

REAL ESTATE PURCHASE AGREEMENT

This Real Estate Purchase Agreement ("Agreement") is made this ___ day of _____, 2016 by and between the City of Arapahoe, Nebraska, a municipal corporation ("Seller"), and _____ and _____, husband and wife ("Buyer").

1. General Terms. The following terms shall be used in this Agreement and shall have the definitions set forth in this paragraph. Other terms may be defined throughout the Agreement.

a. "Effective Date" shall mean the latest of the dates next to the signatures of the Buyer and Seller of this Agreement.

b. "Property" shall mean the real estate (as defined in Neb. Rev. Stat. § 76-201) legally described as:

Lot ____, Block ____, Northern Estates Addition, Arapahoe, Furnas County, Nebraska.

c. "Dwelling Unit" shall mean a single-family residential dwelling unit constructed on the Property that meets or exceeds the requirements of the Restrictive Covenants.

d. "Commencement Date" shall mean the date ninety (90) days after the Effective Date.

e. "Fully Completed" shall mean that the construction of the Dwelling Unit is fully completed and a certificate of occupancy has been issued for the Dwelling Unit. Buyer further acknowledges and agrees that Buyer must satisfy all construction requirements including, but not limited to, the obligations set forth in Paragraphs 5.a through 5.f of this Agreement before construction of the Dwelling Unit shall be deemed to be fully completed.

f. "Completion Date" shall mean the date (18) months after the Effective Date.

g. "Restrictive Covenants" shall mean the Restrictive Covenants adopted by Seller that burden and benefit the Property, which are attached and incorporated to this Agreement as Exhibit "C".

2. Transfer of Property. Seller agrees to sell to Buyer and Buyer agrees to purchase from Seller the Property pursuant to the terms and conditions of this Agreement.

3. Price and Payment. As consideration for the sale of the Property, Buyer agrees to pay Seller the Purchase Price equal to _____ and No/100 Dollars (\$_____) for the Property. Buyer shall pay to Seller the Purchase Price pursuant to the terms of the Promissory Note, and such obligation shall be secured by a lien on the Property as evidenced by the Deed of Trust. The Promissory Note and the Deed of Trust shall be duly executed by Buyer and delivered to Seller at and as of the Closing.

4. Purchase Price Reimbursement.

a. Total Reimbursement of Purchase Price. Seller agrees and acknowledges that Seller shall utilize City of Arapahoe Local Option Municipal Economic Development Act ("LOMEDA") funds to pay the Purchase Price on behalf of the Buyer. Provided Buyer completes all of the following conditions:

(i) Buyer commences construction of the Dwelling Unit by the Commencement Date;

(ii) The Dwelling Unit is Substantially Completed by the Substantial Completion Date, and

(iii) The Dwelling Unit is Fully Completed by the Completion Date; then, Seller shall mark the Promissory Note "paid" and return such note to Buyer and release the Deed of Trust from the Property.

b. Partial Reimbursement of the Purchase Price. If the conditions set forth in paragraph 4.a, above, are not met, a portion of the amount due under the Promissory Note, up to the full amount of the Purchase Price, shall be due and payable. The amount of the Purchase Price that will be due and not reimbursed shall be determined according to the following schedule:

(i) if construction has not commenced on the Dwelling Unit on or before the Commencement Date, Five Hundred and No/100 Dollars (\$500.00) shall not be reimbursed. An additional Five Hundred and No/100 Dollars (\$500.00) shall not be reimbursed for every additional thirty (30) days after the Commencement Date that construction has not commenced; and

(ii) if the Dwelling Unit is not Fully Completed on or before the Completion Date, Two Hundred Fifty and No/100 Dollars (\$250.00) will not be reimbursed. An additional Two Hundred Fifty and No/100 Dollars (\$250.00) will not be reimbursed for every thirty (30) days after the Completion Date that the Dwelling Unit is not Fully Completed.

All amounts of the Purchase Price not paid according to the schedule above shall be in the aggregate up to the amount of the Purchase Price. Buyer acknowledges and agrees that, if Buyer does not meet the requirements set forth above, Buyer shall be responsible for the payment of the Purchase Price as set forth in the Promissory Note.

5. Construction Requirements and Buyer Obligations. As a condition of this Agreement and the transfer of the Property provided herein, Buyer agrees that the Dwelling Unit shall be constructed on the Property to meet or exceed the requirements of the Restrictive Covenants. Buyer further agrees as follows:

a. The Dwelling Unit shall comply with all applicable zoning and building regulations and restrictive covenants;

b. Buyer shall construct and install a paved driveway on the Property;

c. Buyer shall construct and install paved sidewalks on the Property, as required by the City of Arapahoe;

d. All utility lines including, without limitation, all gas, electric telephone, and telecommunications, water, sewer, cable, and other cables, pipes, and the like shall be installed and maintained below the surface of the ground. Buyer shall pay any required utility connection fees for the Dwelling Unit and the Property;

e. upon completion of the Dwelling Unit, the Property shall be assessed at a minimum of Two Hundred Thousand and No/100 Dollars (\$200,000.00) ("Minimum Lot Valuation"); and

f. Buyer agrees to cooperate with any and all reasonable advertising and marketing of Seller's remaining lots, and agrees to reasonably allow Seller to identify Buyer and this transaction in said marketing. The types and extent of advertising and marketing shall be determined in Seller's sole discretion.

6. North Subdivision Redevelopment Project.

a. Buyer acknowledges and understands that the Property is being sold as part of the North Subdivision Redevelopment Project (the "Project"). The Project was created pursuant to the Nebraska Community Development Law to, among other things, pay for public infrastructure and utilities that will benefit the subdivision and the Property. Buyer understands that there are certain obligations for the owner of the Property as set forth in the Redevelopment Agreement for the Project, a copy of which is available for Buyer's review in the office of the City Clerk of the City of Arapahoe. A Memorandum of Redevelopment Agreement is filed of record against the lots within the Northern Estates Addition which shall embody the obligation to refrain from protesting the valuation below the Minimum Valuation.

b. Buyer agrees to cooperate with Seller to facilitate the Project. Seller shall have the right to collect all tax increment financing revenue generated by the Project including the Property for use on eligible public expenditures for the Project, at Seller's discretion and in compliance with the Nebraska Community Development Law. Buyer hereby assumes the Seller's rights and obligations under the redevelopment agreement to the extent it pertains to the Property, including but not limited to an obligation not to protest the value of the Property below the Minimum Lot Valuation and an obligation to pay real estate taxes and/or a payment to the Seller in lieu of taxes equal to the real estate taxes due at the Minimum Valuation, as defined therein. Buyer acknowledges that Buyer's obligations under the Redevelopment Agreement are material terms of this transaction and Seller would not sell the

Property to Buyer except for Buyer's agreement to the terms of the Redevelopment Agreement.

c. Buyer understands that timely construction of the Dwelling Unit is a material and essential aspect of the Project and the ability of Seller to utilize Tax Increment Financing. Buyer hereby agrees and acknowledges that if construction of the Dwelling Unit has not commenced by the Commencement Date, Seller shall have the right to set the Effective Date for the Property (as more fully set forth in the Redevelopment Agreement) on or any time after the Commencement Date and Buyer shall have the obligation to make a payment in lieu of taxes based upon the Minimum Valuation, even if no improvements are constructed on the Property. If Buyer commences construction on or before the Commencement Date, Seller shall not set the Effective Date for the Property (as more fully set forth in the Redevelopment Agreement) any earlier than the Completion Date.

7. Title. At Closing, Seller shall execute and deliver to Buyer a warranty deed conveying title to the Property free and clear of all liens and encumbrances. Provided, however, title to the Property will be subject to: (1) the Redevelopment Agreement by and between the Seller and the Community Redevelopment Authority of the City of Arapahoe, Nebraska, dated March 1, 2016, a Memorandum of which is recorded as Inst. No. [REDACTED] with the Furnas County Register of Deeds, (2) the Restrictive Covenants recorded as Inst. No. [REDACTED] with the Furnas County Register of Deeds, (3) any Permitted Exceptions as defined in Paragraph 7 below, and (4) easements and any restrictions of record against the Property. Closing shall occur on a mutually agreeable date (the "Closing Date") within ninety (90) days of the date of this Agreement and upon Buyer providing Seller with satisfactory proof, in Seller's sole discretion, that adequate construction financing has been secured by Buyer and necessary agreements have been entered into by the Buyer to construct the Dwelling Unit pursuant to the terms of this Agreement.

7. Title Insurance. Within twenty (20) days from the date of this Agreement, Buyer shall obtain a title insurance commitment on the Property issued by the Title Company. The title insurance commitment will show marketable title to the Property in Seller in accordance with the terms and conditions of this Agreement, and shall agree to insure title in Buyer in the amount of the Purchase Price following Closing in conformity herewith. The cost of the final title insurance policy shall be solely Buyer's responsibility.

Buyer shall approve or disapprove title to the Property within ten (10) days after receipt of the title insurance commitment. If any defect in title is discovered during the examination of the title commitment by either Buyer or Buyer's attorney, Buyer shall furnish Seller with a copy of the attorney's opinion which reflects such defect. Seller shall have the option to cure such defect at Seller's sole cost and expense. If Seller elects not to cure such defect, or if efforts to cure any such defect fail, both Seller and Buyer shall have the option to rescind this Agreement, in which case Buyer shall be entitled to receive a refund of its earnest money deposit, if any is paid. In addition to the terms and conditions of this Agreement, the land title law of Nebraska, and the title standards approved by the Nebraska State Bar Association to the date of examination of title shall serve as a guide to marketability of title. Any matters

reflected in the title commitment to which Buyer does not object shall be deemed to be "Permitted Exceptions."

8. Conditions Precedent-Inspections. Prior to closing, Buyer or Buyer's authorized agent shall have the right to inspect the Property, at Buyer's expense, to determine the condition of the Property. Buyer shall order all such inspections it deems necessary in Buyer's sole discretion within ten (10) days of the date of this Agreement and shall use its best efforts to complete the inspections within twenty (20) days of the date of this Agreement. If the inspections are not ordered and/or completed by the respective dates specified above such contingency shall be deemed satisfied. Buyer's obligation to purchase the Property is contingent upon Buyer receiving satisfactory reports or results of the inspections. Such reports or results shall be deemed satisfactory in Buyer's sole discretion.

9. Closing Costs. Buyer shall be obligated to pay all closing costs, including the costs of filing the deed and deed of trust. Each party shall pay its own attorney fees. Buyer and Seller agree to retain a mutually acceptable title company as the escrow closing agent to close this transaction and Buyer shall pay all the expenses of the Title Company.

10. Taxes. The Property is exempt from real estate taxes during Seller's ownership. Buyer shall pay all real estate taxes due on the Property on or after the Closing Date.

11. Possession. Seller shall deliver possession of the Property to Buyer on the Closing Date.

12. Real Estate Commissions. Buyer and Seller represent that neither have executed any listing agreement or other document with a real estate broker. In the event that any real estate broker claims a commission, finder's fee, or other compensation as a result of this transaction, the party alleged to have entered into an agreement with such a broker shall indemnify and hold the other party harmless from and against any such commission, finder's fee, or other compensation and all costs or expenses, including court costs and reasonable attorneys fees which may be associated therewith.

13. Default. In the event either party fails to comply with any of the material terms of this Agreement for a period of ten (10) days after receiving written notice from the non-defaulting party specifying the nature of the default, then the non-defaulting party may declare an event of default.

14. Remedies. If any event of default set forth in this Agreement shall occur and a defaulting party fails to cure the same within the express time period herein provided, the other party, in addition to any other rights of that party under this Agreement, may at its option exercise any rights and remedies available at law or in equity, including, without limitation, specific performance of this Agreement. No remedy herein is intended to be exclusive of any other remedy provided herein or by law or in equity, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. No delay or omission of any party in exercising any remedies or power accruing upon any event of

default shall impair any remedies or power or shall be construed to be a waiver of any event of default or any acquiescence therein.

15. No Warranties. Buyer does hereby acknowledge, represent, warrant and agree to and with Seller that: (i) Buyer is expressly purchasing the Property in its existing condition "AS IS, WHERE IS, AND WITH ALL FAULTS" with respect to all facts, circumstances, conditions and defects; (ii) Seller has no obligation to inspect for, repair or correct any such facts, circumstances, conditions or defects or to compensate Buyer for same; (iii) Seller has provided Buyer sufficient opportunity to make such independent factual, physical and legal examinations and inquiries as Buyer deems necessary or appropriate with respect to the Property and the transaction contemplated by this Agreement; (iv) Seller has specifically bargained for the assumption by Buyer of all responsibility to inspect and investigate the Property and of all risk of adverse conditions and has structured the Purchase Price and other terms of this Agreement in consideration thereof; and (v) Buyer has undertaken all such inspections and investigations of the Property as Buyer deems necessary or appropriate with respect to the Property and the suitability of the Property for Buyer's intended use, and based upon same, Buyer is and will be relying strictly and solely upon such inspections and examinations and the advice and counsel of its own consultants, agents, legal counsel and officers, Buyer has approved the Property in all respects, and Buyer is and will be fully satisfied that the Purchase Price is fair and adequate consideration for the Property. Without limiting the generality of any of the foregoing, Buyer specifically acknowledges that Seller does not represent or in any way warrant the accuracy of any marketing information or pamphlets listing or describing the Property or the information, if any, provided by Seller to Buyer.

16. Assignment. This Agreement may not be assigned by either party without the prior written consent of the non-assigning party. Any such assignment shall not terminate the liability of the assignor to perform, unless a specific release in writing is given and signed by the other party to this Agreement.

17. Severability. Except to the extent the same would operate to deprive either party of the economic benefit of its bargain hereunder, if any term or provision of this Agreement or the application thereof to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

18. Further Assurances. Each undersigned party will, whenever it shall be reasonably requested to do so by the other, promptly execute, acknowledge, and deliver, or cause to be executed, acknowledged, or delivered, any and all such further conveyances, confirmations, instruments, or further assurances and consents as may be necessary or proper, in order to effectuate the covenants and agreements herein provided. Each of the undersigned parties shall cooperate in good faith with the other and shall do any and all other acts and execute, acknowledge and deliver any and all documents so requested in order to satisfy the conditions set forth herein and carry out the intent and purposes of this Agreement.

19. Interpretations. Any uncertainty or ambiguity existing herein shall not be interpreted against either party because such party prepared any portion of this Agreement, but shall be interpreted according to the application of rules of interpretation of contracts generally.

20. Construction. Whenever used herein including acknowledgments, the singular shall be construed to include the plural, the plural the singular, and the use of any gender shall be construed to include and be applicable to all genders as the context shall warrant.

21. Time is of the Essence. Time is agreed to be of the essence of this Agreement.

22. Entire Agreement. This Agreement contains the entire agreement of the parties. This Agreement cannot be modified or altered unless reduced to writing and consented to by all the undersigned parties.

23. Notice and Demands. Any notice, demand, or other communication required to be provided by this Agreement by either party to the other shall be sufficiently given or delivered if it is sent by registered or certified mail, postage prepaid, return receipt requested or delivered personally.

24. Governing Law. All aspects of this Agreement shall be governed by the laws of the State of Nebraska.

25. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legatees, devisees, personal representatives, successors and permitted assigns.

26. Headings. The paragraph headings of this Agreement are for convenience of reference and shall not in any way modify the terms and conditions hereof.

27. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. This Agreement may be executed by facsimile signature or electronic signature, either of which shall be valid for all purposes.

28. Survival. This Agreement and all terms, conditions, requirements, and obligations contained herein shall survive closing and shall not merge with or into the Deed.

(Signature page follows)

WHEREAS, the undersigned have executed this Real Estate Purchase Agreement, fully intending the same to be binding upon them, their personal representatives, receivers and assigns.

“SELLER”

THE CITY OF ARAPAHOE, NEBRASKA,
a municipal corporation

By: _____
Johnny Koller, Mayor

Attest: _____
City Clerk

“BUYER”

Signature: _____
Print Name: _____
Date: _____

Signature: _____
Print Name: _____
Date: _____

EXHIBIT "A"

Promissory Note

EXHIBIT "B"
Deed of Trust

EXHIBIT "C"
Restrictive Covenants

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