

Finance & Administration Committee Meeting

September 15, 2020

4:00 p.m.

1. Discussion on City of Covington Code/Charter – Department Head Dismissal
2. Discussion on the sale of city property – East Pleasant (Old Police Dept. Bldg.) & N. Main St.
3. Contract from Venture Auctions – For approval



AUCTION SERVICES CONTRACT

THIS AGREEMENT, made and entered into this _____ day of _____, 2020, by and between The City of Covington, Tennessee, hereinafter referred to as "Seller" (which term shall mean Seller, and Seller's successors, representatives and assigns), and Venture Auctions, hereinafter referred to as "Auctioneer" (which term shall mean and include the Auctioneer, and Auctioneer's representatives, successors and assigns).

WITNESSETH:

WHEREAS Seller desires to employ Auctioneer to sell certain of Seller's property at absolute auction, and
WHEREAS Auctioneer desires to be employed by Seller to conduct an absolute auction sale of certain of Seller's property:

NOW, THEREFORE, in consideration of the agreements of the parties hereinafter set forth and for other good and valuable considerations, the receipt of which is hereby acknowledged by the Auctioneer and Seller, it is further agreed as follows:

1. EMPLOYMENT OF AUCTIONEER.

The Seller employs the Auctioneer to sell at absolute public auction the Seller's property described in Schedule A, to be acknowledged upon completion by Auctioneer and Seller, and attached to and made part of this agreement.

2. ACCEPTANCE OF AUCTIONEER.

Auctioneer accepts such employment of Seller and agrees to use his best efforts to bring about a sale of said property at absolute public auction in accordance with the provisions of this agreement.

3. DATE OF SALE.

The auction sale of the Owner's property is to be held on the date and time to be determined by the Seller, pursuant to any legal requirements and to availability of the Auctioneer, and to be acknowledged upon determination by Auctioneer and Seller, and attached to and made part of this agreement.

4. ADVERTISING AND SALE EXPENSE.

(a) The Auctioneer is to suggest to the Seller what is considered to be the proper extent and method of advertising the sale, preparing the property for sale, and execution of sale, and with the extent and method of said advertising, preparation, and execution of sale to be determined by the Auctioneer.

(b) The Auctioneer shall bear sole responsibility for any expense incurred in advertisement, preparation, and execution of auction sale.

(c) The Seller shall bear sole responsibility for proper adherence to any applicable law, ordinance, guideline, or other legal requirement stipulating specific public notice of auction, as applicable.

(d) The Seller shall bear sole responsibility for any expense incurred in posting of public notice as required by any applicable law, ordinance, guideline, or other legal requirement.

5. SALE PROCEDURE.

(a) The Seller shall accept the highest bid realized at auction in exchange for all property sold, with no provision or exception for minimum price or reserve.

(a) The Auctioneer shall have full power and authority to deliver possession of Seller's goods sold to purchasers at said sale and to receive from purchasers at said auction the total purchase price realized as a result of said auction sale, all the aforesaid as agent for the Seller.

(b) The Seller will upon request of Auctioneer execute a good and sufficient memorandum or bill of sale with full common law covenants relative to any property sold at said auction sale.

(c) The Auctioneer will be allowed five business days to make full settlement to the Seller.

(continued)

6. AUCTIONEER'S COMPENSATION.

- (a) The Auctioneer shall collect a premium of ten percent of the gross bid price of each item of property to be sold.
- (b) The Auctioneer's compensation shall be payable as collected in addition to the gross amount realized at such sale and shall be collected by the Auctioneer directly from the purchaser's payment.
- (c) The Auctioneer shall have no expectation of compensation by the Seller.

7. LIMITATION OF AUCTIONEER'S LIABILITY.

Auctioneer shall have no liability or obligation to Seller or any other person, firm or corporation with respect to said auction sale or the Seller's property sold thereat, except as is specifically set forth in this agreement, and Seller agrees to indemnify and hold harmless the Auctioneer from any and all claims and demands from any person, firm or corporation (including court costs and attorney's fee) brought for any reason.

8. INTERPRETATION.

- (a) The topic headings contained herein are for reference purposes only. It is understood by both parties that the plural and the singular where applicable may be interchangeable due to the executor of this document. Should any portion of this contract be held contrary to the laws of the State of Tennessee, that one section shall be void, and the remaining provisions shall be enforceable.
- (b) Auctioneer is a Tennessee auction firm and shall be interpreted under the laws of the home state of the Auctioneer. The Seller and the Auctioneer agree that Tennessee will be the proper venue should any action arise out of said agreement. Should the Auctioneer seek to enforce this agreement for any material breach of the same, the Seller shall bear all costs associated with said action including, but not limited to, any associated attorney of collection fees.

9. MISCELLANEOUS.

- (a) Seller agrees that no part of Seller's property described in this agreement shall be sold from the date of addition and acknowledgement by both Seller and Auctioneer of said Schedule A, as described in Section 1 of this agreement, until the date of the auction sale herein provided for, except in the usual and normal conduct of Seller's business, or with the written consent of the Auctioneer.
- (b) In the event any of the Seller's property is so sold by the Seller prior to the auction sale, the Owner shall pay to the Auctioneer the premium rate set forth in this contract.
- (c) The Seller reserves the right to withdraw any property from the auction due exclusively to an inability to execute a good and sufficient memorandum or bill of sale with full common law covenants relative to said property without the Auctioneer being due his full premium as set forth in this agreement.

IN WITNESS WHEREOF, the parties hereto have read this agreement and fully understand the contents of said agreement and have executed said agreement on the day and date first above written:

Authorized Representative - City of Covington, TN

Date

Michael E. Crawley, Auctioneer - Venture Auctions

Date