

AN ORDINANCE NO. 22-365

Authorizing the City Manager to enter into a Purchase Agreement for the real estate for the purchase of certain real property located at 1715 W North St., and a vacant lot on W North St from Phulbai Hotels, Inc., and Springfield Inns, Inc., for an amount not to exceed \$1,700,000.00; authorizing the City Manager, Law Director and the Director of Finance to perform all acts and execute all documents they consider necessary to fulfill the City's obligations under said Purchase Agreement and to comply with all relevant local, state and federal legal requirements;

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WHEREAS, the City wishes to acquire certain real property located on W. North St., Springfield, Ohio, and more fully described in Attachment A to the Purchase Agreement for Real Estate attached to this ordinance to assist in the countywide effort to prevent and assist the homeless and displaced population.

WHEREAS, Acquiring this asset will permit the City to directly impact the population of displaced individuals and families in the City of Springfield by ensuring safe shelter and centralized access to services that will directly affect the health, safety and welfare of the citizens of Springfield, Ohio; and

WHEREAS, this Commission finds that the purchase price of One Million, Seven Hundred Thousand Dollars (\$1,700,000.00) utilizing funding allocated during the COVID-19 Pandemic is a reasonable purchase price for the subject real property; NOW, THEREFORE:

BE IT ORDAINED by the City Commission of The City of Springfield:

Section 1. That this Commission hereby adopts the findings set forth in the recitals to this Ordinance and makes them a part hereof.

Section 2. That the City Manager is hereby authorized to enter into a Purchase Agreement for Real Estate, a copy of which is attached hereto and is hereby approved, to purchase the property located at 1715 W North St., and a vacant lot adjacent to 1715 W North St, for an amount not to exceed \$1,700,000.00.

Section 3. That the City Manager, Law Director and the Finance Director are authorized to perform all acts and execute all documents they consider necessary to fulfill the City's obligations under said Purchase Agreement and to comply with all relevant local, state and federal legal requirements.

Section 4. That this Ordinance shall take effect and be in force from and after fourteen (14) days from the date of its passage.

PASSED this 6th day of December, A.D., 2022.

Deanna R. England
PRESIDENT OF THE CITY COMMISSION

Jim R. Pierce
CLERK OF THE CITY COMMISSION

**Purchase Agreement
(Real Estate)**

This Agreement (the "Agreement") is made on _____, 2022 (the "Effective Date"), between **The City of Springfield, Ohio**, an Ohio Municipal Corporation, ("Buyer") and **Phulbai Hotels, Inc., and Springfield Inns, Inc.**, both Ohio Corporation For Profit (Collectively the "Seller") (As well as individually as named) and is for the purchase of real property located in Springfield, Ohio and further described below.

1. Property Description, Background and Process:

- a. The Seller owns the following real property consisting of Clark County, Ohio parcel numbers (collectively, the "Property"):
 - i. 340-06-00011-424-009- known as the "Villager Inn" with an address of 1715 W North St., Springfield, OH 45504 and consisting of 3.80 acres.
 - ii. 340-06-00011-424-004– the vacant lot adjacent to the Villager Inn located on W North St., Springfield, Ohio 45504 and consisting of 0.69 acres.
- b. The Property is further described in "Attachment A" attached to this Agreement and included herein as if fully rewritten.
- c. Springfield Inns, Inc., interest in the Property is subject to an unrecorded Land Installment Contract as of December 21st, 2022, between Springfield Inns, Inc., and Sardaben B. Patel, Bububhai F. Patel, and Krishna P. Patel (the "Patels") date December 1st, 2014 (the "Land Contract") included as "Attachment B" to this Agreement;
- d. The Land Contract, at the closing for this transaction, will be transferred from the Patels to Phulbai Hotels, Inc. (the "First Transaction");
- e. Following the transfer of the Land Contract, and at the closing of this transaction, Springfield Inns, Inc., will transfer the Property, pursuant to a stipulated general warranty deed noting the full and final satisfaction pursuant to the understanding of Phulbai Hotels and Springfield Inns, Inc., and in accordance with Section 2(d) and the Amortization Schedule included as "Attachment C" of said unrecorded Land Contract contingent on the completion of this transaction, from Springfield Inns, Inc., to Phulbai Hotels, Inc (the "Second Transaction").
- f. Phulbai Hotels, Inc., will the transfer the property at the closing pursuant to Section 3 below to the City of Springfield, Ohio as required by this Agreement.

2. Purchase Price and Payment:

- a. Buyer agrees to pay Seller a sum of One Million Seven Hundred Thousand Dollars (\$1,700,000.00) (the "Purchase Price") for the Property;
- b. The Purchase Price will be paid as follows:
 - i. The Buyer will certify the full Purchase Price to be paid in cash or certified funds on the date of closing;
 - ii. The funds will be dispersed in accordance with Section 2(d) below;
 - iii. Buyer and Seller agree to split the actual settlement costs associated with this transaction in accordance with Section 2 (d) below.
- c. Included in the Purchase Price are all fixtures (other than those which constitute Improvements), furniture, furnishings, equipment, machinery, tools, vehicles, appliances, art work and other items of tangible personal property which are located at the Hotel and used exclusively in the Business, or ordered for future use at the Hotel as of the Closing, other than the Supplies, IT Systems, F&B, Retail Merchandise, Books and Records and Plans and Specifications (the "FF&E")
- d. The sale proceeds shall be paid as follows:
 - i. First to Springfield Inns, Inc., the remaining balance owed to it on the unrecorded Land Installment Contract in accordance with the Second Transaction detailed in Section 1 (e), which Land Contract balance Springfield Inns, Inc., the Patels and Phubai Hotels, Inc. have agreed is \$512,030.97 as of December 1, 2022, with per diem interest of \$119.24 for each day thereafter.;
 - ii. Second, to satisfy all taxes discussed in Section 4, as well as the Seller's, Phulbai Hotels, Inc., portion of the closing costs, then;
 - iii. Third, to Always Sunny Realty, Inc. will be paid Fifty One Thousand (\$51,000.00) of the Purchase Price paid out of the funds due to Seller, Phulbai Hotels, Inc. at closing, then;
 - iv. Fourth, to Phulbai Hotels, Inc., the entire balance remaining of the sale proceeds.

3. Closing:

- a. The closing of the purchase of the Property will occur on a mutually agreed upon date at Ohio Real Estate Title located at 1111 N Plum St., Ste 9, Springfield, Ohio.

- b. Buyer, Phulbai Hotels, the Patels, and Springfield Inns, Inc., agree to execute all documents and complete all preceding transactions as required and necessary for closing to complete.
- c. At closing, Seller, fee simple owner of the property following the required preceding transactions will convey the Property to Buyer by General Warranty Deed(s) subject to existing easements. Possession of the Property shall be given to Buyer on the date of closing.
- d. Unless extended by agreement of the parties, the closing for the delivery of Seller's deed for the Property, payment of the purchase price, and delivery of any other instruments provided for in this Agreement, shall be held within a reasonable timeframe of the execution of this Agreement at a date and time mutually agreeable to Buyer and Seller with an estimated closing date of December 21st, 2022.

4. Taxes and Assessments:

- a. If there are any real property taxes or assessments due or delinquent at the time of the closing shall be paid at the closing out of the funds due to Seller, Phulbai Hotels, Inc., in accordance with Section 2(d).
- b. The taxes on the property shall be prorated up to the date of the closing and paid by Seller, Phulbai Hotels, Inc., out of the funds due to Seller, Phulbai, Hotels, Inc., at closing in accordance with Section 2(d).

5. Inspection:

- a. Buyer represents that its agents will have inspected the Property to the extent Buyer deems necessary and appropriate, and will rely solely upon its inspection and investigation of the Property for all purposes whatsoever, including, but not limited to, the determination of the condition of the soils, subsurface, drainage, surface and groundwater quality, and all other physical characteristics; availability and adequacy of utilities; compliance with governmental laws and regulations; access; encroachments; hazardous materials or other environmental contamination or hazards; acreage and other survey matters; and the character and suitability of the Property.
- b. There have been no other representations, warranties, guarantees, statements or information, express or implied, pertaining to the Property, its condition, or any other matters whatsoever, made to or furnished to Buyer by Seller or any employee or agent of Seller, except as specifically set forth in this Agreement.

6. Notice:

- a. Any notice required or permitted to be given to a party under this Agreement shall be deemed given if mailed by U.S. certified or registered mail, postage prepaid, addressed as follows:

To Buyer:	The City of Springfield, Ohio c/o City Manager, Bryan Heck bheck@springfieldohio.gov 76 East High Street Springfield, Ohio 4550	<u>Springfield Inns, Inc.</u> Rasik Patel, Authorized Member 21559 Ingram Rd. Novi, MI 48375 810-241-8788 rickpatel2008@gmail.com
		<u>Attorney for Springfield Inns, Inc.</u> Robert Sosin 30100 Telegraph Road Suite 360 Bingham Farms, MI 48025 robert@asnlaw.com
		<u>Attorney for Phulbai Hotels, Inc., (Pradip Patel):</u> Margaret E. Wagner 333 N. Limestone St., Suite 102 Springfield, Ohio 45503 (937) 322-0891 (937-322-9931 *fax mwagner@coleacton.com
		<u>Pradip Patel aka Paul Patel</u> 937-346-7669 Paulpatel64@gmail.com

- a. Either party may change its mailing address by written notice to the other party at its then-current mailing address.
- b. The Parties may agree to permit for notification via receipt confirmed email at the email addresses listed above.

7. Assignment:

This Agreement shall be not be assignable by either of the parties hereto without the written consent of the other party.

8. Property Maintenance:

- a. Until physical possession is delivered to Buyer, Seller shall continue to maintain the Property including the grounds and improvements, in good condition.
- b. If, prior to closing, the real property or residue is damaged or destroyed by fire or other casualty and the properties are not repaired or restored by and at the Seller's (Phulbai

Hotels, Inc.) expense, to the condition it was prior to the damage, Buyer may terminate this Agreement.

- c. Upon closing, Buyer shall be responsible for any risk of loss and for insurance for the Property.

9. Seller Covenants:

- a. Information. Seller covenants that they have no knowledge of any undisclosed information affecting the Property that has or would have a material adverse impact on the Buyer's ability to use, lease and operate the Property.
- b. Legal Compliance. Seller covenants that they have no knowledge of any past or continuing violation or alleged violation of any legal requirements affecting the Property.
- c. Litigation. Seller covenants that they have no knowledge of any litigation currently pending or threatened affecting the Property.
- d. Other Agreements. Seller covenants that there are no agreements or understandings, oral or written, with any other entity, or governmental authority affecting the Property would give rise to conflicting claims to the Property.
- e. Liens and Debts. Seller covenants that they are not aware of any undisclosed liens or debts currently existing on the Property that would affect the Property's conveyance.
- f. Government Actions. Seller covenants that they have no knowledge of any threatened or pending condemnation of eminent domain proceeding, special assessment, rezoning, moratorium or deed restrictions affecting the Property.
- g. Authorization to Convey. Seller covenants that they have the legal authority to bind Seller to this Agreement and to convey the Property to the Buyer.

10. Additional Clauses:

- a. Severability. In the event that any word, phrase, clause, sentence or other provision of this Agreement shall violate any applicable statute, ordinance, regulation or rule of law in any jurisdiction in which it is used, such provision shall be ineffective to the extent of such violation without invalidating any other provision of this Agreement
- b. Jurisdiction. This Agreement shall be governed by the Laws of the State of Ohio.
- c. Headings. All headings and titles are for the convenience of the parties of this Agreement and shall not be considered a part of this Agreement.
- d. Exhibits. All Exhibits to this Agreement are incorporated by reference herein.

- e. Utilities. Buyer and Seller will work cooperatively to transition applicable transferrable utilities from the Seller to the Buyer.
- f. Keys, Access Cards, Codes. Seller will provide Buyer all access equipment at the Closing.
- g. Entire Agreement. This Agreement constitutes the entire Agreement between the Parties and supersedes any prior arrangements, written or oral.
- h. Electronic Signatures/Counterparts. This Agreement may be executed in counterparts, and electronic signatures with each counterpart being considered an original.
- i. Commission Authorization. For the authority needed to execute this document, Buyer must first obtain authorization of its governing body. If the City Commission fails to authorize this transaction, this Agreement will be treated as void.

(Signatures to follow on next page)

By signing below, the Parties to this Agreement shall be bound to its terms and conditions.
APPROVED AS TO FORM
AND CORRECTNESS:

The City of Springfield, Ohio

Assistant Law Director

By: _____
Bryan Heck, City Manager

(Finance Stamp)

By: _____
Pradip Patel, Authorized Member
Phulbai Hotels, Inc.

By: _____
Rasik Patel, Authorized Member
Springfield Inns, Inc.

(Notarizations to Follow)

STATE OF OHIO)
COUNTY OF CLARK) SS:

Before me, a Notary Public, in and for said County, personally appeared Bryan Heck, City Manager of The City of Springfield, Ohio who acknowledged that he did execute the foregoing instrument as the fully authorized officer of The City of Springfield, Ohio and that the same is its free act and deed and his free act and deed respectively, as such officer and individually.

In Testimony Whereof, I have hereunto subscribed my name and affixed my official seal at Springfield, Ohio this _____ day of _____, 20__

Notary Public

STATE OF OHIO)
COUNTY OF CLARK) SS:

Before me, a Notary Public, in and for said County, personally appeared Pradip Patel, _____ of _____ who acknowledged that he did execute the foregoing instrument as the fully authorized _____ and that the same is its free act and deed and his free act and deed respectively, as such officer and individually.

In Testimony Whereof, I have hereunto subscribed my name and affixed my official seal at Springfield, Ohio this _____ day of _____, 20__

Notary Public

STATE OF _____)
COUNTY OF _____) SS:

Before me, a Notary Public, in and for said County, personally appeared _____, Authorized Member of Springfield Inns, Inc. who acknowledged that he/she did execute the foregoing instrument as the fully-authorized officer of Springfield Inns, Inc. and that the same is his/her free act and deed respectively, as such officer and individually.

In Testimony Whereof, I have hereunto subscribed my name and affixed my official seal at Springfield, Ohio this _____ day of _____, 2022.

Notary Public