

CONTRACT FOR SALE OF REAL ESTATE

THIS CONTRACT AND AGREEMENT, made and entered into this ____ day of _____, 2010, by and between the City of Beatrice, Nebraska, a Municipal Corporation, hereinafter referred to as "Seller", and _____, husband and wife, as joint tenants, hereinafter collectively referred to as "Buyer", whether one or more;

WITNESSETH:

WHEREAS, Seller is the owner of the real estate hereinafter described, which real estate Buyer desires to purchase, and the parties have reached an agreement with respect to the terms and conditions of the sale of said real estate and desire to reduce the same to writing,

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS CONTAINED HEREIN, IT IS AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

1. LEGAL DESCRIPTION: Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, all under the terms and conditions hereinafter set forth, all right, title and interest in and to the real estate described as follows:

INSERT LEGAL DESCRIPTION

(Commonly referred to as _____, Beatrice, Nebraska)

2. PURCHASE PRICE: The purchase price shall be _____ DOLLARS (\$_____.00), with a down payment in the amount of Zero DOLLARS \$0.00 being due and payable from Buyer to Seller upon the execution of this Contract, and the balance to be paid by Buyer giving a Promissory Note to Seller in the amount of _____ DOLLARS \$_____.00, payable with interest at the rate of Five percent (5 %) per annum as follows:

a) Buyer shall construct a wood frame residence consisting of at least nine hundred (900 sq./ft) square feet of finished living space on the main floor. Construction of said residence shall begin within six (6) months of Buyer acquiring title to the real estate and said residence shall be completed and issued a Certificate of Occupancy by the City of Beatrice within twelve (12) months of the Buyer obtaining a building permit. The Buyer shall occupy said residence as their primary residence during the course of the Agreement.

b) On date of closing, Buyer shall execute and deliver unto Seller a Promissory Note (herein "Note") in the principal amount of \$2,000.00; which Note shall be secured by a Deed of Trust (herein "Deed of Trust") on the real estate above described.

c) The principal and interest of said Promissory Note shall be payable on an annual basis, with the first payment being due on the 1st day of _____, 2011. The first annual payment shall be waived if Buyer obtains a building permit and begins construction within six (6) months of the date of closing. The second annual payment shall be waived if Buyer

completes construction of the residence and is issued a Certificate of Occupancy by the City of Beatrice within twelve (12) months of being issued a building permit. The third (3rd), fourth (4th), and fifth (5th) annual payments shall be waived if Buyer is occupying said residence as their primary residence and is current on all applicable real estate taxes and assessments levied against said real estate and is in compliance with all of the terms of this Agreement.

If Buyer shall default on any of the terms of this Agreement, then the entire purchase price plus interest shall become due and payable immediately.

The first principal payment of \$_____, which sum includes principal and interest shall be due.

d) The unpaid balance of the principal of said Note shall draw interest at the rate of 5.00% per annum on the unpaid balance remaining from time to time, from and after date of closing.

e) If any installment of principal is not paid within ten (10) days after its due date, said unpaid installment shall draw interest at the rate of ten percent (10%) per annum, from its due date until paid.

f) If any of the payments agreed to be paid by the Makers of said Note remain due and unpaid, in whole or in part, for sixty (60) days after the same become due, or if the Makers, their successor or assigns fail to pay taxes and assessments levied against said pledged property before the same become delinquent, or fail to keep the terms of the Note and Deed of Trust, then in either of said events, the whole of said indebtedness then remaining shall, at the option of the Holder of said Note, become due and payable without notice and draw interest at the rate of ten percent (10%) per annum. Failure to exercise said option shall not constitute a waiver of the right to exercise the same in the event of any subsequent default.

g) The Makers, their successors or assigns, shall not have the right to prepay the principal of said Note, without the prior written permission of the Holder of said Note. If so authorized, any partial pre-payment shall operate to reduce the unpaid principal balance owing and to discharge the indebtedness evidenced hereby at an earlier date, but shall not delay the due date of any subsequent installment.

h) The Makers of said Note, in case suit is instituted to collect the same, or any portion thereof, shall pay all costs of collection, other costs, and any additional fees for attorney fees as the Court may adjudge reasonable in such suit.

i) Payments to be made pursuant to said Note shall be made either directly to the Seller, or if requested by Seller, by depositing payment to Seller's checking account as Seller may direct.

3. PERSONAL PROPERTY: No personal property is included in this sale.

4. IMPROVEMENTS: This is an unapproved tract, with no improvements.

5. TAXES AND ASSESSMENTS: All real estate taxes for the year 2008 and all prior years shall be paid by Seller. Real estate taxes for the year 2009 and all future years shall be paid by Buyer.

6. POSSESSION: The Buyer shall be entitled to full possession on the date of closing.

7. MARKETABLE TITLE: Seller shall furnish unto Buyer a commitment for Title Insurance, with a Title Insurance Company authorized to do business in the State of Nebraska. The title insurance agent shall be the choice of the Buyer. If Buyer fails to notify the Escrow Agent herein as to Buyer's preference of title insurance agents within five (5) days after the execution of this Contract, then the Escrow Agent shall choose said agent for title insurance. This Title Insurance commitment shall reflect insurable title in Seller, subject only to easements and restrictions of record. Any defects found in said commitment shall be removed by the Seller at or prior to closing. Seller and Buyer shall each pay one-half of the cost of the owner's policy with Buyer paying the cost of the policy for any lender.

8. RISK OF LOSS: Seller shall bear all risks of loss from the time of the execution of this Agreement by the parties herein through date of closing.

9. DOCUMENTARY STAMP TAX: Seller shall pay the documentary stamp tax levied upon the filing of said Deed in the amount of \$_____. Buyer shall pay the filing fees for the Deed in the approximate amount of \$_____.

10. WARRANTIES: Buyer has had ample opportunity to inspect the premises. Buyer accepts the premises in their present condition, on an "as is" basis, and no warranties, express or implied, have been given as to the condition of the same, the same being expressly denied.

11. INTEREST: It is agreed that from the date of this Agreement until the date of closing that no interest shall be due from Buyer unto Seller.

12. INSTALLMENT REPORTING: The parties agree that the down payment shall be considered as having been received by Seller from Buyer in the year 2010, and the balance in subsequent years, and the reporting and allocation and the issuance of Form 1099s shall conform accordingly. It is the intent of the parties that the Seller be authorized to utilize installment reporting, with the monies to be received in the respective years.

13. ESCROW: The Seller will execute a Warranty Deed prior to the date of closing, conveying said real estate to Buyer. The Deed will be placed with the City Attorney, 400 Ella Street, Beatrice, Nebraska 68310, and will be delivered to Buyer by Escrow Agent at closing.

14. ESCROW AGENT FOR CLOSING: Seller and Buyer hereby appoint the City Attorney, Attorney at Law, as Escrow Agent for closing, pursuant to the terms of this Agreement, to do the following:

(a) to receive and execute a copy of this Agreement, the Deeds from the Seller to the Buyers, and evidence of title (title insurance commitment), all releases of liens or other instruments to be filed.

(b) to prepare closing statements which the parties hereto agree to sign as part of their obligation herein.

(c) to deliver the Deed to the Buyers at time of closing, and if so instructed, file all documents with the Office of the Register of Deeds.

(d) to receive from Buyer and Seller all closing costs.

(e) to pay all costs associated with this transaction, including abstracting, title insurance premiums, transfer tax on the deeds, filing fees, legal fees, escrow fee, and real estate taxes, existing encumbrances, and all liens and mortgages, if any.

(f) to receive from Buyer and Seller a closing fee of \$0.00.

(g) to remit unto Seller all sums due Seller, after deducting any sums required to be paid at closing.

The duties of the Escrow Agent shall be confined to the items specifically provided herein. Should the Escrow Agent become aware of conflicting demands or claims with respect to the Escrow or the rights of any of the parties hereto, or any money or property deposited herein or affected thereby, the Escrow Agent shall have the right to discontinue any further acts, until such conflict is resolved, and shall further have the right to commence or defend any action or proceedings for the determination of such conflict.

15. DEED: The conveyance herein shall be made by Warranty Deed. Buyers shall inform Escrow Agent herein as to the exact manner in which Buyer desires to take title to the property, within five (5) days prior to closing. The Deed will be delivered to the Buyer upon date of closing.

16. SURVIVAL OF CONTRACT: Upon the delivery of the deed all warranties and representations, if any, shall merge and the acceptance thereof shall be full and complete satisfaction of all obligations of the Seller.

17. CLOSING: The parties shall close this transaction at such time and date as they mutually agree, and in the absence of prior mutual agreement, this transaction shall close at the office of the City Attorney, 400 Ella Street, Beatrice, Nebraska 68310 at 10:00 a.m. on the ____ day of _____, 2010. At the time of closing, Seller shall deliver to the Escrow Agent the Deed of Conveyance, Real Estate Transfer Statements and check for the payment of the documentary stamp tax, in exchange of the payment of the purchase price set forth in Paragraph 2, hereof, due from Buyer to Seller at that time.

18. WAIVER: A waiver by the Seller or Buyer, of any default or breach hereunder shall not be construed as a continuing waiver of such default or breach, nor as a waiver of remission, express or implied, or of any other subsequent default or breach.

19. DEFAULT: Time is of the essence in performance of this Agreement. It is understood and agreed by the parties hereto that in the event Buyer shall fail to complete the payment of the balance of the purchase price as hereinabove set forth or fail to keep any of the other requirements to be kept by Buyer, then Seller may declare default, and the down payment herein and the rights of Buyer to this Agreement shall be forfeited to Seller as liquidated damages for non-performance of this Agreement and Seller shall be released from further obligation under this Agreement. Should Seller default in performance of their obligations under this Contract, Buyer shall be entitled to bring any action for specific performance of this Agreement or exercise of any other remedy available at law or equity for the enforcement of this Agreement or ascertain in collection of any damages sustained by virtue of such default.

20. ASSIGNABILITY: This Contract may not be assigned by the Buyer. Buyer may not sell the real estate without the consent of Seller until all terms of this Agreement are satisfied.

21. NOTICES: Notices to Seller shall be given to Seller at the following address:

SELLER ADDRESS

Notices to Buyers shall be given to the respective Buyers at the following address:

City Attorney, 400 Ella Street, Beatrice, NE 68310, telephone: 402-228-5211.

22. REAL ESTATE SETTLEMENT PROCEDURES ACT (RESPA): Seller and Buyer hereby agree to make all disclosures and to sign all documents necessary to allow full compliance with the provisions of the Real Estate Settlement Procedures Act of 1974, as amended, to furnish Federal Identification Numbers and/or Social Security Numbers as required, for the proper reporting to the Internal Revenue Service, if required.

23. MISCELLANEOUS: The headings of the paragraphs of this agreement are inserted for convenience only and shall not constitute a part hereof. Wherever applicable the singular shall include the plural and the masculine the feminine. This agreement shall be executed in triplicate and each shall be considered an original.

24. BINDING EFFECT: This contract shall be binding upon the heirs, executors, administrators and assigns of the parties hereto.

25. ENTIRE AGREEMENT: This contract contains the entire agreement between the parties hereto, and no agreements or warranties, oral or written, shall be considered as binding on the parties hereto unless set forth herein.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year first above written.

Buyer
SSN: _____

Buyer
SSN: _____

City of Beatrice, Nebraska,
a Municipal Corporation, Seller

Dennis M. Schuster, Mayor

Federal ID #: _____

Attest:

Linda S. Koch, City Clerk

