

RESOLUTION NO. 30890

A RESOLUTION DECLARING SURPLUS OF APPROXIMATELY 1.97 ACRES OF TAX MAP NUMBER 135E-A-005.02, AND AUTHORIZING THE MAYOR OR HIS DESIGNEE TO ENTER INTO A DONATION AGREEMENT WITH BUILDING AND CONSTRUCTION WORKFORCE CENTER, IN SUBSTANTIALLY THE FORM ATTACHED, TO ALLOW FOR THE EXPANSION OF THE VOCATIONAL SCHOOL PARCEL, AND TO AUTHORIZE THE EXECUTION OF ALL DOCUMENTS FOR COMPLETION OF THE TRANSACTION.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, That it is hereby declaring surplus of approximately 1.97 acres of Tax Map Number 135E-A-005.02, and authorizing the Mayor or his designee to enter into a Donation Agreement with Building and Construction Workforce Center, in substantially the form attached, to allow for the expansion of the vocational school parcel, and to authorize the execution of all documents for completion of the transaction.

ADOPTED: September 21, 2021

/mem

DONATION AGREEMENT

THIS DONATION AGREEMENT (the “Agreement”) is made by and between the **CITY OF CHATTANOOGA**, a Tennessee municipal corporation, having an address of 101 E. 11th Street, City Hall, Chattanooga, Tennessee 37402 (“Donor”) and **BUILDING & CONSTRUCTION WORKFORCE CENTER**, a Tennessee nonprofit corporation having an address of c/o AGC, 101 W. 21st Street, Chattanooga TN 37408 (“Donee”).

RECITALS:

- A. Donor is the fee simple owner of a certain parcel of real property located in Chattanooga, Hamilton County, Tennessee, which has a street address of 1935 Southern Street, Chattanooga, TN 37402, bearing tax parcel I.D. No. 136E-A-005.02 and being more particularly described as a 1.97± Acre portion of tax parcel 136E-A-005.02 on **Exhibit “A”** attached hereto and incorporated herein by reference (the “Property”).
- B. Donor desires to donate the Property to Donee for the purpose of constructing and operating a vocational school for the benefit of the community, and Donee desires to accept such donation from Donor.
- C. The parties desire to set forth the terms and conditions of the donation in this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. **Donation.**

(a) For and in consideration of the mutual covenants and promises contained in this Agreement, and in acknowledgment of Donee’s material reliance on this Agreement, Donor agrees to grant and convey to Donee the Property described on **Exhibit “A”**. Donee shall not be obligated to accept the Property if (a) the donation of the Property is not consummated under this Agreement because of Donor’s failure, refusal or inability to perform any of its obligations under this Agreement; (b) Donee elects to terminate this Agreement because any of Donor’s representations cease to be true prior to Closing (hereinafter defined); (c) Donee elects to terminate this Agreement because Donor is unable to remove a title exception objected to by Donee; or (d) Donee elects not to close by reason of damage to the Property in accordance with Paragraph 10 of this Agreement.

(b) The parties agree that the appraisal report prepared by Carter Appraisal Services dated June 7, 2021, lists the appraised value of the Property as \$83,000.

2. **Closing.** The donation of the Property by Donor (the “Closing”) shall take place on or before January 31, 2022, provided that Donee has not elected to extend or terminate this Agreement pursuant to the terms hereof. Donee’s obligation to accept title to the Property shall be contingent on Donor’s performance of all of its duties and obligations hereunder.

3. **Title; No Warranty.** Donor shall convey the Property to Donee by executing and delivering to Donee a quitclaim deed (the “Deed”). Donee shall be under no obligation to accept

the Deed from Donor if Donee, in its examination of title to the Property, determines that it is subject to liens, encumbrances or other matters of title other than (a) the lien of ad valorem property taxes for the year in which the Closing occurs, which taxes are not yet due and payable; (b) any encumbrances created by Donee including without limitation deeds of trust, assignment of rents and leases or financing statements; (c) exceptions listed on a title commitment issued by a national title insurance company which are acceptable to Donee; and (d) any other matters approved by Donee in writing. Donee may obtain at its expense either a title report or a title commitment issued by a national title insurance company (the "Title Commitment") reflecting good and marketable fee simple title to the Property in Donor. If obtained, Donee may examine the title report/Title Commitment and shall furnish to Donor at least twenty (20) days prior to the Closing a written statement of any objections to matters of title. Matters reflected by the survey of the Property obtained by Donee pursuant to Paragraph 4 below may be treated as title defects and referenced in the above-referenced title objection letter. Donor may, but shall not be obligated to, cure any such title or survey objections. Following Donee's initial title examination, Donee shall have until the time of Closing to re-examine title to the Property and to give Donor notice of any additional objections disclosed by such re-examination, which were not filed and indexed of record or otherwise disclosed on the date of Donee's initial examination. If all of the stated title and survey objections are not cured or satisfied by the date set for Closing, Donee may, at its option:

- (a) waive the title objections and proceed to Closing;
- (b) extend the time for Closing to allow the cure or satisfaction of the objections;
- (c) terminate this Agreement, and, except as may expressly be provided herein to the contrary, Donor and Donee shall have no further rights or obligations under this Agreement.

Donor agrees to provide to Donee and the title insurer all routine or otherwise available documents necessary or desirable to confirm Donor's title to and authorization to convey the Property, and to permit Donee to obtain an acceptable ALTA Form, owner's title insurance policy, at Donee's sole cost and expense with respect to the Property.

(d) **No Warranty - Acceptance of the Property in its AS-IS Condition.** Donee acknowledges that Donor makes no guarantee, representation or warranty regarding the physical or environmental condition of the Property, and Donee expressly disclaims any and all obligation and liability to Donor regarding any defects or structural damage which presently exists on the Property. Donee hereby agrees to accept the Property in its **AS-IS-WHERE-IS, WITH ALL FAULTS** condition and Donee assumes all risks associated with the physical and environmental condition of the Property, regardless of the cause or date of origin of such condition, and releases all rights or claims against Donor relating to such condition or for any costs of remediation or cure of any physical or environmental condition.

4. **Survey.** Prior to Closing, Donee, at its expense, may obtain a boundary survey of the Property, signed and sealed by a Tennessee registered surveyor, certified to Donee and the

title insurer, prepared according to state standards. The legal description drawn from any such survey shall serve as the legal description for the Property, as set forth in the Deed.

5. Failure to Comply with Completion Requirement; School Requirement; Reversion Right; Repayment Amount; Automatic Reversion.

For purposes of this Agreement:

“Automatic Reversion” means Donor’s right of reversion in the Property and all improvements and fixtures located thereon for failure to comply with the School Requirement (defined below).

“Force Majeure Event” means any of the following events that directly impact either party’s ability to meet its obligations hereunder arising out of or caused by forces beyond its control: flood, earthquake, fire or other Acts of God; sabotage or terrorism; epidemics or pandemics.

“Repayment Amount” means the amount of EIGHTY-THREE THOUSAND AND NO/100 DOLLARS (\$83,000.00), which amount represents the estimated value of the Property as of June 7, 2021.

“Reversion Right” means Donor’s right of reversion in the Property and all improvements and fixtures located thereon for failure to comply with the Completion Requirement (defined below).

(a) Donee shall use the Property for the sole purpose of operating a vocational school for the benefit of the community, which school is being constructed by Donee on property adjacent to the Property. Should Donee fail to complete construction of the vocational school by July 31, 2023 (the “Completion Requirement”), as solely determined by Donor, then Donor may elect to (i) exercise its Reversion Right; or (ii) require Donee to pay the Repayment Amount. Donor shall give written notice to Donee of the failure to comply with the Completion Requirement and Donor’s election of either the Reversion Right or the Repayment Amount payment. In the event that Donee fails to timely remit such payment, Donor shall exercise its Reversion Right, and the Property and all improvements and fixtures located thereon shall revert to Donor as of the date of such exercise of the Reversion Right.

(b) Except for a Force Majeure Event, in the event Donor determines that Donee has ceased to operate the vocational school for the benefit of the community (the “School Requirement”), as solely determined by Donor, and upon written notice to Donee by Donor, there shall be an Automatic Reversion.

(c) Except for Donor’s right to Automatic Reversion, Donee shall have a cure period from its receipt of Donor’s written notice of noncompliance and Donor’s election of the Reversion Right or Repayment Amount until December 30, 2023, during which cure period Donee shall have the right to cure its noncompliance with the Completion Requirement. If Donee fulfills the Complete Requirement by December 30, 2023, Donee shall be deemed in

compliance with the Completion Requirement and shall not be subject to the Reversion Right or Repayment Amount requirement under this Section 5. If Donor elects to exercise its Reversion Right or if there is an Automatic Reversion in accordance with this Paragraph 5, a memorandum declaring such reversion and executed by the Mayor shall be recorded in the Register's Office of Hamilton County, Tennessee and shall constitute conclusive evidence of such reversion.

6. **Donor's Representations.** Donor represents that, to the best of Donor's knowledge, but without conducting an investigation, there is no suit, action, arbitration, legal, administrative or other proceeding or inquiry pending or threatened against the Property or any portion thereof, or pending or threatened against Donor, which could affect Donor's title to the Property or any portion thereof, affect the value of the Property or any portion thereof, affect Donor's duties and obligations under this Agreement or subject an owner of the Property, or any portion thereof, to liability.

7. **Donee's Representations and Warranties.** In addition to Donee's representations and warranties made elsewhere herein, Donee represents and warrants to Donor the following:

(a) Donee is accepting the Property solely in reliance on its own information and/or findings and not on any information, representation or warranty provided or to be provided by Donor, its officials, representatives, agents, employees, or assigns; and

(b) Neither Donor, nor its officials, representatives, agents, employees, or assigns have made any representations or warranties, implied or expressed, relating to the condition of the Property or the contents thereof.

8. **Remedies Upon Default.** In the event Donor defaults in the performance of any of Donor's obligations under this Agreement, Donee's sole remedy shall be the right of specific performance against Donor. In the event Donee defaults in the performance of any of its obligations under this Agreement, Donor shall have the right to any remedy provided in this Agreement or by law or equity, except Donor shall not have the right to sue Donee for damages.

9. **Right to Inspect the Property.** Donee, through its employees and agents, may enter upon the Property in order to conduct such survey, appraisal, environmental, physical, engineering, feasibility studies and other inspections and investigations as Donee deems appropriate in an effort to determine whether or not to proceed with the Closing. Donee hereby agrees to indemnify Donor, its officials, officers, agents, and employees and save it harmless from and against any and all claims, actions, damages, liability and expenses in connection with loss of life, personal injury and/or damage to property, including civil rights actions, to any person or for any cause whatsoever caused wholly or in part by any act or omission of Donee, its agents, employees, invitees, contractors or assigns. Donee further agrees to defend, pay all costs of defense, including reasonable attorney's fees, and/or any judgment or cost for any claim or suit brought against Donor as a result of any claim brought against Donee, its agents, employees, invitees, contractors, or assignees for Donee's temporary use of the Property for the above-stated purpose. This indemnification obligation shall survive the Closing and the delivery of the instruments of conveyance.

10. **Risk of Loss.** All risk of loss shall remain with Donor until the Closing. Donor shall maintain the Property in its present condition pending Closing and shall not make or permit any changes in or upon the Property except with Donee's advance written consent. In the event the Property is destroyed or damaged prior to Closing, such that the Property is, in the sole discretion of Donee, no longer suitable for Donee's public purposes, Donee shall have the right, by notice given to Donor as provided in Paragraph 12 below, to terminate this Agreement, and, except as may be provided expressly to the contrary herein, Donor and Donee shall have no further rights, obligations or duties under this Agreement.

11. **Indemnification.** Donee agrees to indemnify and hold harmless Donor, its officials, representatives, employees or agents from and against any and all losses, claims, demands, liabilities, costs, damages, and expenses (including reasonable attorneys' fees and costs) that Donor may incur to the extent arising from Donee's actions or failure to act on, respond to or comply with any written notices received after Closing regarding violation of any local, state or federal laws, rule or ordinance affecting the Property.

12. **Notices.** All notices pertaining to this Agreement shall be in writing, delivered to the parties hereto personally by hand, by United States mail, certified or registered, with return receipt requested, by telecopier (provided a confirmation copy is sent via another mode) or courier service at the addresses set forth in the introductory paragraph of this Agreement. All notices shall be deemed given when delivered. The parties may, by notice as provided above, designate a different address to which notice shall be given.

If served personally, if sent by first class mail, registered or certified, postage prepaid, or if sent by a national recognized overnight delivery service, paid by the sending party and addressed as follows:

Grantor: City of Chattanooga
ATTN: Real Property
101 E. 11th Street, G-4
Chattanooga, TN 37402

With a copy to: Office of the City Attorney
100 E. 11th Street, Suite 200
Chattanooga, TN 37402

Grantee: Building & Construction Workforce Center
C/o AGC
101 W. 21st Street
Chattanooga, TN 37408

With a copy to: Chambliss, Bahner & Stophel, P.C.
ATTN: MIKE ST. CHARLES
605 Chestnut Street
Liberty Tower, Suite 1700
Chattanooga, TN 37450

Any party may change its address for notices under this Agreement by giving written notice of such change to the other party in accordance with the terms of this paragraph.

13. **Prorations and Fees.** The Property is presently exempt from the payment of real property taxes. From and after the Closing, the Property will be placed on the tax roll, and Donee shall be responsible for the payment of real property taxes, unless otherwise exempted. Water quality fees assessed for the year 2021 (regardless of when due and payable) shall be prorated as of the Closing. Special assessments levied prior to the Closing shall be the responsibility of Donor. Any documentary tax or real property transfer tax arising out of the conveyance of the Property, the premium for the title insurance policy, and any other fees and charges shall be paid by Donee. The provisions contained in this paragraph shall survive the Closing and shall not be merged into the Deed.

14. **No Agents or Brokers.** Each party hereto represents to the other that it has not discussed the transactions contemplated in this Agreement with any real estate broker, agent or salesman so as to create any legal right or entitlement to claim a real estate commission or similar fee with respect to the conveyance of the Property to Donee.

15. **Time of the Essence.** Time is of the essence of this Agreement.

16. **Possession.** Possession of the Property shall be transferred to Donee at Closing.

17. **Binding on Successors.** This Agreement shall be binding not only upon the parties hereto but also upon their personal representatives, assigns, and other successors in interest. Donee, with Donor's prior written consent, which shall not be unreasonably withheld or delayed, may assign its rights under this Agreement to another charitable organization or to a governmental entity, in which case Donee shall be released in full from all duties and obligations hereunder, provided Donee's assignee agrees in writing to assume such duties and obligations.

18. **Additional Documents.** Donor and Donee agree to execute such additional documents, including escrow instructions, as may be reasonable and necessary to carry out the provisions of this Agreement.

19. **Entire Agreement; Modification.** This Agreement constitutes the entire agreement between Donor and Donee pertaining to the subject matter contained in it and supersedes all prior and contemporaneous agreements, representations, and understandings. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by all the parties.

20. **Severability.** Each provision of this Agreement is severable from any and all other provisions of this Agreement. Should any provision(s) of this Agreement be for any reason unenforceable, the balance shall nonetheless be of full force and effect.

21. **No Merger.** The obligations contained in this Agreement, except for those specifically discharged at Closing shall survive the Closing.

22. **Headings; Rules of Construction.** The headings used in this Agreement are for convenience of reference only and shall not operate or be construed to alter or affect the meaning

of any of the provisions hereof. All references herein to the singular shall include the plural, and vice versa. The parties agree that this Agreement is the result of negotiation by the parties, each of whom was represented by counsel, and thus, this Agreement shall not be construed more strictly against the drafter thereof.

23. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, and all of which counterparts together shall constitute but one and the same instrument.

24. **No Waiver.** Neither the failure of either party to exercise any power given such party hereunder or to insist upon strict compliance by the other party with its obligations hereunder, nor any custom or practice of the parties at variance with the terms hereof shall constitute a waiver of either party's right to demand exact compliance with the terms hereof. Any party hereto may waive the benefit of any provision, contingency or condition for its benefit contained in this Agreement.

25. **Effective Date.** The effective date of this Agreement shall be the latter date of the execution dates below.

26. **Choice of Law.** The validity, construction, interpretation, and performance of this Agreement shall in all ways be governed and determined in accordance with the laws of the state of Tennessee.

27. **Miscellaneous.** In the event that any of the deadlines set forth herein end on a Saturday, Sunday or legal holiday, such deadline shall automatically be extended to the next business day which is not a Saturday, Sunday or legal holiday. The term "business days" as may be used herein shall mean all days which are not on a Saturday, Sunday or legal holiday.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS of the foregoing provisions, the Donor, by its duly authorized signatory, has executed this Agreement under seal as of the last date of signature, as reflected below.

DONOR:

CITY OF CHATTANOOGA

By: _____
JERMAINE E. FREEMAN,
Senior Advisor for Economic Opportunity

Execution Date: _____

IN WITNESS of the foregoing provisions, the Donee, by its duly authorized signatory, has executed this Agreement under seal as of the last date of signature, as reflected below.

DONEE:

**BUILDING & CONSTRUCTION
WORKFORCE CENTER**

By: _____

Execution Date: _____

EXHIBIT A

SURVEYOR'S DESCRIPTION PROPERTY TO BE CONVEYED

Land located in the City of Chattanooga, Hamilton County, Tennessee. Being a portion of the property of the City of Chattanooga, Tennessee, of record in Deed Book 10196, Page 426, Register's Office, Hamilton County, Tennessee, (ROHC), also known as LOT TWO, Harriet Tubman Subdivision, of record in Plat Book 117, Page 129, ROHC, also known as Tax Parcel 136E A 005.02, and being more particularly described as follows:

BEGINNING at an Iron Rod (old), located at the Northeastern Corner of LOT ONE, aforesaid Harriet Tubman Subdivision, and located at Tennessee State Plane Coordinates, N: 266,351.75 feet, E: 2,189,611.11 feet (North American Datum of 1983);

Thence South 65 degrees 48 minutes 56 Seconds East, along the North Line of aforesaid LOT TWO, a distance of 194.81 feet to an Iron Rod (old);

Thence South 23 degrees 47 minutes 30 Seconds West, along the East Line of aforesaid LOT TWO, a distance of 438.00 feet to an Iron Rod (old);

Thence North 65 degrees 48 minutes 56 Seconds West, along a new line, a distance of 197.81 feet to a point on the West line of aforesaid LOT TWO;

Thence North 24 degrees 11 minutes 04 Seconds East, along said West Line, a distance of 437.99 feet to the POINT OF BEGINNING.

Said PORTION TO BE CONVEYED contains 1.97 Acres, more or less.

PARCEL 136E A 001

STAG CHATTANOOGA 1, LLC.
DEED 10542-125 ROHC

P.O.B.

S 65°48'56" E 194.81'

NE Corner Lot One
Plat Book 117, Page 129 ROHC
Iron Rod (Old)
N: 266,351.75
E: 2,189,611.11

Iron Rod (Old)

FLOOD ZONE AE

BELOW
ABOVE

PROPERTY TO BE
CONVEYED

1.97± Acres

PARCEL
136E A 005.01

HAMILTON COUNTY TENNESSEE
BOARD OF EDUCATION
DEED 5117-438 ROHC

N 24°11'04" E 437.99'

50' ACCESS & UTILITY EASEMENT
PLAT BOOK 117, PAGE 129 ROHC
(to SOUTHERN STREET)

S 23°47'30" W 438.00'

Iron Rod (Old)

N 65°48'56" W 197.81'

REMAINING PORTION
LOT TWO
CITY OF CHATTANOOGA
DEED 10196-426 ROHC
TAX PARCEL 136E A 005.02

SCALE: 1" = 60'



N 24°11'04" E 880.01'
to North R/W
Southern Street

NOTES

1. North Orientation: Tennessee State Plane Coordinate System (NAD83).
2. Reference: Plat of Record: Harriet Tubman Subdivision, Plat Book 117, Page 129, Register's Office, Hamilton County Tennessee (ROHC)
3. Property Located in City of Chattanooga, Hamilton County, Tennessee.
4. This Exhibit Sketch is prepared for use in support of describing property to be conveyed as shown hereon. Not valid for any other purpose. Property Lines according to the Survey of Record (see Note #2).
5. Property subject to other easements, see Reference Plat of Record, and any subsequent record instruments.

LEGEND

- IRON ROD (OLD)
- R/W RIGHT-OF-WAY
- PROPERTY TO BE CONVEYED
- - - - - ADJOINERS' BOUNDARY
- . - . - . ACCESS & UTILITY EASEMENT

DWG. NO. 21-017 Exhibit
DATE: 05-08-2021
SCALE: 1" = 60'
DRAWN: NB
APPROVED: DGB

EXHIBIT SKETCH
A PORTION OF LOT TWO
HARRIET TUBMAN SUBDIVISION
CITY OF CHATTANOOGA, HAMILTON COUNTY
TENNESSEE



earthworx, llc
4300 North Access Road, Suite C
Chattanooga, Tennessee 37415