

Finance & Administration Committee Meeting
August 15, 2023
4:00 p.m.

1. Discussion on Purchase of Building located @ 209 W. Pleasant
2. Discussion on Police Salaries – Alderman Edwards
3. Lease for Saddle Club – Attorney Witherington

CONTRACT FOR SALE OF REAL ESTATE

COVINGTON, TN August 2, 2023

RECEIVED OF City of Covington, Tennessee

the sum of Five hundred AND NO/100 Dollars, (\$ 500.00)
as **earnest money** and in part payment for the purchase of the following described real estate
(called "Property") situated in the County of Tipton, and State of Tennessee:

209 West Pleasant Avenue, Covington, Tennessee 38019

Seller covenants and agrees to sell and convey Property, with all improvements thereon,
or cause to be conveyed, by good and sufficient warranty deed, to Purchaser, or to such person
or persons as Purchaser may designate; Purchaser, however, shall not be released from any of
Purchaser's agreements and undertakings as set forth herein, unless otherwise stated; and
Purchaser covenants and agrees to purchase and accept Property for the total price of

Thirty Two Thousand Eight Hundred Fifty Four and 76/100 Dollars (\$32,854.76), upon
terms as follows:

Property is sold in an AS IS condition. Purchaser accepts property in its existing condition, no
warranties or representations having been made by Seller which is not expressly stated herein.

Seller to pay one half of closing fee and court costs and attorney fees to probate the estate of
Sally Zobenica. Purchaser to pay one half of the closing fees, the title search, title insurance,
and recording fees.

David E Owen to be closing attorney 901-476-6066.

This sale shall be contingent upon the approval of the Board of Mayor and Alderman of the City
of Covington, Tennessee.

Taxes for the current year are to be prorated as of date of closing, and all prior unpaid
taxes or liens including front foot assessments are to be paid by Seller, unless otherwise
specified. Fire and any additional hazard insurance premiums on the improvements on
Property are to be **cancelled** as of date of closing.

Title is to be conveyed subject to all restrictions, easements and covenants of record,
and subject to zoning ordinances or laws of any governmental authority. Possession of
premises is to be given at closing. The improvements on Property are to be delivered in as good
condition as they are as of the date of this contract, ordinary wear and tear excepted, and if not
in such condition when final settlement is made, Seller is obligated to put them in such
condition, or to compensate Purchaser for his failure to do so, but in the event of destruction by
fire, or otherwise, Seller's liability shall in no event be more than the appraised value of the
improvements so destroyed.

Cash payment shall be made upon presentation of a good and valid warranty deed with the usual covenants and conveying a good and merchantable title, after allowing fifteen days from completion of title search or the delivery of abstracts for examination of title. Adequate abstracts of title, taxes and judgments are those required by a title insurance company with an office in Covington as the basis for the issuance of a policy of title insurance. In the event of controversy regarding title, a title insurance policy covering Property, issued by Chicago Title Insurance Company for the above purchase price, shall constitute and be accepted by Purchaser as conclusive evidence of good and merchantable title.

If the title is not good and cannot be made within a reasonable time after written notice has been given that the title is defective, specifically pointing out the defects, then the above earnest money shall be returned to Purchaser. If the title is good and purchaser shall fail to pay for Property as specified herein, Seller shall have the right to elect to declare this contract cancelled, and upon such election, the earnest money shall be retained by Seller. The right given to Seller to make the above election shall not be Seller's exclusive remedy, and either party shall have the right to elect to affirm this contract and enforces its specific performance or recover full damages for its breach. Seller's retention of such earnest money shall not be evidence of an election to declare this contract cancelled, as Seller shall have the right to retain his portion of earnest money to be credited against damages actually sustained.

This instrument when signed only by the prospective Purchaser shall constitute an offer which shall not be withdrawable in less than 96 hours from the date hereof.

As used herein, where applicable: "Seller" and "Purchaser" include the plural; the masculine includes the feminine or neuter gender.

WITNESS the signatures of all parties the day and year above written.

City of Covington, Tennessee

By: Jim W. Hensley, Mayor

Title: Mayor

Seller

A. U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT SETTLEMENT STATEMENT		B. TYPE OF LOAN:				
		1. <input type="checkbox"/> FHA	2. <input type="checkbox"/> FmHA	3. <input type="checkbox"/> CONV. UNINS.	4. <input type="checkbox"/> VA	5. <input type="checkbox"/> CONV. INS.
		6. FILE NUMBER: 23-327			7. LOAN NUMBER:	
		8. MORTGAGE INS CASE NUMBER:				
C. NOTE: <i>This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "POC" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.</i>						
D. NAME AND ADDRESS OF BUYER: City of Covington		E. NAME AND ADDRESS OF SELLER: Mitchell Lee Cleveland		F. NAME AND ADDRESS OF LENDER:		
G. PROPERTY LOCATION: 209 W. Pleasant Ave. Covington, TN 38019		H. SETTLEMENT AGENT: 88-3502556 Owen & Witherington PLACE OF SETTLEMENT 125 E. Pleasant Ave. Covington, TN 38019		I. SETTLEMENT DATE: August 31, 2023		

J. SUMMARY OF BUYER'S TRANSACTION		K. SUMMARY OF SELLER'S TRANSACTION	
100. GROSS AMOUNT DUE FROM BUYER:		400. GROSS AMOUNT DUE TO SELLER:	
101. Contract Sales Price	32,854.76	401. Contract Sales Price	32,854.76
102. Personal Property		402. Personal Property	
103. Settlement Charges to Buyer (Line 1400)	1,116.00	403.	
104.		404.	
105.		405.	
<i>Adjustments For Items Paid By Seller in advance</i>		<i>Adjustments For Items Paid By Seller in advance</i>	
106. City/Town Taxes to		406. City/Town Taxes to	
107. County Taxes to		407. County Taxes to	
108. Assessments to		408. Assessments to	
109.		409.	
110.		410.	
111.		411.	
112.		412.	
120. GROSS AMOUNT DUE FROM BUYER	33,970.76	420. GROSS AMOUNT DUE TO SELLER	32,854.76
200. AMOUNTS PAID BY OR IN BEHALF OF BUYER:		500. REDUCTIONS IN AMOUNT DUE TO SELLER:	
201. Deposit or earnest money		501. Excess Deposit (See Instructions)	
202. Principal Amount of New Loan(s)		502. Settlement Charges to Seller (Line 1400)	1,952.00
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to	
204.		504. Payoff of first Mortgage	
205.		505. Payoff of second Mortgage	
206.		506.	
207.		507.	
208.		508.	
209.		509.	
<i>Adjustments For Items Unpaid By Seller</i>		<i>Adjustments For Items Unpaid By Seller</i>	
210. City/Town Taxes 01/01/23 to 09/01/23	341.53	510. City/Town Taxes 01/01/23 to 09/01/23	341.53
211. County Taxes 01/01/23 to 09/01/23	561.23	511. County Taxes 01/01/23 to 09/01/23	561.23
212. Assessments to		512. Assessments to	
213.		513.	
214.		514.	
215.		515.	
216.		516. Donation to Project Play	5,000.00
217.		517.	
218.		518.	
219.		519.	
220. TOTAL PAID BY/FOR BUYER	902.76	520. TOTAL REDUCTION AMOUNT DUE SELLER	7,854.76
300. CASH AT SETTLEMENT FROM/TO BUYER:		600. CASH AT SETTLEMENT TO/FROM SELLER:	
301. Gross Amount Due From Buyer (Line 120)	33,970.76	601. Gross Amount Due To Seller (Line 420)	32,854.76
302. Less Amount Paid By/For Buyer (Line 220)	(902.76)	602. Less Reductions Due Seller (Line 520)	(7,854.76)
303. CASH (X FROM) (TO) BUYER	33,068.00	603. CASH (X TO) (FROM) SELLER	25,000.00

The undersigned hereby acknowledge receipt of a completed copy of pages 1&2 of this statement & any attachments referred to herein.

Buyer City of Covington
 BY: _____
 Jan Hensley, Mayor
 BY: _____
 Tina C. Dunn, Treasurer

Seller _____
 Mitchell Lee Cleveland

Need \$500 Earnest money

L. SETTLEMENT CHARGES

700. TOTAL COMMISSION Based on Price		\$	@	%		
<i>Division of Commission (line 700) as Follows:</i>						
701. \$	to				PAID FROM BUYERS FUNDS AT SETTLEMENT	PAID FROM SELLERS FUNDS AT SETTLEMENT
702. \$	to					
703. Commission Paid at Settlement						
704.	to					
800. ITEMS PAYABLE IN CONNECTION WITH LOAN						
801. Loan Origination Fee	%	to				
802. Loan Discount	%	to				
803. Appraisal Fee		to				
804. Credit Report		to				
805. Lender's Inspection Fee		to				
806. Mortgage Ins.App. Fee		to				
807. Assumption Fee		to				
808.						
809.						
810.						
811.						
900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE						
901. Interest From	to	@ \$	/day	(days	%)	
902. Mortgage Insurance Premium	for	months to				
903. Hazard Insurance Premium	for	1.0 years to				
904.						
905.						
1000. RESERVES DEPOSITED WITH LENDER						
1001. Hazard Insurance		@ \$	per			
1002. Mortgage Insurance		@ \$	per			
1003. City/Town Taxes		@ \$	per			
1004. County Taxes		@ \$	per			
1005. Assessments		@ \$	per			
1006.		@ \$	per			
1007.		@ \$	per			
1008.		@ \$	per			
1100. TITLE CHARGES						
1101. Settlement or Closing Fee	to	Owen & Witherington				
1102. Abstract or Title Search	to	Owen & Witherington			675.00	675.00
1103. Title Examination	to				250.00	
1104. Title Insurance Binder	to					
1105. Document Preparation	to					
1106. Notary Fees	to					
1107. Attorney's Fees	to					
<i>(includes above item numbers:</i>						
1108. Title Insurance	to	Chicago Title Insurance Company				
		\$30.00 to Chicago Title Insurance Company, \$120.00 to Owen & Witherington			150.00	
<i>(includes above item numbers:</i>						
1109. Lender's Coverage	\$					
1110. Owner's Coverage	\$	32,854.76		150.00		
1111. Shipping & Handling Fee						
1112. Wire Fee						
1113. CPL Letter						
1114. Attorney Fees for Probate	to	Owen & Witherington				
1115.						1,277.00
1116.						
1117.						
1118.						
1200. GOVERNMENT RECORDING AND TRANSFER CHARGES						
1201. Recording Fees: Deed \$	10.00	Mortgage \$		Releases \$		
1202. City/County Tax/Stamps: Deed		3.00	Mortgage		10.00	
1203. State Tax/Stamps: Deed		121.73	Mortgage		2.00	
1204. Recording Fee Will	to	Register of Deeds			0.00	
1205.					29.00	
1300. ADDITIONAL SETTLEMENT CHARGES						
1301. Survey	to					
1302. Pest Inspection	to					
1303.						
1304.						
1305.						
1400. TOTAL SETTLEMENT CHARGES (Enter on Lines 103, Section J and 502, Section K)					1,116.00	1,952.00

By signing page 1 of this statement, the signatories acknowledge receipt of a completed copy of page 2 of this two page statement.

Owen & Witherington, Settlement Agent