

## DEVELOPMENT AGREEMENT

This Agreement is entered into by and between the City of Eldora, Iowa (the “City”), and Troy McDonald (the “Developer”) (together, the “Parties”) as of the 9<sup>th</sup> day of July, 2019 (the “Commencement Date”).

WHEREAS, the City owns certain real property situated at 1425 Washington Street in the City; and

WHEREAS, the City desires that the Property be redeveloped to its highest and best commercial use; and

WHEREAS, the Developer has proposed to acquire the building (the “Redevelopment Facility”) situated on the Property from the City and to invest into the renovation of the Redevelopment Facility so that it might be put into productive business use; and

WHEREAS, the City and the Developer have agreed to a purchase price for the Redevelopment Facility, including \$2,500 and the undertaking of certain performance obligations by the Developer; and

WHEREAS, the City has conducted the necessary procedures to authorize the disposition of the Redevelopment Facility to the Developer; and

WHEREAS, this Agreement has been prepared to memorialize the mutual understanding between the Parties with respect to the disposition and redevelopment of the Redevelopment Facility;

NOW THEREFORE, the parties hereto agree as follows:

### **A. Developer’s Covenants**

**1. Property Acquisition.** Developer purchase the Redevelopment Facility on contract from the City. The real estate transaction conveying title to the Redevelopment Facility will be facilitated under separate documents to be drafted and executed by the Parties in the future in good faith.

The purchase price for the Redevelopment Facility will be \$2,500 at the time of the execution of the installment contract and the investment of not less than \$50,000 (“Capital Investment Requirement”) into capital improvements to the Redevelopment Facility by no later than July 1, 2021. The Developer will provide such reasonable itemized accounting and supporting documentation as may be requested by the City to evidence the expenditure of sufficient funds to satisfy the Capital Investment Requirement.

Title to the Redevelopment Facility will not vest in the Developer until such time as the full purchase price has been paid.

**2. Incidents of Ownership.** During the term of the installment contract referred to in Section A.1 above, the Developer shall bear all incidents of ownership for the Redevelopment Facility. During such time, Developer shall:

a. Fully and timely pay all property taxes and assessments that may come due against the Redevelopment Facility.

b. Secure and maintain commercially reasonable insurance coverage for the Redevelopment Facility. Furthermore, Developer shall name the City as a loss beneficiary on all such insurance policies.

c. Refrain from wasting the Redevelopment Facility.

d. Maintain the Redevelopment Facility in good and marketable condition.

**3. Use of Redevelopment Facility.** Developer agrees to promote the use of the Redevelopment Facility for its highest and best commercial use.

**4. Property Tax Abatement.** Developer acknowledges that qualification for property tax abatement through the City's urban revitalization program will require the submission of a separate application as described in the program documents for the urban revitalization area.

**B. City's Obligations**

**1. Urban Revitalization.** The City agrees to refrain from interfering in any way with the Developer's qualification for property tax abatement as described in Section A.4 above. Upon request the City will assist the Developer with the completion of an application for property tax abatement relative to the improvement of the Redevelopment Facility.

**2. Real estate Transaction.** The City agrees to convey the Redevelopment Facility to the Developer subject to the terms set forth in this Agreement.

**C. Administrative Provisions**

**1. Amendment and Assignment.** This Agreement may not be amended or assigned by either party without the written consent of the other party.

**2. Successors.** This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties.

**3. Choice of Law.** This Agreement shall be deemed to be a contract made under the laws of the State of Iowa and for all purposes shall be governed by and construed in accordance with laws of the State of Iowa.

**4. Recordation and Running with the Land.** This Agreement shall be promptly recorded in the real property records at the office of the Hardin County, Iowa, Recorder. Furthermore, this Agreement is deemed by the parties to run with the Redevelopment Facility and shall be binding upon successors in interest to the Redevelopment Facility in accordance with its terms.

The City and the Developer have caused this Agreement to be signed, in their names and on their behalf by their duly authorized officers, all as of the day and date written above.

ELDORA, IOWA

\_\_\_\_\_  
David W. Dunn, Mayor

Attest:

\_\_\_\_\_  
Chandra Kyte, Deputy City Clerk

By: \_\_\_\_\_  
Troy McDonald

**EXHIBIT A**  
**LEGAL DESCRIPTIONS OF REDEVELOPMENT FACILITY**

**Block 17 Lot 6**