

CONTRACT OF SALE
COF Contract #2010-0039

This Agreement ("Agreement") is made between Fannie A. Leach ("Seller") and the City of Franklin, Tennessee, a municipal corporation organized and existing under the laws of the State of Tennessee, ("Purchaser").

1. Description of Property. Seller agrees to sell and convey to Purchaser and Purchaser agrees to purchase, for the price and upon the terms and conditions set forth below, the property and improvements, described in Exhibit A hereto (the "Property"), located in Williamson County, Tennessee. The property is generally described as 363 Ninth Avenue North, Franklin, Tennessee (Williamson County Property Assessor Map 078B, Group B, Parcel 02700).

2. Purchase Price. The purchase price of the Property is Twenty-Five Thousand Dollars and No/100 (\$25,000.00).

3. Title Exceptions. The Property shall be conveyed subject to the following title exceptions and no others:

a. Applicable building and zoning laws.
b. Encroachments, easements and other matters shown on the survey to be paid for by Purchaser which will not interfere with the Purchaser's intended use of the Property.

c. Real estate taxes not yet due and payable.

4. Title Insurance and Survey. As soon as possible after the execution of this Agreement, Purchaser shall obtain, at Purchaser's expense, a commitment for owner's title insurance in the amount of the purchase price, naming Purchaser as proposed insured. Purchaser shall cause to be issued, at closing, a policy of title insurance (ATLTA Form B) pursuant to said commitment containing only those exceptions specified in Section 3 above and any other exceptions that may be acceptable to Purchaser. Purchaser shall also obtain, at Purchaser's expense, a current survey with such content as shall enable the title insurance company issuing the title policy to omit the so-called "standard survey exceptions" from the title insurance policy insuring Purchaser's title. If said commitment and survey contain any exceptions or matters other than those specified in Section 3, which Seller is unable to remove by or on the closing date, Purchaser may, at its option, terminate this Agreement or may proceed to close without reduction in the purchase price except for reductions necessary to remove liens securing liquidated sums. Purchaser shall notify Seller of any such potential exceptions within ten (10) days of the receipt of the survey and/or title opinion, or if such title opinion and survey are not available until less than ten (10) days before closing, within a reasonable time before closing.

5. Closing. The closing shall take place at the offices of the City of Franklin on or before June 30, 2010 at 9:00 o'clock A.M. or at such other time and place as may be agreed upon by Seller and Purchaser. At closing, Seller

shall execute and deliver to Purchaser a good and valid general warranty deed conveying fee simple title to the property subject only to the aforementioned title exceptions, and Purchaser shall pay the balance of the cash portion of the purchase price called for above. Seller shall deliver final possession of the Property to Purchaser on the closing date.

6. Easements and Other Documents to be Executed or Delivered at or Before Closing. In addition, at or before closing, and before the execution of the warranty deed to the Purchaser the Sellers shall execute and deliver to Purchaser, for no additional consideration, in form satisfactory to the Purchaser:

a. A copy of an executed deed from the Seller to Purchaser for the above Property.

7. Further Agreements. The parties understand that the Purchaser's obligations hereunder are further contingent upon a satisfactory agreement's being reached, prior to closing, between the Seller and the Purchaser. Seller and Purchaser agree that it is Purchaser's intent to sell the property to Hard Bargain Mount Hope Redevelopment so that a house can be built on the property in accordance with the Affordable Workforce Housing Guidelines in a manner that meets the requirement of the Stimulus funds, as set forth in the American Recovery and Reinvestment Act (ARRA).

8. Adjustments. Real estate taxes and assessments (collectively "taxes") shall be apportioned and prorated as of the end of the day preceding the closing date. If the amount of taxes for the year in which the closing takes place are not known at the closing, they shall be apportioned on the basis of the most current information available on the closing date, and if actual taxes for the year of closing are more than the taxes on which the pro-ration is computed, Seller will pay Purchaser their pro-rata share of such additional taxes within ten (10) days of receipt by Seller of evidence of such increase; or, if the actual taxes are less than the tax on which the pro-rata is computed, Purchaser will refund Seller's pro-rata share of such decrease within ten (10) days of the receipt of the assessment.

9. Costs and Expenses; Preparation of Documents. Purchaser shall pay for deed preparation and premium for title insurance. Purchaser shall pay for transfer taxes, if any, and recording costs, if any related to this transaction. Each party shall pay for its own attorney's fees.

10. Condemnation and Casualty. If any authority having the power of eminent domain, other than the Purchaser, shall commence negotiations with Seller or shall commence legal action against Seller for the damaging, taking, or acquiring of all or any part of the Property, either temporarily or permanently, in any condemnation proceeding or by exercise of the power of eminent domain, Seller shall immediately give notice of the same to Purchaser. Upon the occurrence of any of the foregoing events, if it reasonably appear that such taking, damage, or destruction would materially interfere with Purchaser's intended use of the Property, Purchaser shall have the right, at its

option, to terminate this Agreement by giving notice thereof to Seller on or before the closing date, in which event Purchaser shall be released of all further obligations hereunder and the Deposit shall be returned. If Purchaser does not so terminate this Agreement, the purchase price shall be reduced by the total of any awards, settlement proceeds, or other proceeds received by Seller at or prior to closing with respect to any taking, destruction, or damage. At the time of closing, Seller shall assign to Purchaser all rights of Seller in and to any unpaid awards, settlement proceeds, or other proceeds payable by reason of any such taking, destruction, or damage. In the event of any negotiations regarding the payment of any such awards or proceeds, Seller will inform Purchaser of all such negotiations of which Seller have notice and will permit Purchaser to take part therein.

11. Purchaser's Right to Inspect Property Before Closing. The Purchaser shall have the right, before closing, at its own expense, to enter onto the Property to inspect it, to make soil test borings, environmental surveys, archaeological studies, drainage tests, and tests of the Property at Purchaser's expense concerning the presence of any environmental hazard or any other condition of the property. In proceeding with this transaction, the Purchaser is relying upon the tests and inspections conducted by its own environmental engineers and other consultants and not upon any representation of the Seller. If these tests and inspections disclose any condition of the Property unsatisfactory to the Purchaser or that would prevent the Purchaser from using the Property for the use intended, then the Purchaser shall notify the Seller within thirty (30) days prior to the date set for closing and offer the Seller the opportunity to correct the condition at the Seller's expense. If the Seller is unwilling or unable to correct the condition, then the Purchaser shall have the option of proceeding to closing or terminating this Agreement and obtaining back any deposit as sole remedy.

12. Notices. Any notice or other communication (collectively "notices") required to be given hereunder shall be in writing and delivered personally or sent by United States certified mail, return receipt requested, addressed to the parties at the following addresses:

Purchaser:
Eric S. Stuckey, City Administrator
City of Franklin
P.O. Box 305
Franklin, TN 37065

Seller:
Fannie A. Leach
934 Glass Street
Franklin, TN 37064

or to such other address as either party may hereafter give the other. Notices sent by mail shall be deemed given three (3) days after mailing.

13. Default. If Purchaser defaults hereunder, Seller shall retain the Deposit as liquidated damages or may sue for specific performance. If Seller default hereunder, Purchaser may obtain specific performance or recover damages.

14. Offer and Acceptance. This Agreement, as executed by the party first executing it shall constitute an offer to the other party. The offeree shall accept the same, if at all, by delivering a fully executed original of this Agreement to the offer on or before 1:00 p.m. on June 30, 2010. The notice provisions hereof hereinabove notwithstanding, acceptance of this offer shall be effective only upon the actual receipt by the offer of the fully executed original. The offer, if not timely accepted as aforesaid, shall expire and be of no further force and effect at the time and date set forth in this Section. Any offer by the Purchaser is subject to final approval by the Franklin Board of Mayor and Aldermen.

15. Headings. The Section headings are inserted for convenience only and are not intended to describe, interpret, define, or limit the scope or content of this Agreement or any provisions hereof.

16. Miscellaneous. All prior understanding and agreements between the parties are deemed merged herein. This Agreement may be modified only by an agreement in writing signed by the parties. This Agreement shall apply to, bind, and inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties. The effective date of this Agreement shall be the day it is last executed by Seller or Purchaser. This Agreement shall be governed by Tennessee law.

IN WITNESS WHEREOF, Seller and Purchaser have set their hands on the day and year written beside their signatures.

SELLER
Fannie A. Leach

By: _____

Date: _____

PURCHASER
City of Franklin, Tennessee

By: _____

Its: _____

Date: _____



HISTORIC
FRANKLIN
TENNESSEE

MEMORANDUM

April 20, 2010

TO: City of Franklin Board of Mayor and Alderman

FROM: Eric S. Stuckey, City Administrator *ESS*
Vernon Gerth, ACA-Community and Economic Development
Clay Matthews, Housing Development Coordinator

SUBJECT: Contract of Sale for the purchase of 363 9th Ave. N., Franklin, Tennessee

Purpose

The purpose of this memorandum is to provide information to the Board of Mayor and Aldermen (BOMA) to consider contract 2010-0039 to support the purchase of a lot located at 363 9th Avenue North for \$25,000 with CDBG-R stimulus funds.

Background

Last fall the City of Franklin was awarded approximately \$73,000 in CDBG-R stimulus funding to be used for creating affordable housing units. The Affordable/Workforce Housing Advisory Committee endorsed utilizing the funds to purchase two parcels and transferring them to local non-profit housing organizations that will be responsible for constructing the single-family dwellings. Several months ago, United Community Resource Foundation (UCRF) acquired title to the property located at 311 Natchez Street and is in the process of constructing the detached, single-family dwelling on the parcel.

The City is presently collaborating with Hard Bargain Mount Hope Redevelopment (HBMHR) to purchase the property located at 363 9th Ave. N. Since program requirements limit the purchase price to the appraised value of the property and this property owner is seeking a higher sales price, HBMHR is donating \$5,000 toward the City's purchase of this property. This contract represents the second of the two lots to be purchased under the CDBG-R program.

Financial Impact

Minimal staff time involved. Funds are from the American Reinvestment and Recovery Act (ARRA) via the CDBG-R Program. This program requires no matching funds from the City.

Recommendation

The Affordable/Workforce Housing Advisory Committee and staff recommends approval of this contract.