as defined in Section 6.1 before the completion of the Minimum Improvements. If one of the above conditions occurs, then the City shall automatically be entitled to exercise the City’s Reversionary Right to reacquire title to the Development Property.

b. Developer shall allow no mortgages or liens (including, but not limited to, mechanic’s liens) other than those acknowledged by the City in writing to encumber the Development Property while the City holds its Reversionary Right. To exercise the Reversionary Right described herein, the City must provide written notice to Developer (or its permitted successors, assigns, or transferees) within ninety (90) days of Developer’s failure to perform under this Agreement, and record such notice with the County Recorder of deeds, in which case the title to the Development Property shall automatically revert to the City as of the date of the recording of the notice at no cost to the City. Upon request from the City, Developer shall take all reasonable steps to ensure the City acquires marketable title to the Development Property through its exercise of its rights under this Section 2.11 within sixty (60) days of the City’s demand, including without limitation, the execution of appropriate deeds and other documents. This provision shall survive the Closing.

c. If the Developer causes the construction of the Minimum Improvements to be completed pursuant to the terms and conditions of this Agreement, the City shall record a release of its Reversionary Right, a form of which is attached hereto as Exhibit B.

ARTICLE III. CONSTRUCTION OF MINIMUM IMPROVEMENTS; TAXES

Section 3.1. Construction of Minimum Improvements.

a. For the purposes of this Agreement, “Minimum Improvements” shall mean a residential building constructed on the Development Property in accordance with all requirements of the Restrictive Covenants, and all related site improvements.

b. The Developer agrees that it will cause the Minimum Improvements to be constructed on the Development Property in conformance with this Agreement and all federal, State, and local laws, ordinances, and regulations.

c. Subject to Unavoidable Delays, the Developer shall cause construction of the Minimum Improvements to be undertaken and completed within eighteen (18) months from the

Closing Date set in Section 2.2 or such other date 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 plans approved by the City's building official or any amendments thereto as may be approved by the building official.

For the purposes 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).

d. 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.

e. Notwithstanding the forgoing, the execution of this Agreement by the City 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 to serve as the basis for the issuance of a building permit; (c) relieve the Developer of any obligation to comply with the provisions 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.

f. The Developer releases 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 Development Property or the Minimum Improvements. Indemnified Parties means the City and the governing body members, officers, agents, servants, and employees thereof.

Section 3.2. 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, including the Minimum Improvements, acquired and owned by it 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. Furthermore, Developer and its successors agree that 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 or 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 prior to the Termination Date.

ARTICLE IV. INSURANCE

Section 4.1. Insurance Requirements. From Closing until the Termination Date, the Developer shall:

a. 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) insurance against loss and/or damage to the Minimum Improvements under a policy or policies covering such risks as are ordinarily insured against by similar persons or businesses, and all insurance required by law;

b. 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. Any proceeds paid by an insurer to Developer under a policy or policies of insurance required to be provided and maintained by Developer and remaining after deducting all expenses (including fees and disbursements of counsel) incurred in the collection of such proceeds (the "Net Proceeds"), 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; and

c. 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 V. FURTHER COVENANTS OF THE DEVELOPER

Section 5.1. Maintenance of Properties. Developer will maintain, preserve, and keep the Minimum Improvements and Development Property 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 5.2. 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. Furthermore, Developer will comply with the Restrictive Covenants on the Development Property.

Section 5.3. Non-Discrimination. In the construction and operation of the Minimum Improvements, Developer shall not discriminate against any applicant, contractor, 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, contractors, 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 5.4. 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 5.5. 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 all federal, State, and local laws, ordinances, and regulations; (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 5.6. Prohibition Against Assignment and Transfer. As security for the obligations of Developer under this Agreement, Developer represents and agrees that, prior to the Termination Date, Developer [*if a company: will maintain its existence as a company and will not wind up or otherwise dispose of all or substantially all of its assets and*] will not 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.

ARTICLE VI. DEFAULT AND REMEDIES

Section 6.1. 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 pursuant to the terms and conditions of this Agreement and the Restrictive Covenants;

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; or

e. 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 6.2. Remedies on Default. Whenever any Event of Default referred to in Section 6.1 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 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 does 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. If the Minimum Improvements have not yet been completed, the City may exercise its Reversionary Right; or

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 under this Agreement.

Section 6.3. 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 6.4. 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 6.5. Agreement to Pay Attorneys' Fees and Expenses. 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 VII. MISCELLANEOUS

Section 7.1. 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 7.2. 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 [Developer/Buyer Name] at _____; Attn: _____; and
- b. In the case of the City, is addressed to or delivered personally to the City of New London at 112 West Main Street, New London, IA 52645, Attn: City Clerk;

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 7.3. 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 7.4. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 7.5. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Iowa.

Section 7.6. 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 7.7. 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 7.8. Termination Date. This Agreement shall terminate and be of no further force or effect five years after the Closing Date, or December 31, 2025 whichever is earlier (the "Termination Date"), unless the Agreement is terminated earlier by the other terms of this Agreement.

Section 7.9. 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.

[Signature pages follow]

[Insert signature page to Purchase, Sale, and Development Agreement – City of New London]

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[Insert signature page to Purchase, Sale, and Development Agreement – Developer]

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Prepared by:

Return to: City of New London, Iowa, City Hall, 112 W. Main St., New London, IA 52645, Attn: City Clerk

**EXHIBIT A
SPECIAL WARRANTY DEED**

For the consideration of \$ _____ and other valuable consideration, the **City of New London, Iowa**, (“Grantor”) does hereby convey to **[Developer/Buyer Name]**, an _____ (“Grantee”), the following described real estate in Henry County, Iowa:

Lot _____, Pine Street Subdivision, City of New London, in Henry County, Iowa

This Deed is subject to all the terms, provisions, covenants, conditions, and restrictions contained in the Purchase, Sale, and Development Agreement by and between Grantor and Grantee dated _____, 20__ (“Agreement”), including (A) a use restriction that, until at least December 31, 2025, the real estate shall be used solely and exclusively for the purposes in connection with the development of certain Minimum Improvements, as defined in the Agreement, and (B) a Reversionary Right held by the Grantor in the real estate until the completion of the Minimum Improvements. The Agreement is incorporated herein by reference and is on file for public inspection at the office of the City Clerk of the Grantor.

None of the provisions of the Agreement shall be deemed merged in, affected by, or impaired by this Deed. All capitalized terms contained in this Deed have the same meaning as assigned to them in the Agreement.

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.

[Signature page to Special Warranty Deed – City of New London]

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Prepared by:

Return to: City of New London, Iowa, City Hall, 112 W. Main St., New London, IA 52645, Attn: City Clerk

**EXHIBIT B
RELEASE OF REVERSIONARY INTEREST**

WHEREAS, the City of New London, Iowa (“City”) and [*Developer/Buyer Name*] (“Developer”) did on or about the ____ day of _____, 20____, make, execute, and deliver, each to the other, a Purchase, Sale, and Development Agreement (“Agreement”), wherein and whereby the City sold to Developer, in accordance with the terms of the Agreement, certain real property located within the City and more particularly described as:

Lot ____, Pine Street Subdivision, City of New London, in Henry County, Iowa

(the “Development Property”); and

WHEREAS, pursuant to the terms of the Agreement and as noted on the Deed dated _____, 20____ and recorded on _____, 20____, in Book _____ at Page _____ of the records of the Henry County Recorder, the City retained a Reversionary Right in the Development Property; and

WHEREAS, the Reversionary Right was to be released by the City in the event the Developer completed the construction of certain Minimum Improvements (as defined in the Agreement), pursuant to the terms and conditions of the Agreement; and

WHEREAS, Developer has met said conditions by completing the construction of the Minimum Improvements on the Development Property under the terms of the Agreement; and

NOW, THEREFORE, the City does hereby acknowledge that the Development Property is hereby released from the Reversionary Right.

[Signature page to Release of Reversionary Interest – City of New London]

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