

07/25/2018

**OFFER TO PURCHASE/
PURCHASE AGREEMENT**

The City of Rochester Hills (“Purchaser”), a Michigan municipal corporation, of 1000 Rochester Hills Drive, Rochester Hills, Michigan 48309, agrees to purchase from Eugene R. Zapczynski and Raymond L. Zapczynski (“Seller”), of 460 S. Valley Street, West Branch, MI 48661, the following real property (the “Property”), upon the following terms and conditions:

1. Property Description. The real property consisting of a 0.166 acre parcel of vacant land located in the City of Rochester Hills, Oakland County, Michigan, Parcel I.D. No. 70-15-25-456-025, more particularly described as:

T3N, R11E, SEC 25 SUPERVISOR'S PLAT OF BROOKLANDS PARK LOT
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together with all appurtenances, drains and sewers, and oil, gas, and mineral rights, and subject to existing building and use restrictions, rights-of-way and easements of record, and zoning ordinances.

2. Purchase Price. Purchaser shall have the right to purchase the Property for Thirty-Five Thousand Dollars (\$35,000.00), payable by cash, cashier’s or certified check or electronic transfer of funds at closing in consideration and exchange for a warranty deed from Seller conveying good and marketable title to Purchaser.

3. Earnest Money Deposit. Purchaser shall, upon Seller’s acceptance of the Offer to Purchase, deposit with the title insurance company One Thousand Dollars (\$1,000.00) to be held in escrow as an earnest money deposit that shall be applied against the purchase price at closing.

4. Evidence of Title. As evidence of title, Seller shall furnish to Purchaser, as soon as possible after Purchaser exercises the option, a commitment for title insurance issued by a title insurance company acceptable to Purchaser, wherein the title insurance company agrees to issue a standard ALTA owner’s title insurance policy in an amount not less than the purchase price, insuring title to be in good and marketable condition free and clear of any liens, encumbrances,

encroachments, leases or rights of parties in possession of any kind or nature to the date of closing, subject only to existing building and use restrictions, rights-of-way and easements of record, and zoning ordinances. Upon closing, Purchaser shall pay for and order a title insurance policy consistent with the commitment, which Purchaser shall have updated to the date of closing.

5. Survey. Purchaser may, at its expense, order and prepare a survey of the Property's boundaries.

6. Defective Title. If, based on Purchaser's review of the title insurance commitment and survey, Purchaser is dissatisfied with the title or survey, Seller shall have thirty (30) days from the date Purchaser notifies Seller, in writing, of the particular defects claimed, either to: (1) remedy the defects, or (2) obtain a commitment for title insurance insuring title, in a manner satisfactory to Purchaser, against the defects claimed. If Seller remedies the defects or, alternatively, obtains the necessary title insurance commitment within the time specified, Purchaser shall complete the sale in accordance with the provisions stated herein. If Seller does not remedy the defects within the time specified, Purchaser may waive the defects and close subject to them, although Purchaser may set-off against the purchase price the balance due on any mortgage, land contract, lien or other encumbrance on the Property. Alternatively, if Purchaser chooses to not so waive, or if, in Purchaser's sole discretion, the survey indicates the Property is not suitable for Purchaser's intended use or improvements, Purchaser may demand and be entitled to a refund of the entire earnest money deposit, and this agreement shall be considered nullified.

7. Condition of the Property. Seller shall not, through act or omission, cause or permit waste to occur or jeopardize or lessen Seller's interest in the Property from the date of this agreement through the date of closing.

8. Seller's Representation Regarding Environmental Condition of Property. Seller represents and warrants to Purchaser that to the best of Seller's knowledge, after due diligence and appropriate inquiry, and except as may be revealed in the environmental study to be

performed by Purchasers: (1) No toxic or hazardous substances have been generated, treated, stored, deposited or disposed of on the Property except in compliance with all applicable federal, state and local laws or regulations, and (2) Neither Seller nor prior owners, occupants or users have caused or permitted the release of any toxic or hazardous substances on or from the Property. Seller's representations and warranty shall survive the closing.

9. Inspection Period. Purchaser shall have the right within sixty (60) days after the Effective Date (such period being referred to herein as the "Inspection Period"), at Buyer's sole cost and expense, to conduct such tests, studies and examinations of the Property as Purchaser deems advisable, to investigate applicable laws, ordinances and codes, and to do all other things as Purchaser deems necessary, in its sole discretion, to satisfy itself that the Property is suitable for Purchaser's intended use; provided, however, that Purchaser shall not conduct any soil borings or other invasive testing of the Property without the prior written consent of Seller (collectively, the "Inspections"). Seller agrees that Purchaser, its officers, employees, agents, invitees and contractors ("Purchaser's Representatives") shall have reasonable access to the Property to conduct the Inspections, all at Purchaser's sole cost, risk, and expense. Purchaser shall indemnify, defend and hold Seller harmless from any claim, loss, cost, expense, liability, damage, loss or injury, including reasonable attorneys' fees, arising out of or related to any Inspections. In the event any such Inspections disturb any portion of the Property the Purchaser shall, at its sole cost and expense, promptly restore the Property to its prior condition. These obligations shall survive the Closing or the termination of this Offer. If Purchaser is not satisfied with the results of its Inspections, Purchaser shall have the right to terminate this Offer upon notice to Seller thereof within the Inspection Period, whereupon this Offer shall terminate, the earnest money deposit shall be returned to the Purchaser, and subject to such obligations of Buyer hereunder which expressly survive termination of this Offer, neither party shall have any further obligation to the other. If Purchaser fails to submit written notification to Seller of its election to terminate this Offer within the Inspection Period, Purchaser shall be deemed to be

satisfied with the condition of the Property and the other matters relating thereto shall be deemed satisfied or otherwise waived by Purchaser.

10. Taxes and Assessments. Seller shall pay all taxes, special assessments and utility and capital charges which have become a lien on the Property prior. Current taxes, if any, shall be prorated and adjusted to the date of closing on a "due date" basis.

11. Transfer Tax and Recording Fees. Seller shall be responsible for any transfer tax due on the Seller's conveyance of the Property to Purchaser, as well as any fees for the recording of documents other than the warranty deed to Purchaser, the fee for which shall be paid by Purchaser.

12. Preparation of Closing Documents. Purchaser shall be responsible for preparing, executing and delivering, in a form satisfactory to Purchaser and the title insurance company, all closing documents, including the deed, closing statement, transferor's certificate of non-foreign status as required under the Internal Revenue Code, and any other documents necessary for closing.

13. Closing Time and Location. Unless this agreement is otherwise terminated due to default or Purchaser's dissatisfaction with the title to the Property, pursuant to paragraph 6 of this agreement, closing shall take place within fourteen (14) days after all conditions precedent to closing, as set forth herein, have been met to Purchaser's satisfaction. Closing shall take place at a location mutually acceptable to Seller and Purchaser.

14. Broker's Commission. Seller shall be solely responsible for payment of any real estate broker's commission.

15. Default. In the event of default by Purchaser, Seller may, as Seller's sole remedy, declare forfeiture and retain the earnest money deposit as liquidated damages in full termination of this agreement. In the event of default by Seller, Purchaser may, at Purchaser's option, elect to specifically enforce the terms hereof, or demand, and be entitled to, an immediate refund of Purchaser's entire earnest money deposit in full termination of this Agreement.

16. Land Division. Seller intends to convey the right to make any and all land divisions allowable under the Michigan Land Division Act.

17. City Council Approval. Seller acknowledges that this Offer to Purchase and Purchase Agreement is contingent on and subject to formal approval by the Rochester Hills City Council before it will be binding on the City.

18. Entire Agreement. This instrument constitutes the entire agreement between Purchaser and Seller and shall inure to the benefit of and bind the parties hereto and their respective heirs, legal representatives, successors and assigns.

SELLERS:

Date: 7-30-, 2018

By: Eugene R. Zapczynski
Eugene R. Zapczynski

Date: 8-3-, 2018

By: Raymond L. Zapczynski
Raymond L. Zapczynski

PURCHASER:
CITY OF ROCHESTER HILLS

Date: _____, 2018

By: Bryan K. Barnett, Mayor