Nordonia Hills City Schools

SPECIAL MEETING AGENDA

May 30, 2014

BOARD OF EDUCATION MEMBERS

Steve Bittel, President	(330)468-7738
James E. Virost, Vice President	(330)467-9496
Daniel Gallagher	(330)467-9307
Tammy Strong	(330)908-1202
Jim Szabo	(330)467-7826

Joe Clark, Superintendent
(330)467-0580

Karen Obratil, Treasurer
(330) 467-0580

9370 Olde Eight Road Northfield, Ohio 44067
www.nordoniaschools.org

NORDONIA HILLS CITY SCHOOLS
Board of Education

Special Meeting

May 30, 2014

I. PRESIDENT'S REPORT

1. Roll Call

Mr. Bittel____ Mr. Virost ____ Mr. Gallagher ____ Mrs. Strong ____ Mr. Szabo ____

II. EXECUTIVE SESSION:

2. For the purpose of discussion, with the Board's legal counsel, of disputes involving the Board that are the subject of pending or imminent court action

Mr. Bittel____ Mr. Virost ____ Mr. Gallagher ____ Mrs. Strong ____ Mr. Szabo ____

III. RESOLUTION TO RESCIND THE APRIL 21, 2O14 APPROVAL OF REAL ESTATE PURCHASE AGREEMENT.

Mr. Bittel____ Mr. Virost ____ Mr. Gallagher ____ Mrs. Strong ____ Mr. Szabo ____

IV. RESOLUTION TO APPROVE APRIL 25, 2014 PURCHASE AGREEMENT WITH SAGAMORE LAND PROPERIES, LLC **Tab 1**

Mr. Bittel____ Mr. Virost ____ Mr. Gallagher ____ Mrs. Strong ____ Mr. Szabo ____

V. ADJOURNMENT

The next Regular meeting of the Board will be held on
Monday, June 23, 2014 at 7:00 p.m. at Northfield Elementary School
9374 Olde Eight Road, Northfield 44067

REAL ESTATE PURCHASE AGREEMENT

THIS REAL ESTATE PURCHASE AGREEMENT (this "Agreement") is made and entered into effective as of the date of last execution hereof ("Effective Date") by and between BOARD OF EDUCATION OF THE NORDONIA HILLS CITY SCHOOL DISTRICT, an Ohio public school education board ("Seller"), and SAGAMORE LAND PROPERTIES LLC, an Ohio limited liability company, or its nominee ("Purchaser").

R E C I T A L S:

A. Seller is the owner of certain real property consisting of approximately 93.28 acres of vacant land located in the Township of Sagamore Hills, County of Summit and State of Ohio, and being Permanent Parcel Numbers 4505177 and 4505178, as more fully described on Exhibit A attached hereto and made a part hereof, together with all easements, hereditaments and appurtenances thereunto belonging (collectively, the "Property").

B. Purchaser desires to purchase the Property, and Seller desires to sell the Property to Purchaser, upon and subject to the terms and conditions set forth in this Agreement.

A G R E E M E N T S:

In consideration of the foregoing Recitals and the mutual covenants and agreements herein contained, Seller and Purchaser do hereby agree as follows:

1. PURCHASE AND SALE. Seller hereby agrees to sell the Property to Purchaser, and Purchaser agrees to purchase the Property from Seller, upon and subject to the terms and conditions set forth in this Agreement.

2. PURCHASE PRICE. The purchase price to be paid by Purchaser to Seller for the Property shall be One Million Six Hundred Thousand Dollars ($1,600,000) (the "Purchase Price"). The Purchase Price, subject to the prorations and credits hereinafter set forth, shall be paid as follows:

(a) An earnest money deposit (the "Deposit") of Fifty Thousand Dollars ($50,000) shall be deposited with the Escrow Agent (as defined in Section 6(a), below) within three (3) business days after the Effective Date; and

(b) The balance of the Purchase Price shall be deposited by Purchaser with the Escrow Agent on or before the Closing Date (as defined in Section 6(b), below).

3. TITLE TO PROPERTY. Seller shall convey to Purchaser (or its nominee) good and marketable title to the Property, by Seller's General Warranty Deed (the "Deed"), warranting title to the Property to be free and clear of all liens, restrictions, encroachments, and encumbrances whatsoever, except (a) zoning ordinances, if any, (b) taxes and assessments, both general and special, which are not then due and payable, and (c) those items approved by

Purchaser upon its review of the Title Commitment and Survey to be obtained by Purchaser as provided in Section 4(b), below.

4. TITLE INSURANCE.

(a) It shall be a condition to Closing that Purchaser shall obtain an ALTA Owner's Fee Policy of Title Insurance Form 2006 (the "Owner's Policy") issued by the Escrow Agent, as agent for Old Republic Title Insurance Company (the "Title Company"), in the full amount of the Purchase Price, which shall insure title to the Property to be good in Purchaser upon the filing of the Deed for record, subject only to those exceptions permitted by Section 3 hereof.

(b) Promptly after the Effective Date, Purchaser shall order from the Escrow Agent a commitment for the Owner's Policy issued by the Title Company (the "Title Commitment") showing the status of title to the Property and evidencing the willingness of the Title Company to insure the same as required hereunder. Purchaser shall have a period (the "Review Period") of thirty (30) days following the Effective Date to review the Title Commitment and any survey obtained by Purchaser (the "Survey") and notify Seller and the Escrow Agent in writing of Purchaser's objection to any matters set forth in the Title Commitment or the Survey ("Title Objections"). If Purchaser does not deliver notice of any Title Objections within such thirty (30) day period, Purchaser shall be deemed to have waived its right to object to any title or survey matters. If Purchaser raises any Title Objections prior to the end of the Review Period, then Seller shall have ten (10) days after the date of receipt of Purchaser's objection notice to cure the Title Objections in a manner acceptable to Purchaser (or to provide notice that such matters will be cured in a manner acceptable to Purchaser), except that any monetary liens need not be objected to by Purchaser, but nevertheless shall be extinguished or otherwise discharged by Seller or the Escrow Agent on or prior to the Closing Date. If Seller fails to fully cure the Title Objections within the ten (10) day period referred to in the preceding sentence (or to provide notice that such matters will be cured in a manner acceptable to Purchaser), then Purchaser shall have the right thereafter, upon notice to Seller and the Escrow Agent, to: (i) terminate this Agreement, whereupon the Escrow Agent shall immediately deliver the Deposit to Purchaser, and neither party shall have any further liability hereunder, each to the other, or (ii) waive the Title Objections and purchase the Property as is shown in the Title Commitment, without a reduction of the Purchase Price for any Title Objections, in which event the Title Objections that were not cured shall be deemed to be acceptable to Purchaser.

5. PRORATIONS AND ADJUSTMENTS. The Property currently is exempt from real estate taxes and assessments since it is being held by Seller for future schools. In the event that as a result of the transaction contemplated hereby or otherwise, the County Fiscal Officer imposes any real estate taxes or assessments against the Property for any period prior to the Closing Date, Purchaser shall be solely responsible for any real estate taxes and assessments payable for any period arising prior to the Closing Date.

6. ESCROW AGENT AND CLOSING.

(a) Concurrently with the full execution of this Agreement, an escrow shall be established with American Title & Trust Agency, Inc., 4807 Rockside Road, Suite 225, Cleveland, Ohio 44131, Phone: 216.524.0821 (the "Escrow Agent"), which shall serve as the escrow agent for the parties. In connection with the escrow contemplated hereby, the Escrow Agent may attach hereto its Standard Conditions of Escrow Acceptance (the "Standard Conditions"), however, in the case of any conflict between the Standard Conditions and this Agreement, this Agreement shall control.

(b) All funds and documents necessary to close the purchase of the Property as contemplated hereunder (the "Closing") shall be placed in escrow with the Escrow Agent on or prior to the Closing Date. The closing date of this transaction shall be such date on or before July 1, 2014, as shall be designated by Purchaser upon at least ten (10) days' prior written notice to Seller and the Escrow Agent (the "Closing Date"). If all necessary funds and documents have been deposited as required, the Escrow Agent, on the Closing Date, shall record the Deed and any other documents required hereunder and shall disburse all funds as required hereunder.

7. CHARGES.

(a) The Escrow Agent shall charge Seller with the following:

(i) The cost of the title examination and Title Commitment;

(ii) One-half (1/2) of the premium for the Owner's Policy;

(iii) The cost of any endorsements to the Owner' Policy necessary to enable Seller to cure any title matters objected to by Purchaser as provided in Section 4(a), above;

(iv) Any governmental transfer taxes or conveyance fees, costs or charges;

(v) One-half (1/2) of the escrow fee; and

(vi) All prorations and adjustments, if any, to which Purchaser is entitled pursuant to the terms of this Agreement.

(b) The Escrow Agent shall charge Purchaser with the following:

(i) One-half (1/2) of the premium for the Owner's Policy;

(ii) The cost of any endorsements to the Owner's Policy requested by Purchaser, other than endorsements to the Owner' Policy necessary to enable Seller to cure any title matters objected to by Purchaser as provided in Section 4(a), above;

(iii) The cost of the Survey;

(iv) The cost of preparing and recording the Deed;

(v) One-half (1/2) of the escrow fee; and

(vi) All prorations and adjustments, if any, to which Seller is entitled pursuant to the terms of this Agreement.

8. POSSESSION. Possession of the Property shall be delivered by Seller to Purchaser on the Closing Date.

9. REPRESENTATIONS AND WARRANTIES. Seller represents and warrants to Purchaser as follows, effective as of the date of this Agreement and the Closing Date:

(a) No notices or citations of any applicable private restriction or of the violation of any zoning regulation or directive of any governmental authority or authorities having jurisdiction relating to the Property or any parts thereof have been received by Seller.

(b) Seller has not received any notice or order from any governmental authority in respect of any proposed change in the valuation of the Property for real estate tax purposes from that assessed for the year 2014, nor does Seller know of any action or proceeding designed to levy any special assessments against the Property and Seller has not been notified of possible future improvements by any public authority, any part of the cost of which would or might be assessed against the Property or of any contemplated future assessments of any kind.

(c) There are no contracts, leases or other agreements pertaining to or affecting the Property or granting to any third party any right or option to purchase or lease all or any portion of the Property, other than recorded documents that will be reflected in the Title Commitment.

(d) To Seller's knowledge, there are no condemnations or proposed modifications in environmental, zoning or other land use regulations or proceedings pending or contemplated which would affect all or any part of the Property.

(e) Seller has the full right and legal authority to execute and deliver this Agreement and sell the Property as contemplated hereby.

(f) Seller's execution, delivery or performance of this Agreement will not constitute a default under any agreement, lease, indenture, order or other instrument or document by which Seller or any of the Property may be bound.

(g) There are no suits, actions, claims, proceedings or investigations pending or, to Seller's knowledge, threatened against or affecting the Property.

(h) Seller has not used the Property for the disposal of any hazardous or toxic waste materials, nor, to Seller's knowledge and except as previously disclosed by Seller to Purchaser in

writing, has (i) any former owner of the Property or any other person or entity used the Property for the disposal of any hazardous or toxic materials and (ii) the Property never contained, nor does it currently contain, any hazardous or toxic waste materials, in violation of any applicable environmental law or regulation, including, but not limited to, Section 103 of the Comprehensive Environmental Response, Compensation and Liability Act, 74 U.S.C. §9601, et seq., any "super lien" laws, any "super fund" laws, or similar federal or state laws, or any successor statutes thereto (the "Environmental Laws"), nor has any "clean up" of the Property occurred pursuant to the Environmental Laws which could give rise to (x) liability on the part of Purchaser to reimburse any governmental authority for the cost of such clean up, nor (y) a lien or encumbrance on the Property.

(i) To Seller's knowledge, there are no capped or uncapped oil or gas wells, or other wells in or on the Property.

The parties agree that (i) Purchaser is relying upon the representations and warranties of Seller as aforesaid, (ii) the same are a material inducement to Purchaser, and (iii) the same shall survive the Closing for a period of twenty-four (24) months.

It shall be a condition of closing that such representations and warranties of Seller shall continue to be true on the Closing Date.

10. TITLE DEFECTS. Purchaser agrees that if title to the Property is subject to any defect or encumbrance not (i) caused by Purchaser and (ii) excepted from Seller's warranties of title (as provided in Section 3), by reason of which the Title Company, upon the filing of the Deed for record, would not insure the title to be as required hereunder, then Seller shall have thirty (30) days after written notice from Escrow Agent to cure or remove such defects. If Seller is unable or unwilling to cure the defects, Seller shall give written notice in writing to Purchaser, and Purchaser shall make an election (a) to accept title to the Property subject to such defect or encumbrance or (b) to terminate this Agreement, whereupon the Escrow Agent shall immediately deliver to Purchaser the Deposit and any funds and documents deposited by Purchaser and neither party shall have any further liability hereunder, each to the other.

11. NOTICES. Any notice under this Agreement shall be delivered in writing to the following:

(a) Seller: Board of Education of the Nordonia Hills School District
9830 Olde Eight Road
Northfield, Ohio 44067
Attn: Thomas M. Hartman, Business Director
E-Mail: tom.hartman@nordoniaschools.org

With a Copy to: Taft Stettinius & Hollister LLP
200 Public Square, Suite 3500
Cleveland, OH 44114-2302
Attn: Edward J. Leader, Esq.
E-Mail: eleader@taftlaw.com

(b)	Purchaser:	Sagamore Land Properties LLC 756 Ravenhill Drive Sagamore Hills, Ohio 44067 Attn: Paul Karnow, Member E-Mail: paulk@kraftechhomes.com and Ronald A. Martin, Member E-Mail: rmartin@unitedrolls.com
	with a copy to:	Singerman, Mills, Desberg & Kauntz Co., L.P.A. 3333 Richmond Road, Suite 370 Beachwood, Ohio 44122 Attn: Paul J. Singerman, Esq. E-Mail: psingerman@smdklaw.com
(c)	Escrow Agent:	American Title & Trust Agency, Inc. 4807 Rockside Road, Suite 225 Cleveland, Ohio 44131 Attn: Gayle Steele E-Mail: attescrow@yahoo.com

Notices by Purchaser or Seller pursuant to Section 4 or Section 6(b), hereof, may be delivered by e-mail (or by any of the other methods set forth below) and, if delivered by e-mail, shall be effective on the date sent. All other notices shall be sent by (i) hand delivery, (ii) United States, certified mail, return receipt requested, or (iii) reputable overnight courier guaranteeing next business day delivery. Notices delivered by hand delivery shall be deemed received on the date delivered if delivered prior to 5:00 p.m. on a business day or the first business day thereafter if delivered after 5:00 p.m. or on a day that is not a business day. Notices sent by certified mail shall be deemed delivered on the earlier of the date receipt is acknowledged on the return receipt or three (3) business days after posting by the post office. Notices sent by overnight courier shall be deemed delivered on the first business day after the date sent.

12. ASSIGNMENT. Purchaser shall not have the right to assign its rights or obligations under this Agreement to any person or entity without the prior written consent of Seller.

13. BINDING EFFECT. This Agreement shall be binding upon and inure to the benefit of Seller and Purchaser and each of their respective heirs, administrators, executors, personal representatives, successors, and permitted assigns.

14. WAIVER. Any terms and conditions of this Agreement may be waived or amended at any time by an agreement in writing executed by both parties.

15. BROKER . Seller and Purchaser each represent and warrant to the other that it has had no dealing with any real estate broker or agent which would entitle such broker or agent

to any commissions in connection with the sale of the Property. If for any reason any commission shall become due to any broker or agent, the party who dealt with such broker or agent shall pay any such commission and agrees to indemnify and save harmless the other party from any and all claims for any such commission and from any attorneys' fees and litigation or other expenses relating to any such claim.

16. REMEDIES.

(a) If Seller breaches any of Seller's covenants, agreements, representations, or warranties under this Agreement, then provided such breach has not been cured within ten (10) days after written notice thereof, Purchaser may:

(i) declare this Agreement terminated, in which event the Escrow Agent shall return the Deposit to Purchaser; or

(ii) enforce specific performance of Seller's obligations and/or seek monetary damages.

(b) If Purchaser breaches any of its covenants, agreements, representations, warranties, or obligations and provided such breach has not been cured within ten (10) days after written notice thereof, then Seller may declare this Agreement terminated, in which event Purchaser shall pay all title and escrow charges incurred, the Escrow Agent shall pay to Seller the Deposit theretofore deposited with the Escrow Agent, such payment to be liquidated damages and Seller's sole and absolute remedy on account thereof, and thereafter the parties shall be released from any further obligations hereunder. The parties acknowledge that the actual damages to be suffered by Seller as a result of Purchaser's failure to close will be difficult or impossible to ascertain and that the Deposit is a fair estimate of such damages as of the date of this Agreement.

17. ENTIRE AGREEMENT. This Agreement, including any exhibit attached hereto, contains the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior written or oral agreements and understandings between the parties pertaining to such subject matter. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall nonetheless remain in full force and effect.

18. SECTION HEADINGS. The section headings appearing in this Agreement are for convenience of reference only and are not intended, to any extent and for any purpose, to limit or define the text of any section or any subsection hereof.

19. COUNTERPARTS; ELECTRONIC DELIVERY. This Agreement may be executed in any number of counterparts, each of which shall constitute an original, and all of which together shall constitute one and the same instrument. This Agreement may be delivered by either party by facsimile or other electronic transmission, and the facsimile signature of a party on this Agreement shall be as valid and binding upon such party as if such party had delivered a counterpart with its manually signed signature affixed thereto.

(signatures appear on the following page)

IN WITNESS WHEREOF, Seller and Purchaser have executed this Agreement in several counterpart copies on the day and year set forth opposite their signatures below.

SELLER:

BOARD OF EDUCATION OF THE NORDONIA HILLS CITY SCHOOL DISTRICT

Dated: _____, 2014

By: _____
Steven Bittel, Board President

PURCHASER:

SAGAMORE LAND PROPERTIES LLC

Dated: _____, 2014

By: _____
Ronald A. Martin, Member

By: _____
Paul S. Karnow, Member

EXHIBIT A

Legal Description

Parcel No. 4505177

Situated in the State of Ohio, County of Summit, Township of Sagamore Hills, being part of original Northfield Township Lot 71 further bounded and described as follows:

Beginning at an iron pin, found in a monument box in the centerline intersection of Dunham Road (C.H. 150, 50' R/W) with the centerline of Sagamore Road (C.H. 160' R/W);

Thence, S 20°00'17" W, along the centerline of Dunham Road, 421.55 feet to a 5/8" capped rebar found;

Thence, S 07°18'35" E, continuing along the centerline of Dunham Road, 680.00 feet to the True Place of beginning for the parcel being described herein;

Thence, S 07°18'35" E, continuing along said centerline, 196.62 feet to a 5/8" capped rebar found;

Thence, S 16°28'49" E, continuing along said centerline, 387.42 feet to the northeast corner of land described in deed to A.L. and H.L. Heiser by Deed Volume 5219, Page 356 of Summit County Records of Deeds;

Thence, S 88°02'42" W, leaving said centerline, along the north line of said Heiser lands, passing thru a 5/8" capped rebar found at 25.65 feet, a total distance of 725.71 feet to a 2" pipe found;

Thence, S 89°24'12" W, 255.92 feet to a 5/8" capped rebar set;

Thence, N 00°13'54" W, 594.57 feet to a 5/8" capped rebar set in the south line of Sagamore Sites allotment as recorded in Plat Book 47, Page 128 of Summit County Records of Plats;

Thence, S 89°57'29" E, along the south line of the platted lands and the south line of lands deeded to J.A. Haffner, S.R., passing thru a 1" pinch pipe found at 823.53 feet. A total distance of 848.68 feet to the True Place of Beginning and containing 12.126 acres of land but subject to all legal highways, easements, and restrictions as surveyed by Robert J. Warner, P.S., Number 6931 for Environmental Design Group, Inc. in July 1996.

The Basis of Bearings for the above described parcel is grid north, Ohio State Plane Coordinate System, North Zone.

Parcel No. 4505178

Situated in the State of Ohio, County of Summit, Township of Sagamore Hills, being part of original Northfield Township Lots 71 and 81, further bounded and described as follows:

Commencing for reference at an iron pin in a monument box found in the centerline intersection of Dunham Road (C.H. 150, 50'R/W) with the centerline of Sagamore Road (C.H. 160'RW), said iron pin being on the north line of said Lot 71;

Thence, S 89°59'03" W, along the centerline of Sagamore Road and the North line of said Lot 71, 969.08 feet to an iron pin in a monument box found;

Thence S 89°59'20" W, continuing along said centerline and lot line, 728.61 feet to a point at the northwest corner of land described in deed to Ernice A. Bardoun by Deed Volume 6855, Page 766 of Summit County Records of Deeds and the True Place of Beginning for the parcel being described herein;

Thence, S 00°00'40" E, leaving said centerline, along the west line of said Bardoun lands and passing through a 1/2" pin found at 29.88 feet, a total distance of 350.00 feet to a 5/8" capped rebar set at the southwesterly corner thereof and northerly line of Sagamore Sites as recorded in Plat Book 47, Page 128 of Summit County Records; Thence, S 89°50'45" W, along the north line of said platted lands, 133.18 feet to a point at the northwesterly corner thereof. Said point being witnessed by a 3/4" iron pipe found S 05°09'19" E, 0.33 feet;

Thence, S 01°25'09" E, along the west line of said platted lands, 718.76 feet to a 5/8" capped rebar set the southwest corner thereof;

Thence, S 89°57'29" E, along the south line of said platted lands, 906.62 feet to a 5/8" capped rebar set;

Thence, S 00°13'54" E, leaving the south line of the platted lands, 594.57 feet to a 5/8" capped rebar set;

Thence, N 89°24'12" E, 255.92 feet to a 2" iron pipe found at the northwest corner of land described in deed to A.L. Heiser by Deed Volume 5219, Page 356 of Summit County Records of Deeds;

Thence, S 01°30'59" E, along the west line of said Heiser lands described in deed to V.R. Lalli by Deed Volume 7233, Page 422 of Summit County Records of Deeds, and the west line of Highview Acres Subdivision as recorded in Plat Book 60, Page 5 of Summit County Records of Plats, 925.15 feet to a 2" lead filled pipe found at the southwest corner of said subdivision and the northerly line of land described in deed to Janet S. Casto by Official Record 113, Page 705 of Summit County Records;

Thence, S 89°39'16" W, along the north line of said Casto lands and the north line of Towpath Park as recorded in Plat Cabinet K, Page 650 of Summit County Records of Plats 1151.67 feet to a 5/8" rebar found at the northwest corner thereof and the southwest corner of said Lot 71;

Thence, S 89°23'57" W, along the south line of original Lot 81 and the north line of lands described in deed to H.J. and I. Donzalski by Deed Volume 3304, Page 142, of Summit County Records of Deeds; 804.06 feet to a 5/8" capped rebar set on the easterly line of land described in

deed to The Cleveland Electric Illuminating Company by Deed Volume 4957, Page 235 of Summit County Records of Deeds;

Thence, N 01°11’42” W, leaving the south line of lot 81, continuing along the easterly line of said C.E.I. lands, 1407.14 feet to a point;

Thence, N 11°09’15” E, continuing along said C.E.I. lands, 1217.70 feet to the centerline of Sagamore Road and the north line of said Lot 81;

Thence, N 89°59’20” E, along said centerline 675.34 feet the True Place of Beginning and containing 81.947 acres of land but subject to all legal highways easements and restrictions if any as surveyed by Robert J. Warner, P.S., Number 6931 for Environmental Design Group, Inc. in August of 1996.

The Basis of Bearings for the above described parcel is grid north of the Ohio state plan coordinate system, north zone.