RESOLUTION NO.: 33 -2010
INTRODUCED BY: Alexander

A RESOLUTION AUTHORIZING THE MAYOR AND DIRECTOR OF FINANCE TO ENTER INTO A PURCHASE AGREEMENT FOR PROPERTY AT 361 DUMBARTON BOULEVARD.

WHEREAS, pursuant to the City's participation in the federal Neighborhood Stabilization Program, the City administration has recommended acquisition of a home at 361 Dumbarton Boulevard in the City for rehabilitation and resale under the grant Program;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Richmond Heights, State of Ohio, that:

Section 1: The Mayor and the Director of Finance are authorized to enter into a purchase agreement for acquisition of the home and land at 361 Dumbarton Boulevard in the City of Richmond Heights for a purchase price not to exceed $60,000.00 under the terms and conditions set forth in the purchase agreement, attached hereto at "Exhibit A" and incorporated by reference herein.

Section 2: The Director of Finance is authorized and directed to appropriate to a proper account the sum of $60,000.00 for the acquisition authorized in Section 1 above and up to an additional $1,500.00 for closing costs and other fees necessary to complete the transaction set forth in Section 1 above.

Section 3: It is found and determined that all formal actions of this Council concerning and relating to the adoption of this Resolution were adopted in an open meeting of this Council, and that all deliberations of this Council and any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Section 4: This Resolution shall take effect and be in force from and after the earliest period allowed by law.

PASSED: _______________________________ Daniel J. Ursu, Mayor

APPROVED: _______________________________

ATTEST: _________________________________
Betsy Traben
Clerk of Council

David H. Roche
President of Council
PURCHASE AGREEMENT
OFFER, RECEIPT AND ACCEPTANCE

BUYER: CITY OF RICHMOND HEIGHTS
PROPERTY: located at 361 Dumorton Blvd.

The property, which BUYER has examined and accepts in its "AS IS" PRESENT PHYSICAL CONDITION except for normal wear and tear, shall include the land, all appurtenant rights, privileges and easements, and all buildings and fixtures, including such of the following as are now on the property: all landscaping, electrical, heating, plumbing and bathroom fixtures, ceiling fans, central air conditioning systems; all window and door shades, blinds, awnings, screens, storm windows, curtain rods and drapery hardware; garbage disposal, TV antenna, rotor and control unit; radiator covers, smoke detectors, garage door opener(s) and controls; all attached wall-to-wall carpeting. The following selected items shall also remain: □ satellite dish; □ countertop range; □ range; □ wall oven;
□ microwave; □ kitchen refrigerator; □ second refrigerator; □ dishwasher; □ washer; □ dryer; □ window air conditioner(s); □ through the wall air conditioner(s); □ gas grill; □ fireplace tools; □ screen; □ glass doors and □ grate; □ all existing window treatments; □ ceiling fan(s); □ wood burner stove inserts; □ gas logs; and □ water softener (do not check if leased); □ humidifier; □ dehumidifier; □ security system; □ freezer;
□ indoor grill; □ mailbox and □ invisible fence, transmitter □ collar(s).

Additional items to be included:

Items Excluded:

SECONDARY OFFER: This □ is □ is not a secondary offer. This secondary offer, if applicable, shall become a primary contract upon BUYER’s receipt of a signed copy of the release of the primary contract on or before ___ (Date). BUYER shall have the right to terminate this secondary offer at any time prior to BUYER’s receipt of said copy of the release of the primary contract by delivering written notice to the SELLER or the SELLER’s agent. Upon receipt of the release of the primary contract, BUYER shall deposit earnest money within four (4) days and BUYER and SELLER agree to sign an addendum listing the date for loan application, loan approval, deposit of funds and documents, title transfer and possession.

PRICE: BUYER shall pay the sum of $60,000.00

Payable as follows:

Earnest money in the form of a check, paid to/deposited with: (check one)
□ Listing Broker □ Buyers’ Broker or □
and credited against the purchase price $5,000.00
The check shall be deposited immediately upon acceptance of a binding Agreement as defined below on lines 262-271
Additional Funds to be deposited in escrow $55,000.00

BUYER □ will □ will not (check one) meet down payment requirement
In cash, without regard to the sale and/or closing of any other real property
Mortgage loan to be obtained by BUYER □ CONVENTIONAL, □ FHA, □ VA □ OTHER □ (check one) $0.00

FINANCING: This transaction is conditioned upon BUYER obtaining a commitment for a first mortgage loan (the “Loan”) from Howard Hanna Mortgage Services or such other lending institution chosen by BUYER in the amount set forth above, or in a lesser amount acceptable to SELLER. BUYER agrees to apply in writing for the Loan within ___ days after the date of acceptance, to cooperate fully with the lender’s requests for information and to use good faith efforts to obtain the Loan and shall obtain a commitment for the Loan on or before ___. If, despite BUYER’s good faith efforts, a loan commitment has not been obtained, then this Agreement shall be null and void. Upon signing of a mutual release by SELLER and BUYER, the earnest money deposit shall be returned to the BUYER without any further liability of

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Sellers’ Initials and Date 5/7/10

Buyers’ Initials and Date

Form # 055-1

[00898671 - 1]
Property Address: 361 Dunbarton Blvd

either party to the other or to the Brokers and their agents. If this is a secondary offer, BUYER shall not be obligated to make a loan application until after BUYER's offer becomes the primary contract.

CLOSING: All documents and funds necessary to complete this transaction shall be placed in escrow with BUYER's lending institution or a title company on or before 5/21/10, and the deed shall be recorded on or about 5/21/10, except that if a defect in title appears, SELLER shall have thirty (30) days after notice from BUYER to remove such defect and, if unable to do so, BUYER may either (1) accept title subject to such defect without any reduction in the purchase price or (2) terminate this Agreement. In which case neither BUYER, SELLER nor any REALTOR(s) shall have any further liability to each other, and both BUYER and SELLER agree to sign a mutual release, whereby the earnest money shall be returned to BUYER.

POSSESSION: SELLER shall deliver possession and occupancy to BUYER on or before 5/20 (time) 12 a.m. 12 p.m. (___) days after recording of the deed or 5/21/10, whichever is later. Subject to BUYER's rights, if any, the premises may be occupied by the SELLER free for (___) days and an additional (___) days at a rate of $ (___) per day provided, however, that under no circumstances shall SELLER occupy premises beyond 5/21/10 (date). Payment and collection of fees for use and occupancy after transfer of title are the sole responsibility of SELLER and BUYER and not of the real estate agents or broker involved in the sale.

TITLE: SELLER shall convey a marketable title to BUYER by general warranty deed and/or fiduciary deed, if required, with dower rights released, free and clear of all liens and encumbrances whatsoever, except (a) any mortgage assumed by BUYER, (b) such restrictions, conditions, easements, (c) any mortgage assumed by BUYER, (d) any restrictions, conditions, easements, (e) any mortgage assumed by BUYER, (f) any restrictions, conditions, easements, (g) any mortgage assumed by BUYER, (h) any restrictions, conditions, easements, (i) any mortgage assumed by BUYER, (j) any restrictions, conditions, easements, (k) any mortgage assumed by BUYER, (l) any restrictions, conditions, easements, (m) any mortgage assumed by BUYER, (n) any restrictions, conditions, easements, (o) any mortgage assumed by BUYER, (p) any restrictions, conditions, easements, (q) any mortgage assumed by BUYER, (r) any restrictions, conditions, easements, (s) any mortgage assumed by BUYER, (t) any restrictions, conditions, 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BUYER shall pay the following through escrow: a) one-half of the escrow fee (unless prohibited by VA/FHA regulations); b) one-half the cost of insuring premiums for Owners Policy Title Insurance; c) all recording fees for the deed and any mortgage, and d) a fee of $225.00 to Howard Hanna for brokerage services rendered to the BUYER. BUYER shall secure new insurance on the property.

The cost of the home warranty plan, if any, shall be charged as shown in line 72 above.

☐ The SELLER hereby authorizes and instructs the escrow agent to send a copy of the SELLER'S fully signed HUD Settlement Statement to the SELLER'S Broker listed on this Agreement promptly after closing.

☐ The BUYER hereby authorizes and instructs the escrow agent to send a copy of the BUYER'S fully signed HUD Settlement Statement to the BUYER'S Broker listed on this Agreement promptly after closing.

INSPECTIONS: BUYER shall have professional inspectors perform, at BUYER'S expense, the inspection(s) indicated below. A professional is a person engaged full-time for profit in the business directly related to the inspection service indicated. BUYER must indicate "yes" for each professional inspection desired and the number of days following the date of Acceptance that BUYER has to conduct each inspection elected. BUYER assumes sole responsibility to select and retain a professional inspector for each requested inspection and releases Broker of any and all liability regarding the selection or retention of the inspector(s). If BUYER does not elect inspections, BUYER acknowledges that BUYER is acting against the advice of BUYER'S agent and broker. BUYER understands that all real property and improvements may contain defects and conditions that are not readily apparent and which may affect a property's use or value. BUYER and SELLER agree that the Broker(s) and their agents do not guarantee and in no way assume responsibility for the property's condition. BUYER acknowledges that it is BUYER's own duty to exercise reasonable care to inspect and make diligent inquiry of the SELLER or BUYER'S Inspectors regarding the condition and systems of the property.

INSPECTIONS REQUIRED BY ANY STATE, COUNTY, LOCAL GOVERNMENT OR FHA/VA DO NOT NECESSARILY ELIMINATE THE NEED FOR THE INSPECTIONS LISTED BELOW.

WAIVER: (initial) BUYER elects to waive each professional inspection to which BUYER has not indicated "YES." Any failure by BUYER to perform, within the time specified, any inspection indicated "YES" herein is a waiver of such inspection and shall be deemed absolute acceptance of the property by BUYER in its "AS IS" condition.

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<th>Choice</th>
<th>Inspection</th>
<th>Expense</th>
<th>BUYER'S</th>
<th>SELLER'S</th>
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<td>☐ Yes</td>
<td>GENERAL HOME</td>
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<td>SEPTIC SYSTEM</td>
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<td>WATER POTABILITY</td>
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<td>WELL FLOW RATE</td>
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<td>MOLD*</td>
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<td>OTHER</td>
<td>__ days from acceptance of AGREEMENT</td>
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*Buyer is advised to hire a professional inspector who is qualified to determine whether mold is present in the property, what type of mold is present and to propose an appropriate treatment of any mold that is discovered. Both prior and current water leaks and water damage to a property can result in the existence of mold which may cause adverse health effects.

Within three (3) days after completion of the last inspection, BUYER shall elect one of the following:

(A) Remove the inspection contingency and accept the property in its "AS IS" present physical condition. If the property is accepted in its "AS IS" present physical condition, then BUYER agrees to sign an Amendment/Removal of Contingency;

(B) Accept the property subject to SELLER agreeing to have specific material defects, that were either previously disclosed in writing by the SELLER or identified in a written inspection report, repaired by a qualified contractor in a professional manner at SELLER'S expense; BUYER agrees to provide SELLER with a copy of all inspection reports and to sign an Amendment to Purchase Agreement removing the inspection contingency and identifying those specific material defects which are to be repaired. SELLER and BUYER shall have three (3) days from SELLER'S receipt of BUYER'S written request and copies of inspection reports to agree in writing which material defect(s), if any, shall be corrected by SELLER at SELLER'S expense. If BUYER and SELLER do not agree in writing within those three (3) days, then this AGREEMENT shall be null and void, and SELLER and BUYER agree to sign a mutual release, whereupon

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SELLERS' INITIALS AND DATE  
BUYERS' INITIALS AND DATE

Form # 056-3

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the earnest money shall be returned to BUYER. SELLER agrees to provide reasonable access to the property for BUYER to review any such material defects corrected by SELLER. For purposes of this AGREEMENT, "material defects" DO NOT include minor routine maintenance. OR

(C) Terminate this Agreement if BUYER's written inspection report(s) or any other source(s) identify material defects NOT previously disclosed in writing by SELLER. If BUYER elects to terminate, SELLER agrees to provide a copy of the written inspection report(s) to SELLER, and both parties agree to promptly sign a mutual release, whereupon the earnest money shall be returned to BUYER.

Yes No  ☑ ☐ PEST/WOOD DESTROYING INSECTS: An inspection of all structures on the property shall be made within ☐ days by a licensed inspection or exterminating agency of ☐ BUYER's or ☐ SELLER's choice at ☐ BUYER's ☐ SELLER's expenses and such agency's written report made available to the BUYER before closing. If such report shows existing infestation or damage by pests, termites or other wood-destroying insects, treatment of the condition shall be made by a licensed exterminating agency which shall furnish a certificate of guarantee for a period of at least one year in the case of termites and a certificate of guarantee for a period of at least 60 days in the case of wood destroying insects. ALL REPAIRS AND TREATMENT COSTS SHALL BE PAID BY THE ☐ BUYER or ☐ SELLER (unless FHA/VA regulations prohibit payment of inspection and/or repair expenses by BUYER, in which case SELLER shall pay such costs and/or repair expense). This agreement may be voided by either party, if the repair exceeds $500.00. In that event, SELLER and BUYER agree to sign a mutual release whereupon the earnest money shall be returned to the BUYER.

Yes No  ☑ ☐ LEAD-BASED PAINT: BUYER shall have the right to have a risk assessment or inspection of the property by a professional inspector, for the presence of lead-based paint and/or lead-based paint hazards at BUYER's expense within ☐ days after acceptance. (Intact lead-based paint that is in good condition is not necessarily a hazard. See EPA pamphlet "Protect Your Family From Lead in Your Home" for more information.) In the event existing deficiencies or corrections are identified by the inspector in their written report, BUYER shall have the right to terminate the AGREEMENT or request that the SELLER repair the specific existing deficiencies noted on the written inspection report. In that event, BUYER agrees to immediately provide SELLER with a copy of the written inspection and/or risk assessment report. Upon receipt of the inspection report and BUYER's request for repairs, SELLER shall have the option to either agree to correct the deficiencies identified in the inspector's written report or decline to do any repairs. If SELLER elects to correct the deficiencies, SELLER agrees to provide to BUYER prior to Title Transfer a certificate from a qualified risk assessor or inspector demonstrating that the deficiencies have been remedied. If the SELLER declines to correct the deficiencies, BUYER may elect to terminate the AGREEMENT or accept the property in its "AS IS" condition. BUYER may remove this right of inspection at any time without SELLER's consent.

BUYER ☑ HAS (BUYER's initials) ☑ HAS NOT (BUYER's initials) received a copy of the EPA pamphlet entitled "PROTECT YOUR FAMILY FROM LEAD IN YOUR HOME" and a copy of the "DISCLOSURE ON LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS."

☑ ☐ if BUYER has not received such pamphlet and disclosure, then this offer is subject to the SELLER completing the disclosure form and BUYER's review and approval of the information contained on the disclosure form within ☐ days from receipt.

The BUYER and SELLER can mutually agree IN WRITING to extend the dates for inspections, repairs, or to exercise their right to terminate the Agreement. SELLER agrees to provide reasonable access to the property for BUYER to review and approve any conditions corrected by SELLER. If this is a secondary offer, the number of days specified for each of the inspections indicated in lines 132-142 shall be from the date this becomes the primary contract and not from the date of acceptance.

MEGAN'S LAW: SELLER represents that SELLER has disclosed to BUYER all notices received pursuant to Ohio's sex offender law. The BUYER acknowledges that the information disclosed may no longer be accurate and assumes the responsibility to check with the local sheriff's office for current, complete and accurate information. BUYER will rely on BUYER's own inquiry with the local sheriff's office as to registered sex offenders in the area and will not rely on SELLER or any real estate agent involved in the transaction to determine if a sex offender resides in the area of the property.

CONDITION OF PROPERTY: BUYER has examined the property and agrees that the property is being purchased in its "AS IS" PRESENT PHYSICAL CONDITION including any defects disclosed by the SELLER on the State of Ohio Residential Property Disclosure Form, identified by any inspections requested by either party or on any other forms or addenda made a part of this Agreement or identified by any other source. SELLER warrants to BUYER that SELLER has completed the State of Ohio Residential Property Disclosure Form accurately and thoroughly and that no additional items of disclosure have occurred since the SELLER's completion of that form. SELLER agrees to notify BUYER in writing of any additional disclosure items that arise between the date of acceptance and the date of recording of the deed. BUYER has not relied upon any representations, warranties or statements about the property (including but not limited to its condition or use)

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SELLER'S INITIALS AND DATE
BUYER'S INITIALS AND DATE

[00898671-1]
unless otherwise disclosed on this AGREEMENT or on the Residential Property Disclosure Form. BUYERS must initial one of the following:

BUYER I HAS (BUYER’S initials), prior to signing this offer, received a copy of the Residential Property Disclosure Form which was signed by SELLER on ____________ (date).

BUYER II HAS NOT (BUYER’S initials) received a copy of the Residential Property Disclosure Form. This offer is subject to the SELLER completing the Residential Property Disclosure Form and BUYER’S review and approval of the information contained on the disclosure form within ________ days from receipt.

BUYER acknowledges that the SELLER has completed the Residential Property Disclosure Form and agrees to hold the Brokers and their agents harmless from any misstatements or errors made by the SELLER on that form. BUYER also acknowledges and agrees that the Brokers and their agents have no obligation to verify or investigate the information provided by the SELLER on that form. BUYER hereby acknowledges that any representation by SELLER or the real estate agent(s) regarding the square footage of the rooms or structures, the lot dimensions, homeowners’ fees, public and private assessments, utility bills, taxes and special assessments are approximate and not guaranteed.

Please list any and all verbal representations made by Brokers or their agents that you relied upon when purchasing this property (if none, write “none”).

SELLER shall pay all costs for the repair of any leak(s) in the water or gas main supply lines found between the street and foundation at the time of transfer or restoration of utilities. SELLER agrees to comply with any and all local governmental point of sale laws and/or ordinances. SELLER shall promptly provide BUYER with copies of any notices received from governmental agencies to inspect or correct any current building code or health violations. If applicable, BUYER and SELLER shall have ________ (10) days after receipt by BUYER of all notices to agree in writing which party shall be responsible for the correction of any building code or health violation(s). In the event BUYER and SELLER cannot agree in writing, this AGREEMENT can be declared null and void by either party. In that event, SELLER and BUYER agree to sign a mutual release with instruction to the Broker for disbursement of the earnest money on deposit.

REPRESENTATIONS AND DISCLAIMERS: BUYER acknowledges that BUYER is relying upon SELLER’S own inspection and evaluation of the property, whether performed by BUYER or BUYER’S independent inspectors or contractors, in determining the property’s condition or fitness. BUYER understands that Howard Hanna and its agents do not warrant the condition or systems of the property or guarantee that SELLER has disclosed all defects.

BUYER acknowledges that, except as specifically noted on lines 226-228 above, Howard Hanna and its agents have not made any representations, warranties, or agreements, express or implied regarding the condition or use of the property, including but not limited to any representation that: (a) the basement, crawl space, or slab area do not incur seepage, leakage, dampness, or standing water; (b) the heating, cooling, plumbing, or electrical systems or any built-in appliance is in good working condition or is completely functional; (c) the roof is weather tight and/or structurally sound; (d) the structure is free from insect infestation, lead paint, or lead paint hazards; (e) the water supply and septic system, if any, are not deficient in any respect; or (f) radon gas, asbestos and/or asbestos insulation, or any other toxic substance including any toxic form of mold, is not present on the property.

DAMAGE: If any building or other improvements are destroyed or damaged in excess of ten percent of the purchase price prior to title transfer, BUYER may either accept the insurance proceeds for said damage and complete this transaction or may terminate this AGREEMENT and receive the return of all deposits made. In that event, SELLER and BUYER agree to sign a mutual release with instruction to the Broker for disbursement of the earnest money on deposit. If such damage is less than ten percent of the purchase price, SELLER shall restore the property to its prior condition and BUYER agrees to complete the purchase of the property.

MONEY BACK GUARANTEE: (Elect one) BUYER I does elect (check) does not elect to purchase the Howard Hanna Money Back Guarantee Program, subject to Program’s terms and conditions. If BUYER elects the Program, then this Agreement and BUYER’S obligations hereunder are conditioned upon approval of BUYER’S Application to Repurchase by Home Trade-In Company, Inc. (“HTCI”) within seven (7) days from Acceptance as herein defined. If BUYER’S fully-executed Application, including BUYER’S agreement to pay HTCI a fee of 1% of the purchase price, is not approved by HTCI, then this Agreement shall be null and void and BUYER and SELLER agree to sign a mutual release whereby upon the earnest money shall be returned to BUYER.

BINDING AGREEMENT: For purposes of this AGREEMENT, “acceptance” shall occur upon the written acceptance, without any material change to the last offer or counter offer, and either the verbal or written communication of that acceptance to the last offering party or their agent. For purposes of this Agreement, “days” shall be defined as calendar days. Upon acceptance, this offer and all attachments and addenda, shall become an AGREEMENT binding on BUYER and SELLER, their heirs, executors, administrators, successors and assigns and shall be deemed to contain all the terms, conditions, representations and warranties, either expressed or implied, agreed upon by the BUYER and SELLER with
respect to this transaction. All counter-offers, amendments, changes or deletions to this AGREEMENT shall be in writing and be signed by both BUYER and SELLER. Facsimile or other electronically transmitted signatures shall be deemed binding and valid. THIS IS A LEGALLY BINDING CONTRACT. The parties should consult an attorney or other professional if in need of legal or tax advice.

ADDITIONAL TERMS: Buyers offer to purchase property is conditioned upon authorization by City of Richmond Heights Council. Written copy of the act of sale is to be made a part of this Agreement. The terms and conditions of all such addenda or attachments shall supersede any conflicting terms in this Agreement.

EARNEST MONEY: In the event of a dispute between the Seller and Buyer regarding the disbursement of the earnest money, the broker is required by Ohio law to maintain such funds in the broker's trust account until the broker receives (a) written instructions signed by the parties specifying how the earnest money is to be disbursed or (b) a final court order that specifies to whom the earnest money is to be awarded. If within two years from the date the earnest money was deposited in the broker's trust account, the parties have not provided the broker with such signed instruction or written notice that such legal action to resolve the dispute has been filed, the broker shall return the earnest money to the purchaser with no further notice to the seller. The broker shall acknowledge receipt of the earnest money shown on line 31 to the escrow agent who shall credit that amount to the Buyer's escrow account. Unless otherwise stated herein, the earnest money shall be retained in the broker's trust account until after title transfer at which time it shall be applied against any compensation due the broker. Any amount by which the earnest money exceeds the compensation due the broker shall be remitted to the escrow agent.

BUYER: 
Print name: 
Address: 
Phone: Email: 

HANNA KROES 
141 CLEVE CIRC 
RICHMOND HEIGHTS, OH 44131

Buyer's Offer Date: 

DEPOSIT RECEIPT: Receipt is hereby acknowledged, of $____ earnest money, subject to the terms of the above offer.

HOWARD HANNA REAL ESTATE SERVICES:

By: 
Office: Phone:

ACCEPTANCE: SELLER accepts the above offer and, by irrevocable assignment of escrow funds, hereby instructs the escrow agent to pay from SELLER'S escrow funds a brokerage commission of three % of the sale price and, if the property is listed by Howard Hanna, $225.00 to Howard Hanna Real Estate Services, 800 W. St. Clair Ave., 5th Floor, Cleveland, Ohio 44113-1260 as the sole procuring agent in this transaction and % of the purchase price to Broker.

SELLER: 
Print name: 
Address: 
Phone: Email: 

COUNTER OFFER TERMS: 

Sellers' signature Date

Buyers' signature Date

Sellers' initials and date

Buyers' initials and date

Form # 056-6

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