

RESOLUTION NO. \_\_\_\_

**A RESOLUTION AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE A PURCHASE AND SALE AGREEMENT WITH BRUCE OAKLEY, INC. TO SELL PROPERTY LOCATED ON NORTH BUCKEYE AND EAST 5<sup>TH</sup> STREET IN THE CITY OF NORTH LITTLE ROCK, ARKANSAS; AND FOR OTHER PURPOSES.**

WHEREAS, Arkansas Code Ann. § 14-54-302 authorizes the City to sell its real property when authorized by a resolution approved by a majority vote of the City Council present and participating; and

WHEREAS, the City of North Little Rock (the "City") owns real property, generally located on North Buckeye Street and East 5th Street (the "Property"), and desires to sell the same (see map attached hereto as Exhibit A); and

WHEREAS, Bruce Oakley, Inc. ("Oakley") has offered to buy the Property for the purchase price of \$1,100,000.00 in order to expand its business operations in the City; and

WHEREAS, the structures located on the Property require extensive repairs and renovations and Oakley anticipates investing \$600,000 to \$900,000 on renovations to the Property; and

WHEREAS, Oakley has agreed to let the City continue to use a storage building on the Property for three to six months after sale, with a possibility of a time extension; and

WHEREAS, based on the foregoing factors, among others, it is in the best interest of the City and its residents to sell the Property to Oakley for less than the appraised value (see appraisal summary attached hereto as Exhibit B).

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH LITTLE ROCK, ARKANSAS:

SECTION 1: That the Mayor and City Clerk are hereby authorized to enter into a Purchase and Sale Agreement (substantially similar to Exhibit C attached hereto and incorporated herein by reference) with Bruce Oakley, Inc. and to sell certain real property located at the above mentioned property in the City of North Little Rock.


SECTION 2: That the Mayor and City Clerk are hereby authorized to execute all documents necessary to effect the completion of the herein stated sale; with all contracts/agreements to be reviewed and approved by the City Attorney prior to execution.

SECTION 3: That this Resolution shall be in full force and effect from and after its passage and approval.

PASSED:

APPROVED:

SPONSOR:

  
Mayor Joe A. Smith *by AF*

\_\_\_\_\_  
Mayor Joe A. Smith  
ATTEST:

\_\_\_\_\_  
Diane Whitbey, City Clerk

APPROVED AS TO FORM:

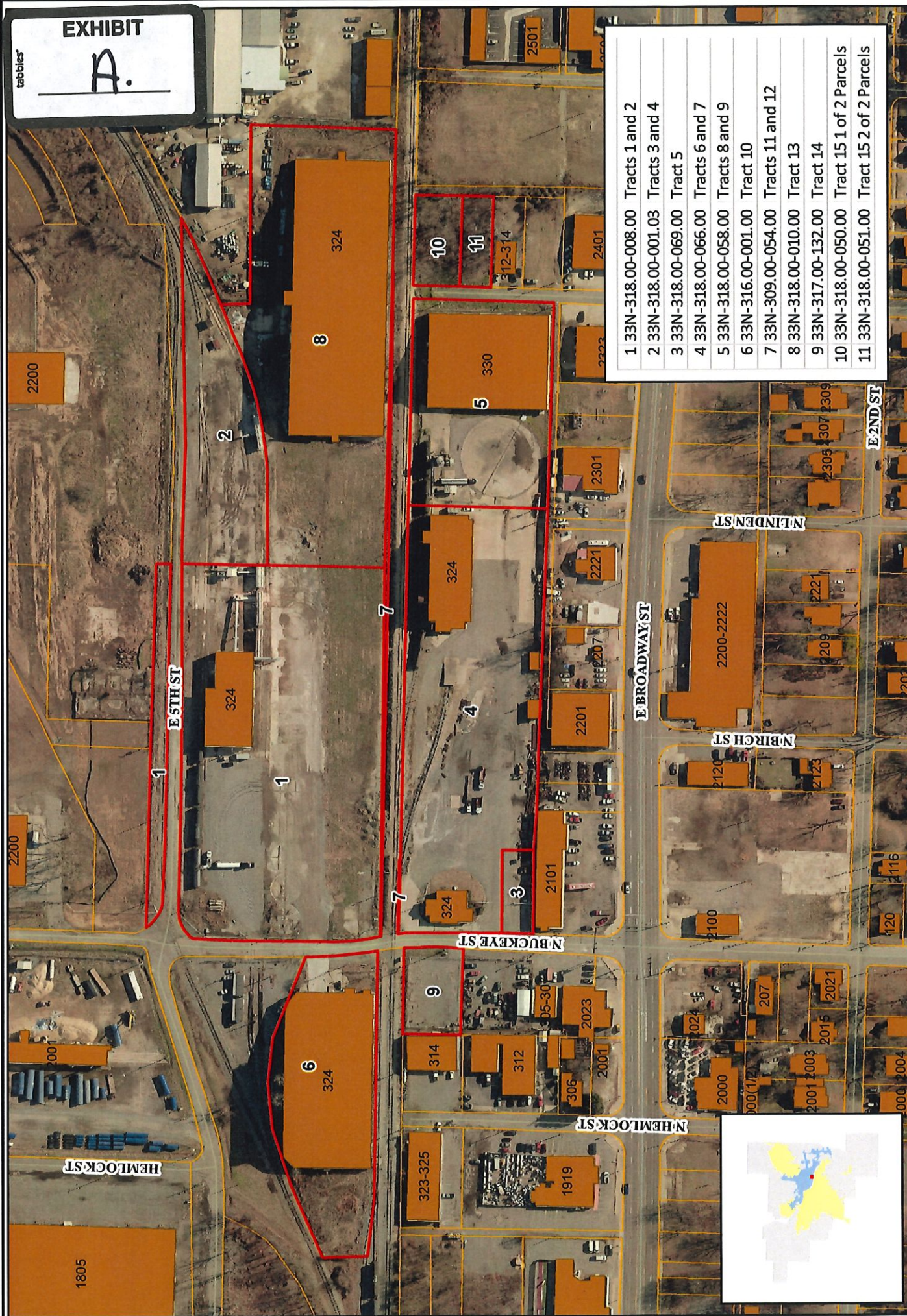
  
Amy Beckman Fields, City Attorney

PREPARED BY THE OFFICE OF THE CITY ATTORNEY/cf

FILED	10:45	A.M.	_____	P.M.
By	A Fields			
DATE	2-5-19			
Diane Whitbey, City Clerk and Collector North Little Rock, Arkansas				
RECEIVED BY	S. L. Serry			



A.

**rabbits'**

0 100 200 400 Feet

Date: 2/4/2019

Date: 2/4/2019

# NLR Property





## SUMMARY OF IMPORTANT DATA AND CONCLUSIONS

### Value Estimate – Sales Comparison Approach

Subject Parcel	SqFt		\$ / SqFt		Total	Rounded
33N3160000100	\$ 39,468	x	\$ 7.75	=	\$ 305,877	\$ 305,880
33N3180000800	\$ 9,600	x	\$ 18.00	=	\$ 172,800	\$ 174,000
33N3180001000	\$ 66,000	x	\$ 7.75	=	\$ 511,500	\$ 511,500
33N3180005800	\$ 28,500	x	\$ 7.75	=	\$ 220,875	\$ 220,875
33N3180006600	\$ 20,400	x	\$ 7.75	=	\$ 158,100	\$ 158,100

### Value Estimate - Income Approach

Subject Parcel	NOI	/	Overall Rate	=	Total	Rounded
33N3160000100	\$ 31,969	/	10.50%	=	\$ 304,467	\$ 304,500
33N3180000800	\$ 18,273	/	10.50%	=	\$ 174,029	\$ 174,000
33N3180001000	\$ 53,460	/	10.50%	=	\$ 509,143	\$ 509,140
33N3180005800	\$ 23,085	/	10.50%	=	\$ 219,857	\$ 219,860
33N3180006600	\$ 16,524	/	10.50%	=	\$ 157,371	\$ 157,370

### Final Value Estimate:

Subject Parcel		SqFt	Final
33N3090005400	Land	21,780	\$18,515
33N3160000100	Improved	39,468	\$305,000
33N3170013200	Land	10,890	\$9,260
33N3180000103	Land	77,351	\$65,750
33N3180000800	Improved	9,600	\$174,000
33N3180001000	Improved	66,000	\$510,000
33N3180005000	Land	10,920	\$9,280
33N3180005100	Land	7,266	\$6,175
33N3180005800	Improved	28,500	\$220,000
33N3180006600	Improved	20,400	\$158,000
33N3180006900	Land	6,970	\$5,925

Date of Appraisal:

July 24, 2018

Appraisers:

Charles K. Tharp  
AR Cert. CG 2442

Tom M. Ferstl, J.D.  
AR Cert. CG 0029  
MO Cert. RA-003362

J.T. Ferstl, J.D., MAI  
AR Cert. CG 1750  
TN Cert. CG 00004522  
OK Cert. 12895CGA  
LA Cert. CG G3032



## **PURCHASE AND SALE AGREEMENT**

This PURCHASE AND SALE AGREEMENT (the "**Contract**") is made and entered into as of the Effective Date, by and between by BRUCE OAKLEY, INC. and/or its assigns ("**Buyer**") and the CITY OF NORTH LITTLE ROCK (collectively the "**Seller**").

### **WITNESSETH:**

1. **The Property.** In consideration of the terms of this Contract, the sums of money paid and to be paid hereunder, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by both parties, Seller agrees to sell and Buyer agrees to buy, subject to the terms and conditions herein, the following real and personal property (collectively, the "**Property**"):

A. Seller's interest in those certain parcels of real property, including all buildings, storage bins, equipment attached to the buildings, and all other improvements, located in Pulaski County, Arkansas, which are identified below by Parcel Nos., and more particularly described in Exhibit "A" attached hereto and incorporated herein by reference as if set forth word for word (the "**Land**").

1. Parcel No. 33N3180000800 (Tracts 1 and 2)
2. Parcel No. 33N3180000103 (Tracts 3 and 4)
3. Parcel No. 33N3180006900 (Tract 5)
4. Parcel No. 33N3180006600 (Tracts 6 and 7)
5. Parcel No. 33N3180005800 (Tracts 8 and 9)
6. Parcel No. 33N3160000100 (Tract 10)
7. Parcel No. 33N3090005400 (Tracts 11 and 12)
8. Parcel No. 33N3180001000 (Tract 13)
9. Parcel No. 33N3170013200 (Tract 14)
10. Parcel No. 33N3180005000 (Tract 15 1 of 2 Parcels)
11. Parcel No. 33N3180005100 (Tract 15 2 of 2 Parcels)

B. All appurtenances, rights, privileges and easements benefiting, belonging, or pertaining to the Land, including, without limitation, all right, title, and interest of Seller in and to: (i) any land lying in the bed of any highway, street, or road, open or proposed, in front of, abutting or servicing the Land; (ii) any condemnation awards, or payments in lieu of such awards, for change of grade, alignment or access rights with regard to such highways, streets and roads; (iii) any alleys, strips, or gores of land adjacent to the Land and any easements benefiting the Land; and (iv) oil, gas and/or minerals of any nature whatsoever on, in or under the Land (collectively, the "**Appurtenances**").

C. All railways, railroad tracks, rails, and related equipment and materials that are located in or on the Land (collectively, the "**Railways**") as identified in Exhibit B attached hereto and incorporated herein by reference as if set forth word for word. The Land, Appurtenances



and Railways are sometimes collectively referred to in this Agreement as the "**Real Property**."

2. **Effective Date.** The "**Effective Date**" of this Contract for purposes of measuring performance hereunder shall be the date when the last one of Seller and Buyer has properly executed this Contract as determined by the date below each signature.

3. **Purchase Price.** The total purchase price for the Real Property shall be One Million One Hundred Thousand and No/100 Dollars (\$1,100,000.00) to be paid in cash at Closing.

4. **Closing.** Subject to the satisfaction of the conditions to Closing set forth in this Contract, the Purchase Price shall be paid to Seller, the Deed delivered to Buyer and other closing documents required hereunder shall be executed, delivered and this transaction shall be closed (the "**Closing**") not later than the date (the "**Closing Date**") that is not later than March 31, 2019. The Closing shall take place at \_\_\_\_\_.

5. **Closing Documents and Conditions Precedent.**

- A. **SURVEY:** A current survey, in a form satisfactory to Buyer certified within 15 days from days prior to Closing by a registered land surveyor, will be provided and paid for by Seller.
- B. **RAILWAYS.** Seller shall provide to Buyer all current contracts, easements, agreements, leases that Seller currently has with any third party that relates to the use of railways located on the Real Property.
- C. **DEED.** Seller shall convey the Real Property to Buyer by recordable general warranty deed (the "**Deed**"), conveying good and marketable title of record to the Real Property, in fee simple, free and clear of all liens, encumbrances and other exceptions except for the other Permitted Exceptions (as defined in Section 6). The Deed shall not include language such as or similar in context to "subject to all matters of record".
- D. **SELLER'S PERSONAL PROPERTY.** The Seller shall have \_\_\_\_ days after Closing to remove all of its personal property being stored on the Real Property, including its property stored in the buildings located on the Property.

6. **Evidence of Title and Conveyance.**

- A. Promptly following execution of this Agreement, Buyer shall obtain from a title company acceptable to Buyer (the "Title Company") title search ("**Search**") acceptable to Buyer in the amount of the Purchase Price. If objections are made to Title, Seller shall have a reasonable time to cure the objections. If no objections are made then the exceptions therein shall be "Permitted Exceptions".
- B. Unless otherwise specified, conveyance shall be made to Buyer, or as directed by Buyer, by general warranty deed, in fee simple absolute. Seller warrants and represents only signatures set forth below are required to transfer legal title to the Property.

7. **Closing Costs.** Closing costs shall be paid at Closing as follows:

A. **By Buyer:**

- (i) The fees and premiums for the Mortgagee's title insurance, if any;
- (ii) One-half of the closing and escrow fees charged;
- (iii) Buyer's own attorneys' fees;
- (iv) One-half of the cost of all documentary stamps;
- (v) The cost of recording the Deed;
- (vi) Such other incidental costs and fees customarily paid by buyers in transactions of this nature in the area where the Property is located.

B. **By Seller:**

- (i) The fees and premiums for an Owner's title insurance policy;
- (ii) One-half of the closing and escrow fees charged;
- (iii) Seller's own attorneys' fees; and
- (iv) One-half of the cost of all documentary stamps;
- (v) Such other incidental costs and fees customarily paid by Sellers in transactions of this nature in the area where the Property is located

9. **Litigation and Attorney's Fees.** In the event of litigation of any claim arising from this Contract, the substantially prevailing party in such litigation shall be entitled to recover from the non-prevailing party all court costs and reasonable expenses resulting therefrom, including reasonable attorneys' fees.

10. **Time of the Essence.** Time is of the essence with respect to each and every provision of this Contract and in the performance of all conditions and covenants to be performed or satisfied by either party hereto.

11. **Notices.** All notices and demands which either party is required or desires to give to the other shall be given in writing, to the address or facsimile number provided pursuant to this section or at such other addresses as specified by written notice delivered in accordance herewith. All notices and demands so given shall be deemed received and effective: (i) upon hand delivery to the address of the party to whom sent if sent by personal delivery, (ii) upon receipt by the sender of a facsimile confirmation if sent by facsimile, (iii) two business days after deposit into the U.S. Mail if sent by registered or certified mail, return receipt requested, with postage prepaid, or (iv) one business day after deposit with a nationally recognized overnight courier. This provision shall not prohibit the giving of written notice by any other means, but such written notice by other means shall not be effective until actually received by the intended recipient.

To Seller:

City of North Little Rock

Attn: \_\_\_\_\_

**With Copy to:**

**To Buyer:**

Bruce Oakley, Inc.  
Attn: Tim Cummins  
3700 Lincoln Ave.  
North Little Rock, AR 72114  
Telephone (501) 320-8469  
Facsimile (501) 945-6970

**With Copy to:**

William P. Allison, Esq.  
Email: [wallison@allisonlawfirm.net](mailto:wallison@allisonlawfirm.net)  
Allison Law Firm, P.A.  
1501 N. University Ave., Suite 220  
Little Rock, Arkansas 72207  
Telephone (501) 664-2300  
Facsimile (501) 664-3010

Telephone numbers have been included in this section as a matter of convenience and imply no obligation or right to give or receive notice other than in writing as required by this Contract.

**12. Governing Law.** The interpretation and enforcement of this Contract shall be governed by and construed in accordance with the laws of the State of Arkansas and shall bind, and the benefits and advantages shall inure to and shall be enforceable by, Buyer and Seller and their successors and assigns.

**13. Survival of Obligations.** This Contract, and the obligations, warranties and representations of Seller contained herein shall survive Closing.

**14. Brokerage.** Buyer represents to Seller and Seller represents to Buyer that neither have employed nor engaged any brokers, consultants or real estate agents to be involved in this transaction on her behalf.

**15. As-Is.** The Buyer has inspected the Property and is not relying and shall not hereinafter rely on any representation, warranties, or statements of the Seller regarding the Property. Seller makes no representations, warranties or disclosures regarding the Property or the improvements to the Property.

**16. Time Period Calculations.** If the time period by which any acts, notices or payments required hereunder must be performed, delivered or paid expires on a Saturday, Sunday or legal holiday, then such time period shall be automatically extended to the close of business on the next business day.



17. **Taxes; Rents.** All special assessments and taxes, both real and personal, against the Property for 2018-2019 years shall be prorated at Closing.

18. **No Third Party Beneficiary.** This Contract is not intended to give or confer any benefits, rights, privileges, claims, actions, or remedies to any person or entity as a third party beneficiary or otherwise.

19. **Confidentiality.** Neither Seller nor Buyer shall disclose to any third party at any time prior to the Closing the amount of the Purchase Price payable hereunder, except for disclosures made to the Title Company, governmental authorities as required by law or to the Buyer's or Seller's respective lender(s), attorneys, professional consultants and/or investors of the and only if disclosed subject to such parties' agreement to maintain the confidentiality of such information as required herein. Neither Buyer nor Seller shall make any public announcement regarding this Contract or regarding any information obtained in connection with this transaction, to outside brokers or third parties with respect to the Property if Buyer does not purchase the Property. Neither this Contract nor any memorandum of this Contract shall be recorded.

20. **Headings.** The article and paragraph headings of this Contract are for convenience only and in no way limit or enlarge the scope or meaning of the language hereof.

21. **Invalidity and Waiver.** If any portion of this Contract is held invalid or inoperative, then so far as is reasonable and possible the remainder of this Contract shall be deemed valid and operative, and effect shall be given to the intent manifested by the portion held invalid or inoperative. The failure by either party to enforce against the other any term or provision of this Contract shall not be deemed to be a waiver of such party's right to enforce against the other party the same or any other such term or provision in the future. Each party and its counsel have reviewed and revised this Contract. The normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party may not be employed in the interpretation of this Contract or any amendments or exhibits hereto.

22. **Merger and Amendment.** This Contract, including all exhibits and addenda, when executed by both the Buyer and Seller, shall constitute the entire agreement between the parties and supersedes all prior agreements, representations and understandings relating to the Property and subject matter of this Contract. This Contract may be amended or modified only in writing executed by the party against whom enforcement is sought.

23. **Execution in Counterparts.** This Contract may be executed in multiple counterparts, each of which shall be deemed to be an original, and all of such counterparts shall constitute one Contract.

IN WITNESS WHEREOF, the undersigned have caused this Contract to be duly executed as of the date and year below written.

**BUYER:**

BRUCE OAKLEY, INC.

  
By: Dennis Oakley, President

Date: January/8, 2019

Offer shall expire if not accepted and returned to the Buyer before 2:00 pm, February 28, 2019.

**SELLER:**

CITY OF NORTH LITTLE ROCK

\_\_\_\_\_  
By:

Date: January \_\_, 2019