

# Huntsville, Alabama

### 305 Fountain Circle Huntsville, AL 35801

# Cover Memo

| Meeting Type: City Council Regular Meeting Meeting Da   | te: 8/14/2025         | File ID: TMP-5776 |
|---|-----------------------|-------------------|
| Department: Urban Development   |                       |                   |
| Subject:  | Type of Action:       | Approval/Action   |
| Resolution authorizing the Mayor to enter into a Purchase a and Jeff Benton Properties, LLC, for property associated with | _                     | -                 |
| Resolution No.  |                       |                   |
| Finance Information:  |                       |                   |
| Account Number: TBD   |                       |                   |
| <b>City Cost Amount:</b> \$435,973.50   |                       |                   |
| <b>Total Cost:</b> \$435,973.50   |                       |                   |
| Special Circumstances:  |                       |                   |
| Grant Funded: NA  | <u> </u>              |                   |
| Grant Title - CFDA or granting Agency: NA   |                       |                   |
| Resolution #: NA  |                       |                   |
| Location: (list below)  |                       |                   |
| Address: South Huntsville Police Precinct   |                       |                   |
| <b>District:</b> District 1 □ District 2 □ District 3 □ D   | istrict 4  District 5 |                   |
| Additional Comments:  |                       |                   |

| <b>RESOLUTION NO</b> | 2. 25- |
|----------------------|--------|
|----------------------|--------|

BE IT RESOLVED by the City Council of the City of Huntsville, Alabama, that the Mayor be, and he is hereby, authorized to enter into that certain Purchase and Sale Agreement, by and between City of Huntsville, an Alabama municipal corporation, as Purchaser, and Jeff Benton Properties, LLC, an Alabama limited liability company, as Seller, which said agreement is substantially in words and figures as that certain document attached hereto and identified as "Purchase and Sale Agreement between City of Huntsville and Jeff Benton Properties, LLC," consisting of nine (9) pages including Exhibits, and the date of August 14, 2025, appearing on the first page thereof, an executed copy of said document, after being signed by the Mayor, shall be permanently kept on file in the Office of the City Clerk of the City of Huntsville, Alabama.

**NOW, THEREFORE, BE IT FURTHER RESOLVED** that the Mayor be, and he is hereby, authorized to execute the Purchase and Sale Agreement on behalf of the City of Huntsville, with such changes as the Mayor deems desirable and necessary, and the authority to execute any and all such documents, agreements, or closing documents, relevant, required, and/or relating to effect, close, carry out, or complete the real estate transaction, and/or closing contemplated therein.

**ADOPTED** this the <u>14th</u> day of <u>August</u>, 2025.

President of the City Council of the City of Huntsville, Alabama

**APPROVED** this the 14th day of August, 2025.

Mayor of the City of Huntsville, Alabama

### PURCHASE AND SALE AGREEMENT

This PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into as of the 14th day of August \_\_\_\_\_\_, 2025 (the "Effective Date"), by and between the CITY OF HUNTSVILLE, an Alabama municipal corporation (the "City" or "Purchaser"), and JEFF BENTON PROPERTIES, LLC, an Alabama limited liability company ("Seller").

WHEREAS, Seller owns that certain parcel or real property known as Lot 3, according to that Final Plat of Commerce Parkway Subdivision, recorded as Plat Book 2024, Pages 229 – 230, in the Probate Records of Madison County, Alabama ("Lot 3").

WHEREAS, the City desires to purchase the northern portion of Lot 3 for the construction, establishment, use, operation and maintenance of a police precinct in South Huntsville (the "Intended Use").

WHEREAS, the City desires to purchase from Seller and Seller desires to sell to the City that certain northern portion of Lot 3, as more particularly described herein, for the Intended Use and upon the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the premises and the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

- 1. Purchase and Sale. Seller agrees to sell to Purchaser, and Purchaser agrees to buy from Seller, that certain parcel of real property, consisting of approximately 51,291 square feet or 1.17 acres, more or less, being identified by Madison County Tax Assessor records as being a portion of PPIN 588151, and as more particularly depicted in that preliminary layout contained in Exhibit "A" attached hereto, together with any and all improvements, structures, fixtures and other improvements located thereon along with all rights, easements, interests, privileges, tenements appurtenances pertaining thereto (the "Property").
- 2. Purchase Price. Purchaser agrees to pay to Seller the sum of \$8.50 per square foot ("Price Per Foot"), for a total of Four Hundred Thirty-Five Thousand Nine Hundred Seventy-Three and 50/100 Dollars (\$435,973.50) (the "Purchase Price"). Notwithstanding the foregoing, if the final Plat (as defined in Section 6 (b) below) reveals the total square footage to be different than 51,291 square feet, then the Purchase Price shall be adjusted and determined by multiplying the final Property square footage by the Price Per Foot. The Purchase Price shall be paid to Seller in cash or immediately available funds at the closing and consummation of the transaction contemplated by this Agreement ("Closing").
- 3. <u>Inspection Period</u>. Commencing on the Effective Date and ending ninety (90) days thereafter, Purchaser, its agents, designees, and contractors shall have the right to enter the Property for the sole purpose of conducting Purchaser's due diligence investigations of the Property, including without limitation surveys, geological studies, soil borings, phase I and phase II environmental site assessments and such other investigations, studies or tests as Purchaser may

deem necessary or desirable in order to determine whether or not to proceed with the purchase of the Property ("Inspection Period"). Purchaser shall have the right to terminate this Agreement if Purchaser, in its sole discretion, deems the Property or any aspect thereof, or any test or assessment, or the result of any inquiry or investigation, to be contrary to the City's Intended Use, or unsatisfactory in any way or for any reason whatsoever. Provided, however, that Purchaser may only exercise such right by giving Seller written notice of such termination (in accordance with Section 18 below) on or before the expiration of the Inspection Period.

- Preliminary Title Commitment and Survey. Purchaser shall obtain a title 4. commitment to issue an Owner's policy of insurance from Lanier Ford Shaver & Payne, P.C. as agent for First American Title Insurance Company ("Closing Agent"), with the Owner's title policy premium to be paid by Purchaser at Closing, and the policy to be issued in accordance with commercially reasonable standards and insuring Purchaser with good and marketable and insurable fee simple title to the Property, free and clear of all liens, encumbrances, leases, tenancies, covenants, conditions, restrictions, rights-of-way, easements and other matters affecting title except for the Permitted Exceptions ("Title Commitment"). "Permitted Exceptions" shall mean: (i) ad valorem taxes not yet due and payable, (ii) easements for the installation or maintenance of public utilities servicing the Property, (iii) easements, restrictions, setback lines, or restrictive covenants of record that do not materially affect Purchaser's intended use of the Property, (iv) any matters shown on the Title Commitment (defined herein) or Survey (defined herein), or (v) such other matters, if any, as may be acceptable to Purchaser. Seller shall remove any and all monetary liens incurred by Seller prior to Closing. Additionally, Seller shall terminate that certain Non-Exclusive Easement for Ingress and Egress in favor of Community Fellowship Baptist Church, as recorded in Instrument Number 2019-00083327 in the Probate Records of Madison County, Alabama ("Access Easement"). Purchaser, at its option, may obtain a survey of the Property to be prepared by a public land surveyor licensed in the State of Alabama ("Survey"). The Property shall be conveyed by Seller to Purchaser free and clear of any and all liens, except for the Permitted Exceptions.
- 5. <u>Closing</u>. The Deed to the Property shall be delivered, and the transaction shall be closed at the law offices of Closing Agent, located at 2101 W. Clinton Avenue, Ste. 102, Huntsville, Alabama 35805. Closing shall occur on or within fifteen (15) days following satisfaction of the Closing Conditions, or at such other time as may be mutually agreed upon by the parties (the "Closing Date"). However, if there are any encumbrance or liens on the Property other than the Permitted Exceptions, Purchaser may extend the Closing Date for an additional thirty (30) days so that any title issues may be resolved. The parties may deliver all closing documents and deposit all closing funds with Closing Agent on or prior to the Closing Date such that neither party shall be required to be physically present at Closing. At Closing, Seller shall deliver the following items to Closing Agent:
- a. General warranty deed conveying good and marketable fee simple title in the Property to Purchaser subject only to the Permitted Exceptions (the "Deed");
  - b. Recorded or recordable releases terminating or releasing all monetary liens;

- c. An Owner's affidavit and any other documents, certificates, or affidavits that the title company may require to issue an updated title commitment and an Owner's policy;
- d. All other documents reasonably requested by Closing to carry out the transaction contemplated by this Agreement, including but not limited to, any mandatory IRS disclosures, a settlement statement, any company formation documents, certifications, or resolutions, brokers affidavits, and any other customary documents establishing Seller is duly authorized and empowered to enter into this Agreement and to perform its obligations hereunder.
- 6. <u>Closing Conditions</u>. The city's obligation to purchase the Property from Purchaser is contingent upon the following conditions being satisfied on or prior to Closing (the "Closing Conditions"):
- (a) <u>Approval by City Council</u>. Approval of this Agreement by the City Council of the City of Huntsville, Alabama ("City Council") to be received no later than forty-five (45) days after the Effective Date.
- (b) <u>Finalization and Recording of Plat</u>. Seller shall have the Property subdivided and platted in accordance with the City's subdivision regulations (the "Plat") and the final Plat shall be recorded in the Probate Records of Madison County, Alabama at Closing. All costs associated with or incurred in connection with the Plat shall be paid by Seller. Accordingly, once finalized, the legal description of the Property shall be deemed to be the Property as described in, and with reference to the recorded Plat.
- (c) <u>Termination of Access Easement</u>. Seller shall terminate that Access Easement on or prior to Closing to be evidenced by a formal Easement Termination to be recorded on or prior to Closing. Seller shall cooperate with Purchaser and Closing Agent to obtain all signatures necessary to effectuate the termination of said Access Easement.
- 7. <u>Condition of Property Upon Conveyance; Possession</u>. Purchaser is responsible for its own inspection and examination of the Property and any improvements thereon. Notwithstanding, Seller agrees that nothing will be done to the Property by Seller which would reduce the value of the Property prior to Closing. Seller shall deliver exclusive possession of the Property to Purchaser at Closing.
- 8. <u>Closing Costs and Tax Prorations.</u> The cost to prepare the Deed, deed and transfer taxes, recording fees, and all other closing costs, except for Seller's attorney's fees, shall be paid by Purchaser at Closing. All ad valorem taxes on the Property shall be prorated as of the Closing Date such that Seller will be responsible for any taxes due on the Property before and up through the Closing Date and Purchaser will be responsible for the taxes due on the Property after the Closing Date through the end of the tax year. The title insurance premium shall be paid by Purchaser.
- 9. <u>Assignment.</u> The City shall not have the right to assign this Agreement or any of its rights and responsibilities hereunder at any time without the written consent of Seller, and any attempted assignment without Seller's consent shall be void.

- 10. Right of Entry. Upon execution of this Agreement, Purchaser is hereby granted the right to enter onto the Property from time to time to conduct surveys, soil borings, soil tests, subsurface drillings, subsurface condition evaluations, environmental testing, and such other site condition and suitability investigations, samples, tests and evaluations as Purchaser may deem necessary to determine whether or not the Property and subsurface conditions are suitable for Purchaser's intended use (collectively, referred to as the "Reports"). All such investigations, testing and evaluations shall be undertaken only after Purchaser has provided reasonable notice to Owner and shall be performed at Purchaser's sole expense.
- 11. <u>Authority</u>. Seller represents and warrants, to and for the benefit of Purchaser, that Seller has the authority to convey the Property in accordance with the terms of this Agreement and the individual signing this Agreement and all documents executed or to be executed by Seller is and shall be duly authorized to sign on behalf of Seller.
- 12. Property Condition- No Grant of Additional Encumbrances. During the term of this Agreement, Seller shall not (a) sell, lease, transfer, or encumber, in any manner, the Property, or any portion thereof; (b) grant or extend the term of any leases without the express, written approval of Purchaser; (c) construct, remove or substantially modify any improvements existing the Property; or (d) cut, remove, divert, or sell the right to cut, remove, or divert any timber, mineral deposits, soil, dirt, water or any other natural resources from or on the Property.
- 13. <u>Broker's Fees</u>. Each party represents that there are no brokers' fees or real estate commissions due on account of their actions or in connection with this Agreement except for Crunkleton & Associates, LLC, which shall be paid by the Seller. Each party agrees to indemnify, defend and hold the other harmless from any claims of real estate agents or brokers claiming through the party.
- 14. <u>Attorney's Fees.</u> In the event either party initiates any lawsuit, litigation, or legal action regarding the terms of this Agreement or the Property described herein, the prevailing party shall be entitled to collect reasonable attorney's fees and court costs.
- 15. Governing Law. The terms and conditions of this Agreement shall be construed, interpreted and enforced in accordance with the laws of the State of Alabama, without regard to its conflict of law provisions.
- 16. <u>Entire Agreement.</u> This Agreement contains the entire agreement between the parties with respect to the transactions provided for herein, and the parties hereto agree that no other representations have been relied on by either party.
- 17. <u>Successors and Assigns.</u> This Agreement shall be binding upon the heirs, personal representatives, successors and assigns of Seller, and inure to benefit of the successors and assigns of Purchaser.
- 18. <u>Notice.</u> All notices shall be properly given only if made in writing to the addresses set forth below and may be provided by any of the following methods: (i) hand delivery, (ii) certified U.S. Mail or other nationally recognized overnight delivery service (such as UPS or

FedEx), or (iii) electronic transmission, such as email, pdf, or other similar electronic transmission. Such notices shall be deemed received, (i) if delivered by hand, on the date of delivery, (ii) if sent by U.S. Mail or overnight delivery service, on the date the same is deposited with the applicable carrier, or (iii) if made by electronic transmission on the date the transmission is sent. Notice shall be provided to the following:

To Seller: Jeff Benton Properties, LLC

Attn: Jeff Benton or Kim Livingston

PO Box 12125

Huntsville, AL 35815 Phone: 256-489-0675

Email: klivingston@jeffbentonhomes.com

With a copy to: Harrison & Gammons, PC

Attn: Bo Harrison 2430 L&N Drive SE Huntsville, AL 35801 Phone: 256-533-7711

Email: bo@harrisongammons.com

To City: City of Huntsville

Attn: Jim McGuffey 305 Fountain Circle

Huntsville, Alabama 35801 Phone: 256-427-5300

Email: jim.mcguffey@huntsvilleal.gov

With a copy to: Lanier Ford Shaver & Payne, P.C.

Attn: Katie Beasley

2101 W. Clinton Ave, Ste. 102 Huntsville, Alabama 35805

Phone: 256-535-1100

Email: kab@lanierford.com

Any party may change and/or update its address and contact information contained herein by providing the other parties with three (3) days advance written notice of any change.

- 19. <u>Survival</u>. Any terms and covenants contained in this Agreement which require the performance of either party after the Closing shall survive the Closing and delivery of the Deed.
- 20. <u>Email or Facsimile Signatures</u>. The parties agree that this document may be executed and the signatures transmitted to the other parties by facsimile, email or similar electronic transmission. Upon transmission and receipt by another party, such signature shall be effective as an original. Notwithstanding the preceding sentence, the parties agree that they will transmit original signature pages to the Closing Agent promptly after execution. Seller understands and acknowledges that City Council requires an original signature page from Seller before this Agreement will be placed on an agenda for City Council consideration.

- 21. <u>Effective Date</u>. The Effective Date shall mean the date the Agreement is executed by the City.
- 22. Execution by Counterpart Originals. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Furthermore, the City Council requires Seller's original signature page before it will place this Agreement on a city council agenda for consideration.
- 23. <u>Counsel Acknowledgment</u>. The parties all acknowledge that Purchaser's counsel, KATHERINE AMOS BEASLEY and the law firm of Lanier Ford Shaver & Payne (collectively "Counsel") prepared this Agreement on behalf of and in the course of her representation of Purchaser and, for the purposes of this transaction; Counsel represents Purchaser's interest and no other interests. All conflicts of interest due to Counsel's representation of Purchaser are hereby waived.
- 24. <u>Cooperation and Further Assurances</u>. The parties agree to cooperate with one another and will work in good faith and will use their reasonable best efforts to complete their respective obligations hereunder. At Closing Agent's request, the parties shall execute and deliver any additional documents reasonably required to carry out the transaction contemplated by this Agreement or to correct any scrivener's error contained in this Agreement or any other document executed pursuant hereto or in connection with the transaction contemplated herein. Additionally, Seller agrees to cooperate and assist Purchaser in curing any title defects affecting and/or encumbering the Property.
- 25. 1031 Exchange. Seller shall have the option to structure this transaction as a deferred like-kind exchange pursuant to Section 1031 of the Internal Revenue Code. In the event Seller decides to structure this transaction as a 1031 exchange, Purchaser agrees to cooperate in effectuating the exchange in accordance with Section 1031 of the Internal Revenue Code and agrees to execute any documents that may be reasonably necessary to effect such exchange. However, nothing in this Section shall interfere with Purchaser's right to close on the Property in accordance with the terms of this Agreement or otherwise delay Closing.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first written above.

[Signatures and acknowledgments appearing on the following pages.]

## [Signature Page to Purchase and Sale Agreement for Seller]

### **SELLER:**

**JEFF BENTON PROPERTIES, LLC**, an Alabama limited liability company

Bv:

Jeffrey M Benton, Sole Member

Witnessed:

By:/ Name: For Cl Sh Date: 7/15/25

## [Signature Page to Purchase and Sale for Purchaser]

# PURCHASER: CITY OF HUNTSVILLE, an Alabama municipal corporation By: \_\_\_\_\_\_\_ Tommy Battle, Mayor Attested to: By: \_\_\_\_\_\_\_ Date: \_August 14, 2025\_

Exhibit "A" (Preliminary Site Layout of Property)

