

OPTION AGREEMENT

This Option Agreement (“Agreement”) is entered into on this ____ day of _____, 2021 (“Effective Date”), by and between the City of Jonesboro (“City”) and JURHA Housing and Community Development Corporation, an Arkansas non-profit corporation (“JURHA”). The parties agree as follows:

Section 1. Option; Purchase Price. City hereby grants to JURHA an option to purchase the land described in Exhibit A for the sum of \$10.00 and other good and valuable consideration. Said option shall be exercisable for a term of one (1) year from the Effective Date. If JURHA does not exercise its option consistent with this Option Agreement within one (1) year of the Effective Date, this Option Agreement, and the option granted herein, shall terminate, if it has not already terminated pursuant to Section 4 herein. Exhibit A is an approximate description of the property; an exact legal description will be determined by a land survey, prior to closing.

Section 2. Assignment. This Option Agreement may be assigned by JURHA, without consent of the City required, to an “Affiliate” of JURHA. “Affiliate,” for purposes of this Option Agreement, is defined as a member-managed limited liability company of which JURHA is the sole member

Section 3. Use of Property. The land described in Exhibit A, attached hereto and incorporated herein, shall be used by JURHA, or an Affiliate of JURHA, for the development of an affordable housing multifamily project (“Project”).

Section 4. Termination Prior to Term Expiration. JURHA is making application to Arkansas Development Finance Authority for loans to finance the development of the Project. In the event that the ADFA Board of Directors Housing Review Committee denies the financing, this Agreement, and the option granted hereunder, shall immediately terminate.

Section 5. Exercise of Option. The option granted hereunder shall be exercised by JURHA, or Affiliate to which this Option Agreement has been assigned, by written notice to:

City of Jonesboro
Attn: _____

Section 6. Access. City agrees to provide JURHA and its agents access to the property site to conduct appraisals, surveys, engineering testing, and any and all other activities that may be required to comply with ADFA requirements, at JURHA's expense. JURHA shall hold City harmless from any and all liability resulting from such actions.

Section 7. Utilities. The City certifies that all utilities – water, sewer, and electricity – are available to the property site. The City shall provide the designated rights-of-ways for the street, water or fire lines, sewer lines, electrical service, telephone service, cable TV service, natural gas service, and drainage.

Section 8. Reports. The City agrees to provide to JURHA copies of all plats, surveys, and any other reports applicable to the property site in possession of the City.

Section 9. Title Requirements and Closing Costs: JURHA will be responsible for obtaining an owners' policy of title insurance. If required by the lender, JURHA shall furnish, at JURHA's cost, a mortgagee's title policy in the amount of the mortgage. The City agrees to cooperate with JURHA in obtaining all replatting, rezoning, and abandonments JURHA deems necessary. JURHA will pay all closing costs associated with this option.

Section 10. Survey: If desired by JURHA, JURHA shall be responsible for obtaining and paying for a survey.

Section 11. Possession: Possession shall be delivered to Buyer upon Seller's delivery of the Special Warranty Deed.

Section 12. Miscellaneous:

A. Captions: All captions in this Agreement are inserted only as a matter of convenience and in no way define, limit or extend the scope or intent of this Agreement or any provisions hereof.

B. Severability: If any part of this Agreement or any other Agreement entered into pursuant hereto is contrary to, prohibited by or deemed invalid under applicable law or regulation, such provision shall be deemed inapplicable and deemed amended to the extent so contrary, prohibited or invalid and the remainder hereof shall not be invalidated thereby and shall be given full force and effect so far as possible.

C. Time is of the Essence: The Parties agree that time is of the essence of this Agreement.

D. Brokerage: Neither the Buyer nor Seller is represented by any Broker.

E. Entire Agreement. This agreement constitutes the entire contract for Option to Purchase between the parties and no modification shall be binding unless in writing.

Section 13. Notices: Unless otherwise provided in this Agreement all notices, requests, demands, or other communications required or permitted to be given or made hereunder shall be in writing and delivered personally or sent by prepaid, first class, certified or express mail, return receipt requested, postage paid, as follows (or to such addressee or address as shall be set forth in a notice given in the same manner):

- a. If to JURHA:
Attn: Sharon (Poe) Spikes
330 Union
Jonesboro, AR 72401
sharonp@jurha.org
(870) 336-9614/office
(870) 336-3749/fax

With a copy to:

Nona M. McVay
The McVay Firm PLLC
P.O. Box 10
Cabot, AR 72203

b. If to City:

Attn: _____

Jonesboro, Arkansas

All such notices shall be deemed to have been given on the date delivered or mailed in the manner provided above.

(This space left blank intentionally. Signature page follows.)

IN WITNESS WHEREOF, the parties executed and delivered this Agreement effective as of the day and year first written above.

CITY OF JONESBORO

By: _____
Name: _____
Title: _____

Date: _____, 2021

**JURHA HOUSING AND COMMUNITY
DEVELOPMENT CORPORATION, an
Arkansas Non-Profit Corporation**

By: _____
Name: _____
Title: _____

Date: _____, 2021

EXHIBIT A

Preliminary Property Description

Starting/ point of beginning at the northwest corner of 50'w undeveloped Word Avenue & existing lot #23, 150' east to proposed property corner, thence north 450.09' to property corner at south side of undeveloped Pyle Street, thence west 150' along north side of existing lot #18 to northwest corner of existing lot #18, thence north 50' across undeveloped Pyle Street ROW, thence east 280.5' to proposed property corner at southeast corner of existing lot #17, thence north 109.30', thence east 256.93' to proposed northeast property corner, thence south along east boundary 609.39' to northeast end of undeveloped Word Avenue, thence south 50' to southeast end of undeveloped Word Avenue, thence west 535.4' to southwest end of undeveloped Word Avenue, thence 50' north to point of beginning at northwest corner of undeveloped Word Avenue, for an approximate total of 255,001.8785 sq ft, or 5.85 acres, more or less.

An exact legal description will be determined by a land survey, prior to the closing.