



METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

Metropolitan Historic Zoning Commission
Sunnyside in Sevier Park
3000 Granny White Pike
Nashville, Tennessee 37204
Telephone: (615) 862-7970
Fax: (615) 862-7974

STAFF RECOMMENDATION
710 McFerrin Avenue
June 17, 2015

Application: Demolition-principle contributing structure
District: Maxwell Heights Neighborhood Conservation Zoning Overlay
Council District: 05
Map and Parcel Number: 08208028000
Applicant: Ryan Paige
Project Lead: Robin Zeigler, robin.zeigler@nashville.gov

Description of Project: Applicant proposes to demolish a contributing home to the Maxwell Heights Neighborhood Conservation Zoning Overlay. This item was deferred by the applicant from the March 18 (prior to publication of agenda) April 15 and the May 20, 2015 meetings.

Recommendation Summary: Staff recommends disapproval finding that the applicant has not proven economic hardship and demolition does not meet section III.B.2 for appropriate demolition and does meet the design guidelines for III.B.1 for inappropriate demolition.

Attachments
A: Correspondence
B: Staff's Photographs
C: Sales Contract
D: Estimate
E: Engineer's Report

Vicinity Map:



Aerial Map:



Applicable Design Guidelines:

III.B.1 Demolition is Not Appropriate

- a. if a building, or major portion of a building, is of such architectural or historical interest and value that its removal would be detrimental to the public interest; or
- b. if a building, or major portion of a building, is of such old or unusual or uncommon design and materials that it could not be reproduced or be reproduced without great difficulty and expense.

III.B.2 Demolition is Appropriate

- a. if a building, or major portion of a building, has irretrievably lost its architectural and historical integrity and significance and its removal will result in a more historically appropriate visual effect on the district;
- b. if a building, or major portion of a building, does not contribute to the historical and architectural character and significance of the district and its removal will result in a more historically appropriate visual effect on the district; or
- c. if the denial of the demolition will result in an economic hardship on the applicant as determined by the MHZC in accordance with section 17.40.420 D of the historic zoning ordinance.

Ordinance section 17.40.420.D. lists the following items as information that can be used to determine economic hardship. They are not standards. The standards to be met are in the design guidelines, section III.B. See above.

Determination of Economic Hardship. In reviewing an application to remove an historic structure, the historic zoning commission may consider economic hardship based on the following information:

1. An estimated cost of demolition and any other proposed redevelopment as compared to the estimated cost of compliance with the determinations of the historic zoning commission;
2. A report from a licensed engineer or architect with experience in rehabilitation as to the structural soundness of the subject structure or improvement and its suitability for rehabilitation;
3. The estimated market value of the property in its current condition; its estimated market value after the proposed undertaking; and its estimated value after compliance with the determinations of the historic zoning commission.
4. An estimate from an architect, developer, real estate consultant, appraiser, or other real estate professional experienced in rehabilitation as to the economic feasibility of rehabilitation or reuse of the existing structure.
5. Amount paid for the property, the date of purchase, and the party from whom purchased, including a description of the relationship, if any, between the owner of record or applicant and the person from whom the property was purchased, and any terms of financing between the seller and buyer.
6. If the property is income-producing, the annual gross income from the property for the previous two years; itemized operating and maintenance expenses for the previous two years; and depreciation deduction and annual cash flow before and after debt service, if any, during the same period.
7. Any other information considered necessary by the commission to a determination as to whether the property does yield or may yield a reasonable return to the owners.
8. Hardship Not Self-Imposed. The alleged difficulty or hardship has not been created by the previous actions or inactions of any person having an interest in the property after the effective date of the ordinance codified in this title.

Background: Constructed in 1914 (appears in 1914 directory but not on 1914 map.)



Analysis and Findings:

The applicant has purchased the property for \$136,033.45, including closing costs. Since at least 1999, both the lot and the building have risen in value although the sales price has fluctuated. The property sold for \$28,800 in 1982 and then dropped to \$7,400 in September of 1992. It last sold, before this most recent purchase, for \$14,000 in December 1992. The most recent sale of \$136,033 appears to be a fair price as the average costs of similar aged and sized homes within a mile is approximately \$176,000 and the DataQuick value found online is \$172,000.

The applicant did not provide comps for analysis. Using information from the property assessor’s website, Staff considered sales that took place within a 5 block radius, were located within an overlay, sold since July 2014, were less than 1700 square feet, that were of a similar age to 1710 McFerrin, and that were in “good” condition at the time of sale in order to determine the estimated post-rehab value of the building. “Good” condition was considered to be anything that was rehabilitated in the last decade or was well maintained. All information, including the living area at the time of sale and sale price per square footage were provided by the Property Assessor’s website, they are not staff’s calculations. (The comps have been updated since the first staff recommendation with additional recent sales.)

Recent Sales Prices of Homes in the Area of a Similar Age and Square Footage

Address	Date of construction	Sale Date	Sale Price/Sq Ft	Living Area	Total
710 McFerrin	1920			1120	n/a
1010 Maxwell Ave	1935	10/24/2014	204.67	1612	330,000
951 Seymour	1930	12/16/2014	195.18	1557	303,900
1032 Petway	1938	8/15/2014	196.58	1287	253,000
953 Seymour	1930	8/22/2014	212.66	1105	235,000
937 Mansfield	1938	7/31/2014	182.70	1861	340,000
1024 W Eastland	1928	4/20/2015	223.21	1254	279,900
912 W Eastland	1930	3/19/2015	198.00	952	188,500
919 W Eastland	1936	1/22/2015	231.51	825	191,000
Average			205.56		

Figure 5

These comps returned a price per square footage of \$205.56. Based on the comps, the post rehabbed value of the building could be \$230,227.20.

The estimate for repairs generally should only include those expenses required to bring the property up to code; therefore Staff recommends removing the line items for appliances and landscaping, lowering the estimate rehab costs by just \$3,500 to **\$101,020**.

Although all other costs were included in staff's calculation, they may be lower than what is estimated. Staff's review found that 90% of the interior is likely repairable but the estimate shows 100% replacement of walls, interior trim, and windows, 30% replacement of flooring and 50% replacement of doors. The provided engineer's report, did not review the entire building, only the "floor structure, existing floor supports and the existing foundation" so the level of required replacement remains unanswered. One of the conclusions of the engineer's report is that all windows should be removed; however, the beginning of the report does not list windows as an item that was reviewed. The conclusion also notes that all the plaster should be removed for the installation of insulation; however, the beginning of the report does not list any interior elements as having been reviewed and the removal of plaster is not always necessary for the installation of insulation. Initially the applicant claimed that the building was compromised due to termite damage; however, there is no mention of termites in the engineer's report. This may be due to the fact, that the report does not contemplate the framing or roofing.

In the past, economic hardship has been granted for properties that were noted by engineers as unsafe to repair or that required a foundation to be repaired that reasonably could not be because the entire building would have to be picked up and the framing itself was not secure enough for that action. In this case, the engineer's report specifies that the foundation can be repaired section by section.

The settlement statement provided by the applicant shows a purchase price of \$135,033.45, including settlement charges and unpaid taxes. The total purchase price plus revised rehab estimate is **\$236,053.45**. Compared to the estimated value of 230,227.20, the applicant could potentially lose \$5826.25, assuming the estimate of repairs covers only those items required to bring the building up to code. In the past, the Commission has found situations like this too close to definitively answer the question about of economic hardship, especially when there are still unanswered questions about the structures physical viability.

Because there are still unanswered questions about what truly needs to be replaced or repaired, the current repair estimate is too close to definitively prove hardship and the Commission is required to preserve historic buildings unless there is a proven economic hardship, Staff recommends disapproval. Staff finds that the applicant has not proven economic hardship and demolition does not meet section III.B.2 for appropriate demolition and does meet the design guidelines for III.B.1 for inappropriate demolition.

ATTACHMENT A: COMMISSION/APPLICANT CORRESPONDENCE

Sent to applicant and commissioners via email on 5/29

Dear Commissioner:

We wanted to provide some additional information about the Economic Hardship process. (This email and attachment is also being sent to the applicant.) In the case of Economic Hardship, it is 100% the responsibility of the applicant to make his/her case that a property is beyond repair. The ordinance lists multiple items that the Commission can review or request of the applicant to help make an informed decision. Those items are also listed on the permit application. The application and examples of other staff recommendations are available online.

Staff recommendations are an analysis of the information given. It is not Staff's responsibility or even ability to provide engineer reports, inspections of the property, or any other information. We do typically conduct cursory inspections and draft reviews of information as a way to give the applicant some advice on how to proceed. We also provide information that we have the ability to obtain without additional expense or expertise, such as photographs or comps, when they are not provided.

Attached is information provided from the National Trust about economic hardship that might also be useful.

Sincerely,

Robin Zeigler

ATTACHMENT B: PHOTOS ACQUIRED BY STAFF



Exterior



Original eaves beneath the vinyl siding.



Stairway on right façade that could be replaced or removed.



Right side elevation



Right/Rear elevation



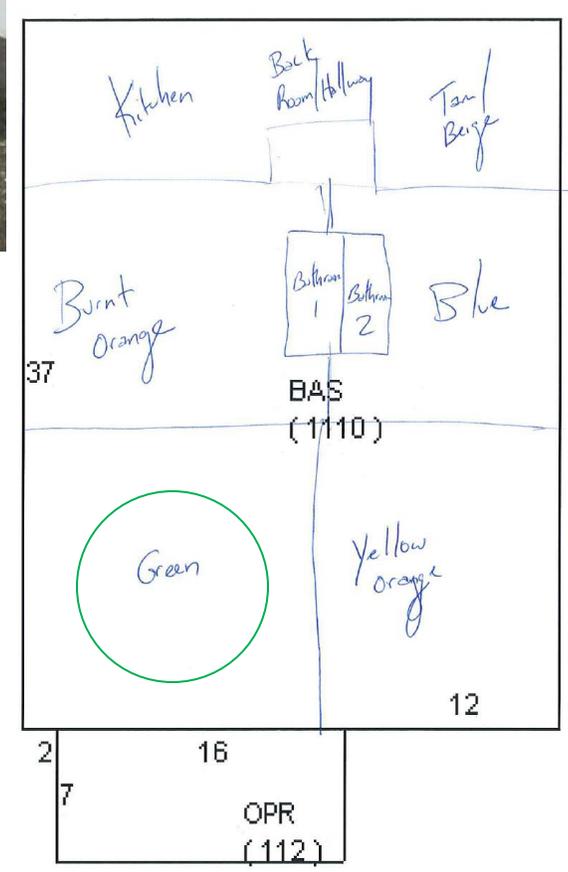
Left façade

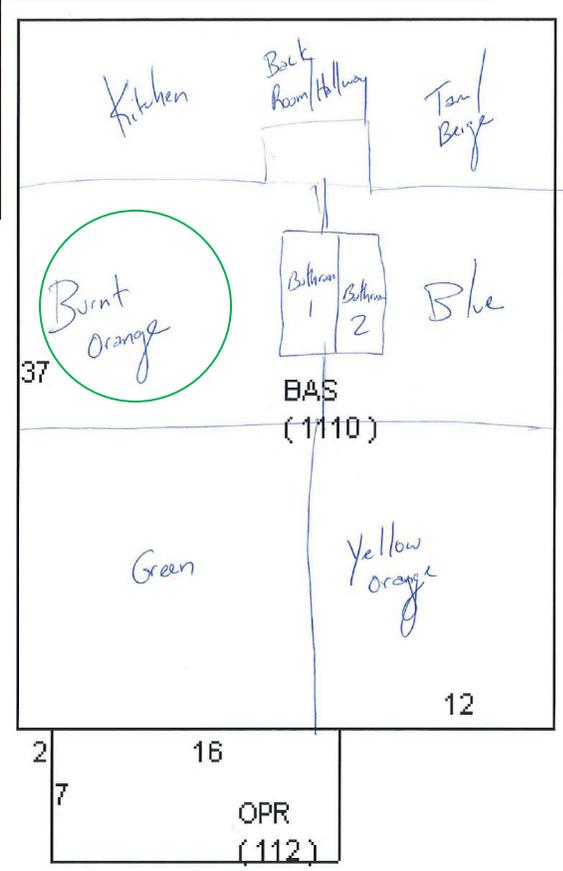


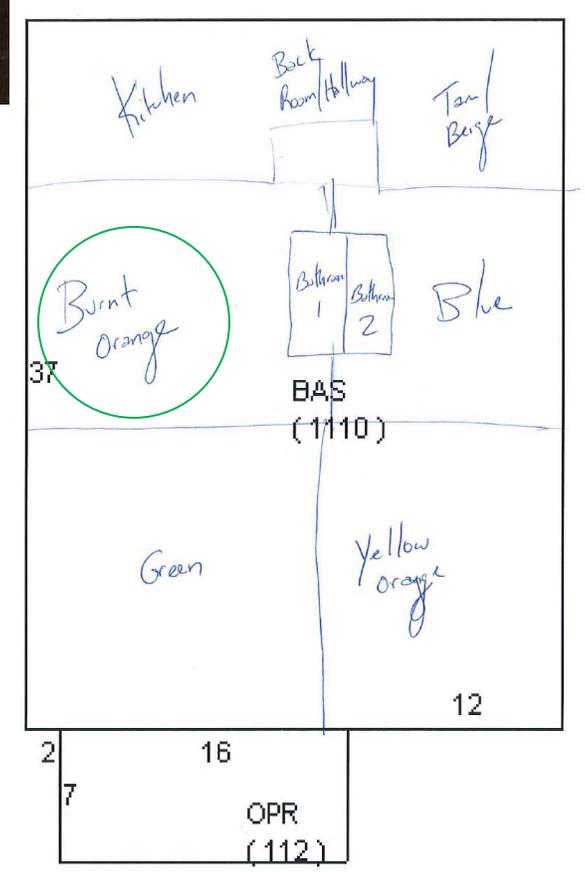
Rear



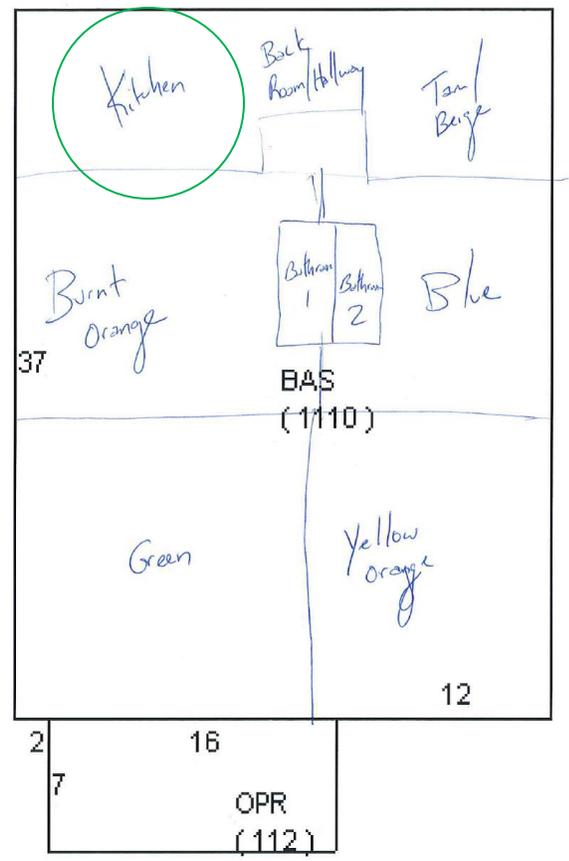
Evidence of the only ceiling damage

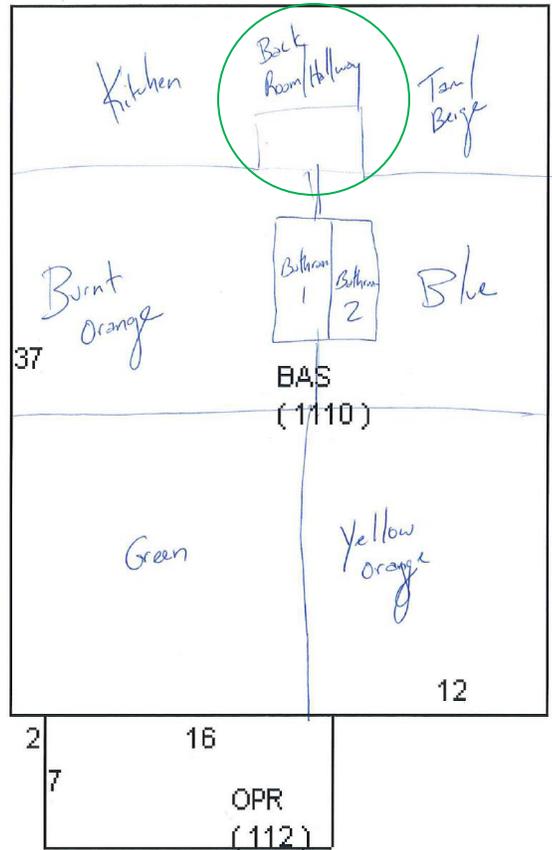








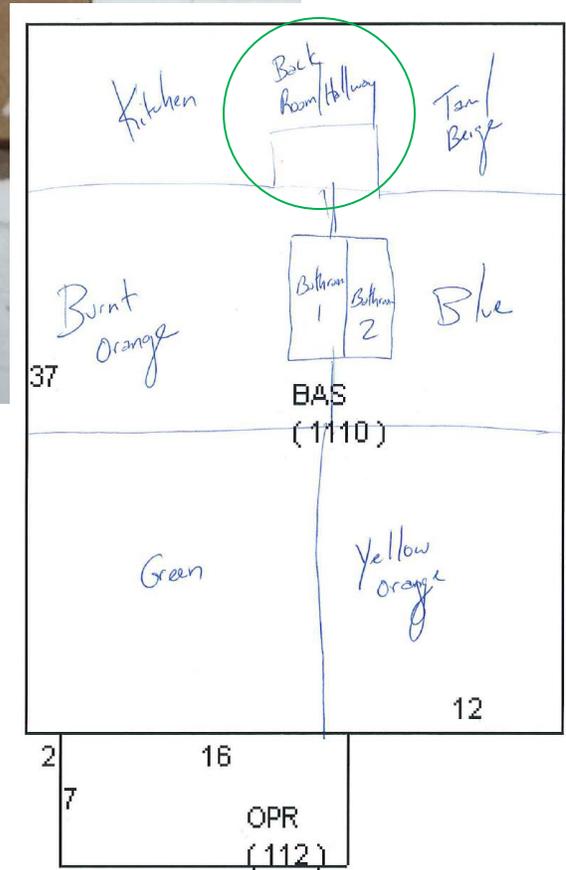


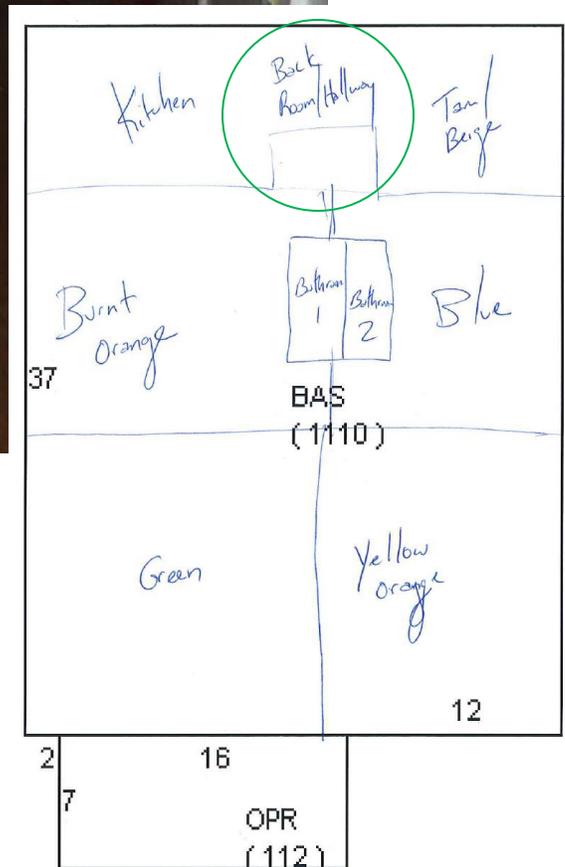




This room may be an enclosed porch.

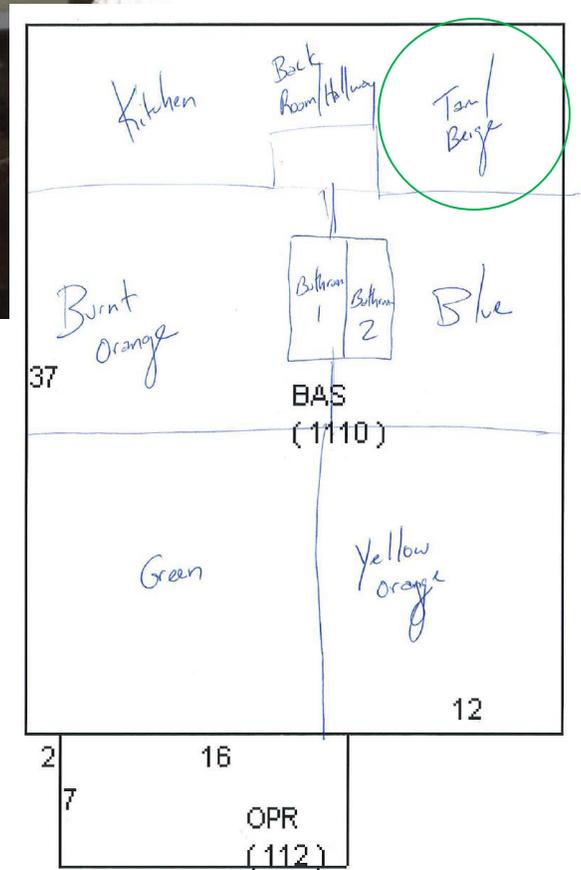
There are no hardwood floors in this room.

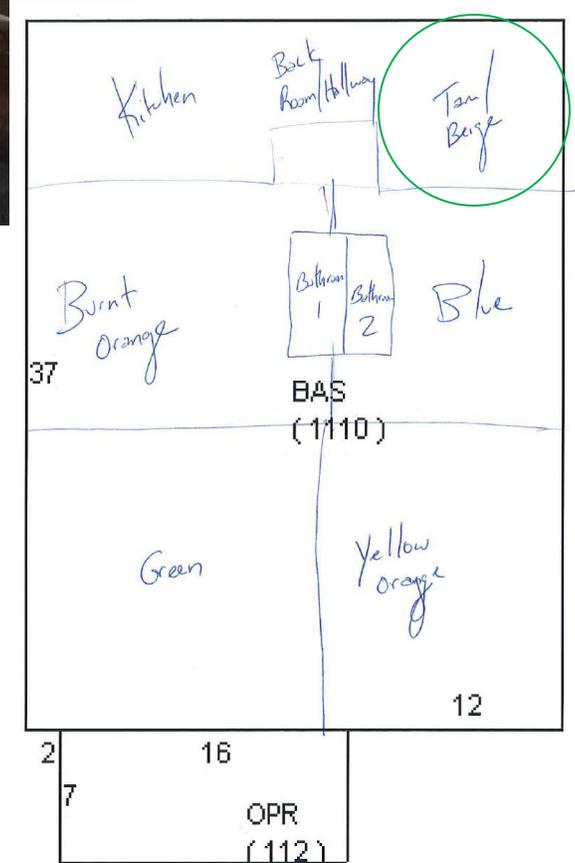
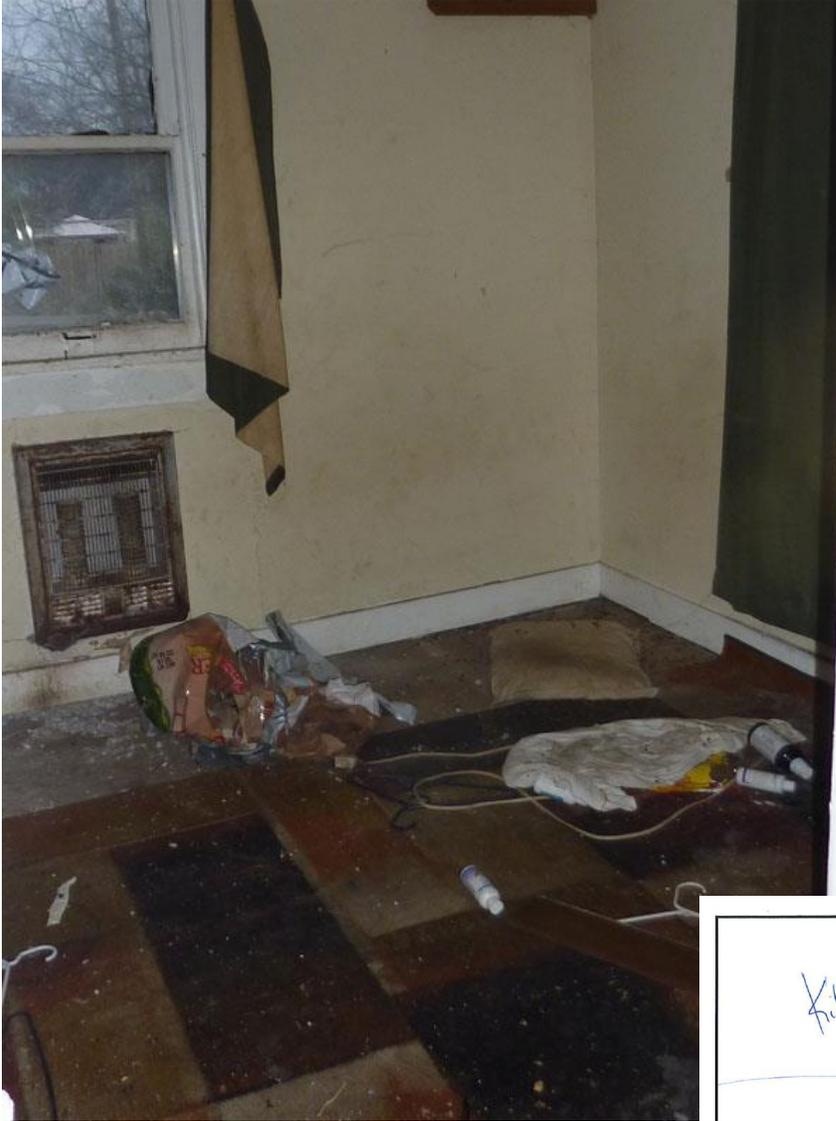


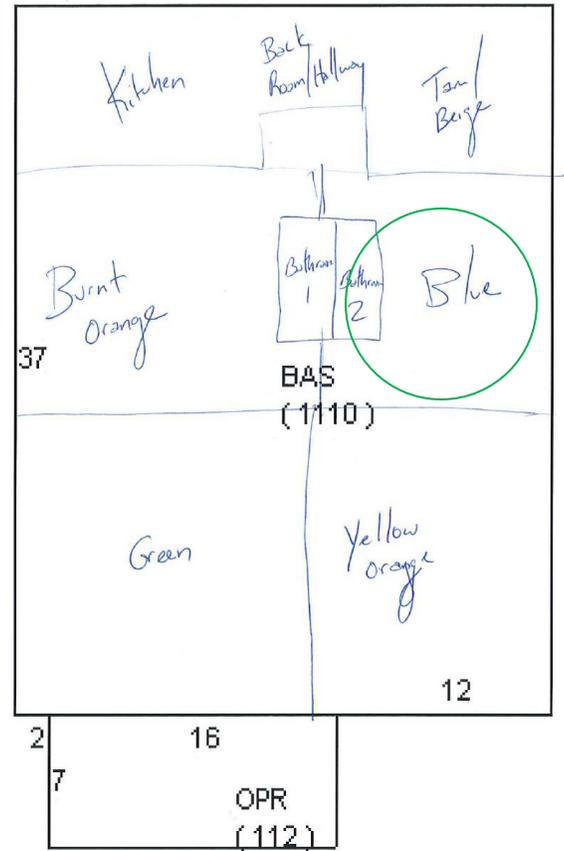


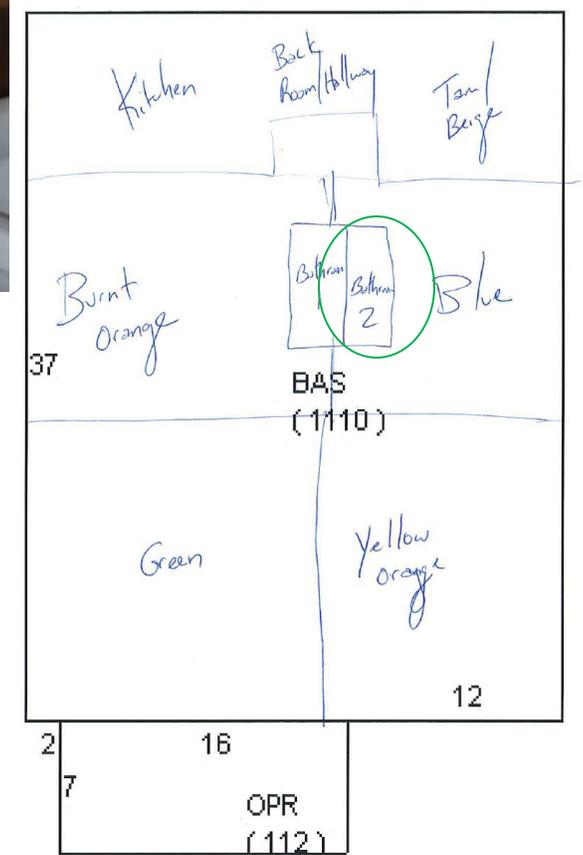


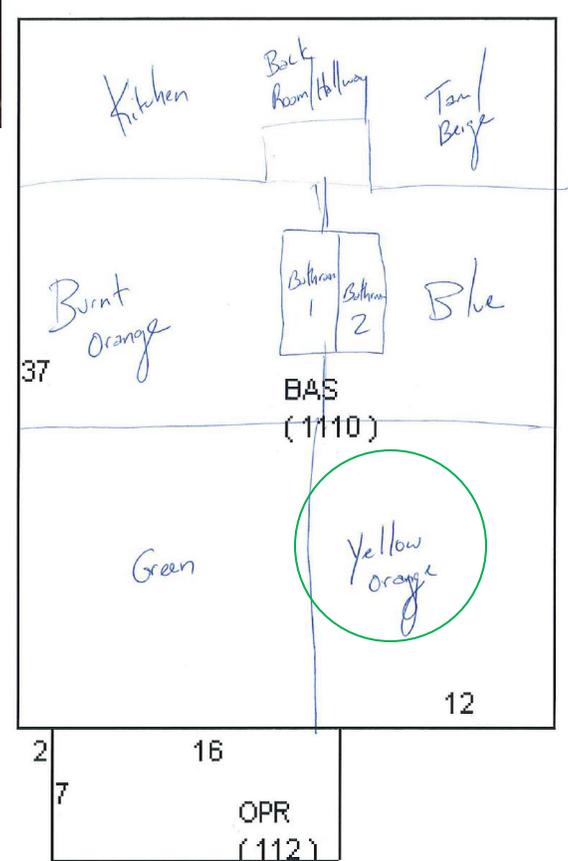
No hardwood floors

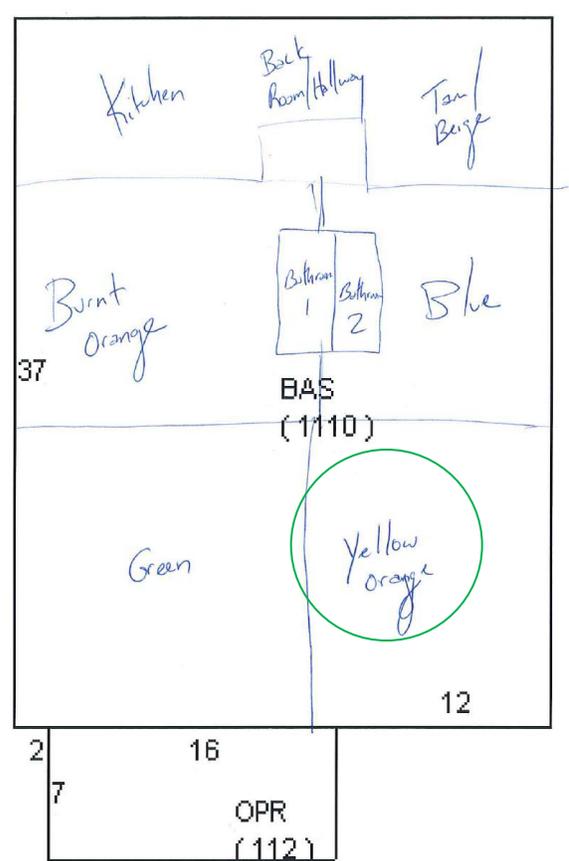














A. Settlement Statement (HUD-1)

B. Type of Loan

1. <input type="checkbox"/> FHA	2. <input type="checkbox"/> RHS	3. <input type="checkbox"/> Conv. Unins.	6. File Number: P1520702	7. Loan Number:	8. Mortgage Insurance Case Number:
4. <input type="checkbox"/> VA	5. <input type="checkbox"/> Conv. Ins.				

C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

D. Name and Address of Borrower: Ryan Paige 1716 Electric Avenue Nashville, TN 37206	E. Name and Address of Seller: Mark Edward Stout 221 Kennett Road Old Hickory, Tennessee 37138	F. Name and Address of Lender: SELLER FINANCING
G. Property Location: 710 McFerrin Avenue Nashville, TN 37206 Davidson County, Tennessee Lot No. 6 J. W. Hart's addition	H. Settlement Agent: Bankers Title & Escrow Corp. 3310 West End Ave., Ste. 540 Nashville, TN 37203 Ph. (615)292-5900 Place of Settlement: 3310 West End Ave., Ste. 540 Nashville, TN 37203	I. Settlement Date: March 19, 2015

J. Summary of Borrower's transaction		K. Summary of Seller's transaction	
100. Gross Amount Due from Borrower:		400. Gross Amount Due to Seller:	
101. Contract sales price	135,000.00	401. Contract sales price	135,000.00
102. Personal property		402. Personal property	
103. Settlement Charges to Borrower (Line 1400)	1,033.45	403.	
104.		404.	
105.		405.	
Adjustments for items paid by Seller in advance		Adjustments for items paid by Seller in advance	
106. City/Town Taxes	to	406. City/Town Taxes	to
107. County Taxes	to	407. County Taxes	to
108. Assessments	to	408. Assessments	to
109.		409.	
110.		410.	
111.		411.	
112.		412.	
120. Gross Amount Due from Borrower	136,033.45	420. Gross Amount Due to Seller	135,000.00
200. Amounts Paid by or in Behalf of Borrower		500. Reductions in Amount Due Seller:	
201. Deposit or earnest money		501. Excess deposit (see instructions)	
202. Principal amount of new loan(s)		502. Settlement charges to Seller (Line 1400)	375.00
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to	
204.		504. Payoff First Mortgage	
205.		505. Payoff Second Mortgage	
206.		506.	
207.		507.	
208. Purchase Money Note	135,000.00	508. Purchase Money Note	135,000.00
209.		509.	
Adjustments for items unpaid by Seller		Adjustments for items unpaid by Seller	
210. City/Town Taxes	to	510. City/Town Taxes	to
211. County Taxes	01/01/15 to 03/19/15	511. County Taxes	01/01/15 to 03/19/15
212. Assessments	to	512. Assessments	to
213.		513.	
214.		514.	
215.		515.	
216.		516.	
217.		517.	
218.		518.	
219.		519.	
220. Total Paid by/for Borrower	135,170.53	520. Total Reduction Amount Due Seller	135,545.53
300. Cash at Settlement from/to Borrower		600. Cash at settlement to/from Seller	
301. Gross amount due from Borrower (line 120)	136,033.45	601. Gross amount due to Seller (line 420)	135,000.00
302. Less amount paid by/for Borrower (line 220)	(135,170.53)	602. Less reductions due Seller (line 520)	(135,545.53)
303. Cash <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower	862.92	603. Cash <input type="checkbox"/> To <input checked="" type="checkbox"/> From Seller	545.53

* Paid outside of closing by borrower(B), seller(S), lender(L), or third-party(T)
Substitute Form 1099-S

SELLER'S TAX ID SOLICITATION: THE INFORMATION IN BLOCKS E, G, H, I AND ON LINES 401, 406, 407 AND 408 IS IMPORTANT TAX INFORMATION AND IS BEING FURNISHED TO THE INTERNAL REVENUE SERVICE. IF YOU ARE REQUIRED TO FILE A RETURN, A NEGLIGENCE PENALTY OR OTHER SANCTION MAY BE IMPOSED ON YOU IF THIS ITEM IS REQUIRED TO BE REPORTED AND THE IRS DETERMINES THAT IT HAS NOT BEEN REPORTED. YOU ARE REQUIRED BY LAW TO PROVIDE THE SETTLEMENT AGENT WITH YOUR CORRECT TAXPAYER IDENTIFICATION NUMBER. IF YOU DO NOT PROVIDE THE SETTLEMENT AGENT WITH YOUR CORRECT TAXPAYER IDENTIFICATION NUMBER, YOU MAY BE SUBJECT TO CIVIL OR CRIMINAL PENALTIES IMPOSED BY LAW.

For sales or exchanges of certain real estate, the person responsible for closing a real estate transaction must report the real estate proceeds to the Internal Revenue Service and must furnish this statement to you. To determine if you have to report the sale or exchange of your main home on your tax return, see the 2015 Schedule D (Form 1040) instructions. If the real estate was not your main home, report the transaction on Form 4797, Sales of Business Property, Form 6252, Installment Sale Income, and/or Schedule D (Form 1040), Capital Gains and Losses. You may have to recapture (pay back) all or part of a Federal mortgage subsidy if all the following apply: a) You received a loan provided from the proceeds of a qualified mortgage bond or you received a mortgage credit certificate; b) Your original mortgage loan was provided after 1990; and, c) You sold or disposed of your home at a gain during the first 9 years after you received the Federal mortgage subsidy. This will increase your tax. See Form 8826, Recapture of Federal Mortgage Subsidy; and Pub. 523, Selling Your Home.

If you have already paid the real estate tax for the period that includes the sale date, subtract the amounts on Lines 406, 407 & 408 from the amount already paid to determine your deductible real estate tax. But if you have already deducted the real estate tax in a prior year, generally report this amount as income on the "Other Income" line of Form 1040. For more information, see Pub. 523.

For Paperwork Reduction Act Notice, see the 2015 Instructions for Forms 1099, 1098, 5498, and W-92.
Department of the Treasury - Internal Revenue Service

UNDER PENALTIES OF PERJURY, I CERTIFY THAT THE NUMBER SHOWN BELOW ON THIS STATEMENT IS MY CORRECT TAXPAYER IDENTIFICATION NUMBER.

Seller's Signature	Seller's Signature	Seller's Signature	Seller's Signature
TaxID/SSN:	TaxID/SSN:	TaxID/SSN:	TaxID/SSN:

The Public Reporting Burden for this collection of information is estimated to average 35 minutes per response for collecting, reviewing, and reporting the data. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. No confidentiality is assured; this disclosure is mandatory. This is designed to provide the parties to a RESPA-covered transaction with information during the settlement process.

[Handwritten signatures]

PURCHASE AND SALE AGREEMENT



- 1 (a) **BUYER NAME(s):** Ryan Paige
- 2 (b) **SELLER NAME(s):** Mark Stout
- 3 (c) **PROPERTY ADDRESS and/or DESCRIPTION:** Buyer agrees to purchase and Seller agrees to sell the real property identified as:
4 710 McFerrin Ave
5 _____, _____ County, Tennessee.
- 6 (d) **PURCHASE PRICE:** \$ 135,000, _____ Dollars,
7 to be paid in cash or equivalent good funds at closing.
- 8 (e) **EARNEST MONEY:** \$ _____ valid check or money order payable to Escrow Agent: _____
9 _____, whose address is: _____
10 will be promptly delivered to Escrow Agent **no later than 5:00 PM, three (3) calendar days after the Acceptance Date.**
- 11 (f) **CLOSING, EXPIRATION, & POSSESSION DATE:** 3/17/2015 or sooner. This is the date that the sale will
12 be closed, or this *Agreement* will expire on this date at 11:59 PM. If this is not a business day, this date will be extended to the
13 next business day. Any other change in this date must be agreed to **in writing** by all parties. Possession of the entire property will
14 be given to the Buyer at the time of closing, unless a different time of possession is agreed to in a separate *Occupancy Agreement*.
- 15 (g) **ITEMS INCLUDED OR EXCLUDED:** Included, if present, as part of the property sale: all real estate, buildings,
16 improvements, appurtenances (rights and privileges), and fixtures. **Fixtures** include all things which are attached to the
17 structure(s) by nails, screws, or other permanent fasteners, including, but not limited to all of the following, if present:
18 attached light fixtures and bulbs, ceiling fans, attached mirrors; heating and cooling equipment and thermostats; plumbing
19 fixtures and equipment; all doors and storm doors; all windows, screens, and storm windows; all window treatments
20 (draperies, curtains, blinds, shades, etc.) and hardware; all wall-to-wall carpet; all built-in kitchen appliances and stove; all
21 bathroom fixtures; gas logs, fireplace doors and attached screens; all security system components and controls; garage door
22 openers and all remote controls; swimming pool and its equipment; awnings; permanently installed outdoor cooking grills;
23 all fencing, landscaping and outdoor lighting; and mail boxes.
24 Other items included in the sale: _____
25 _____
26 _____
27 Items that are not included in the sale: _____
28 Leased items: _____
- 29 (h) **CLOSING COSTS:** Unless otherwise stated in Special Stipulations or Addenda, closing costs are to be paid as follows:
30 **Seller must pay** all Seller's existing loans, liens and related costs affecting the sale of the property, Seller's settlement fees,
31 real estate commissions, the balance on any leased items that remain with the property, and a **title insurance policy** with
32 Buyer to receive benefit of simultaneous issue. Any existing rental or lease deposits must be transferred to Buyer at closing.
33 **Buyer must pay** transfer taxes, deed and deed of trust recording fees, association transfer fees, hazard and any other
34 required insurance, Buyer's settlement fees, and **all Buyer's loan related or lender required expenses.**
- 35 (i) **PRORATIONS, TAXES & ASSESSMENTS:** The current year's property taxes, any existing tenant leases or rents,
36 association or maintenance fees, (and if applicable, any remaining fuel), will be prorated as of the date of closing. Taxes for
37 prior years and any special assessments approved before date of closing must be paid by Seller at or before closing. If
38 applicable, roll back taxes or any tax or assessment that cannot be determined by closing date should be addressed in
39 Special Stipulations or Addenda and will survive the closing.
- 40 (j) **HOME PROTECTION PLANS:** Home Protection plans available for purchase are **waived, unless** addressed in Special
41 Stipulations. Buyer and Seller understand that an administrative fee may be paid to the Real Estate Company if plan is purchased.
- 42 (k) **SPECIAL STIPULATIONS:** The following special stipulations, if in conflict with any language contained within the 3 pages of
43 this *Purchase and Sale Agreement*, will control: _____
44 _____
45 _____
46 _____
47 _____
48 _____
49 _____
50 _____
- 51 (l) **TIME IS OF THE ESSENCE:** The failure to meet specified time limits will be grounds for canceling this *Agreement*.
- 52 (m) **FAIR HOUSING AND EQUAL OPPORTUNITY:** This Property is being sold without regard to race, color, sex,
53 religion, disability, marital status, family status, sexual orientation, age, ancestry, or national origin.

- 54 (n) **LOAN AND APPRAISAL CONTINGENCIES:** This *Agreement* is contingent on Buyer obtaining loan(s) of Buyer's choice.
55 Buyer must deliver to Seller **no later than 5:00 PM, ten (10) calendar days after the Acceptance Date** a lender's
56 conditional **commitment letter** proving that: loan application has been made; appraisal has been ordered; loan is not
57 contingent on the sale of any other property (unless otherwise stated in *Agreement*); Buyer has necessary cash reserves; and
58 providing reasonable assurance of Buyer's ability to obtain loan with rates, terms, payments and conditions acceptable to
59 Buyer. Failure to timely provide commitment letter will be grounds for Seller to cancel this *Agreement* by delivering written
60 *Notice* to Buyer, and all Earnest Money must be refunded to Buyer. *VA/FHA Loan Addendum* must be attached if Buyer seeks
61 VA or FHA loan. If loan contingency is waived, Buyer must deliver proof of adequate funds within time period on Line 55.
62 **Appraisal Contingency** - this *Agreement* is also contingent on the appraisal value equaling or exceeding the purchase price.
63 **If any repairs are required by the lender**, Buyer must deliver to Seller a written list of lender required repairs. Seller must
64 deliver to Buyer, no later than 5:00 PM, three (3) calendar days after receiving the repair list, a written *Notice* stating whether or
65 not Seller will complete the repairs before closing at Seller's expense. If Seller does not agree to perform such repairs, or does not
66 reply within the time limit, this *Agreement* will cancel and all Earnest Money must be refunded to Buyer [see exception in (p)].
67 **If, at anytime, the loan or appraisal contingency is not satisfied**, Buyer may cancel this *Agreement* by delivering to
68 Seller a written *Notice of Cancellation*, along with supporting documentation, and all Earnest Money must be refunded to Buyer.
- 69 (o) **INSPECTION CONTINGENCY AND DUE DILIGENCE PERIOD:** This *Agreement* is contingent on Buyer's
70 satisfaction with all property inspections and investigations. Buyer may use any inspectors of Buyer's choice, at Buyer's
71 expense. Seller must permit Buyer, and Buyer's representatives and inspectors, reasonable access for inspections, with **all**
72 **utilities in service at Seller's expense**. Buyer assumes all liability for any damage or loss caused by Buyer's or Buyer
73 representatives' inspections or investigations of the property.
74 **Due Diligence Period:** All inspections and investigations must be completed with response to Seller no later than
75 **5:00 PM, ten (10) calendar days after the Acceptance Date**. During this due diligence period Buyer is strongly advised to:
76 (A) have a **professional home inspection** conducted by a licensed home inspector (at Buyer's expense), AND
77 (B) have a **wood destroying insect inspection** conducted by a licensed pest inspector (at Buyer's expense), AND
78 (C) investigate all matters itemized in the *Advisory to Buyers and Sellers* (which is an Addendum to this *Agreement*), AND
79 (D) perform any additional inspections and investigations desired, and verify any other matters of concern to the Buyer, AND
80 (E) if applicable, obtain a septic system inspection letter (available for a fee at TN Dept of Environment and Conservation).
81 **Inspection Contingency Resolution:** If Buyer is satisfied with all inspections and investigations, Buyer may deliver to
82 Seller a *Notice of Release* of inspection contingency. If for **any** reason Buyer is **not** satisfied with the results of **any**
83 inspection or investigation, the Buyer **must, within the Due Diligence Period** (Lines 74-75), deliver to Seller **either**:
84 (1) a written *Notice of Cancellation*, canceling this *Agreement*, and all Earnest Money must be refunded to Buyer, **OR**
85 (2) a written **Inspection Contingency Removal Proposal**. If Seller rejects Buyer's *Proposal* (or *Counterproposal*) by delivering
86 a *Notice of Rejection* to Buyer, **or** if any *Counterproposal* is rejected by either party, **or** if a time limit for a written response
87 to such is exceeded, this *Agreement* will cancel and all Earnest Money must be refunded to Buyer [see exception in (p)].
88 - Any *Proposal*, *Counterproposal*, *Notice of Rejection*, or *Notice of Release* of inspection contingency must be in writing.
89 - Any *Proposal* or *Counterproposal* must contain a time limit for responding (that is, an expiration date & time).
90 If it is discovered during the Due Diligence Period that any permanent structure on the property has an active wood destroying
91 insect infestation, the Seller, upon Buyer's request, must **professionally treat infestation before closing at Seller's expense**.
92 Repair of any damage from wood destroying insects must be negotiated in the *Inspection Contingency Removal Proposal*.
- 93 **CAUTION TO BUYER:** Failure to deliver to the Seller either a written **Notice of Release** or **Notice of Cancellation**, or a written
94 **Inspection Contingency Removal Proposal** within the Due Diligence Period described on Lines 74-75 will be considered to
95 be an acceptance of the property "as is," and the Inspection Contingency will be satisfied and no longer a part of this *Agreement*.
- 96 (p) **BUYER'S RIGHT TO REINSTATE:** If Seller refuses to complete the lender required repairs (Lines 63-66), or cancels this
97 *Agreement* by rejecting an *Inspection Contingency Removal Proposal* (Lines 85-89), Buyer has the right to reinstate the
98 *Agreement* by delivering to Seller a *Notice* stating that the Buyer will accept the property in its present "as is" condition. Buyer's
99 *Notice* must be delivered to Seller **no later than 5:00 PM, three (3) calendar days after the delivery of Seller's Notice** of
100 rejection, or if Seller has failed to respond, no later than 5:00 PM, three (3) calendar days after the Seller's deadline to reply.
- 101 (q) **FINAL INSPECTION & RISK OF LOSS:** Buyer has the right and responsibility to perform a final inspection before
102 closing to determine that the property is in the same condition, other than ordinary wear, as when the *Agreement* was
103 accepted (with Seller having responsibility to correct), and to see that any repairs agreed to be performed by Seller have
104 been completed. Buyer may use inspectors. All utilities must be in service at Seller's expense. The closing of the sale
105 confirms Buyer's acceptance of property condition. Seller is responsible for any loss or damage to the property before closing.
- 106 (r) **DISBURSEMENT OF EARNEST MONEY, AND ADEQUATE CONSIDERATION:** The Earnest Money will be
107 applied towards the purchase price at closing. If any contingencies or conditions of this *Agreement* are not met and the
108 *Agreement* is cancelled, all Earnest Money must be refunded to Buyer. If Seller fails to perform any obligation under this
109 *Agreement*, all Earnest Money must be refunded to Buyer. If required, the Escrow Agent may file an interpleader action in
110 a court of law, and recover expenses and reasonable attorney's fees, and will have no further liability as Escrow Agent. All
111 parties acknowledge that the consideration given, including the promises exchanged, the time limitations imposed, and the
112 notifications required, is sufficient and adequate in exchange for the Buyer's right to legally, properly, and in good faith
113 cancel, reinstate or extend this *Agreement* in accordance with the other terms of this *Agreement*.

114 (s) **TITLE, DEED, & SELLER REPRESENTATIONS:** Seller will convey to Buyer good and marketable title to the property
115 by a valid general warranty deed. Seller, at Seller's expense, agrees to furnish Buyer at closing a title insurance policy. Title
116 policy will be issued by company acceptable to Buyer and Buyer's lender. Buyer will receive benefit of simultaneous issue.
117 **Seller represents** to the best of Seller's knowledge, unless otherwise disclosed, that: **property is not in a Special Flood**
118 **Hazard Area or floodplain;** there are no violations of building, zoning or fire codes; there are no encroachments or
119 violations of setback lines, easements or property boundary lines; and there are no boundary line disputes. If at anytime the
120 title examination, mortgage loan inspection, survey, or other information discloses any such defects, or if the Buyer
121 discovers that any representation in this *Agreement* is in fact untrue, Buyer may, by delivering written *Notice* to Seller,
122 either (1) accept the Property with the defects, OR (2) cancel this *Agreement* and all Earnest Money must be refunded to
123 Buyer, OR (3) Buyer may extend the closing date by up to 3 calendar days to perform additional due diligence, retaining
124 the right to exercise option (1) or (2) above.

125 (t) **DEFAULT OR BREACH:** If either party fails to perform any obligation under this *Agreement*, the other party may do
126 any or all of the following: (1) cancel the *Agreement* (2) sue for specific performance, (3) sue for actual and compensatory
127 damages. Legal counsel is strongly recommended in such circumstances.

128 (u) **REAL ESTATE COMMISSIONS:** Seller authorizes closing company to debit Seller and pay commissions as follows at closing:
129 Real Estate Firm Name: _____ will receive _____% of the purchase price.
130 Licensee's Name and Contact Information: _____
131 Other Real Estate Firm Name (if any): _____ will receive _____% of the purchase price.
132 Other Licensee's Name (if any) and Contact Information: _____

133 (v) **ADDENDA, ATTACHMENTS, EXHIBITS, DISCLAIMERS, AND DISCLOSURES** (included if marked below):

- 134 Confirmation of Agency Status (required with **all** Purchase and Sale Agreements)
135 Advisory to Buyers and Sellers, or TAR Disclaimer Notice (required with **all** Purchase and Sale Agreements)
136 Lead-Based Paint Disclosure (required for housing **constructed before 1978**)
137 Personal Interest Disclosure & Consent (required if a **Licensee has a personal interest**, may be included in Confirmation of Agency)
138 Occupancy Agreement (required if **possession is other than the time of closing**)
139 VA/FHA Loan Addendum (required if sale involves **VA or FHA loan**)
140 Impact Fees or Adequate Facilities Taxes Disclosure (required if sale is residential **new construction**)
141 Subsurface Sewage Disposal System Permit Disclosure (required for newly constructed residential property with **septic system**)
142 Addendum (extra page for additional Special Stipulations, if needed)
143 Other: _____

144 **And one of the following three is required with all residential Purchase and Sale Agreements:**

- 145 Tennessee Residential Property Condition Disclosure, OR
146 Tennessee Residential Property Condition Exemption Notification, OR
147 Tennessee Residential Property Condition Disclaimer Statement

148 (w) **METHOD OF EXECUTION AND DELIVERY:** Signatures and initials transmitted by fax, photocopy, or digital signature
149 methods will be acceptable and treated as originals. This *Agreement* constitutes the sole and entire agreement between the
150 parties. No verbal agreements, representations, promises, or modifications of this *Agreement* will be binding unless agreed
151 to in writing by all parties. **Delivery** will be considered to have been completed as of the date and time a document is either
152 (1) delivered in person, OR (2) transmitted by fax, OR (3) transmitted by email. Delivery of documents to the real estate Licensee
153 assisting a party as that party's agent or facilitator (or to that Licensee's Broker) will be considered to be Delivery to that party.

154 (x) **ACCEPTANCE DATE AND BINDING CONTRACT:** The **Acceptance Date** will be the date of full execution (signing) of this
155 *Agreement* by all parties, that is, the date one party accepts all the terms of the other party's written and signed *Offer* or *Counteroffer*,
156 evidenced by the accepting party's signature and date on the *Offer* or *Counteroffer*. The Acceptance must be promptly
157 communicated (by any reasonable and usual mode) to the other party, thereby making this *Agreement* a legally **Binding Contract**.
158 Communications to the real estate Licensee assisting a party as that party's agent or facilitator (or to that Licensee's Broker) will
159 be considered to be communication to that party. True executed copies of the Contract must be promptly delivered to all parties.

160 (y) **OFFER EXPIRATION DATE & TIME:** _____. If not Accepted by
161 this date & time (or if blank, by the date and time on Lines 11-13), this *Offer* will expire. However, at any time before the
162 other party's communication of Acceptance, the party making the *Offer* may **withdraw** the *Offer* by communicating the
163 withdrawal to the other party, and confirm the withdrawal by the prompt delivery of a written **Notice of Withdrawal**.

164 **Buyer makes this Offer.**

165 X Buyer Signature 3/4/2015 X _____
Date & Time Buyer Signature Date & Time

166 This Offer is: Accepted Rejected Countered on this form Countered on a separate *Counteroffer* form

167 X Seller Signature 3/4/15 X _____
Date & Time Seller Signature Date & Time

Mitchell Construction, LLC
3117 Lake Park Dr.
Nashville, TN 37211

Saturday, March 28, 2015

ESTIMATE

Ryan Paige
710 McFerrin Ave.
Nashville, TN 37206

SOFT COSTS

Permits	\$	800.00
Utilities / Dumpsters / Portojohn	\$	1,200.00
TOTAL SOFT COSTS:	\$	2,000.00

HARD COSTS

Demo	\$	2,500.00	includes abatement
Foundation	\$	27,000.00	100% replace
Frame Materials	\$	500.00	20% replace
Frame Labor	\$	2,000.00	20% replace
Roofing	\$	4,000.00	100% replace
Windows	\$	4,000.00	100% repair or replace
Siding / Ext. Trim	\$	1,500.00	15% replace
Exterior Doors	\$	1,000.00	50% replace (repair existing front entry)
HVAC	\$	6,000.00	100% replace
Plumbing Labor	\$	4,000.00	100% replace
Plumbing Fixtures	\$	1,000.00	100% replace
Electrical	\$	4,000.00	100% replace
Insulation	\$	4,200.00	100% replace (includes spray foam on ext. walls to eliminate need for vapor barrier)

PHASE 2 - POST DRYWALL

Drywall	\$	3,520.00	100% replace
Trim Materials	\$	2,750.00	100% replace
Trim Labor	\$	2,750.00	100% replace
Int. Paint	\$	3,300.00	100% replace
Ext. Paint	\$	5,000.00	100% replace (includes scrape, caulk, prep on existing siding)
Flooring	\$	2,500.00	30% replace
Tile	\$	3,000.00	100% replace
Shower Door	\$	900.00	100% replace
Cabinets	\$	6,000.00	100% replace
Countertops	\$	3,000.00	100% replace
Appliance Package	\$	2,500.00	100% replace
Lighting Package	\$	2,200.00	100% replace

Hardware/Shelving (bath, locks, closet bars)	\$ 1,500.00	100% replace
Porch	\$ 1,200.00	50% repair
Landscaping	\$ 1,000.00	100% replace (plants/mulch)
Cleaning	\$ 300.00	
Punch Out	\$ 500.00	
Gutters	\$ 900.00	100% replace
TOTAL HARD COSTS:	\$ 104,520.00	
TOTAL COSTS:	<u>\$ 106,520.00</u>	
Gross Sales Price	\$ 225,000.00	
Lot Costs	\$ 115,000.00	
Interest Carry	\$ 2,000.00	
Realtor Fees	\$ 13,500.00	
Contractor Fees	\$ 18,000.00	
Closing Costs	\$ 4,500.00	
Net Profit	\$ (34,520.00)	

710 McFerrin Avenue



Side yard sliding into cellar



Vertical boards of foundation not touching grade



Interior cedar posts rotten on bottom



Decaying cedar post



Midspan floor joist support



Sagging roof at NW corner



Chimney near edge of cellar wall



Side yard slid into cellar



Rodent damage to cellar walls



Support of framing for stair opening

STRUCTURAL ENGINEERS, INC.

738 West Meade Drive
Nashville, TN 37205-3158

Phone 615/589-8962
Email jdews@s-e-inc.com

June 2, 2015

Ryan Paige
802 South 18th Street
Nashville, TN 37206

RE: Structural Review of Existing Foundation and Floor System
710 McFerrin Avenue
Nashville, TN
SEI Job No: 147981

Dear Sir:

This writer visited the site on the warm, cloudy morning of Monday, June 1, 2015 at your request. The purpose of this site visit was to view the existing floor structure, the existing floor supports and the existing foundation.

The house is approximately 95 years old and is one story. There is a cellar below the middle portion. The exterior veneer is siding. The house faces east and the site is relatively level.

1 FINDINGS.

1.1 Existing foundation system.

- 1.1.1 The house appears to have an original portion and a small in fill addition. The foundation of the entire perimeter of the house is bearing on cedar posts. There are vertical boards between the posts. A cellar, which is in the middle portion of the house, has dirt walls of the cellar are very close to the north and south walls. A portion of the north side yard has slid into the cellar.
- 1.1.2 The vertical boards between the cedar posts have rotted at the bottom allowing water and rodents into the cellar.
- 1.1.3 Water has been standing in the cellar approximately six inches deep.
- 1.1.4 The chimney is very close to the dirt wall of the cellar.
- 1.1.5 The cedar posts that support the interior and exterior of the house have decay at the bottoms.
- 1.1.6 The steel jack posts at the located in the cellar have rusted at the bottoms.
- 1.1.7 The framing for the stair opening to the cellar is supported by a combination of dry stacked concrete masonry units, rocks and bricks.
- 1.2 The first floor system.
 - 1.2.1 The floor system is 2x8 joists at 16 inches on center and spanning approximately 16 feet. Some of these joists have pulled away from the rim joist and the inset girders and some have cracked. All the joists are

- sagging. Some have various types of supports near the middle of the span.
- 1.2.2 The hearth has settled below the level of the floor and is supported by a combination of materials.
 - 1.2.3 The girders are 2-2x10's with various types of wood supports. The oldest are cedar posts with some decay at the bottom. The footings for the supports appear to be rocks or wood.
 - 1.2.4 At the northwest corner, the floor, ceiling and roof are sagging. This appears to be from past fire damage.

2 CONCLUSIONS

- 2.1 A new existing foundation system should be installed. This system should concrete masonry units and concrete strip footings. The exterior cedar posts should be removed as each section of the foundation is finished.
- 2.2 The dirt walls of the cellar that are parallel to the walls of the foundation must have retaining walls installed to keep the dirt below the foundation of the house.
- 2.3 The floor system would have to have new girders on piers to make the existing floor joists adequate for the loads required by the modern building code.
- 2.4 The existing windows should be removed and new windows installed with proper flashing. The installation of the flashing will require a significant amount of the siding to be removed.
- 2.5 The plaster on the exterior walls should be removed to facilitate the installation of the building code required insulation.

The amount of remedial work described above is only to maintain the appearance of the front and side elevations in this historic area. Without this work, the existing foundation and floor system cannot adequately support the new structure. Even with the remedial work, the system would not be continuous like a totally new system and may cause issues with finishes in the future.

I trust that this is the information that you need. If I can be of any other service to you, please call.

Sincerely,

STRUCTURAL ENGINEERS, INC.



Robert J. Dews, P.E.



C O V E R

FAX/EMAIL

S H E E T

To: Ryan Paige
Fax#/Email: ryanpaigeis@gmail.com
Subject: Letter for 710 McFerrin Avenue
Date: June 2, 2015
Pages: 5, including this cover sheet.

From the desk of...

Jack Dews
Engineer
Structural Engineers, Inc.
738 West Meade Drive
Nashville, TN 37205

Office: 615-589-8962
Email: jdews@s-e-inc.com