

RESOLUTION NO. 32876

A RESOLUTION AUTHORIZING THE ADMINISTRATOR FOR THE DEPARTMENT OF ECONOMIC DEVELOPMENT TO ENTER INTO A CONTRACT FOR SALE AND PURCHASE WITH FAREWAY, LLC, IN SUBSTANTIALLY THE FORM ATTACHED, FOR THE ACQUISITION OF APPROXIMATELY 4.27 ACRES AT 1009 READS LAKE ROAD, IDENTIFIED AS TAX MAP NO. 108D-A-002.06, FOR THE PURCHASE PRICE OF NINE HUNDRED THOUSAND DOLLARS (\$900,000.00), AND TO EXECUTE ALL DOCUMENTS NECESSARY TO CONSUMMATE THE TRANSACTION, WITH CLOSING EXPENSES NOT TO EXCEED SIX THOUSAND DOLLARS (\$6,000.00), FOR A TOTAL TRANSACTIONAL AMOUNT NOT TO EXCEED NINE HUNDRED SIX THOUSAND DOLLARS (\$906,000.00).

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, it is hereby authorizing the Administrator for the Department of Economic Development to enter into a Contract for Sale and Purchase with Fareway, LLC, in substantially the form attached, for the acquisition of approximately 4.27 acres at 1009 Reads Lake Road, identified as Tax Map No. 108D-A-002.06, for the purchase price of \$900,000.00, and to execute all documents necessary to consummate the transaction, with closing expenses not to exceed \$6,000.00, for a total transactional amount not to exceed \$906,000.00.

ADOPTED: April 21, 2026

/mem

CONTRACT FOR SALE AND PURCHASE

This contract for sale and purchase of real estate (“Contract”) is made and entered into this ___ day of April, 2026 (the “Effective Date”), by and between Fareway, LLC, a Tennessee limited liability company (“Seller”), and City of Chattanooga, a Tennessee municipal corporation (“Buyer”).

WITNESSETH

WHEREAS, Seller owns a fee simple interest in a parcel of real property located at 1009 Reads Lake Road, Chattanooga, Tennessee, bearing Tax ID. Number 108D-A-002.06, and Seller wishes to sell the property, being 4.27 acres more or less, as more particularly identified on **Exhibit “A”** (the “Property”) and Buyer wishes to purchase the Property.

NOW, THEREFORE, in consideration of the respective covenants, agreements, conditions, and terms stated herein and at the time and in the manner provided herein, the parties covenant as follows:

1. **Property**. Seller, in consideration of the mutual covenants and obligations herein, does hereby agree to convey to Buyer, and Buyer agrees to purchase from Seller, for the consideration of the Purchase Price (as defined below) and upon the terms and conditions hereof, the Property, together with all improvements located thereon, including, without limitation, all appurtenances, rights, privileges, easements, and advantages thereto belonging. The Property is part of a larger parcel and requires subdivision in order to be conveyed as a separate and discrete parcel at Closing. Seller shall use commercially reasonable efforts to so subdivide the Property from the remainder of the property comprising Tax ID. Number 108D-A-002.06 (the “Subdivision”) at or prior to Closing such that the Property is materially consistent with the depiction of Lot 4 on **Exhibit “A.”** The completion of the Subdivision shall be a condition to each party’s obligation to close.

2. **Consideration; Purchase Price; Contingency.** Subject to the terms, conditions, and provisions herein, Buyer agrees to pay, and Seller agrees to accept as full consideration for the conveyance of the Property described in Paragraph 1 above, the purchase price as set forth below (the "Purchase Price"), subject the contingency set forth below.

- a. **Purchase Price.** Buyer agrees to pay, and Seller agrees to accept as full consideration for the conveyance of the Property described in Paragraph 1 hereinabove, the sum of NINE HUNDRED THOUSAND AND NO/100 DOLLARS (\$900,000.00).
- b. The Buyer shall order an appraisal of the Property from an appraiser within five (5) days of the Effective Date. In the event that the appraised value of the Property is less than the Purchase Price, the Buyer shall promptly notify the Seller. Upon notifying the Seller that the appraisal fails to equal or exceed the Purchase Price, the Buyer shall have five (5) business days to either:
 - (1) waive the appraisal contingency and proceed with the purchase of the Property; or
 - (2) terminate the Contract, whereupon this Contract shall be null and void and each of the parties shall be relieved from further liability to the other.

3. **Due Diligence**

Within three (3) business days of Seller's execution of this Contract, Seller will deliver to Buyer all existing documentation, maps, surveys, environmental reports, engineering and architectural reports, plans or drawings, title reports, as well as all correspondence received from any federal, state or local authority other than Buyer that Seller may have that would adversely affect the Buyer's ability to use the Property for the Buyer's intended purpose. Buyer shall have until May 1, 2026, to conduct such physical and other inspections and investigations of the

Property which it deems appropriate (the "Due Diligence Period") to determine whether or not the transaction contemplated herein is suitable for Buyer's intended purposes, as determined by Buyer, in Buyer's sole discretion. Buyer may, prior to the expiration of the Due Diligence Period, notify Seller in writing that it elects to terminate this Contract in the event it deems the Property to be unsuitable for any reason or no reason at which point this Contract shall be deemed terminated, and the parties shall have no further obligations pursuant to this Contract, except as expressly stated to survive the termination of this Contract.

EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES OF SELLER EXPRESSLY SET FORTH IN THIS AGREEMENT OR IN THE CLOSING DOCUMENTS DELIVERED BY SELLER AT CLOSING, THE SALE OF THE PROPERTY HEREUNDER IS AND WILL BE MADE ON AN "AS IS, WHERE IS" BASIS. EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT OR IN THE CLOSING DOCUMENTS DELIVERED BY SELLER AT CLOSING, SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE OF, AS TO, CONCERNING OR WITH RESPECT TO THE PROPERTY OR ANY OTHER MATTER WHATSOEVER, INCLUDING WITHOUT LIMITATION: (I) THE CONDITION OR STATE OF REPAIR OF THE PROPERTY; (II) THE COMPLIANCE OR NON-COMPLIANCE OF THE PROPERTY WITH ANY APPLICABLE LAWS, REGULATIONS OR ORDINANCES (INCLUDING, WITHOUT LIMITATION, ANY APPLICABLE ZONING, BUILDING OR DEVELOPMENT CODES AND THE FAIR HOUSING ACT AND THE AMERICANS WITH DISABILITIES ACT); (III) THE VALUE, EXPENSE OF OPERATION OR INCOME POTENTIAL OF THE PROPERTY; (IV) ANY OTHER FACT OR CONDITION WHICH HAS

AFFECTED OR MIGHT AFFECT THE PROPERTY OR THE CONDITION, STATE OF REPAIR, COMPLIANCE, VALUE, EXPENSE OF OPERATION OR INCOME POTENTIAL OF THE PROPERTY OR ANY PORTION THEREOF; OR (V) WHETHER THE PROPERTY CONTAINS ASBESTOS OR HARMFUL OR TOXIC SUBSTANCES OR PERTAINING TO THE EXTENT, LOCATION OR NATURE OF SAME.

4. **Survey and Title Approval.**

- a. **Survey.** At Buyer's option and Buyer's expense and direction during the Due Diligence Period, Buyer may obtain an as-built survey and a surveyor's certificate, in form sufficient to remove the survey exception from the Title Commitment (as defined below). The survey will be prepared by a licensed surveyor acceptable to Buyer. The survey shall incorporate an exact description of the Property to be conveyed, shall be dated not more than sixty (60) days prior to the Closing Date, shall show the total area of the Property in square feet, easements, if any, dimensions and locations of improvements, driveways, location of adjoining streets and rights of way, building setback lines, zoning requirements and such other details as may be required by Buyer.
- b. **Title Commitment.** At Buyer's option and Buyer's expense, Buyer may obtain, within forty-five (45) days after the Effective Date, a binding commitment from Escrow Agent ("Title Commitment"), as agent for a national title insurer reasonably acceptable to Buyer ("Title Company"), for an ALTA owner's title insurance policy covering the Property, together with copies of all documents referenced therein (the "Title Policy").

- c. **Environmental Assessment.** At Buyer's option and at Buyer's expense and direction within forty-five (45) days after the Effective Date of this Contract, Buyer may obtain a Phase I Environmental Site Assessment of the Property prepared in accordance with ASTM E1527-13 (the "Phase I").
- d. **Review of Title.** Buyer shall have until the expiration of the Due Diligence Period to review all of: (i) the Title Commitment, (ii) legible copies of all documents referenced in title exceptions disclosed therein, (iii) the survey, and (iv) the Phase I, if applicable, ((i) through (iv), together, the "Due Diligence Documents") and to give written notice to Seller of any title matters which affect title to the Property and which are unacceptable to Buyer. If any title or survey defects or other matters objectionable to Buyer are disclosed by any of the Due Diligence Documents, Buyer shall give Seller written notice of same prior to the expiration of the Due Diligence Period. Seller shall be allowed a reasonable time, not in excess of forty-five (45) days or longer period if approved, in writing, by Buyer, as determined in Buyer's sole discretion, to cure or resolve the defects. If said defects are not timely cured to Buyer's satisfaction, Buyer may waive such defects and proceed to Closing, or Buyer may terminate this Contract by written notice to Seller, and each of the parties shall be released from further liability to the other. Any defects or matters shown on the Title Commitment to which Buyer does not object or are waived by Buyer shall be considered "Permitted Exceptions."
- e. **Title at Closing.** At the Closing, the Title Company shall be prepared to issue an owner's title insurance policy on a standard ALTA Form insuring

Buyer's fee simple title to the Property free and clear of all exceptions and encumbrances other than Permitted Exceptions with liability limits in the amount of the Purchase Price, subject only to the delivery of documents, materials, and funds described herein, the recordation of the Deed, and payment of the applicable title insurance premiums and survey exceptions, if any. If the Title Company is unable to insure the Property for any reason other than Buyer's failure to execute the required closing documents, Buyer shall be entitled to terminate the Contract by written notice to Seller, and each of the parties shall be released from further liability to the other.

f. **Closing Costs.**

- a. Seller shall be responsible for all fees, costs, and expenses incurred by Seller in connection with or relating to Seller's satisfying the terms and conditions hereof.
- b. Buyer shall be responsible for all fees, costs and expenses incurred by Buyer in connection with or relating to Buyer's satisfying the terms and conditions hereof.
- c. Buyer and Seller shall be responsible for their own attorney's fees.
- d. All other costs shall be allocated as follows:

<u>Cost</u>	<u>Party Responsible</u>	
	<u>Seller</u>	<u>Buyer</u>
Title Insurance & Title Examination	_____	<u>X</u>
Preparation of Deed	_____	<u>X</u>
Survey	_____	<u>X</u>
Recording Fees and Tax on Deed	_____	<u>X</u>
Phase I Environmental Assessment	_____	<u>X</u>
Phase II Environmental Assessment	_____	<u>X</u>
Water Quality Fees (prorated)	_____	<u>X</u>

Buyer shall pay for all closing and expenses

5. **Taxes and Assessments.** Real estate taxes for 2026 shall be prorated. Accordingly, Seller shall be responsible for paying any and all 2026 real estate taxes that are owed through the Closing Date. From and after the Closing Date, Buyer represents that the Property will be exempt from the payment of real property taxes. Water quality fees assessed for the year in which the Closing occurs (regardless of when due and payable) shall be prorated as of the Closing Date.

6. **Conveyances.** At Closing, Seller shall convey title to the Property by Warranty Deed conveying to Buyer marketable and insurable fee simple title to the Property subject only to Permitted Exceptions (the "Deed").

7. **Conditions.** Unless otherwise waived by Buyer in writing, the duties and obligations of Buyer under the terms and provisions of this Contract are and shall be expressly subject to the following conditions precedent, each of which shall be deemed material to this Contract:

- a. **Resolutions and Consents.** Seller's delivery to Buyer, at or before Closing, of such resolutions and/or consents to the sale of the Property as contemplated by this Contract as Buyer may reasonably require, all in such form as is satisfactory to Buyer.
- b. **Written Approval.** Buyer's written approval of all exhibits to this Contract. Notwithstanding the foregoing, Buyer shall provide approval of all exhibits prior to the expiration of the Due Diligence Period.
- c. **Property Condition.** Buyer's approval that no material, adverse change occurring in the physical or financial condition of the Property between the Effective Date of this Contract and the Closing Date, including, but not limited to, any change in the environmental condition of the Property or presence of a Hazardous Substance on the Property. For purposes of this

Contract, “**Hazardous Substance**” shall have the meaning set forth at 42 U.S.C. Section 9601(14), as well as the meaning(s) set forth in any applicable state law or regulation.

- d. **Representations and Covenants**. All covenants and representations of Seller contained in this Contract being true and correct as of the Closing.
- e. **Buyer’s Title Policy**. As of the Closing, the Title Company shall have committed to issue, upon the condition of the payment of its regularly scheduled premium, the Title Policy.
- f. **Failure of Condition**. In the event of the failure of any of the conditions set forth in this Paragraph 7 through no fault of Buyer, which condition is not waived in writing by Buyer, in Buyer’s sole discretion, Buyer may (i) terminate this Contract by written notice to Seller, and this Contract shall be null and void and each of the parties shall be released from further liability to the other, or (ii) Buyer may, at Buyer's sole election, postpone the Closing for twenty (20) business days to allow such conditions to be satisfied, or waive the same; provided the provisions of this paragraph shall continue to apply if the Closing is postponed pursuant hereto and no waiver of such conditions shall be deemed to have been made unless expressly set forth in a writing signed by Buyer.
- g. **Updates**. Seller shall immediately notify Buyer, in writing, if Seller obtains knowledge or receives notice of (i) any event which has or is likely to have a material adverse effect on the operation, physical condition or financial condition of the Property, (ii) any violation, potential violation or alleged violation of any applicable governmental laws, statutes, codes, ordinances,

rules, regulations, orders, judgments and decrees, including, but not limited to, the terms of all permits, related to the Property, or (iii) any legal action or governmental proceeding related to the Property or which may affect Seller's ability to perform its obligations under this Contract, or any actual, pending or threatened taking of the Property by condemnation or eminent domain.

8. **Contract Default.**

- a. **Seller's Default.** If Seller fails to comply with this Contract within the time specified or if Seller breaches any covenant contained herein, Buyer may either, as its sole and exclusive remedy, (i) terminate this Agreement, in which event Seller shall reimburse Buyer for Buyer's actual and documented out-of-pocket costs incurred in connection with this Agreement, not to exceed \$25,000.00, and neither party hereto shall have any further rights or obligations hereunder (other than with respect to the those obligations which expressly survive termination), or (ii) seek to enforce its specific performance through the filing of an action in a court of competent jurisdiction within thirty (30) days of such default..
- b. **Buyer's Default.** If Buyer fails to comply with this Contract within the time specified or if Buyer breaches any covenant contained herein, Seller may, as its sole and exclusive remedy, terminate this Agreement, in which event Buyer shall reimburse Seller for Seller's actual and documented out-of-pocket costs incurred in connection with this Agreement, not to exceed \$25,000.00, and neither party hereto shall have any further rights or

obligations hereunder (other than with respect to the those obligations which expressly survive termination).

9. **Closing Date and Location.**

- a. **Closing Date.** The consummation of the transaction contemplated by this Contract (the “Closing”) shall occur no later than May 29, 2026 (the “Closing Date”).
- b. **Closing Location.** The Closing shall be held at the offices of the Title Guaranty & Trust Company, 617 Walnut Street, Chattanooga, TN 37402.
- c. **Documents.** At Closing, all documents herein contemplated for the conveyance of the Property, payment of the Purchase Price, and all other necessary documents and instruments shall be executed and/or delivered by the parties.
- d. **Possession.** Possession of the Property shall be transferred to Buyer on the Closing Date.

10. **Notices.**

- a. **Written Notices; Addresses.** All notices required herein must be written and shall be deemed to have been validly given when deposited postage prepared in the United States Mail, Certified, Return Receipt Requested, addressed to the parties as identified and set forth below:

Seller: Fareway, LLC
 3310 Lockwood Drive
 Chattanooga, Tennessee 37415
 Attn: Jack Martin

With a copy to: Patrick, Beard, Schulman & Jacoway, P.C.
 Attn: John H. Templeton, Esq.
 537 Market Street, Suite 300
 Chattanooga, TN 37402

Buyer: City of Chattanooga
101 E. 11th Street, Suite G-18
Chattanooga, TN 37402
Attn: Gail Hart, Real Property Manager

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

- b. **Attorneys.** The respective attorney for each party shall have the right, but not the obligation, to give any notice on behalf of such attorney's client. Any notice so given by such attorney shall be deemed to have been given by such attorney's client.

11. **Entire Agreement.** This Contract constitutes the sole and entire agreement between Buyer and Seller relative to the Property, and no modification hereof shall be binding unless signed by both Buyer and Seller. Representations, promises, or inducements not included in this Contract shall not be binding upon either of the parties.

12. **Successors and Assigns.** This Contract shall be binding upon and shall inure to the benefit of each of the parties hereto, their respective heirs, successors, assigns, beneficial owners and representatives.

13. **Assignment.** Buyer shall have no right to assign its interest in this Contract to any person or entity except that Buyer shall have the right to assign its rights hereunder to an entity controlled by, or under common control with, the Buyer, by giving written notice thereof to Seller at least five (5) days before Closing.

14. **Waiver of Breach.** The failure of either party to insist upon strict performance of any of the terms or conditions and covenants contained herein shall not be deemed to constitute a waiver of any rights or remedies by either party that they may have and shall not be deemed to constitute a waiver of any subsequent breach or default.

15. **Real Estate Commission.** At Closing, Seller shall be responsible for paying a real estate commission to SVN Second Story Real Estate Management in the amount of three percent (3%) of the Purchase Price (the “Broker”). Seller agrees to indemnify, defend, and hold harmless the Buyer from and against any and all losses, liens, claims, judgments, liabilities, costs, expenses or damages (including reasonably attorneys’ fees and court costs) of any kind or character arising out of or resulting from any agreement, arrangement or understanding alleged to have been made by Seller or on its behalf with any broker in connection with this Contract other than the Broker. Notwithstanding anything to the contrary contained herein, this paragraph shall survive the Closing or any termination of this Contract.

16. **Performance. Time is of the essence in the performance and satisfaction of the obligations and conditions of this Contract.**

17. **Miscellaneous.**

- a. **Choice of Law.** The validity, construction, interpretation and performance of this Contract shall, in all ways be governed and determined in accordance with the laws of the State of Tennessee. Should there be any provision thereof to be declared invalid, illegal or unenforceable by a court of competent jurisdiction, the legality, validity, and enforcement of the remaining provisions shall not be affected, but shall continue in full force and effect.
- b. **Captions.** The captions used in this Contract have been inserted only for purposes of convenience and the same shall not be construed or interpreted so as to limit or define the intent or the scope of any part of this Contract.
- c. **Gender and Number.** Within this Contract, words of any gender shall be held and construed to include any other gender, and words in the singular

number shall be held and construed to include the plural, unless the context otherwise requires.

- d. **Exhibits.** All exhibits described herein and attached hereto are fully incorporated into this Contract by this reference for all purposes.
- e. **Counterparts/Effective Date.** This Contract may be executed by the parties independently in any number of identical counterparts, and upon execution by both parties of any such independent counterparts, this Contract shall be in full force and effect on the date the last party executes an identical counterpart (the “Effective Date”) as if the parties had executed one and the same counterpart, and all of such counterparts when taken together shall constitute one and the same instrument.
- f. **No Assumption.** Buyer’s acquisition of the Property shall in no way be construed as an assumption of any liability, debt or obligation related thereto, known or unknown, which is allocable to periods prior to the Closing. Furthermore, Buyer shall assume no liabilities of Seller of any kind or nature whatsoever, whether known or unknown, fixed or contingent, in connection with or as a result of the acquisition of the Property or arising from or in connection with Seller’s ownership of the Property or Seller’s operation of any business, concern, or enterprise involving the Property. Seller shall remain solely responsible for the obligations, liabilities and debts of Seller. Seller shall indemnify Buyer against, and shall hold Buyer harmless from, any and all claims, demands, causes of action, liabilities, judgments, losses, damages, costs, and expenses of any kind whatsoever (including without limitation reasonable attorneys’ fees incurred in

connection with the enforcement of this indemnity) resulting from or arising out of or in connection with the ownership and operation of the Property, any business conducted thereon or therein, and any use or occupancy of the Property by Seller or its agents, employees, invitees, licensees or guests on or before the Closing Date

- g. **Additional Documents.** The parties agree to execute such additional documents, including escrow instructions, as may be reasonable and necessary to carry out the provisions of this Contract.
- h. **Mergers.** Except as expressly provided to the contrary in this Contract, none of the obligations, representations or warranties contained in this Contract shall survive the Closing.
- i. **Modifications.** This Contract shall not be modified, amended or terminated orally, and no such amendment, modification or termination shall be effective for any purpose unless same is in writing and duly authorized and executed by both parties hereto.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, this Contract has been executed by the Buyer and Seller on the dates set out below their respective signatures hereto.

BUYER: CITY OF CHATTANOOGA, TENNESSEE

BY: _____

Richard J. Beeland
Administrator of the Department of
Economic Development

Date: _____

SELLER: FAREWAY, LLC

BY: _____

JACK MARTIN, Managing Member

Date: _____

EXHIBIT "A"

Legal Description of the Property

IN THE CITY OF CHATTANOOGA, HAMILTON COUNTY, TENNESSEE

Lot Four (4), Revised Plat, Old Quarry Golf Course Subdivision, as shown by plat of record in Plat Book 135, Page 161, in the Register's Office of Hamilton County, Tennessee.