

RESOLUTION 2023-33


**A RESOLUTION AUTHORIZING A DEVELOPMENT AGREEMENT WITH
TORKELSON PROPERTIES, LLC FOR 217 W. BROADWAY**

WHEREAS, the City Council of the City of Eagle Grove reviewed a Development Agreement between the City of Eagle Grove and Torkelson Properties, LLC, and

WHEREAS, the City Council of the City of Eagle Grove feel that it is in the best interest of the City and its residents to encourage and aid in private investment to broaden the tax base and improve the overall well-being of the residents of the City of Eagle Grove, and


WHEREAS, the City Council of the City of Eagle Grove wish to enter into the attached Development Agreement with Torkelson Properties, LLC, and

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Eagle Grove, Iowa hereby approve and authorize the Mayor to execute this DEVELOPMENT AGREEMENT between the City of Eagle Grove and Torkelson Properties, LLC on this 17th day of April, 2023.



Sandra McGrath
Mayor

ATTEST:



Bryce Davis
City Administrator/Clerk

DEVELOPMENT AGREEMENT

THIS AGREEMENT FOR COVENANTS AND RESTRICTIONS (the "AGREEMENT"), is made effective as of April 17, 2023, by and between the City of Eagle Grove, Iowa (the "LENDER"), and Torkelson Properties, LLC (the "GRANTOR") jointly hereafter the PARTIES."

WITNESSETH:

WHEREAS, the GRANTOR has applied for and been approved for a forgivable loan (defined herein) from the LENDER from CDBG program funds awarded to the LENDER (the "PROGRAM"); and

WHEREAS, as a condition of making the loan, the LENDER requires that GRANTOR enter into this AGREEMENT in order that the GRANTOR certify that the GRANTOR is eligible for assistance under the PROGRAM, and that the GRANTOR agrees to provide certain housing benefits for low-and-moderate income families.

NOW, THEREFORE, in consideration of the premises and for other valuable consideration the receipt of which is hereby acknowledged, the PARTIES hereto agree as follows:

1. **DEFINITIONS.** As used in this AGREEMENT, the following words and phrases shall have the following meanings unless the context otherwise requires:

- A. "Affordable rental units" means those units contained in the mortgaged property and contained in the AGREEMENT for covenants and restrictions that are occupied by low- and moderate-income persons or households at any given time. Affordable rental units in the appropriate number are to be retained at all times as affordable rental units throughout the period of affordability through income limitations of the tenants occupying those units and through rent limitations for the tenants occupying those units.
- B. "Community Development Block Program" or "CDBG Program" means the grant program authorized under Title I of the Housing and Community Development Act of 1974, as amended.
- C. "IEDA" means the Iowa Economic Development Authority.
- D. "Loan" means a forgivable loan in the amount of \$550,000.00 made by the LENDER to the GRANTOR on the date hereof and any subsequent amendments thereof.
- E. "Low-and-Moderate Income Families" means those families earning no more than 80% of area median income as determined by the latest U.S. Department of Housing and Urban Development, Section 8 income guidelines. Unrelated individuals shall be considered as one-person families for this purpose.
- F. "Mortgage" means the Forgivable Mortgage and Assignment of Rents dated the date hereof from the Grantor to the Lender.
- G. "Mortgaged property" means the property commonly known as (Legal Description) :
The West 1 foot of Lot 9; all of Lot 10 and 11 (except the West 1 foot thereof), all in Block 6 of the Town of Eagle Grove Junction, Iowa
Locally known as 217 W. Broadway, Eagle Grove, Iowa.
- H. "Note" means the Forgivable Loan Promissory Note dated the date hereof from the Grantor to the Lender.
- I. "Owner" means the Grantor.

J. "Period of affordability" means the term in which the assisted units must maintain the required tenant income verification and rent limits, three years from the receipt of the Certificate of Occupancy (CO) or the date of the first signed lease, if CO is not issued. See Section 5 for more details.

K. "Program" means the CDBG Upper Story Housing Conversion Program administered under the Community Development Block Grant program.

L. "State" means the State of Iowa.

2. **ELIGIBLE RENTAL PROPERTY.** The GRANTOR certifies that the mortgaged property meets all of the following requirements:

A. The GRANTOR has demonstrated through its application that it has the ability to fund ongoing operational expenses for the mortgaged property throughout the period of affordability.

B. The mortgaged property is not located within a 100-year floodplain (flood zone designation B, C or X as determined by the Federal Emergency Management Administration) unless the mortgaged property meets all HUD environmental requirements, all applicable flood mitigation standards and the mortgaged property is insured by insurance obtained through the National Flood Insurance Program.

C. The mortgaged property is not located in an area designated or proposed for any buy-out program administered by the local, State or federal government.

D. The GRANTOR agrees that no work will be done on the project that would be considered a "choice limiting activity" as defined by HUD or IEDA until authorization is provided in writing by the LENDER's grant administrator.

3. **CONSTRUCTION REQUIREMENTS.** The GRANTOR covenants that the construction work on the mortgaged property will meet the following requirements:

A. The mortgaged property must, after project completion, meet all locally adopted and enforced building codes, standards, and ordinances in the community in which the mortgaged property is located.

B. Grantor hereby commits to responsibility for ensuring that a minimum of one (1) rental units are constructed in compliance with the terms of this AGREEMENT.

C. As the GRANTOR and contractor on the project, the GRANTOR agrees to provide detailed monthly invoices to the LENDER of all expenses on the project broken out by labor and materials. Included with each invoice shall be a pay application form, provided by the LENDER and supporting documentation which will include receipts for all materials and invoices from subcontractors on the project.

D. The GRANTOR will ensure that all subcontractors on the project are registered contractors with Iowa Workforce Development and provide to the LENDER's grant administration, the name, address, tax-id number, and DUNS number for each subcontractor on the job.

E. GRANTOR will require of each contractor on the job the completion of a Section 3 compliance report for all hours worked on the job by all employees. The Section 3 compliance report shall be filed monthly with each pay application to the LENDER during the duration of the project.

F. GRANTOR acknowledges and understands that the proposed project must be completed by June 30, 2026 and that all invoices must be submitted to the LENDER by June 1, 2026. Any expenses incurred after June 1, 2026 will be the sole expense of the GRANTOR and not eligible for the program.

4. **CONTINUED AFFORDABILITY.** During the five (5) year period of affordability, five (5) of the rental units in the assisted rental project shall be occupied by persons or households whose incomes are at or below 80% of the area median income limits (LMI) by household size as established by HUD for the jurisdiction in which the rental project is located. If a additional units are developed, at least 51% of the rental units must be rented to someone under the 80% LMI limits. During initial lease up, tenants will be income verified by the LENDER's grant administrator: however, the GRANTOR shall be responsible for providing contact information for all prospective tenants to Simmering-Cory and GRANTOR shall assist with obtaining documents if needed. GRANTOR hereby agrees to delay execution of leases until tenants are determined income eligible. For the subsequent years of the period of affordability, the GRANTOR hereby agrees to assume responsibility to income certify new tenants and re-certify tenants who remain in place annually and to provide completed certification forms to IEDA. Income certification/verification shall be completed on forms as required by IEDA and will generally include an income verification form, tax returns, IRS W-2 Forms (if employed), IRS 1099 Forms, and other evidence of income from each prospective occupant of such affordable rental unit. The recertification of existing tenants may be streamlined as allowed by IEDA.
5. **LIMITATIONS ON RENT OF AFFORDABLE RENTAL UNITS.** During the period of affordability, gross rent charged by the GRANTOR with respect to five (5) affordable rental units shall not exceed the then most current HOME Program 65% rent limits (determined by bedroom size). Rent limits are reduced for any utilities/appliances that are directly paid/furnished by an amount equal to the utility allowances set for the respective utilities/appliances by the Wright County Housing Authority for the City of Eagle Grove or, if unavailable, for the nearest location.
6. **CONTINGENT FUNDING.** Funding, provided by the LENDER, shall be contingent upon the receipt of funding from the Iowa Economic Development Authority and matching funds provided by the GRANTOR.
7. **MAINTENANCE OF PROPERTY AND INSURANCE.** The following provision shall apply to the mortgaged property, as appropriate: The GRANTOR shall maintain the mortgaged property in good repair and condition, ordinary wear and tear excepted, and shall not suffer or commit waste or damage upon the mortgaged property. The GRANTOR shall maintain property insurance as is customary in its industry. The insurance shall be in an amount not less than the full insurable value of the mortgaged property. The GRANTOR shall maintain a copy of the insurance policy and provide a certificate of insurance to the LENDER listing the City of Eagle Grove and the Iowa Economic Development Authority as additional insured.
8. **ACCESS AND MAINTENANCE OF RECORDS.** The contractor shall maintain all required records for five (5) years after final payments are made and all other pending matters are closed. At any time during normal business hours and as frequently as is deemed necessary, the contractor shall make available to the Iowa Economic Development Authority, the State Auditor, the General Accounting Office, the City of Eagle Grove, Iowa, and the Department of Housing and Urban Development, for their examination, all of its records pertaining to all matters covered by this contract and permit these agencies to audit, examine, make excerpts or transcripts from such records, contract, invoices, payrolls, personnel records, conditions of employment, and all other matters covered by this contract.
9. **FAILURE TO MEET PERFORMANCE TARGETS.** If the GRANTOR is determined by the LENDER to be in default of this AGREEMENT due to meeting less than 100% of its performance targets, the LENDER may require full repayment of the forgivable loan, or the LENDER may require other remedies that the LENDER determines to be appropriate. The performance targets for this AGREEMENT shall include: the construction of six (6) apartments in the building located at 217 W. Broadway, Eagle Grove, Iowa and the renting of the constructed apartments to income-qualified households and within maximum rent limits as defined in Section 4 and Section 5 of this Development Agreement.
10. **OTHER REQUIREMENTS.** The GRANTOR certifies that the rehabilitation and administration of the mortgaged property will be conducted and administered in compliance with all applicable federal and State laws, regulations, orders and notices. Certain statutes are expressly made applicable to activities assisted under the CDBG Program, while other laws not referred to in the CDBG Program may be applicable to such activities by their own terms. The GRANTOR certifies and assures compliance with the applicable orders, laws and implementing regulations, including but not limited to, the following:

A. The requirements of Executive Order 11246, as amended by Presidential Executive Order 11375 and the regulations issued under the Order at 41 CFR Chapter 60.

B. The requirements of Executive Orders 11625, 12432, and 12138. Consistent with responsibilities under these Orders, the provider must make efforts to encourage the use of minority- and women- owned business enterprises in connection with activities funded under this part.

C. The maintenance of books, records, documents and other such evidence pertaining to all costs and expenses incurred and revenues received under this contract/subagreement to the extent and in such detail as will properly reflect all costs, direct and indirect, of labor, materials, and equipment, supplies, services, and other costs and expenses of whatever nature, for which payment is claimed under their contract/subagreement as specified in 261- Chapter 23, Iowa Administrative Code and 2 CRF 200

D. At any time during normal business hours and as frequently as deemed necessary, the parties heretofore shall make available to the Iowa Economic Development Authority, the State Auditor, the General Accounting Office, and the Department of Housing and Urban Development, for their examination, all of its records pertaining to all matters covered by this contract/subagreement and permit these agencies to audit, examine, make excerpts or transcripts from such records, contract, invoices, payrolls, personnel records, conditions of employment, and all other matters covered by this contract/subagreement.

E. Davis-Bacon Act, as amended (40 U.S.C. 276a - 276a-5), where applicable under Section 110 of the Housing and Community Development Act of 1974, as amended; Contract Work Hours and Safety Standards Act (40 U.S.C. 327 et seq.); the Copeland Anti-Kickback Act (18 U.S.C. 874); and regulations which implement these laws.

F. Contracts in excess of \$100,000 shall require compliance with the following laws and regulations: Section 306 of the Clean Air Acts (42 U.S.C. 1857(h)); Section 508 of the Clean Water Act (33 U.S.C. 1368); Executive Order 11738; EPA Regulations - 40 CFR, Part 15; as applicable.

G. Procurement. For purposes of this agreement Cities and Counties are required to adopt the federal procurement policies and procedures that align with Federal provisions of 2 CFR 200.318-200.326. The Procurement Policy is found in "Iowa Community Development Block Grant Management Guide", as found on the Authority's website at www.iowaeconomicdevelopment.com/Community/CDBG.

H. CIVIL RIGHTS

(a) DISCRIMINATION IN EMPLOYMENT. The Recipient shall not discriminate against any qualified employee or applicant for employment because of race, color, religion, sex, national origin, age, sexual orientation, gender identity, familial status, physical or mental disability. The Recipient may take affirmative action to ensure that applicants are employed and that employees are treated without regard to their race, color, religion, sex, national origin, age, sexual orientation, familial status, gender identity, or physical or mental disability. Such action shall include, but may not be limited to, the following: employment, upgrading, promotion, demotion or transfers; recruitment or recruitment advertising; lay-off or termination; rates of pay or other forms of compensation; and selection for training, including an apprenticeship. The Recipient agrees to post notices setting forth the provisions of the nondiscrimination clause in conspicuous places so as to be available to employees. Upon the State's written request, the Recipient shall submit to the State a copy of its affirmative action plan, containing goals and time specifications, and accessibility plans and policies as required under Iowa Administrative Code chapter 11-121.

(b) **CONSIDERATION FOR EMPLOYMENT.** The Recipient shall, in all solicitations or advertisements for employees placed by or on behalf of the Recipient, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, age, sexual orientation, gender identity, physical or mental disability, or familial status.

(c) **SOLICITATION AND ADVERTISEMENT.** The Recipient shall list all suitable employment openings in the State Employment Service local offices.

(d) **CIVIL RIGHTS COMPLIANCE IN EMPLOYMENT.** The Recipient shall comply with all relevant provisions of the Iowa Civil Rights Act of 1965 as amended; Chapter 19B.7 and Chapter 216, Code of Iowa; Federal Executive Order 11246, as amended; Title VI of the U.S. Civil Rights Act of 1964 as amended (42 U.S.C. Section 2000d et seq.); the Fair Labor Standards Act (29 U.S.C. Section 201 et seq.); The Americans with Disabilities Act, as applicable, (P.L. 101 336, 42 U.S.C. 12101- 12213); Section 504 of the Rehabilitation Act of 1973 as amended (29 U.S.C. Section 794); and the Age Discrimination Act of 1975 as amended (42 U.S.C. Section 6101 et seq.). The Recipient will furnish all information and reports requested by the State of Iowa or required by or pursuant to the rules and regulations thereof and will permit access to payroll and employment records by the State of Iowa to investigate compliance with these rules and regulations.

(e) **CERTIFICATION REGARDING GOVERNMENT-WIDE RESTRICTION ON LOBBYING.** The Recipient certifies, to the best of his or her knowledge and belief, that:

(i) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Recipient, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with awarding any Federal contract, making any Federal grant, making any Federal loan, entering into any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(ii) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the Recipient shall complete and submit Standard Form-LLL, "Disclosure Form to Report Federal Lobbying" in accordance with its instruction.

(iii) The Recipient shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

(iv) This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

(f) **PROGRAM NONDISCRIMINATION.** The Recipient shall conform with requirements of Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and HUD regulations issued pursuant thereto contained in 24 CFR Part 1. No person in the United States shall, on the basis of race, color, national origin, sex or religion

or religious affiliation, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available through this Contract. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101 et. seq.) or with respect to an otherwise qualified individual with a disability as provided in the Americans with Disabilities Act, as applicable, (P.L. 101 336, 42 U.S.C. 12101 12213) or Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. Section 794) shall also apply to any such program or Project.

(g) FAIR HOUSING. The Recipient shall comply with Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601 et seq.), generally known as the Fair Housing Act, and with HUD regulations found at 24 CFR Part 107, issued in compliance with Federal Executive Order 11063, as amended by Federal Executive Order 12259. The recipient shall also comply with Section 109, Title I of the Housing and Community Development Act of 1974, as amended.

I. SECTION 3 COMPLIANCE.

(a) The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

(b) The parties to this contract agree to comply with HUD's regulations in 24 CFR part 75, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 75 regulations.

(c) The contractor agrees to post copies of a notice advising workers of the Contractor's commitments under Section 3 in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

(d) The contractor agrees to provide written notice of employment and contracting opportunities to all known Section 3 Workers and Section 3 Businesses.

(e) The contractor agrees to hire, to the greatest extent feasible, Section 3 workers as new hires, or provide written justification to the recipient that is consistent with 24 CFR Part 75, describing why it was unable to meet minimum numerical hiring goals, despite its efforts to comply with the provisions of this clause.

(f) The contractor agrees to maintain records documenting Section 3 residents that were hired to work on previous Section 3 covered projects or activities that were retained by the contractor for subsequent Section 3 covered projects or activities.

(g) The contractor agrees to post contract and job opportunities to the Opportunity Portal, and will check the Business Registry for businesses located in the project area.

(h) The contractor agrees to include compliance with Section 3 requirements in every subcontract

for Section 3 projects as defined in 24 CFR part 75, and agrees to take appropriate action, as provided in an applicable provision of the subcontract upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 75. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 75.

(i) The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 75 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 75.

(j) The contractor will certify that they have followed prioritization of effort in 24 CFR part 75.19 for all employment and training opportunities. The contractor will further certify that it meets or exceeds the applicable Section 3 benchmarks, defined in 24 CFR Part 75.23, and if not, shall describe in detail the qualitative efforts it has taken to pursue low- and very low-income persons for economic opportunities.

(k) Noncompliance with HUD's regulations in 24 CFR part 75 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

J. **NONCOMPLIANCE WITH THE CIVIL RIGHTS LAWS.** In the event of the Recipient's noncompliance with the nondiscrimination clauses of this Contract or with any of the aforesaid rules, regulations, or requests, this Contract may be canceled, terminated, or suspended either wholly or in part. In addition, the State of Iowa may take further action, imposing other sanctions and invoking additional remedies as provided by the Iowa Civil Rights Act of 1965 (Chapter 216, Code of Iowa) or as otherwise provided by law.

K. Others as applicable.

11. **COVENANTS TO RUN WITH THE LAND.** All of the covenants herein shall run with the land described under the definition of mortgaged property hereto, and be binding upon the GRANTOR and its successors or assigns, for the period of affordability. Notwithstanding any other provisions of this AGREEMENT, this entire AGREEMENT, or any of the provisions or paragraphs hereof, may be terminated upon written agreement by the LENDER and the GRANTOR.

12. **EFFECT OF SUBSEQUENT EVENTS.** Notwithstanding the provisions of Section 7, such covenants shall cease to apply to the mortgaged property prior to the end of the period of affordability, in the event of involuntary noncompliance therewith caused by a fire, seizure, requisition, foreclosure, transfer of title by deed in lieu of foreclosure, change in a federal law or action of a federal agency after the date of making of the loan which prevents the LENDER or its successors or assigns from enforcing the covenants, or condemnation or similar event, but only if, within a reasonable period, amounts received by the GRANTOR as a consequence of such event are used to provide a project which meets the requirements of the Program.

13. **REINSTATEMENT OF COVENANTS.** Notwithstanding the provisions of Section 8, if, once the mortgaged property has been subject to foreclosure, transfer of title by deed in lieu of foreclosure or similar event, and at any time during the part of the period of affordability subsequent to such event, the GRANTOR or a related person to the GRANTOR obtains an ownership interest in the project for tax purposes, the covenants herein shall once again run with the land described in Section 1 as mortgaged property and the project thereon and be binding on the GRANTOR or such related person and their respective successors or assigns for the remainder of the period of affordability.

14. **AMENDMENTS.** This AGREEMENT may be amended only by an amendment in writing executed by the parties hereto and properly recorded in the County Recorder's office.

15. **RESTRICTIONS ON TRANSFER.** Except for the rental of units in the mortgaged property to tenants, during the period of affordability, the GRANTOR hereby covenants and agrees not to sell, transfer or otherwise dispose of the mortgaged property or any interest therein. If, during the period of affordability, the GRANTOR sells, rents (other than the rental of units in the mortgaged property to tenants and other than any portion of the mortgaged property disposed of as a result of its deteriorating condition or obsolescence as determined in the normal course of business and which is replaced with similar property of equal or greater value) or uses the mortgaged property in a manner not permitted hereunder, the GRANTOR shall immediately pay the LENDER the principal amount of the loan plus any additional amounts advanced by the LENDER under the mortgage.

16. **EVENTS OF DEFAULT; REMEDIES.** If the GRANTOR defaults in the performance or observance of any covenant, agreement or obligation of the GRANTOR set forth in this AGREEMENT, and if such default remains uncured for a period of thirty (30) days after notice thereof shall have been given by the LENDER to the GRANTOR (or for a period of sixty (60) days after such notice if such default is curable but requires acts to be done or conditions to be remedied which, by their nature, cannot be done or remedied within such 30-day period, and if the GRANTOR commences same within such 30-day period and thereafter diligently and continuously pursues the same to completion within such 60-day period), then the Lender may declare that the GRANTOR is in default hereunder and may take any one or more of the following steps, at its option:

- A. By mandamus or other suit, action or proceeding at law or in equity, require the GRANTOR to perform its obligations and covenants hereunder and under the note and the mortgage, or enjoin any acts or things which may be unlawful or in violation of the rights of the LENDER hereunder, or obtain damages caused to the LENDER by any such default;
- B. Have access to and inspect, examine and make copies of all of the books and records of the GRANTOR pertaining to the mortgaged property;
- C. Declare that all sums due with respect to the loan, the note and the mortgage are immediately due and payable; and
- D. Take whatever other action at law or in equity may appear necessary or desirable to enforce the obligations, covenants and agreements of the GRANTOR hereunder and under the note and the mortgage.

No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of the LENDER to enforce the same or to obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation thereof at any later time or times.

17. **AMENDMENTS.** The LENDER shall cause this AGREEMENT and all amendments and supplements hereto to be recorded and filed with the Taylor County Recorder. LENDER shall further provide a copy of the recorded AGREEMENT to the GRANTOR.

18. **GOVERNING LAW.** This AGREEMENT shall be governed by the laws of the State of Iowa.

19. **NOTICES.** Any notice required to be given hereunder shall be given by registered or certified mail at the addresses specified below or at such other addresses as may be specified in writing by the parties hereto:

LENDER: City of Eagle Grove, C/O City Clerk, P.O. Box 165, Eagle Grove, Iowa 50533

GRANTOR: Torkelson Properties, LLC, 202 W Broadway, Eagle Grove, Iowa 50533

20. **SEVERABILITY.** If any provision of this AGREEMENT shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions shall not in any way be affected or impaired.

21. **MULTIPLE COUNTERPARTS.** This AGREEMENT may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument and each of which shall be deemed to be an original.

22. **SUCCESSORS AND ASSIGNS.** All of the rights and obligations set forth herein shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

23. **TERMINATION CLAUSE.** The LENDER may terminate this contract in the event of cause as defined in Section 16. The GRANTOR may terminate this contract only upon repayment to LENDER of all proceeds received by GRANTOR under this AGREEMENT. For either party to terminate this contract, a written termination notice must be provided in writing at least 30 days prior to termination and as further defined in Sections 16 and 19.

IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT to be executed by their duly authorized officers, all as of the date first above written.

City of Eagle Grove, LENDOR

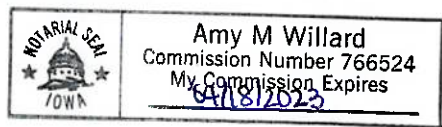
By Sandra McGrath
Name: Sandra McGrath
Title: Mayor, City of Eagle Grove

STATE OF IOWA)
)
COUNTY OF WRIGHT)

This instrument was acknowledged before me this 17th day of April, 2023 by Sandra McGrath.

Amy Willard
Notary Public in and for the State of Iowa

(SEAL)



Torkelson Properties, LLC, Owner/Developer
By Robert Torkelson
Name: Robert Torkelson
Title: Owner Torkelson Properties

STATE OF IOWA)
)
COUNTY OF WRIGHT)

This instrument was acknowledged before me this 17th day of April, 2023 by Robert Torkelson.

Amy M Willard

Notary Public in and for the State of Iowa

(SEAL)

