

6501 Urbandale Avenue Duplexes LLC  
 Petition to the Iowa Property Assessment Appeal Board  
 July 2, 2015

The Petitioner acquired the below parcels in a third party arm's length transaction. The purchase closed on November 3, 2014. The total purchase price was \$1,300,000. The total assessed value as of January 1, 2015 should be the purchase price (\$1,300,000) rather than \$1,375,900.

| <u>Parcel</u>     | <u>Buildings</u> | <u>Acres</u> | <u>Land<br/>Purchase<br/>Price</u> | <u>Bldg<br/>Purchase<br/>Price</u> | <u>Total<br/>Purchase<br/>Price</u> | <u>Total<br/>Assessed<br/>Value</u> | <u>Land<br/>Assessed<br/>Value</u> | <u>Bldg<br/>Assessed<br/>Value</u> | <u>Reduction</u> |
|-------------------|------------------|--------------|------------------------------------|------------------------------------|-------------------------------------|-------------------------------------|------------------------------------|------------------------------------|------------------|
| 312/00640-003-000 | 1                | 0.305        | 39,600                             | 99,174                             | 138,774                             | 141,600                             | 42,200                             | 99,400                             | 2,826            |
| 312/00640-004-000 | 1                | 0.280        | 38,600                             | 99,174                             | 137,774                             | 140,600                             | 41,200                             | 99,400                             | 2,826            |
| 312/00640-005-000 | 1                | 0.398        | 42,900                             | 99,174                             | 142,074                             | 142,500                             | 45,800                             | 96,700                             | 426              |
| 312/00640-006-000 | 7                | 1.764        | 146,800                            | 694,218                            | 841,018                             | 905,100                             | 156,700                            | 748,400                            | 64,082           |
| 312/00640-007-000 | 0                | 0.863        | 40,360                             | 0                                  | 40,360                              | 46,100                              | 46,100                             | 0                                  | 5,740            |
|                   | 10               | 3.610        | \$308,260                          | \$991,740                          | \$1,300,000                         | \$1,375,900                         | \$332,000                          | \$1,043,900                        | \$75,900         |
|                   |                  |              |                                    |                                    | \$130,000                           | \$137,590                           |                                    |                                    |                  |
|                   |                  |              |                                    |                                    | Per Bldg                            | Per Bldg                            |                                    |                                    |                  |

**BUYER'S CLOSING STATEMENT**

**Closing Date:** November 3, 2014  
**Seller:** A.W. Management Company  
**Buyer:** 6501 Urbandale Avenue Duplexes, LLC  
**Property:** 6501 Urbandale Avenue, Des Moines IA

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Purchase Price: \$1,300,000.00

**Less credits at closing:**

|  |             |
|--|-------------|
| Earnest deposit  | 15,000.00CR |
| Security Deposits – transfer from seller<br>(Sec. dep \$8,600/Pet dep \$2,565) | 11,165.00CR |
| Credit from seller for repairs   | 20,000.00CR |
| Prepaid rent – Lola Szneler (Unit G)   | 9,120.00CR  |
| Radon mitigation (\$1,200 per unit) (\$24,000.00 held in *escrow)              |             |

**Real estate tax proration credits:**

|  |            |
|--|------------|
| Taxes in City of Urbandale 31-2<br>(S 95F W 140F E 575F LT 9 CORN BELT ACRES)<br>(Parcel 312.00640.003.000)<br>(1/1/14 to 6/30/14) | 1,440.00CR |
| (7/1/14 to 11/3/14 (126 days @ \$7.89/day)   | 994.14CR   |
| (N 87F S 182F W 140F E 575F LT 9 CORN BELT ACRES)<br>(Parcel 312.00640.004.000)<br>(1/1/14 to 6/30/14)                             | 1,430.00CR |
| (7/1/14 to 11/3/14 (126 days @ \$7.83/day)   | 986.58CR   |
| (E 117F W 300F N 148F LT9 CORN BELT ACRES)<br>(Parcel 312.00640.005.000)<br>(1/1/14 to 6/30/14)                                    | 1,449.00CR |
| (7/1/14 to 11/3/14 (126 days @ \$7.93/day)   | 999.18CR   |
| (W 175.4F E 330.4F N 148F & W 270F E 435F S 182F LT 9 CORN<br>BELT ACRES) (Parcel 312.00640.006.000)<br>(1/1/14 to 6/30/14)        | 9,343.00CR |
| (7/1/14 to 11/3/14 (126 days @ \$51.19/day)  | 6,449.94CR |

(W 183F N 148F & W 56.8F S 182 F LT 9 CORN BELT ACRES)

(Parcel 312.00640.007.000)

(1/1/14 to 6/30/14)

(7/1/14 to 11/3/14 (126 days @ \$2.55/day)

466.00CR

321.30CR

**Plus bills to be paid at closing:**

Polk County Recorder - recording deed 17.00

Credit to seller for repair driveway/concrete 15,000.00

Credit to seller for insurance premium 400.00

\*\*Credit to seller for rent Nov 1-3, 2014 @ \$426.61/day 1,279.83

**TOTAL DUE FROM BUYER:**

**\$1,237,532.69**

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The undersigned buyer has read and agrees with the foregoing closing statement.

BUYER:

6501 Urbandale Avenue Duplexes, LLC

By 

**\*Escrow: \$24,000 will be held in escrow by Hogan Law Office to be used by Buyer within 60 days of closing for radon mitigation and any remaining funds will be returned to Seller.**

**\*\*The parties agree Seller will deliver all November, 2014 tenant rent directly to Buyer outside of closing.**



**LETTER OF INTENT  
TO PURCHASE**

May 16, 2014

Chris Dawson  
Terrus Real Estate Group  
100 Court Avenue, Suite 400  
Des Moines, IA 50309

RE: 20 Duplex Units  
6501 Urbandale Avenue, Urbandale, Iowa ("Property")

Dear Chris:

Terrus Real Estate Group, LLC, or its assignee ("Buyer") is prepared to discuss the purchase of the Property on the following terms and conditions:

- Seller:** Abe, Ruth and Sally Wolf or fee simple owner
- Purchase Price:** One Million <sup>THREE HUNDRED</sup> ~~Two Hundred~~ Fifty Thousand Dollars (\$1,250,000.00) <sup>1,350,000</sup>
- Delivery of Due Diligence Materials:** Due Diligence materials shall be delivered to Buyer within five (5) business days from the date the Purchase Agreement is executed by both parties. Due Diligence material is any and all information concerning the Property, including, but not limited to, those items listed on Attachment I, if applicable.
- Due Diligence:** Buyer shall have sixty (60) calendar days from the execution date of the Purchase Agreement ("Due Diligence Period") to review and approve of the Property. Upon expiration of the Due Diligence Period, Buyer may, at its sole discretion, determine whether it intends to pursue purchase of the Property. If Buyer determines it is not interested in a purchase, neither party shall have any obligation under this Letter of Intent. Within ten (10) days of execution of this Letter of Intent, Buyer shall deliver to Seller a Purchase Agreement which shall be negotiated within twenty (20) days of delivery. In the event a Purchase Agreement is not timely executed as provided herein, this Letter of Intent and all terms and conditions herein shall be null and void.

**Closing:** As set forth in the Purchase Agreement **OR** within thirty (30) days after expiration of the Due Diligence Period.

**Earnest Money:** ~~\$5,000.00~~ <sup>425,000</sup> cash to be deposited by Buyer with Seller within three (3) business days of the execution of the Purchase Agreement. All interest earned on such deposit shall be credited to Buyer. Earnest Money shall be fully refundable to Buyer in the event Buyer does not approve of the Property at the end of the Due Diligence period.

**Conveyance:** General Warranty Deed.

**Abstract:** The abstract for the Property shall be prepared and continued at the Seller's cost and delivered to the Buyer within three (3) days of execution of the Purchase Agreement.

**Commission:** All commissions shall be payable by Seller. The Seller is represented by Premier Real Estate Services. The Buyer is represented by Terrus Real Estate Group. The commission shall be split 50/50 between Premier and Terrus.

**Confidentiality:** The parties agree that the terms and conditions of this Letter of Intent are confidential and shall not be disclosed to anyone without the written consent of the other party.

**Purchase Agreement:** Upon execution hereof, Buyer shall promptly prepare for review and execution by Seller a purchase agreement based on customary terms and conditions.

**Closing Costs:** Seller shall pay abstract update fee, survey, transfer taxes, recording fees, escrow costs, and any other closing costs.

**Marketing:** Following the execution of this Letter of Intent, no further marketing of the Property shall take place.

**Seller's Representations and Warranties:** Seller shall agree to standard representations and warranties for similar type commercial real estate transactions.

All other terms and conditions of any purchase of the Property will be made in accordance with a mutually acceptable Purchase Agreement to be drafted by Buyer's counsel as set out above.

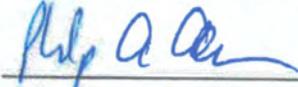
This letter describes the general terms and conditions under which Buyer would consider a purchase of the Property. This letter is for discussion purposes only and must not be understood as a commitment or an offer for a commitment, notwithstanding anything to the contrary set forth herein.

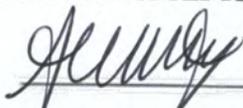
If not countersigned and returned to me by May 23, 2014, this letter shall expire and all provisions hereof shall be null and void. If these terms are acceptable, please execute this letter and return it to the undersigned.

Sincerely,

TERRUS REAL ESTATE GROUP, LLC

AGREED AND ACCEPTED:

By:   
Philip A Alkason  
Printed Name

By:   
ABE WOLF  
Printed Name

Its: CFO

Its: A.W. MANAGEMENT Co.

Date: 5/16/14

Date: 5/21/14

- 1) SELLER WILL BE INSTALLING & REPAIRING MAIN DRIVE FOR DUPLEX. SPECK USA WILL COMMENCE WORK IN 2-3 WEEK. PLANS AVAILABLE FOR BUYER REVIEW 
  
- 2) PER CITY OF URBADELA THE FLOODWAY MAPS (FEMA) ARE CURRENTLY UNDER REVIEW FOR CHANGES. SELLER CURRENTLY HAS FLOOD INSURANCE FOR ALL 10 BUILDINGS 

## ATTACHMENT I

|    |   |
|----|---|
| 1  | Aged Accounts Receivable (current and last 12 months)                                   |
| 2  | Appraisals <i>(Current) ju</i>  |
| 3  | Building/Construction Permit(s) (outstanding)   |
| 4  | Capital Expenditures (for the past 36 months)   |
| 5  | Contact List (Seller)   |
| 6  | Correspondence (from the lease files)   |
| 7  | Employee Salaries and Benefits (itemized by employee) <i>None ju</i>                    |
| 8  | Engineering, architectural or other reports   |
| 9  | Environmental, Property Physical Condition, Asbestos, Seismic, Soils or similar reports |
| 10 | Governmental Authority Notices  |
| 11 | Leases (pending and executed)   |
| 12 | Lease (standard form)   |
| 13 | Lease Commissions (unpaid, which survive closing)                                       |
| 14 | Licenses and Permits (for elevator and life safety systems)                             |
| 15 | Litigation or Disputes (recent or pending)  |
| 16 | <del>Marketing Brochures</del> <i>ju</i>  |
| 17 | Operating Budget (current and next calendar year)                                       |
| 18 | Maintenance Records   |
| 19 | Operating Statements (past 36 months)   |
| 20 | Operations and Maintenance Manuals  |
| 21 | Personal Property (listing of all items to be transferred at closing)                   |
| 22 | Plans, Specifications, CAD Drawings   |
| 23 | Rent Roll   |
| 24 | Security Deposits Listing   |
| 25 | City Rental Inspection Reports  |
| 26 | <del>Property Management Agreements</del> <i>ju</i>                                     |
| 27 | <del>Service Contracts</del> <i>ju</i>  |
| 28 | Site Plan   |
| 29 | <del>Survey (ALTA as-built)</del> <i>ju</i>   |
| 30 | <del>Tenant Financial Information</del> <i>ju</i>                                       |
| 31 | Utility Deposits (listing)  |
| 32 | Warranty Documents (existing for roof, mechanical, construction)                        |
| 33 | Zoning Information (any existing information)   |