



Facility and Support Services

600 West 4th Street
Davenport, Iowa 52801-1003
fss @ scottcountyia.gov
(563) 326-8738 Voice (563) 328-3245 Fax

September 4, 2020

To: Mahesh Sharma
County Administrator

From: Tammy Speidel, FMP
Director, Facility and Support Services

Subj: Property Acquisition

At the direction of the Board, you informed me to begin the property acquisition process. As you know, Scott County has no property inventory available that would be suitable for any future building projects.

Several needs have been discussed over the last several years and in order to best position ourselves should we be able to move forward in the future, I was instructed to begin the property search proactively at this time.

David Farmer and I were able to negotiate a purchase agreement in the amount of \$325,000.00 for the property offered for sale at 902 West 4th Street.

The agreement has contingencies allowing us to perform environmental testing and depending on those results review and approve site development cost estimates. It also has a contingency for Board approval. Any issues related to these contingencies allow us to cancel the purchase agreement.

We also included in our offer the right of first refusal on other parcels on the block that the same owner may, in the future, at decide to sell.

I recommend approval of acquisition of this property. If the Board approves the purchase agreement we will move forward with the phase 1 environmental testing.

Also included by the seller in the purchase agreement is a close by date no earlier than December 12, 2020 and no later than December 31, 2020.

I will be in attendance at the next Committee of the Whole meeting to discuss this purchase and to answer any questions you or the Board may have.

PURCHASE AGREEMENT FOR COMMERCIAL REAL ESTATE

This Purchase Agreement for Commercial Real Estate (“Agreement”) is entered into on this 1st day of September, 2020, between **RDB, L.C.** (“Seller”), and **SCOTT COUNTY, IOWA** (“Purchaser”). In consideration of the mutual covenants set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser agree as follows:

1. TERMS

Purchaser agrees to purchase from the Seller and the Seller agrees to sell to Purchaser the real estate and any improvement thereon, and legally known as: Lots 1-6 and vacated alley way containing approximately 1.64 Acres of land and a +/-2,730 square foot building (SEE ATTACHMENT A) of Scott and the State of Iowa (the “subject property”), for the sum of **\$325,000.00** to be paid as follows:

X A.) Cash Payment of **\$325,000.00** shall be paid at time of closing, or

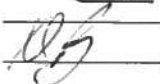
X B.) Purchaser shall have the option of matching other competitive offers upon evidence of said higher offer.

2. EVIDENCE OF TITLE

Within Fifteen (15) days, Seller shall deliver (A) X an abstract of title demonstrating merchantable title of record in Seller and certified to a current date by an abstractor (for Iowa) or (B). _____ a Commitment of Title Insurance issued by a title insurance company regularly doing business in the County where the subject property is located, committing the company to issue an owner’s policy in the usual form insuring merchantable title to the property for an amount equal to the purchase price (for Illinois). If title evidence discloses exceptions other than those permitted under the rules for examination for abstracts of title adopted by the local County Bar Association, Purchaser or Purchaser attorney shall give written notice of such exceptions to Seller within a reasonable time. Seller shall have a reasonable time to have such title exceptions removed, or any such exception which may be removed by the payment of money may be cured by deduction from the purchase price at the time of closing. If Seller is unable to cure such exception, Purchaser shall be entitled to a refund of the earnest money. The title to be conveyed shall be by Warranty Deed to Purchaser and free and clear of all liens and encumbrances not herein specifically waived or assumed by Purchaser.

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3. CONVEYANCE OF TITLE AND DOCUMENTS OF SALE

The parties agree to execute any transfer declarations or other documents required by the state, county or municipality in which the subject property is located, as well as any documents required by the title insurance company in order to issue title insurance.

Seller shall within five (5) business days of full acceptance of this Agreement deliver all documents pertinent to the real estate including survey(s), phase I environmental inspection, building plans, site plans, etc.

4. POSSESSION AND CLOSING

Possession On Closing: Seller shall deliver possession of the subject property to Purchaser concurrently with the closing of this transaction which shall be held on or about thirty (30) days upon completion and release of all due diligence contained herein, however in no such instance shall it be before December 11, 2020 or later than December 31, 2020.

5. PRORATIONS AND ADJUSTMENTS


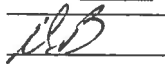
The following items shall be prorated at closing as of the date of delivery of possession:

A. Prorations

- (1) Real estate taxes, based on the most recent tax information available, which, in the absence of fraud, shall be final;
- (2) Rent, if any, (with transfer in full of any security/damage deposit);
- (3) Interest on any assumed indebtedness;
- (4) Insurance premiums if policy assigned to Purchaser;
- (5) Other income and operation expenses, if any;
- (6) Special assessments, if any.

B. Adjustments

Utility charges shall be adjusted by the parties by appropriate meter readings at or about the time of delivery and surrender of possession.

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6. ASSESSMENTS

Seller shall pay all special assessments, which are a lien on the subject property as of the date of closing. Seller acknowledges that prior to the execution of this Agreement Seller has no knowledge of or no notice has been received from any municipal authority concerning improvements which could result in a special assessment on the subject property. Tap on fees, if any, which exist for sanitary sewer and water service to the subject property shall be paid by Purchaser.

7. CONDITION OF SUBJECT PROPERTY

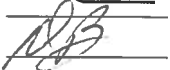
The parties agree that the purchase price reflects the condition of the subject property and Purchaser acknowledges that the real estate and improvements thereof have been inspected, and Purchaser is acquainted with the condition thereof and accepts the same in (check one of the following):

- (A). "As Is" condition.
- (B). "As Is" condition except Seller warrants that the heating and air conditioning systems, plumbing and electrical systems, and all other mechanical equipment included as part of the purchase price, will be in working order as of date of possession, with the following exceptions: none.

Purchaser shall be permitted to make an inspection of the property prior to possession or closing, whichever is sooner, in order to determine whether any change in the condition of the property has occurred. Seller agrees to deliver the property in the same condition as exists as of the date of this Agreement.

8. FIXTURES AND PERSONAL PROPERTY

All personal property and fixtures presently installed or that integrally belongs to the subject property, whether attached or detached, including but not limited to brackets and fixtures, all carpeting, electric light fixtures, bathroom fixtures and accessories, telephone lines, storm doors, awnings, outside television equipment, window treatments, heating and cooling units and attached equipment and all shrubs and trees shall be left by Seller in or upon said subject property as they are as of the date of this Agreement, and shall be deemed a part of the subject property and title thereto shall pass to Purchaser at closing except the following: none.

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CONSTRUCTION LIEN

Seller warrants that all work and labor performed and all materials and improvements furnished to the property have been, or will be, paid in full and all releases incident thereto obtained at closing.

10.

DEFAULT

If Purchaser fails to make any payment or to perform any obligation imposed upon Purchaser by this Agreement, Seller may serve written notice of default upon Purchaser and if such specified default is not corrected within ten (10) days thereafter, Seller, subject to the terms of any listing agreement, may accept the earnest money and any additional down payment as damages or may pursue any available legal remedy including specific performance.

In the event Seller fails to perform any obligation imposed upon Seller by this Agreement, Purchaser may serve written notice of default upon Seller and if such default is not corrected within ten (10) days thereafter, earnest money and any additional down payment deposit shall be refunded to Purchaser without prejudicing the Purchaser's right to any available legal remedy including specific performance. In the event of default, the defaulting party shall be liable to the other party for reasonable attorney fees, expenses incurred by reason of default, and the real estate brokerage fee.

11.

CASUALTY CLAUSE

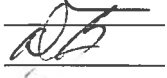
Seller shall bear the risk of loss and damage to the subject property prior to closing or possession, whichever first occurs. In the event all or a material part of the subject property is damaged or destroyed prior to closing or possession, whichever first occurs, this contract shall terminate and be of no further force and effect, unless the subject property can be restored to its present condition on or before the closing date. Seller shall keep adequate insurance, including fire and other extended coverage, on improvements on the subject property until title has passed to Purchaser or possession is delivered to Purchaser, whichever first occurs. Purchaser shall be responsible for insurance coverage upon taking title to or possession of the subject property, whichever occurs first.

12.

EXPENSES OF TRANSFER

a. Seller shall pay:

- i. Cost of owner's title policy or continued abstract of title.
- ii. Revenue stamps and recording of any releases.

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iii. Brokerage commission.

b. Purchaser shall pay:

i. Recording fee for deed and mortgage

13. REPRESENTATIONS OF SELLER – HAZARDOUS WASTE

Seller hereby represents to Purchaser that, to the best of Seller's knowledge, the subject property is not contaminated with, nor threatened with contamination from outside sources by, any chemical, material or substance to which exposure is prohibited, limited or regulated by any federal, state, county, local or regional authority or which is known to pose a hazard to health and safety and that Seller has not used the subject property as a landfill or dumpsite, or for storage of hazardous substances, or has not otherwise done anything to contaminate the subject property with hazardous wastes or substances. Seller warrants that the subject property is not subject to any local, state or federal judicial or administrative action, investigation or order, as the case may be, regarding wells or underground storage tanks, solid waste disposal sites, or hazardous wastes or substances.

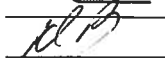
At Purchasers cost and within Thirty (30) days of execution of this Agreement, Purchaser shall be permitted to conduct any environmental tests it deems necessary for the purpose of discovering the existence of any hazardous waste or substances. Should such environmental testing reveal the presence of any hazardous wastes or substances, Purchaser may, at its option, terminate this Agreement.

Purchaser shall be allowed to extend their Hazardous Waste Due Diligence period by an Forty-Five (45) days to conduct a Phase II environmental inspection should Purchaser's environmental engineer make such recommendation. Purchaser reserves the right to terminate this Agreement after the receipt of the Phase II environmental inspection results do not meet Purchaser's standards to their sole and absolute discretion.

Notwithstanding the above, the parties may agree by amendment and modification of this Agreement, to terms necessary to remedy any environmental condition discovered and then proceed with performance of this Agreement. Purchaser agrees, at its cost and without undue delay, to restore the subject property to its original condition should it proceed with the environmental testing contemplated herein.

14. LEASES

Seller shall not enter into any new leases or agree to extend any existing leases without Purchaser's prior written consent.

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DUE DILIGENCE

This Agreement is contingent on (i.) Review and approval of all site development costs to Purchaser's sole satisfaction; and (ii.) approval of the Scott County Board of Supervisors. Purchaser shall have thirty (30) days after full acceptance of the Agreement to complete the aforementioned Due Diligence items. Purchaser shall provide Notice to Seller in writing that their Due Diligence items are acceptable. This Agreement shall be null and void in the event that the aforementioned Due Diligence items do not meet Purchaser's standards to their sole and absolute discretion. Purchaser shall have the unrestricted access to the property to conduct their Due Diligence.

16.

NOTICES

All notices required hereunder shall be in writing and shall be served upon the parties at the addresses designated herein by personal service, certified mail (return receipt requested), or Federal Express or other overnight mail.

In Process

Seller:

Daniel Burke
RDB, L.C.
936 W 4th Street
Davenport, IA 52802

Copy to:

Purchaser:

Scott County
C/O Tammy Speidel
600 W 4th Street
Davenport, IA 52801


Copy to:

Mike Gorsline
Vollersten, Britt & Gorsline, PC
5119 Utica Ridge Road
Davenport, IA 52807

17.

GENERAL CONDITIONS

This Agreement shall be binding upon the parties and their successors and assigns. Time is of the essence of this Agreement. This Agreement shall be governed by and enforced in accordance with the laws of the state in which the subject property is located. This Agreement contains the entire agreement of the parties and no representations, warranties, or agreements have been made by either party as set forth herein. No modification, waiver, or amendment of the Agreement shall be effective unless made in writing and signed by the parties. All representations, warranties and covenants made by the parties shall survive closing. Paragraph

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headings are for the convenience of reference and shall not limit or affect the meaning of the Agreement.

18. LEGAL ASSISTANCE

The Seller and Purchaser are aware that when fully executed, this is a legally binding agreement for the sale and purchase of real estate and that in order to protect their respective interests, Seller and Purchaser are advised to consult legal counsel before this Agreement is signed.

19. RIGHT OF FIRST REFUSAL

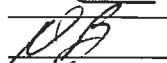
Purchaser shall require an on-going Right Of First Refusal [ROFR] to purchase the Yellow shaded area on Exhibit A attached hereto currently in control by Seller [RDB, LC / Burke] more specifically defined as the balance of Parcel G0062-01A (including vacated alleyway), Parcel G0063-01, Parcel G0063-02, Parcel G0063-11, Parcel G0063-12, Parcel G0063-13, Parcel G0063-14, Parcel G0063-15 and Parcel G0062-01B. Seller shall give written notice and furnish a copy of the contemplated purchase and sales agreement to Purchaser that they are accepting from a bonafide 3rd party, hereinafter [3rd Party]. Purchaser shall have fifteen (15) business days to accept or reject the terms that Seller is willing to sell the property to the 3rd Party. A transfer of ownership to another wholly-owned entity or family member by Seller shall not trigger the ROFR, however in these instances the ROFR shall continue on with the "new" entity. Purchaser shall be allowed to record the ROFR with the Scott County Recorder's Office. Purchaser shall be allowed a reasonable amount of time to close on the property and expenses of transfer shall be paid as per the terms of this Agreement. Transfer of the property shall be by a warranty deed.

20. BROKER REPRESENTATIONS

It is understood that no representation made by the Broker or Salesperson in the negotiation of this Agreement are being relied upon unless incorporated herein in writing. Broker and Salesperson make no representations or warranties, either express or implied, as to the physical or mechanical condition of the subject property, either real or personal.

21. BROKERS AS AGENTS

Parties acknowledge that agency disclosures have been made and signed prior to signing of this purchase agreement. The Broker, the Broker's agents, employees, and associates must respond to all questions of the parties accurately and honestly and must disclose all material defects about which they have knowledge, but are not required to discover hidden defects in the subject property or give advice on matters outside the scope of their real estate licenses.

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AGENCY

Seller and Purchaser acknowledge that Ted Rebitzer & Andy Doyle with QC Iowa Realty is/are representing Purchaser. Jeff Miller with Newmark Knight Frank is representing Seller.

20. ACCEPTANCE BY SELLER

Until accepted by Seller, this document constitutes an offer by Purchaser on the terms stated above. This Offer shall expire on September 2, 2020 at 2:00 PM, CST. If not accepted by such date, it shall become null and void and all payments hereunder shall be refunded to Buyer.

Executed by Purchaser:

9/1/2020

Date

DocuSigned by:
Jammy Spidel
05585E47E6B6440
Purchaser

Executed by Seller:

9.1.20

Date

Sam Budke
Seller

In Process

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JS

Attachment A

Subject Property Generally Highlighted in **RED**
Right of First Refusal Property Generally Highlighted in **Yellow**

DEVELOPMENT LAND OFFERING

902 W. 4TH STREET | DAVENPORT, IA



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[Handwritten Signature]

THE COUNTY AUDITOR'S SIGNATURE CERTIFIES
THAT THIS RESOLUTION HAS BEEN FORMALLY
APPROVED BY THE BOARD OF SUPERVISORS ON

DATE

SCOTT COUNTY AUDITOR

R E S O L U T I O N
SCOTT COUNTY BOARD OF SUPERVISORS

September 17, 2020

A RESOLUTION APPROVING THE PURCHASE OF REAL PROPERTY LOCATED AT
902 WEST FOURTH STREET DAVENPORT, IOWA FROM RDB, LC IN THE
AMOUNT OF \$325,000.00.

BE IT RESOLVED BY the Scott County Board of Supervisors as follows:

- Section 1. That the purchase of real estate, commonly known as 902 West Fourth Street Lots 1-6 and vacated alley way from RDB, LC in the amount of \$325,000.00 is hereby approved.
- Section 2. That the Facility and Support Services Director is hereby authorized to sign documents for the legal closing on the purchase of the above property is hereby approved.
- Section 3. This resolution shall take effect immediately.