

ORDINANCE NO. _____
Date Passed: August 25, 2014

**AN ORDINANCE AUTHORIZING PURCHASE OF REAL ESTATE
FOR A PUBLIC PURPOSE (421 and 421 1/2 NORTH 6TH STREET)**

WHEREAS, the City of Rochelle is a body politic and corporate, organized and existing pursuant to the Illinois Municipal Code, 65 ILCS 5/1-1-1, et. seq.; and

WHEREAS, the City desires to purchase the real estate located at 421 and 421 1/2 North 6th Street ("Property") for a public purpose, namely expansion of City offices located directly south of the Property, or additional parking; and

WHEREAS, the Property is improved with a residence; and

WHEREAS, the City Manager has entered into a contract, subject to approval of the City Council, for the purchase of the Property for \$57,500.00, a true copy of which is attached as Exhibit A;

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ROCHELLE, OGLE COUNTY, ILLINOIS, as follows:

1. The City Manager's execution of the contract for purchase of the Property on the terms set forth in Exhibit A is hereby approved and ratified.
2. The City Manager is authorized to close the purchase of the Property pursuant to the terms of the contract, and to execute and deliver such documents as may be necessary to carry out the terms of the contract, and to pay the purchase price for the Property.

This ordinance shall become effective after its passage and approval and publication as provided by law.

PASSED AND APPROVED this 25nd day of August, 2014.

Ayes: _____ Nays: _____ Abstain: _____

Mayor

Attest: _____
City Clerk

EXHIBIT A

APPROVED BY THE OGLE COUNTY BAR ASSOCIATION
SINGLE-FAMILY RESIDENTIAL SALES ONLY
(NOT TO BE USED FOR NEW CONSTRUCTION)

CONTRACT FOR PURCHASE AND SALE

COMPLETE ALL BLANKS AND DELETE INAPPLICABLE LANGUAGE IN PARENTHESIS

LISTING OFFICE: _____ Phone: 815-766-0756
LOF#: _____ Auctioneer: Joe Wegener No. Fax # 815-561-8387
Seller's Attorney: Hewitt & Wagner Phone: (815) 562-2704
SELLING OFFICE: _____ Phone: (815)
SOF#: _____ Agent: _____ No. _____
Buyer's Attorney: _____ Phone: _____

1. To: (SELLER): Nancy J. Bingham (Address & Zip Code) 8164 Grange Road, Rochelle, IL
2. The undersigned (BUYER) City of Rochelle Phone: 562-6161
of: 420 North 6th Street, Rochelle, IL (Address & Zip Code)

3. Offers to purchase the following described real estate situated in Ogle County, Illinois, commonly known as: 421 & 421 1/2 6th Street, Rochelle, Illinois and legally described as: legal to follow TaxCode# 24-24-339-025

4. And to pay you therefore \$ 57,500.00, with \$3,000.00 earnest money to be applied to the purchase price and the balance payable as follows:

- A. Cash at time of closing; or
- B. ~~Buyer to assume existing (mortgage) (agreement for deed) with an approximate principal balance of \$ _____ with monthly principal and interest payments of \$ _____ balance _____ release of seller's liability). Written consent of (lender) (titleholder) to be received on or before _____ or this Contract shall be void; or~~
- C. ~~Buyer and Seller to sign Agreement for Deed form (approved by Buyer's and Seller's attorneys) with a principal balance of \$ _____ and interest at the rate of _____ % for a term of _____ years amortized over _____ years, with monthly principal and interest payments of \$ _____ (or more) plus an amount each month equal to one twelfth (1/12) of taxes and insurance, balance in cash at time of closing, which agreement shall not be assignable without Seller's consent.~~

5. ~~THE BUYER'S OBLIGATIONS PURSUANT TO THIS CONTRACT ARE CONTINGENT UPON THE ABILITY OF BUYER TO:~~

- A. ~~Apply for within 7 days from date of Contract acceptance, and obtain by _____, 2010 (FHA (VA) (Conventional) written mortgage loan commitment of not less than \$ _____ or _____ % of the purchase price due in not less than _____ years with interest at not more than _____ % (Fixed Rate) (Adjustable Rate) with monthly principal and interest payment not to exceed \$ _____ or such other terms and conditions accepted by Buyer or this contingency waived by Buyer in writing by such date, or this Contract shall be void. Buyer agrees to promptly deliver to Seller a copy of the loan commitment or written denial of Buyer's loan application upon request. (Seller shall pay costs of required FHA and VA inspections but shall not be required to pay for expenses for repairs in excess of \$ _____.) Loan service charges and/or discount not to include private mortgage insurance charges, if any, shall be paid by Seller not to exceed _____ % of mortgage amount specified above (to which has been added the FHA mortgage insurance premium or VA funding fee) and shall be paid by Buyer not to exceed _____ % with any reduction in percentage charged to be shared prorata by the parties.~~
- B. ~~Enter into a contract for the sale of property in which Buyer now has an interest, located at _____ for not less than \$ _____ or such lesser amount as is accepted by _____, 2010, and complete the sale of such property on or before closing. Seller reserves the right to accept another bona fide offer subject to the rights of Buyer under this Contract.~~

C. Other Contingencies:

None, This property is being sold in it's As-Is condition -Buyer's should make their own inspections. Earnest Money is Non Refundable. Buyer is advised that there is currently a lease in place.

Buyers Initials: X X

~~In the event the funding of Buyer's loan referenced in Paragraph 5A hereof is conditioned upon the completion of the sale of property in which Buyer now has an interest, and such sale does not occur resulting in lender's failure to fund the loan, Buyer's earnest money shall be forfeited to Seller as Seller's exclusive remedy, notwithstanding the provisions of Paragraphs 6 and 18. However, in such event, Buyer shall nonetheless be entitled to a return of earnest money if this Contract as of date of closing is contingent upon the completion of the sale of Buyer's existing property pursuant to Paragraph 5B. Buyer and/or Seller agree to make a good faith effort to satisfy the contingencies set forth in Paragraphs 5A, 5B, and 5C, if applicable.~~

- ~~6. Except as otherwise provided herein, if any contingency cannot be carried out, this Contract shall become void and earnest money shall be returned to Buyer.~~
7. This transaction shall be closed by September 8, 2014, and Seller shall deliver possession at time of closing. In the event Buyer agrees to Seller occupying the premises after closing, Seller shall pay a sum equal to .03% of the sale price per day as an occupancy charge.
8. All proration's including rents, real estate taxes, utilities and fuel oil shall be made as of closing with tax proration's based upon (latest available information) ~~or (the tax bill for the year of _____ plus _____%)~~. All proration's shall be final. Proration's will be made on a 365-day basis. All special assessments confirmed by a court prior to closing shall be paid by Seller at time of closing.
9. The earnest money shall be held in escrow by Hewitt & Wagner - Attorneys at Law for the mutual benefit of the parties and shall be disbursed according to the terms of this Contract. In the event either party submits a written request to Escrowee for disbursement of the escrowed funds other than for purposes of closing, Escrowee shall provide a 30-day written notice to the other party of the proposed distribution, at the party's address shown on this Contract or such other address last provided to Escrowee. In the event such other party fails to object in writing to the proposed distribution within 30 days of mailing of the notice, Escrowee shall disburse the escrowed funds accordingly; otherwise the funds shall continue to be held in escrow pending joint direction of the parties or an order of court of competent jurisdiction.
10. Seller warrants that Seller owns and hereby sells all fixtures and equipment on and attached ~~to the~~ and All other items per Realtor's/Auctioneers Data Sheet, Attached to and made a part of this contract
11. Seller warrants there are no rented fixtures or equipment unless stated herein: None
- ~~12. Seller warrants that all mechanical equipment, heating and air conditioning equipment, water heater, water softener, well, septic, plumbing, electrical system and kitchen appliances are in NORMAL OPERATING CONDITION AS OF DATE OF POSSESSION. Buyer shall give written notice of the existence of any breach of warranty existing at time of possession (within 10 days after possession)(prior to closing)(and within 9 months of closing for seasonal equipment). Failure to give notice as specified waives the warranty contained herein. If the real estate is served by a well or septic system, Seller (shall) (shall not) provide, at Seller's expense, an evaluation of the well water and septic system by the Ogle County Department of Health or an Illinois licensed sanitarian showing that the well water is bacteriologically safe and the nitrate level is within standards approved by the State of Illinois and that the septic system is in normal operating condition and without observable defects. If Seller is unable to provide a satisfactory evaluation and is unwilling to pay the cost of remedying any defect, then this Contract shall be voidable at the option of Buyer and all earnest money shall then be refunded to Buyer. Buyer Initials X X~~
13. Buyer shall have the right to inspect the premises within 48 hours prior to closing to determine that the premises are in same condition as date of acceptance of Contract, ordinary wear and tear excepted.
14. Seller ~~(shall)~~ (shall not) be required to furnish a survey.
15. Seller shall furnish current title insurance commitment in the amount of the purchase price to Buyer prior to closing, and final policy thereafter, at Seller's expense, showing merchantable title subject only to the following permitted exceptions: a) all taxes and special assessments confirmed prior to closing; b) building and building line, use and occupancy restrictions, conditions and covenants of record; c) zoning laws and ordinances; d) easements for the use of public utilities; e) roads and highways; f) drainage ditches, feeders and laterals. None of the foregoing exceptions shall be considered permitted exceptions if they are violated by the existing improvements or present use of the premises or if they materially restrict the reasonable use of the property as Buyer's residence.
16. If Seller cannot deliver merchantable title to Buyer at closing, subject only to the permitted exceptions, this Contract, at Buyer's option, shall be void and earnest money shall be returned to Buyer or Buyer may elect to close and deduct from the purchase price a definite and ascertainable amount required to satisfy and release any non-permitted exceptions, and in such case the Seller shall convey the premises to the Buyer.
17. If prior to delivery of deed or agreement for deed the improvements on the premises shall be destroyed or materially damaged by

fire or other casualty, Buyer shall have the option of declaring this Contract null and void and receiving a refund of earnest money paid, or of accepting the premises as damaged or destroyed, together with the proceeds of any insurance payable as a result of the destruction or damage, which proceeds the Seller agrees to assign to Buyer. Seller has paid fire and extended coverage on the improvements on this property for full insurable value and will maintain such coverage until closing.

18. Should the Buyer fail to perform this Contract promptly at the time and in the manner herein specified, the earnest money shall, at the option of the Seller, be forfeited by Buyer as liquidated damages, and this Contract shall become and be null and void, and the Seller shall then have the right of possession of the premises. Time is of the essence of this Contract, and of all the terms and conditions hereof. In the event Seller does not elect to accept forfeiture of earnest money, Seller shall be entitled to exercise all other legal remedies available to Seller under Illinois law other than recovery of money damages.
19. At closing Seller shall convey merchantable title to the property, subject to permitted exceptions, to Buyer or whomever Buyer may direct by stamped recordable warranty deed, releasing homestead, or such other appropriate deed or agreement for deed as required. At the same time, the remainder of the purchase price or further part of it then due shall be paid and all documents relative to the transaction shall be signed and delivered.
20. Seller shall surrender possession of the premises in broom-clean condition and free of debris.
21. Any real estate commission to be paid by Seller shall be paid at closing in accordance with the conditions of the Listing Agreement unless otherwise agreed, but if the sale is not completed and the earnest money forfeited, such earnest money shall be first applied to the payment of expenses incurred for the Seller by Seller's broker and the balance, if any, shall be divided equally between Seller and broker.
22. FHA/VA (if applicable). The parties agree to promptly execute and direct their brokers/agents to execute the applicable FHA Amendatory Clause and Real Estate Certification or the VA Amendment to Sales Contract forms currently approved by HUD, which provisions are incorporated by reference into this Contract, and to comply with HUD Lead-Based Paint Notification requirements when applicable.
23. The parties agree to comply with the following federal or state acts when applicable:
 - A. Federal Real Estate Settlement Procedures Act (RESPA).
 - B. Illinois Real Estate Transfer Tax Act with Seller to pay all transfer taxes due at closing.
 - C. The Illinois Smoke Detector Act with Seller to provide all required smoke detectors in operating condition.
 - D. ILLINOIS RESIDENTIAL REAL PROPERTY DISCLOSURE ACT for 1-4 family residential dwelling which Act may require Seller to deliver to Buyer a report disclosing material defects in the property prior to the execution of this Contract.
24. Notice is deemed given when personally delivered to the person for whom it is intended or to his or her agent or 24 hours after deposit in the U.S. Mail, return receipt, postage prepaid, addressed to the party upon whom it is to be served as that party's address appears herein. For purposes of execution of this Contract and providing subsequent notices and contingency removals hereto, any signed document transmitted by FAX machine shall be treated as an original document.
25. This document represents the entire agreement and shall be binding upon the parties, their heirs, successors, and assigns.
26. Optional standard clauses lettered "F" are incorporated herein by reference and identified by the initials of the parties.

OPTIONAL STANDARD CLAUSES

(Identify applicable clauses and initial, complete, and make applicable deletions thereto)

Seller's Initials Buyer's Initials

- | | | |
|-----------------------|-----------------------|---|
| <p>____/____/____</p> | <p>____/____/____</p> | <p>A. Cancellation of Prior Contract. This Contract is subject to the cancellation of Seller's prior Contract on or before _____, 2010.</p> |
| <p>____/____/____</p> | <p>____/____/____</p> | <p>B. Attorney's Approval. This Contract is subject to (Buyer's) (Seller's) attorney's written approval of this Contract and this Contract shall be void unless approved or approval waived in writing by _____, 2010.</p> |
| <p>____/____/____</p> | <p>____/____/____</p> | <p>C. Inspection. This Contract is subject to Buyer's (pest) (radon) (well-mechanical) (well water) (septic) inspection at (Buyer's) (Seller's) expense, and (roof) (heating) (air conditioning) (mechanical systems) (structural) (swimming pool) (complete home) inspection at (Buyer's) (Seller's) expense, and this Contract shall be void unless inspection approved by Buyer or approval waived in writing by _____, 2010.</p> |
| <p>____/____/____</p> | <p>____/____/____</p> | <p>D. Repair or Replacement. This contract is subject to Seller's (repair) (replacement) of _____ to (normal operating condition) (in a workman like manner) at Seller's expense prior to closing.</p> |
| <p>____/____/____</p> | <p>____/____/____</p> | <p>E. Credit Report. (for use with Seller financing). This Contract is subject to Seller's approval of Buyer's credit report or this Contract shall be void unless approved or approval waived in writing by _____, 2010.</p> |
| <p>____/____/____</p> | <p>____/____/____</p> | <p>F. As Is. Buyer accepts the premises in "AS IS" condition as of date of Contract and waives the provisions of Paragraph 12 hereof. (DELETE PARAGRAPH 12 AND INITIAL DELETION - DOES NOT AFFECT DISCLOSURE REQUIREMENTS).</p> |
| <p>____/____/____</p> | <p>____/____/____</p> | <p>G. Resale of Existing Residential Condominium Unit ONLY The terms of the attached Condominium Rider are incorporated by reference herein.</p> |

- ~~H. Closing Costs. Seller to pay Buyer's closing costs including loan service charge and/or discount points referenced in Paragraph 5A and attorney's fees, not to exceed a total of \$ _____, and excluding prepaid mortgage interest, and insurance and tax reserve deposits.~~
- ~~I. Home Warranty Plan. Seller shall provide to Buyer a Home Warranty Plan from _____ at Seller's expense, providing for basic and _____ coverage for twelve (12) months from date of closing.~~
- ~~J. Pre-1978 Residential Property. The terms of the attached Lead-Based Paint Disclosure are incorporated by reference herein.~~

NOTICE TO PARTIES

BY THE SIGNING OF THIS CONTRACT, YOU ARE ENTERING INTO A BINDING LEGAL AGREEMENT. ANY REPRESENTATION UPON WHICH YOU RELY SHOULD BE INCLUDED IN THIS AGREEMENT. NO ORAL REPRESENTATION WILL BE BINDING UPON OR AN OBLIGATION OF THE SELLER, BUYER, REAL ESTATE BROKER, OR AGENT.

Dated this ^{8th} 7th day of August, 2014 and to be accepted on or before August ^{8th} 7th, 2014

BUYER: *Dan S. Hyman* (Social Security # _____)
 BUYER: _____ (Social Security # 1111111111)

Accepted this ^{8th} 7th day of _____ August _____, 2014

SELLER: *Nancy J. Bindem* (Social Security # _____)
 SELLER: _____ (Social Security # _____)

Counter offer accepted/Rejected this _____ day of _____, 2014