

(Tax Title Property)

PURCHASE AND SALE AGREEMENT

(Pursuant to Section 2-13 of the City of Warwick Code of Ordinances)

1. **SALES AGREEMENT:** This agreement ("Agreement") is made by and between the City of Warwick, Rhode Island, a municipal corporation organized and existing under the laws of the State of Rhode Island ("Seller"), with its principal office located at 3275 Post Road, Warwick, RI 02886, by and through its duly authorized Treasurer, and Grant Court Development, Inc. ("Buyer"), whose mailing address is 150 Chestnut Street, Providence, RI 02903. The Seller agrees to SELL and the Buyer to BUY, upon the price and terms below, the following property located at Mawney Avenue, Warwick, RI, and further identified as Lot 509 on Plat 332 in the records of the Tax Assessor of the said City of Warwick (the "Property").

2. **DATE OF THIS AGREEMENT; CITY COUNCIL APPROVAL REQUIRED:** The Date of this Agreement shall be the date on which Seller signs the Agreement, as set forth by the City Treasurer's authorized signature below. Pursuant to Section 2-13(b) of the Code of Ordinances of the City of Warwick, this Agreement is subject to and wholly conditional upon approval of the City Council of the City of Warwick, and it may not be executed by the City Treasurer until approved by appropriate resolution of said City Council.

3. **PURCHASE PRICE:** The Agreed Purchase Price for the Property is the sum of the assessed value of the Property, OR all outstanding taxes, interest and tax sale expenses associated with the Property, whichever is higher, plus actual out-of-pocket expenses incurred in clearing the title, plus sewer assessment fees that may be due and the costs to administratively merge the subject parcel with the adjacent parcel owned by the purchaser. As of the date of this Agreement, the assessed value of Lot 509 is Two Thousand Six Hundred and no/100 Dollars (\$2,600.00); as of December 2014, the accrued taxes, interest and tax sale expenses were One Thousand Four Hundred Seventy-nine and 55/100 Dollars (\$1,479.55); the outstanding sewer assessment is Zero dollars (\$0); the initial estimated costs of clearing the title are Two Thousand Six Hundred Fifty-five Dollars (\$2,685.00) (consisting of the following estimated costs: Superior Court filing fee of \$190; Process Server Fees of \$135; Title Examiner's Fees of \$400; Guardian *ad litem* fees of \$460; and Providence Journal Legal Notice costs of \$1,500), which such estimated title clearing costs shall be paid as a deposit upon the execution of this Agreement by Buyer (both such initial deposit amount, plus any additional amounts for estimated costs of clearing the title which may later be required as provided herein, shall constitute the "Deposit"); expenses associated with merging said lot with Plat 332 Lot 510 through an Administrative Subdivision estimated costs for the application review fees \$500; estimated costs of class I property survey and installation of granite bounds \$3,500; and payment of all outstanding and sewer assessments on both properties (none). If costs to clear the title shall exceed \$3500, said additional deposit by Buyer shall be by agreement of the parties, provided that if Buyer chooses not to pay additional costs to clear title, all deposits paid by Buyer are forfeited and are non-refundable.

The Buyer understands and agrees that: (a) the Property held by the Seller is in the nature of a tax title, resulting from a tax sale held by the Tax Collector of the Seller; (b) Seller's obligations to sell and to convey title hereunder are wholly contingent upon Seller's ability to obtain a

final judgment of the Rhode Island Superior Court foreclosing any rights of redemption with respect to the Property which may be held by others under Rhode Island law; (c) all or a portion of the Deposit may be expended and used by the Seller in connection with out-of-pocket costs for court filing fees, process serving fees, title examination fees, fees for genealogical searches, fees for courtappointed guardians, newspaper advertising, surveys and/or other costs and expenses which may be necessary or ancillary to an action to foreclose the right of redemption with respect the Property; and (d) to the extent that such costs and expenses are incurred by the Seller and paid from the Deposit, the portion or portions of the Deposit so expended and used shall be NON-REFUNDABLE to the Buyer, even if the Superior Court action to foreclose rights of redemption is unsuccessful and Seller is ultimately unable to convey marketable title to the Property to the Buyer.

Further, the initial Deposit represents only an *estimate* of the out-of-pocket costs, expenses and fees which may be incurred in connection with the Seller's efforts to foreclose the right of redemption with respect to the Property. In the event that additional fees, costs and expenses, in excess of the initial Deposit amount, are necessary to commence or to continue the prosecution of the action to foreclose the rights of redemption, the Buyer agrees to increase the Deposit and to pay such additional and increased amounts promptly (within ten (10) days) to the Seller upon request. In the event that the Buyer does not pay such additional Deposit amount promptly upon request from the Seller, Seller may, at Seller's sole option, discontinue all further efforts to clear the title to the Property, and upon returning to the Buyer any unexpended or unencumbered balance of the Deposit paid, this Agreement shall become void and of no further force or effect and neither of the parties hereto shall have any further rights or obligations with respect to each other hereunder.

4. CLOSING DATE/PLACE: Closing is to be held on a date within sixty (60) days after the issuance of a final non-appealable judgment forever foreclosing all rights of any person to redeem the Property. The Closing shall occur at the office of the City Clerk of the City of Warwick,

or at such other time and place as may be agreed to by the parties. The balance of the Purchase Price shall be paid by cash, certified check, and/or bank check. Payment of the balance of the Purchase Price and delivery of deed shall occur at the closing.

5. **DEPOSITS:** The initial Deposits and any additional Deposit made hereunder shall be held in an account maintained by the Treasurer of the City of Warwick, and, except as otherwise provided herein, shall be duly accounted for at the time of delivery of the deed and applied to the Purchase Price. The refunding of all Deposits shall occur only upon execution of a written release by Buyer. In the event of a dispute between the Seller and the Buyer as to any provisions of this Agreement or the performance thereof, the holder of said Deposits may retain all Deposits hereunder in said escrow account until the dispute is resolved by the parties, by binding settlement or court judgment, or may place the Deposits with a court of competent jurisdiction, or may release the Deposits upon execution of a written release, by Buyer and Seller.

6. **WAIVER OF MORTGAGE CONTINGENCY:** This Agreement is not contingent upon Buyer's need for or ability to obtain financing. Nevertheless, Buyer reserves the right to finance any portion of the Purchase Price.

7. **INSURANCE/RISK OF LOSS:** Seller shall keep any improvements located at or upon the Property insured, at Seller's expense, until the delivery of the deed against loss by fire or other casualty. In case of any loss, the Seller shall pay over or assign to the Buyer upon payment of the balance of the Purchase Price all sums recovered on account of said insurance, or the Buyer may, at its option, terminate this Agreement and any unexpended or unencumbered portion of the Deposit shall be refunded to the Buyer, unless the Seller shall have restored the Property substantially to its former condition.

8. **FIXTURES/PERSONAL PROPERTY:** Included in this sale as part of the Property are the buildings, structures and improvements now thereon, if any, but not any other personal property located on the property which does not constitute fixtures belonging to Property and used in connection therewith.

9. **TITLE:** Seller covenants and warrants that it is the owner only of the tax title to the Property, subject to the right of redemption which may be held by others. Seller has the authority and capacity to enter into this Agreement and to consummate the transaction contemplated herein. Upon the issuance of a final, non-appealable judgment forever foreclosing the rights of any person or persons to redeem the title held by the Seller, the Property will be conveyed to the Buyer by a good and sufficient deed of the Seller, conveying a good, clear and marketable title to the Property, excepting easements, restrictions of record and municipal regulations, including, but not limited to, the restrictions contained in Sections 2-14(a)(3) and (a)(4) of the Code of Ordinances of the City of Warwick, which provide:

The lot shall be merged administratively into the purchaser's existing lot at Buyer's cost and the subdivision recorded.

The deed shall contain a restriction that no building or structure shall be allowed on the subject parcel except that which is permitted as a residential accessory use by the City zoning ordinance without variance or other relief from said ordinance, including, but not limited to, a shed, a pool, a driveway, an addition to an existing house, or a fence.

If Seller is satisfied that the requirements of lot merging and recorded subdivisions have been met, the Seller will waive the above deed restriction, allowing Buyer to develop said merged lots in accordance with zoning laws and regulations.

If Seller is unable to obtain a final non-appealable judgment foreclosing all rights of redemption with respect to the Property, Buyer shall have the option to: (a) accept such title as Seller is able to convey without abatement or reduction of the Purchase Price or (b) cancel this Agreement and receive a return of all unexpended or unencumbered Deposits.

10. **TAXES, ADJUSTMENTS. OTHER ASSESSMENTS:**

(a) Taxes: All taxes which are a lien upon the Property shall be paid by the Buyer at the time of the delivery of the deed.

(b) Adjustments: Rents, fuels, water charges and sewerage charges, if any, shall be apportioned as of the date of the delivery of the deed.

(c) Assessments: All assessments which constitute a lien on the Property shall be paid or assumed by the Buyer.

11. **BUYERS/SELLER INFORMATION:**

(a) Ordinances: Buyers of real estate in the State of Rhode Island are legally obligated to comply with all local real estate ordinances; including, but not limited to, ordinances on the number of unrelated Persons who may legally reside in a dwelling, as well as ordinances on the number of dwelling units Permitted under the local zoning ordinances.

(b) Wetlands: The location of coastal wetlands, bays, freshwater wetlands, ponds, marshes, riverbanks or swamps, and the associated buffer areas may impact future Property development. If known, Seller must disclose to the Buyer any such determination on all or part of the land made by the Department of Environmental Management.

(c) Radon Gas: Radon has been determined to exist in the State of Rhode Island. Testing for the Presence of radon in residential real estate prior to Purchase is advisable.

(d) Lead Contamination: "Every Purchaser of any interest in residential real Property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead Poisoning. Lead Poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced Intelligence Quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The Seller of any interest in residential real property is required to provide the Buyer with any information on lead-based paint hazards from risk assessments or inspections in Seller's possession and notify the of any known lead-based paint hazards. A risk assessment inspection is recommended prior to purchase.

(e) Restrictions or Legislative/Governmental Action: Buyer is responsible for investigating whether there are any restrictions or legislative/governmental actions, present or Proposed, which affect or would affect the use of the Property.

12. **ADDITIONAL SELLER OBLIGATIONS:**

(a) Smoke and Carbon Monoxide Detectors: Rhode Island law requires that all existing one, two and three family dwellings, and all existing residential buildings with less than eight units, shall be equipped with an approved smoke and carbon monoxide detector system. It is the responsibility of the Seller to deliver the Property at the closing in compliance with such law along with a smoke and carbon monoxide detector certificate dated no earlier than 60 days before the closing. If such detectors must be installed or replaced, the Buyer shall be solely responsible for the costs associated therewith.

(b) Foreign Investment in Real Property Tax Act ("FIRPTA"): The Seller represents that the Seller is not a foreign person or foreign corporation as defined in FIRPTA and accordingly, that the Buyer will not be required to comply with the withholding requirements of FIRPTA at the closing.

13. **POSSESSION:** The Property is being sold in "AS-IS" condition and Buyer represents that it has not relied on any oral representation of the Seller as to the character or quality of the Property. Possession of the Property, subject to the rights (if any) of all tenants, occupants and personal possessions (except as provided below) is to be delivered to the Buyer at the time of delivery of the deed. At closing, the Property is to be conveyed in the same condition in which it now is, except for reasonable use and wear.

14. **DOCUMENTS TO BE DELIVERED BY SELLER AT CLOSING:** At the Closing Seller shall deliver the following documents to Buyer:

(a) The Deed (with payment by Buyer of any required state and/or local documentary stamps, if any to be affixed hereto) in form reasonably acceptable to Buyer or Buyer's counsel.

(b) A non-foreign affidavit executed by Seller, containing such information as is required by Internal Revenue Code and the regulations thereunder.

15. **DOCUMENTS TO BE DELIVERED BY BUYER AT CLOSING:** At the Closing Buyer shall deliver to the Seller the balance of the Purchase Price, in cash, or in the form of a Cashier's or Treasurer's check of a Rhode Island bank or credit union or by check certified by a Rhode Island bank or credit union, and such other instruments and documents to which Seller may be reasonably entitled under any provision of this Agreement.
16. **WRITTEN NOTICE OF VIOLATIONS AND CHANGE IN OWNERSHIP:** If there is any notice or violation order outstanding against the Property, Seller shall immediately provide written notice to the Buyer with a true copy of any notice of violations or orders issued and notify the enforcing officer in writing of Seller's intent to transfer the property.
17. **FURTHER ASSURANCES:** Each of the parties hereto agrees to execute and deliver such other documents, instruments, and affidavits as may reasonably be required to effect the transaction contemplated herein, including without limitation, any affidavits and agreements which may be required by Buyer's title insurance company.
18. **NOTICES:** All notices as required in this Agreement shall be in writing. All notices are to be conveyed by mail, personal delivery, or fax. Notices shall be effective when postmarked, upon personal delivery, or upon fax transmittal date. Notices to the Seller shall be sent or delivered to the Seller at the address in Section 1 of this Agreement, with a copy to: Diana E. Pearson, Assistant Warwick City Solicitor, P.O. Box 178, East Greenwich, RI 02818 (Fax: 401-886-1118). Notices to the Buyer shall be sent or delivered to the address that appears in Section 1 of this Agreement.
19. **DEFAULT:** Upon default by the Buyer, the Seller shall have the right to retain the Deposit, such right to be without prejudice to the right of the Seller to require specific performance and payment of other damages, or to pursue any remedy, legal or equitable, which shall accrue by reason of such default. If the Seller shall default in the performance of this Agreement, all unexpended and unencumbered Deposits shall be promptly returned to Buyer, as liquidated damages and as Buyer's sole and exclusive remedy, and this Agreement shall thereupon become void and of no further force or effect whatsoever.
20. **ASSIGNMENT AND SURVIVORSHIP:** This Agreement may not be assigned by either party without written consent of the other, and shall be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.
21. **THE FOLLOWING ADDENDUM(s)** are made a part of this Agreement: Seller's Lead Disclosure Form and RI Real Estate Sales Disclosure Form (if appropriate).
22. **CONSTRUCTION OF AGREEMENT:** This Agreement has been executed in one or more counterparts and each shall be deemed to be an original. If two or more persons are named herein as Buyer, their obligations hereunder shall be joint and several. All references to time periods shall be counted in calendar days.
23. **NO RECORDING:** This Agreement may not be recorded in the Land Evidence Records of the City of Warwick. In the event Buyer records or causes this Agreement to be recorded in violation of the foregoing prohibition, the Buyer, at Seller's election at any time thereafter shall be deemed in default hereunder entitling the Seller to the remedies provided herein for the Buyer's default including, without limitation, the right to retain any unexpended or unencumbered Deposit. In addition, in

the event this Agreement is recorded in violation of the foregoing prohibition against recording, the Seller is hereby authorized and empowered as the true and lawful attorney-in-fact for the Buyer to record an affidavit of the Seller stating that the Seller has elected to hold the Buyer in default hereunder and all third parties may conclusively rely upon the recording by the Seller of such an affidavit establishing that the Buyer no longer has any right, title or interest in and to this Agreement or the property recorded. This power of attorney shall be deemed irrevocable and coupled with an interest. The Buyer agrees to execute, acknowledge and deliver, in recordable form, any such further documents, assurances, or instruments as the Seller may request in order to further confirm that the Buyer no longer has any right, title or interest in and to this Agreement or the property and in the event that the Buyer refuses or fails to forthwith execute same, the Seller is hereby appointed the true and lawful attorney-in-fact of the Buyer to execute same, which power of attorney shall be deemed irrevocable and coupled with an interest.

24. **GOVERNING LAW:** This Agreement shall be governed by, interpreted under, and construed and enforced in accordance with the laws of the State of Rhode Island and the Code of Ordinances of the City of Warwick.

25. **WAIVERS AND EXTENSIONS:** No waiver of any breach of any agreement or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof or of any other agreement or provision herein contained. No extension of time for performance of any obligations or acts shall be deemed an extension of time for performance of any other obligations or acts.

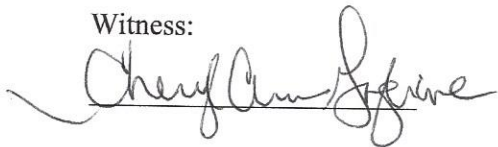
26. **BROKERS:** Buyer and Seller each represent and warrant to the other that they have dealt with no brokers or real estate sale persons with respect to the transaction contemplated by this Agreement, and that no person is entitled to claim a commission or other fee in connection with the transaction contemplated herein. Buyer and Seller further agree to indemnify and hold harmless the other party and its respective successors and assigns against and from all claims, losses, liabilities and expenses including attorney's fees arising out of any claim by any brokers, consultants, finders or like agents, which are based upon alleged dealings with said parties. The provisions of this section shall survive the closing.

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27. **ENTIRE AGREEMENT:** We, the parties hereto, each declare that this instrument contains the entire Agreement between us, subject to no understandings, conditions, or representations other than those expressly stated here. This Agreement may not be changed, modified, or amended in whole or in part except in writing, signed by all parties.

WITNESS the signatures of the above parties on the date(s) set forth below.

Witness:



Buyer:


(name)
Date: 11/15/2016

PRESIDENT,
Grant Court Developm,
INC.

Buyer:

Seller:
City of Warwick

By: _____
Treasurer

Date: _____

WETLANDS DISCLOSURE

An explanation of the Wetlands Disclosure Requirements: Rhode Island law requires that a buyer be notified prior to the sale of real estate if it has been designated as wetlands by the Department of Environmental Management. Each city and town has maps of designated wetlands. These maps are of a scale that makes it very difficult to identify an individual parcel of real estate. There are many properties which contain wetlands, but about which no previous determination has been made. Wetlands are defined according to the type of plant life which is present, or according to whether the property is subject to flooding. The legal definition of wetlands also includes a buffer area ranging feet from the edge of the biological wetlands. It is illegal to excavate, drain, fill; place trash, garbage, sewage, highway runoff, drainage ditch effluents, earth, rock, borrow, gravel, sand, clay, peat or other materials or effluents upon; divert water flows into or out of; dike, dam divert, change, add to or take from or OTHERWISE ALTER a wetland without a written approval from the State.

A Buyer should be particularly concerned with the wetlands designation if he plans build an accessory structure to, or to add onto, a house on the real estate **WHEN THE REAL ESTATE IS SERVED BY AN INDIVIDUAL SEPTIC DISPOSAL SYSTEM**. If you are buying an existing house that is served by a municipal sewage system, this disclosure may only be a concern to you if the property is designated as being a wetlands and you are building an addition or a new structure on the property.