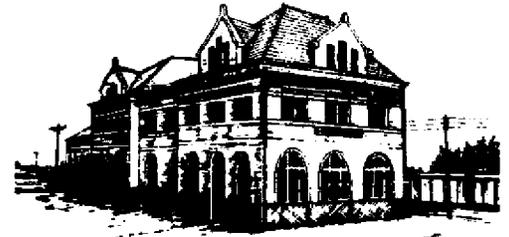


City of  
**CRESTON, IOWA**

116 W. Adams • P.O. Box 449 • Creston, Iowa 50801-0449  
Phone 641-782-2000 • Fax 641-782-6377



*Creston's Restored Depot and City Hall*

**MAYOR:** Warren Woods  
**COUNCIL:** Larry Wynn, Randy White, Loyal Winborn, Betty Shelton, Marsha Wilson, Larry Wagner, Terri Koets  
**CITY CLERK:** Lisa Williamson  
**CITY ADMINISTRATOR:** Mike Taylor  
**CITY ATTORNEY:** Skip Kenyon

**SPECIAL Meeting Agenda**  
**City Hall/Restored Depot**  
**Council Chambers**  
**October 11, 2010**  
**5:15 p.m.**  
**Last updated: 10/11/2010 2:48 PM**

1. **Call Meeting to Order**
2. **Roll Call**
3. **Consideration of Agenda**
4. **New Business**
  1. Resolution to set a Public Hearing for October 19, 2010, at 6:00 pm for the sale of Iowana Hotel
  2. Resolution to approve a \$110,000, 32-year long-term, no interest loan, with balloon payment at the end of the 30 years to Hotel Iowana Limited Partnership
5. **Adjournment**

**Lisa Williamson**

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**From:** Mike Taylor  
**Sent:** Monday, October 11, 2010 11:18 AM  
**To:** Lisa Williamson  
**Subject:** FW: Creston property closing

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**From:** Rob McCready [mailto:rmccready@metroplains.com]  
**Sent:** Monday, October 11, 2010 11:14 AM  
**To:** Mike Taylor  
**Cc:** Christy, Angela M.; Kristen Gavin; Vern Hanson; Warren Woods (mayor@crestoniowa.gov)  
**Subject:** Creston property closing

Mike,

Thank you for scheduling the special meeting to address the property transfer notification requirement, and the loan modification, this week.

We will need to pay off the pre-development loan at the time of the closing of the property, sometime next week. We will send you a check for \$1 for the building and pay off the pre-development which has a balance of \$110,575.60. I'll send you the check this week, just hold on to it until the property closing next week once you have the notification period completed. Please overnight the deed to my attention when that is completed.

We will be putting together the loan documents for the \$110,000 permanent loan, which will have a term of 32 years, with 0% interest and principal fully deferred with a balloon payment at the end of the term. Our attorney will prepare the loan documents and provide them to you in the next couple days. Note that the amount is \$110,000.00, not \$110,575.60. The closing and funding of this loan will occur at the same time as the Wells Fargo and Enterprise closing, around the end of the month. I will let you know where to send the \$110,000 check, it will go to the closing agent at the Iowa Finance Authority. We will also need to coordinate signatures for the \$110,000 loan. We should be able to have you sign those prior to the closing so you don't need to travel to Des Moines.

Rob McCready  
MetroPlains, LLC  
MetroPlains Partners, LLC  
1600 University Avenue 212  
Saint Paul, MN 55104  
Phone: 651-523-1252  
Fax: 651-646-3847  
E-mail: rmccready@metroplains.com  
Web: www.metroplains.com

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**PURCHASE AGREEMENT  
BY AND BETWEEN  
HOTEL IOWANA LIMITED PARTNERSHIP  
AND  
CITY OF CRESTON, IOWA**

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Date Typed: May 6, 2008

## PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT ("Agreement") is made as of the 6<sup>th</sup> day of May , 2008 , the Effective Date ("Effective Date"), by and between Hotel Iowa Limited Partnership, an Iowa limited partnership , and its successors and assigns ("Buyer") and the City of Creston, an Iowa municipal corporation , and its successors and assigns ("Seller").

### RECITALS

Seller plans to acquire the Hotel Iowa , located in Creston, Iowa (the "Real Property"). Said Real Property is legally described in Exhibit A attached hereto.

1. Sale of Real Property. Buyer agrees to purchase from Seller and Seller agrees to sell and convey to Buyer the Real Property for a Purchase Price ("Purchase Price") of \$ 1.00 . With respect to this Agreement, Buyer and Seller agree that:
  - 1.1 Buyer shall be responsible for paying for an appraisal.
  - 1.2 Buyer shall be responsible for paying for updating the abstract or obtaining a title insurance commitment and for completing an ALTA survey that establishes the locations of structures, easements, and property boundaries.
2. Payment of Purchase Price. The Purchase Price, as set forth in Section 1 herein, shall be paid by Buyer to Seller in the following manner:
  - 2.1 \$ 0.00 in earnest money upon the execution of this Agreement, which is refundable in accordance with Section 3 herein.
  - 2.2 The balance of \$ 1.00 in cash on the Closing Date.
3. Contingencies. It is understood and agreed by and between the parties hereto that the respective obligations of Buyer and Seller set forth herein shall be subject to and conditional upon the satisfaction of the conditions set forth herein. Upon the failing of any condition precedent, Seller shall refund the earnest money herein paid to Buyer and this Agreement shall thereupon terminate and be of no further force or effect. The conditions precedent are:
  - 3.1 Seller conveying marketable title to the Real Property, free and clear of all liens or encumbrances whatsoever (except as set forth in Section 4 herein).
  - 3.2 If applicable, Buyer obtaining a first mortgage commitment by June 1, 2009 , in an amount sufficient to complete the Development.

- 3.3 If applicable, Buyer obtaining a reservation or allocation of Housing Tax Credits from the applicable state agency by June 1, 2009 , in an amount sufficient to complete the Development.
  - 3.4 If applicable, Buyer obtaining a commitment for HOME funds, CDBG funds, AHP funds, and/or similar programs, by June 1, 2009 , in an amount sufficient to complete the Development.
  - 3.5 If applicable, Buyer obtaining a preliminary assessment from the State Historic Preservation Office by June 1, 2009 that the building(s) is/are eligible for listing on the National Register of Historic Places, or that the building(s) contribute(s) to a Historic District.
  - 3.6 If applicable, Buyer successfully obtaining the rezoning of the Real Property by June 1, 2009 to allow for the proposed use, which is a 24 -unit residential rental property with adequate parking (the "Development").
  - 3.7 If applicable, Buyer successfully obtaining adequate off-street parking by June 1, 2009 for the Development.
  - 3.8 Buyer obtaining an acceptable Phase I Environmental Site Assessment, in accordance with Section 9.3 herein, by June 1, 2009 .
4. Evidence of Title. Within thirty (30) days of the Seller acquiring the Real Property, Buyer shall order an updated abstract and/or a title insurance commitment to the Real Property, certified to date and including property searches covering bankruptcies, state and federal judgments, and liens. Buyer shall be allowed thirty (30) days after receipt thereof for examination of title and the making of any objections thereto. Such objections shall be deemed waived unless made in writing. If any objections are so made, Seller shall be allowed thirty (30) days to make such title marketable. Pending correction of title, the closing herein shall be postponed. If title is not marketable and is not made so within thirty (30) days from the date of written objection thereto as set forth herein, this Agreement shall be null and void, at the sole option of Buyer, and neither party shall be liable for damages hereunder except that the earnest money shall be forthwith refunded by Seller to Buyer. If title to the Real Property is found marketable or is so made within said time, and Buyer, subject to the satisfaction of all of the other terms and conditions set forth herein, shall default in any of the agreements set forth herein and continue in default for period of thirty (30) days, then and in such case, Seller may terminate this Agreement and upon such termination, the earnest money herein paid shall be retained by Seller as liquidated damages.
5. Closing Date. Subject to the satisfaction of the conditions precedent set forth herein:

- 5.1 Seller shall convey and deliver to Buyer on the Closing Date the following:
- (a) A Warranty Deed in recordable form and properly executed, conveying the Real Property to Buyer in fee simple, free and clear of all liens and encumbrances not presently of record in the office of the Register of Deeds, Union County, Iowa .
  - (b) All other documents affecting title to and possession of the Real Property and necessary to transfer or assign the same to Buyer, free and clear of all liens, charges, and encumbrances not hereinabove specifically excepted.
- 5.2 Buyer and Seller agree that the closing shall take place at a place to be determined within thirty ( 30 ) days after the satisfaction and removal of all contingencies set forth in Section 3 herein.
6. Taxes. On the Closing Date, Seller shall pay all real estate taxes, special assessments including all future installments of assessments that have been levied, and personal property taxes payable upon the Real Property for the preceding calendar year and prior years. Additionally, real estate taxes payable or assessed for the year of closing shall be prorated between Seller and Buyer as of the Closing Date.
7. Operating Prior to Closing. Seller agrees to manage, maintain, and operate the Real Property in a businesslike manner between the Effective Date of this Agreement and the Closing Date. Seller agrees to enter into no agreements or contracts and to incur no major expenses relating to the Real Property prior to the applicable Closing Date without Buyer's prior written consent. Subject to Section 13 herein, the Real Property shall be in the same condition on the Closing Date as it is in at the Effective Date hereof, reasonable and ordinary wear and tear and normal use excepted. Buyer and its representatives shall have the right, from and after the Effective Date hereof, to enter upon the Real Property for the purposes of examining the same and conducting such inventories, observations, tests, and investigations of the Real Property as it may desire, so long as Buyer and such representatives do not unreasonably interfere with the operating of the Real Property. Seller shall give Buyer and its representatives full access, at all reasonable times, prior to and after the Closing Date, to all of its books and records with respect to the ownership, management, maintenance, and operating of the Real Property and the right to copy the same, and shall furnish Buyer with all such information concerning the same as Buyer may reasonably request.
8. Possession. Possession of the Real Property shall be delivered to Buyer effective as of the Closing Date.

9. Hazardous Substances. "Hazardous Substance" means asbestos, urea formaldehyde, polychlorinated biphenyl, nuclear fuel or materials, chemical waste, radioactive materials, explosives, known carcinogens, petroleum products or other dangerous, toxic, or hazardous pollutant, contaminant, chemical, material or substance defined as hazardous or as a pollutant or contaminant in, or the release or disposal of which is regulated by, any Law or Regulation.

"Law or Regulation" means and includes the Comprehensive Environmental Response and Liability Act ("CERCLA" or the Federal Superfund Act) as amended by the Superfund Amendments and Reauthorization Act of 1986 ("SARA") 42 U.S.C. §9601-9675; the Federal Resource Conservation and Recovery Act of 1976 ("RCRA"); the Clean Water Act 33 U.S.C. seq. and all as may be from time to time amended and any other federal, state, county, municipal, local or other statute, law ordinance or regulation which may relate to or deal with human health or the environment including, without limitation, all regulations promulgated by a regulatory body pursuant to any such statute, law, or ordinance.

"Land" or "Improvements" means the land and buildings and all fixtures or other personal property or portions of the project being purchased.

- 9.1 Seller warrants and represents for the benefit of Buyer that the following are true and correct as of the Effective Date of this Agreement:
- (a) To the best of Seller's knowledge, there is not located on, in, about, or under the Land or the Improvements any Hazardous Substance.
  - (b) To the best of Seller's knowledge, neither the Land nor the Improvements presently are or ever have been utilized for the storage, manufacture, disposal, handling, transportation, or use of any Hazardous Substances.
  - (c) To the best of Seller's knowledge, there are not past or present investigations, administrative proceedings, litigation, regulatory hearings, or other action proposed, threatened, or pending, alleging noncompliance with or violation of any Law or Regulation or relating to any required environmental permits. Seller has not, nor to the knowledge of Seller has any third party, violated any Law or Regulation.
  - (d) To the best of Seller's knowledge, neither the Land nor the Improvements is listed in the United States Environmental Protection Agency's National Priorities List of Hazardous Waste Sites nor any other list, schedule, log, inventory, or record of hazardous waste sites maintained by any state, federal, or local agency.

- (e) Seller has disclosed to Buyer all reports and investigations commissioned by Seller and relating to Hazardous Substances and the Real Property.
- (f) There are not now, nor to the best of Seller's knowledge have there ever been, any above ground or underground storage tanks located on or under the Real Property.

9.2 If any representation or warranty herein contained shall be or be found to be false, then Buyer shall be entitled to terminate this Agreement or, if the Agreement has already been consummated, to recover as damages, in addition to all other damages legally recoverable, all costs and expenses incurred in correcting or remedying such error including all costs of defending any regulatory or governmental action resulting from such error including without limitation, attorneys and experts fees and disbursements.

9.3 Buyer will order a Phase I Environmental Site Assessment as that term is more fully defined in the Comprehensive Environmental Response Compensation and Liability Act, and the cost of said audit will be paid by Buyer. In the event said audit discloses the presence or likely presence of a release or threatened release of Hazardous Substances, Seller may elect to take all necessary steps and measures to remove the Hazardous Substances disclosed or threatened, or, in the alternative, terminate this Agreement and return all sums paid thereon to Buyer, at its option. Buyer shall, in the event said audit discloses the presence or likely presence of a release or threatened release of Hazardous Substances, be entitled to terminate, or proceed with, this Agreement, at its like option in such event.

10. Warranties and Representations of Seller. Seller warrants and represents for the benefit of Buyer and its successors and assigns that the following are true and correct as of the Effective Date of this Agreement.

- 10.1 That the execution and consummation of this Agreement will not result in the default or violation of any agreement or law by which the Seller is bound.
- 10.2 That to the best of Seller's information, knowledge, and belief, there is no litigation or proceeding pending or known to Seller to be threatened against the Real Property or the operation thereof, or any facts which to the knowledge of Seller adversely affect, or in the future may adversely affect, operation of the Real Property.

- 10.3 That Seller has no knowledge of any default by any party under any agreement to which Seller is a party, involving or affecting the Real Property.
- 10.4 That to the best of Seller's information, knowledge, and belief, there are no applications, orders or petitions, or any other matters pending before any governmental agency which would materially affect the Real Property.
- 10.5 That to the best of Seller's information, knowledge, and belief, no condemnation proceedings are pending or threatened against the Real Property.
- 10.6 That on the Closing Date, there will be no limitations, except those for which the property is zoned, which encumber the Real Property and no obligations, direct or indirect, and no leases, contracts, or commitments relating to the Real Property, except as set forth in documents delivered to and approved by Buyer or specifically agreed to in writing between Buyer and Seller.

11. Warranties and Representations of Buyer. Buyer warrants and represents for the benefit of Seller and its successors and assigns that the following are true and correct on the date hereof and on the Closing Date:

- 11.1 That Buyer has full power to enter into and perform this Agreement and the consummation of the transaction contemplated herein.
- 11.2 That the instruments to be executed and delivered by Buyer to Seller are legal, binding, and valid obligations of Buyer enforceable against it according to their respective terms.

12. Damage or Destruction. If any damage or destruction (including condemnation by taking of public authority) shall occur to the Real Property before the Closing Date, Buyer shall have the option of canceling this Agreement and having all monies theretofore paid, refunded by Seller; or to close and have all benefits, awards, or insurance proceeds assigned to Buyer.

13. Liquidated Damages. Time is of the essence with respect to this Agreement. If Buyer shall default in any of its agreements or covenants herein contained, Seller may terminate this Agreement and any earnest money paid by Buyer to Seller shall be retained by Seller as liquidated damages. Such liquidated damages have been negotiated as being fair and reasonable and shall be in lieu of any other relief or remedy which Seller might otherwise be entitled.

14. Notices. Any notice provided for herein shall be in writing and shall be deemed to have been sufficient if and when delivered personally or when deposited in the United States Mail certified return receipt requested, postage prepaid, addressed as follows:

14.1 To Buyer:

Hotel Iowana Limited Partnership  
Attention: Project Manager / Asset Manager  
MetroPlains, LLC  
Spruce Tree Centre  
1600 University Avenue, Suite 212  
St. Paul, MN 55104-3825

14.2 To Seller:

City of Creston  
Attention: City Administrator  
116 West Adams  
Creston, Iowa 50801

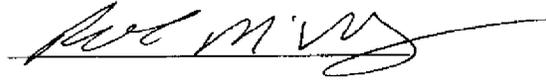
15. Survival of Representations. The warranties and representations of Seller and Buyer, respectively, set forth in this Agreement or otherwise made in writing in connection with the transaction set forth herein, shall survive the Closing Date and shall be binding upon their respective successors and assigns.
16. Entire Agreement. This Agreement contains the entire agreement between the parties hereto pertaining to the subject matter hereof.
17. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns.
18. Governing Law. This Agreement and the rights of the parties hereunder shall be governed by and interpreted in accordance with the laws of the State of Iowa .

THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK.

IN WITNESS WHEREOF, this Agreement has been executed as of the day and year above written.

BUYER:

Hotel Iowana Limited Partnership



By: \_\_\_\_\_

Its: \_\_\_\_\_

By: \_\_\_\_\_

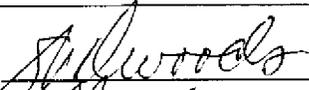
Its: \_\_\_\_\_

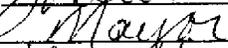
WITNESSED  
GENERAL PARTNER  
ROBERT G. MCCREADY  
CO-PRESIDENT

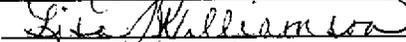
SELLER:

City of Creston

\_\_\_\_\_

By:  \_\_\_\_\_

Its:  \_\_\_\_\_

By:  \_\_\_\_\_

Its:  \_\_\_\_\_

**EXHIBIT A**

**Real Property  
Legal Description**

O.P. Sub Div 218-219-220 Lots 1-2-3. 203 West Montgomery Street, Creston, Iowa.

RESOLUTION NO. 106 - 09  
FIRST AMENDMENT TO THE PURCHASE AGREEMENT  
BY AND BETWEEN  
HOTEL IOWANA LIMITED PARTNERSHIP  
AND  
THE CITY OF CRESTON, IOWA

THIS FIRST AMENDMENT TO THE PURCHASE AGREEMENT BY AND BETWEEN HOTEL IOWANA LIMITED PARTNERSHIP AND THE CITY OF CRESTON, IOWA (the "First Amendment") is made and entered into effective as of June 16, 2009 by and between the undersigned parties.

RECITALS

WHEREAS, Hotel Iowana Limited Partnership ("Buyer") and the City of Creston, Iowa ("Seller") entered into a Purchase Agreement (the "Agreement") on May 6, 2008 for the building commonly known as The Hotel Iowana, located in Creston, Iowa (the "Real Property"), as described in Exhibit A attached hereto; and

WHEREAS, Buyer and Seller desire to modify the Agreement to allow longer timeframes under Section 3 of the Agreement.

NOW THEREFORE, in consideration of the foregoing, of the mutual promises of the parties hereto, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Replace June 1, 2009 with June 1, 2010 in Section 3 of the Agreement.
2. All other terms and conditions in the Agreement shall remain in full force and effect, pending future amendments to the Agreement, if any.

IN WITNESS WHEREOF, this First Amendment has been executed as of the date first above written.

BUYER:

Hotel Iowana Limited Partnership,  
an Iowa limited partnership  
MetroPlains Partners, LLC  
Its General Partner

BY:   
Its: Co-President

SELLER:

City of Creston,  
an Iowa municipal corporation

BY:   
Its: Mayor

BY:   
Its: City Clerk

**EXHIBIT A**

**Real Property  
Legal Description**

O.P. Sub Div 218-219-220 Lots 1-2-3. 203 West Montgomery Street, Creston, Iowa.