

RESOLUTION 17-109

A RESOLUTION TO AUTHORIZE THE MAYOR TO SIGN A CONTRACT FOR THE PURCHASE OF THE NORTHFIELD BUILDING

WHEREAS, the Board of Mayor of Mayor and Alderman approved as part of the FY18-23 Five-Year Capital Improvement Plan for the City of Spring Hill the funding for new and expanded city facilities; and

WHEREAS, preliminary budget estimates for the construction of the city facilities was estimated to be in excess of \$18M including finishes and technology, resulting in approximately seventy-four thousand (74,000) square feet of newly constructed or renovated space; and

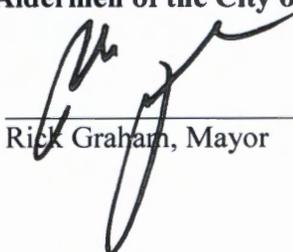
WHEREAS, as an alternative to new construction, the Northfield Building (former Saturn World Headquarters) is for sale and contains in excess of three-hundred thousand (300,000) existing square feet; and

WHEREAS, staff has negotiated an offer for building, property and certain assets at a purchase price of Eight Million and One Hundred Eighty Thousand Dollars (\$8,180,000.00) that is contingent on Board of Mayor and Aldermen acceptance of the attached land purchase contract; and

WHEREAS, the Board of Mayor and Aldermen finds the purchase of the Northfield Building preferable over new construction and finds the terms of the contract acceptable.

NOW, THEREFORE, BE IT RESOLVED, that the City of Spring Hill authorizes the Mayor of the City of Spring Hill, TN to sign a contract to purchase the Northfield Building at a cost of of Eight Million and One Hundred Eighty Thousand Dollars (\$8,180,000.00), hereto attached and authorized to further negotiate any minor modifications to the contract as required.

Passed and adopted by the Board of Mayor and Aldermen of the City of Spring Hill, Tennessee on this 16th day of October, 2017.



Rick Graham, Mayor

ATTEST:



April Goad, City Recorder

LEGAL FORM APPROVED:



Patrick Carter, City Attorney



CONTRACT FOR SALE OF REAL ESTATE

THIS CONTRACT OF SALE (hereinafter the "Contract") made this 17th day of October, 2017 by and between South Central Tennessee Workforce Alliance, hereinafter called the Seller, and City of Spring Hill, TN, hereinafter called the Buyer:

WITNESSETH:

That the Seller, in consideration of the sum of One Hundred Thousand Dollars & 00/100 (\$100,000.00) as earnest money (hereinafter the "Earnest Money") and in part payment of the purchase price, hereby agrees to sell and convey to said Buyer, or to such person as he may in writing direct, the following described real estate in Maury County, Tennessee to wit:

Northfield Business Park
5000 Northfield Lane Maury County, TN
Map #029.00 Parcel #014.00

CONSIDERATION: Buyer agrees to purchase said real estate (hereinafter called the "Property") and to pay therefore the total sum Eight Million One Hundred Eighty Thousand Dollars and 00/100 (\$8,180,000.00) (hereinafter called the "Purchase Price"), payable in full in cash at closing, subject to the Earnest Money deposited herewith.

1. **Taxes.** Any taxes for current year to be prorated. Any back taxes to be paid by Seller.
2. **Cost of Deed and Recording Fees.** Cost of deed preparation to be paid for by Buyer. Recording of the deed and all transfer tax costs to be paid by Buyer.
3. **Ratable Items.** All ongoing costs, expenses, or other ratable items to be prorated as of the date of closing.
4. **Title Insurance.** Promptly following the execution of this Contract by Buyer and Seller and delivery of this Contract to Seller, Seller shall apply for title insurance to provide to Buyer. Seller shall be responsible for the cost of the Title Insurance.
5. **Earnest Money.** Earnest Money in the amount stated above is to be deposited with Chas. Hawkins Co., Inc. ("Broker") upon mutual execution of this Contract by Buyer and Seller. Said money will be disbursed in accordance with the terms of this Contract. The parties hereby authorize Broker to deposit the Earnest Money in its general escrow or earnest money account, commingled with other escrow funds, at a FDIC insured state or national bank in Nashville, Tennessee. The Broker shall have no duty to pay interest upon or otherwise invest the Earnest Money. In the event Broker shall become in doubt as to the ownership of the Earnest Money or as to Broker's duties with respect thereto, Broker shall have the right to retain possession and control over the said Earnest Money until such time as either (a) the parties agree in writing as to the disposition of the same or (b) a court of competent jurisdiction enters a final order directing its disposition. In the event of any dispute, Broker shall additionally be authorized to interplead the Earnest Money to a court of competent jurisdiction with Broker's expenses and attorney's fees being a charge against the funds deposited with the court.
6. **Type of Deed.** Seller will convey by special warranty deed marketable and insurable fee simple title to the Property (as evidenced by Buyer's ability to obtain title insurance containing standard provision of marketability of title) including all improvements and appurtenances thereto.
7. **Survey.**
 - (a) Promptly following the execution and delivery of this Contract, Buyer, at its expense, may obtain a survey showing the Property and all improvements (the "Survey"), which survey shall be prepared by a surveyor acceptable and certified to the Title Insuror.

(b) Buyer shall have ten (10) days after receipt of delivery of the Survey within which to notify the Seller, in writing, of Buyer's disapproval of any items or matters shown in said Survey. In the event of such disapproval, Seller shall have ten (10) days following receipt of such notice from Buyer within which to either (a) remove any disapproved items or matter(s), or (b) notify Buyer that Seller is either unwilling or unable to remove any disapproved exception(s) or matter(s). In the event Seller notifies Buyer that it is either unwilling or unable to remove said items, Buyer shall have the option to proceed to closing with the disapproved items or to declare this Contract null and void by written notice to Seller whereupon neither party shall have any further liability to the other, and all Earnest Money shall be promptly returned to Buyer.

8. Environmental Report

(a) Promptly following the execution and delivery of this Contract, Buyer, at its expense, may obtain at its expense a current Phase I Environmental Report (the "Environmental Report"), which report shall be prepared by a licensed environmental engineer reasonably acceptable to Buyer and which report shall be certified to the Buyer. The Seller agrees to deliver any Environmental Reports that the Seller currently has in its possession, if any, to the Buyer.

(b) Buyer shall have ten (10) days after receipt of delivery of the Environmental Report within which to give written notice to Seller of Buyer's disapproval of any condition shown in said Environmental Report. Upon receipt of such notice, Seller shall have seven (7) days in which to state its intention to remedy any disapproved condition and the parties shall negotiate and document an agreement for the Seller's remedy. Should Seller be unwilling or unable to remedy Buyer's disapproved conditions, Buyer may proceed to closing with the disapproved conditions or declare this Contract null and void by written notice to Seller, whereupon neither party shall have any further liability to the other and all Earnest Money shall be promptly returned to Buyer.

9. Inspection Period. From the execution of this Agreement until 5:00 P.M. December 18, 2017 (the "Inspection Period"), Buyer shall inspect the Property and determine in its sole and absolute discretion whether the Property is acceptable to Buyer. This includes, but is not limited to, inspection of all encumbrances, legal, physical or otherwise, as well as any easements of record to Buyer's full, personal, absolute satisfaction. In the event Buyer fails to notify Seller in writing during the Inspection Period that this condition has not been satisfied, this condition shall conclusively be deemed for all purposes to have been satisfied and the Property shall be deemed acceptable. In the event Buyer desires financing to complete the purchase of the Property, Buyer shall secure a commitment for such financing within the Inspection Period. If the Property is unacceptable to Buyer or if Buyer is unable to obtain a commitment for financing within the Inspection Period, Buyer shall so inform Seller in writing prior to the expiration of the Inspection Period and this Contract shall be null and void and of no force or effect whatsoever and neither party hereto will have any liability, legal or otherwise arising from this Contract and all Earnest Money shall be promptly returned to Buyer.

10. Right to Inspect. Buyer may at all times before the closing go upon the Property, with Seller's agent present if desired by Seller, with its own personnel, its agents, and engineers as needed, to inspect, examine, survey or otherwise do whatever Buyer deems necessary by way of inspection, engineering, tests and planning for the Property. This privilege shall include the right to make soil tests, borings, and other tests required to obtain any information necessary to determine subsurface conditions, all of which shall be satisfactory to Buyer for its contemplated use of the Property as determined within the Inspection Period. In its exercise of the privileges granted by this paragraph, Buyer shall substantially restore the Property to its original condition prior to the commencement of engineering work and shall indemnify and hold harmless the Seller from all loss, damage, or expense, including any claims of third parties for damage to person or property, arising from or attributable to Buyer's use of, or activities upon, the Property prior to the closing. In the event this sale is not closed for any reason, Buyer shall deliver over to Seller copies of all drawings, studies, tests, and other materials which it may have compiled with respect to the Property in preparation for the purchase of the same.

11. Lease, Maintenance Contracts, and Warranties. Buyer's obligations under this Contract are conditioned upon examination during the Inspection Period of the current leases of present tenants, if any, and any maintenance or other contracts covering the operation of the Property. Copies of all leases and agreements shall be provided to Buyer within ten (10) days of mutual execution of this Contract. Unless Seller is otherwise already legally obligated to extend a lease, Seller agrees not to enter into any new leases or extend any existing lease from the date of acceptance of this Contract to date of closing without the express written consent of Buyer which shall not be unreasonably withheld.

12. Seller Representations. Seller hereby agrees and represents that as of the date of this Contract, the following statements are true:

(a) Utilities, including water, sanitary sewer, gas, electricity and telephone are available at the boundary of the Property. Seller does not make any representations or warranties as to the sufficiency or capacity of such utilities and Buyer shall satisfy itself as to such matters as part of its own due diligence.

(b) Seller is lawfully possessed with fee simple title to the Property, subject only to those matters shown in the Title Commitment, has full right to sell it, and this Contract is the duly authorized and binding act of Seller.

(c) There are no lease option agreements, service contracts, licenses, timber contracts, mineral conveyances, or other contracts which affect the Property, except for any such agreements disclosed pursuant to Item 11 above.

(d) The Property has direct access to a public right-of-way.

(e) Any taxes and assessments constituting a lien upon the Property have been paid in full or shall be paid at or prior to closing. Seller has not been notified of any future improvements by any public authority, any part of the costs of which might be assessed against the Property.

(f) To the best of Seller's knowledge, there are no laws, ordinances, or restrictions, or any changes contemplated therein, any judicial or administrative actions, any actions by adjacent landowners, any natural or artificial conditions upon the Property, any hazardous materials or conditions at or near the Property, or any other facts or conditions known to Seller which would have an adverse effect upon the Property or its value, or which might delay the immediate development of the Property, which facts or conditions have not been disclosed in writing to Buyer or disclosed by the Title Commitment.

(g) To the best of Seller's knowledge, the Property has not been damaged or affected by flood or storm runoff water, and that the Property is not in a flood hazard area.

(h) There shall be no material adverse change in the title, physical condition, and/or any other matter warranted or represented herein related to the Property between the date hereof and the date of closing.

Seller shall continue all routine maintenance and repair of the Property including that for the grounds, parking and drive areas, and all improvements, until the Closing Date.

13. Risk of Loss and Condemnation. All risk of loss of or to the Property in whole or in part shall remain on Seller until transfer of legal title to Buyer at closing. If, before closing, any condemnation proceeding is or has been commenced with respect to the Property or any casualty results in damage to the Property or improvements thereon, Buyer shall have the option of either terminating this Contract or of completing the purchase contemplated herein. In the event Buyer elects to terminate the Contract, Buyer shall be entitled to the return of all Earnest Money, and all parties shall be relieved from any further liability hereunder. If, however, Buyer shall elect to complete this transaction, there shall be no reduction in the Purchase Price and Buyer shall be entitled, in the case of fire or other casualty, to receive from the insurance carrier all insurance proceeds or, in the case of condemnation, to receive the entire award for the Property or the portion thereof so taken. Buyer shall be required to pay or absorb any "deductible" in the event Buyer receives the insurance proceeds. Seller shall execute and deliver to Buyer on the closing hereunder all proper instruments for the assignment and collection of any such proceeds and awards.

14. Successors and Assigns. This Contract shall inure to the benefit of and be binding upon the heirs, representatives, successors, and assigns of Seller and Buyer. Any rights and obligations under the Contract shall be freely assignable to any other person, firm or corporation by either party, provided the assigning party remains liable in the event of default by the assignee.

15. Entire Contract and Binding Effect. This Contract and its exhibits constitute the entire agreement of the parties and no other statement or representation shall be considered a part of this Contract, or binding upon the parties, unless contained herein or set forth in written agreement executed by Seller and Buyer and made a part hereof.

16. Closing Date. This sale will be closed by the office of Title Insuror and Middle Tennessee Law Group at such place and time as mutually agreed but in no event later than December 31, 2017. If Buyer is unable to close on or before December 31st, 2017, Buyer has until February 15, 2018 to close the same Purchase Price.

17. Possession. Possession shall pass to Buyer at the time of closing.

18. Broker, Commission, and Responsibility.

option, bring an action to require specific performance of this Contract or to seek damages or both. The defaulting party shall be responsible for payment to the Broker of the real estate brokerage commission set forth herein.

In the event of any legal action to interpret or enforce the terms or conditions of this Contract, the prevailing party shall be entitled to recover from the other all costs and expenses incurred thereby including reasonable attorneys' fees, expert's fees, costs of depositions, etc. Any action to interpret or enforce this contract shall be maintained only in a court having a venue in Columbia, Maury County, Tennessee, and shall be governed by Tennessee law.

22. Other Provisions. During the Inspection Period, an addendum shall be added to the Contract that states certain assets that the Buyer is purchasing with the Property. These include, but are not limited to, certain furniture, audio/video equipment, kitchen equipment, etc.

23. Offer. Until fully executed by all parties, this writing shall not be construed to be an offer to sell or purchase. Unless extended in writing, this offer shall expire at 5:00 p.m. on October 27, 2017.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year set out below.

BROKER: Chas. Hawkins Co., Inc.

By: [Signature]
Its: President
Date: 10/17/17

SELLER: South Central TN Workforce Alliance

By: [Signature]
Its: Board Chair
Date: 10/17/2017

BUYER: City of Spring Hill

By: [Signature]
Its: Mayor
Date: October 17, 2017



Spring Hill, TN

Payment Register

APPKT04402 - Chas Hawkins, Earnest Money, Northfield

01 - Vendor Set 01

Bank: APBNK110 - General Account

Vendor Number	Vendor Name	Total Vendor Amount
<u>06976</u>	Chas Hawkins Company, Inc.	100,000.00

Payment Type	Payment Number
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Check	<u>2117</u>
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Payment Date	Payment Amount
10/18/2017	100,000.00

Payable Number	Description
<u>INV0031306</u>	Earnest Money, Northfield

Payable Date	Due Date	Discount Amount	Payable Amount
10/17/2017	10/17/2017	0.00	100,000.00

Payment Summary

Type	Payable Count	Payment Count	Discount	Payment
Manual Check	1	1	0.00	100,000.00
Packet Totals:	1	1	0.00	100,000.00

Cash Fund Summary

Fund	Name	Amount
110	GENERAL FUND	-100,000.00
Packet Totals:		-100,000.00



Spring Hill, TN

Check Register

Packet: APPKT04402 - Chas Hawkins, Earnest Money, Northfield

By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
06976	Chas Hawkins Company, Inc.	10/18/2017	Manual	0.00	100,000.00	2117

Bank Code APBNK110 Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	0	0	0.00	0.00
Manual Checks	1	1	0.00	100,000.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	1	1	0.00	100,000.00

Fund Summary

Fund	Name	Period	Amount
110	GENERAL FUND	10/2017	100,000.00
			<u>100,000.00</u>



CITY OF SPRING HILL

P.O. Box 789
 Spring Hill, TN 37174
 PH: (931) 486-2252
 FAX: (931) 486-0516

PURCHASE ORDER

PO Number: PO07910

Date: 10/18/2017

Requisition #: REQ08639

Vendor #: 06976

ISSUED TO: Chas Hawkins Company, Inc.
 760 Melrose Avenue
 Nashville, TN 37211-

SHIP TO: City Hall Upper Level
 199 Town Center Parkway
 Spring Hill, TN 37174

ITEM	UNITS DESCRIPTION	GL ACCT #	PROJ ACCT #	PRICE	AMOUNT
1	0 Earnest Money, Northfield	110-41100-917		0.00	100,000.00

SUBTOTAL:	100,000.00
TOTAL TAX:	0.00
SHIPPING:	0.00
TOTAL	100,000.00

1. Original invoice with remittance slip must be sent to: City of Spring Hill, P.O. Box 789, Spring Hill, TN 37174.
2. Payment may be expected within 30 days of receipt of goods and invoice.
3. C.O.D. shipment will not be accepted.
4. Purchase Order numbers must appear on all shipping containers, packing slips and invoices. Failure to comply with the above request may delay payment.
5. All goods are to be shipped F.O.B. Destination unless otherwise stated.
6. All materials and services are subject to approval based on the description on the face of the purchase order or appendages thereof. Substitutions are not permitted without approval of the Requesting Department. Material not approved will be returned at no cost to the City.
7. All goods and equipment must meet or exceed all necessary city, state and federal standards and regulations.
8. Vendor or manufacturer bears risk of loss or damage until property received and/or installed.
9. Seller acknowledges that the buyer is an equal opportunity employer. Seller will comply with all equal opportunity laws and regulations that are applicable to it as a supplier of the buyer.
10. The City is not liable for Federal Tax or State Tax

CITY OF SPRING HILL
GENERAL ACCOUNT

P. O. BOX 789
SPRING HILL, TN 37174

2117

87-811/641

DATE 10-18-2017

CHECK NUMBER

PAY
TO THE
ORDER OF

Chas. Hawkins Company, Inc.

\$ 100,000.00

One hundred thousand

DOLLARS

Security Features Details on Back

FIRST FARMERS
Member FDIC

FOR

Carrest money

[Signature]
Apul Head

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