

GULF BREEZE CITY COUNCIL

JULY 30, 2014
WEDNESDAY, 6:30 P.M.
COUNCIL CHAMBERS

SPECIAL MEETING AGENDA

A. Discussion and Action Regarding Special Meeting to Establish a Proposed Millage Rate

EXECUTIVE MEETING AGENDA

ACTION AGENDA ITEMS:

- A. Discussion and Action Regarding Appointment of David Schurger to the Storm Water Task Force
- B. Discussion and Action Regarding City Hall Renovation Budget
- C. Discussion and Action Regarding Purchase of 60" Television for Council Chamber
- D. Discussion and Action Regarding Discussion and Action Regarding Demolition of Former BP Station Buildings – Shoreline Drive and Gulf Breeze Parkway
- E. Discussion and Action Regarding Community Services/Fire Department Staff Vehicle
- F. Discussion and Action Regarding Donation of Vacant Lots by Quint and Rishy Studer
- G. Discussion and Action Regarding Change to Russ Drive/Dracena Way Drainage Project
- H. Discussion and Acton Regarding Rebuilding in Areas Flooded in April 29 – 30 Severe Rain Event
- I. Discussion and Action Regarding Contract for Purchase of Peyton Office Complex
- J. Discussion and Action Regarding Award of Bid – Tennis Court Demolition and Rebuild
- K. Information Items
- L. Public Forum

If any person decides to appeal any decisions made with respect to any matter considered at this meeting or public hearing, such person may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and any evidence upon which the appeal is to be based. The public is invited to comment on matters before the City Council upon seeking and receiving the recognition from the Chair.



City of Gulf Breeze

OFFICE OF THE CITY MANAGER

Memorandum

To : Mayor and City Council
From :  Edwin A. Eddy, City Manager
Date : July 25, 2014
Subject: **Special Meeting – July 30, 2014, to Establish a Proposed Millage Rate**

At the July 21 Council meeting, the City Council decided to hold a Special City Council meeting on July 30 to approve a proposed millage or property tax rate for the 2015 budget year. Attached is a memo that explains the action necessary.

RECOMMENDATION:

THAT THE CITY COUNCIL HOLD A SPECIAL MEETING ON WEDNESDAY, JULY 30, 2014, AND APPROVE A PROPOSED MILLAGE RATE OF 1.9723 FOR FISCAL YEAR 2015.



City of Gulf Breeze

Memorandum

To: Edwin A. Eddy, City Manager

From:  David J. Szymanski, Assistant City Manager

Subject: Special Meeting: Establishment of Proposed Millage Rate for Notification to the Property Appraiser

Date: July 24, 2014

“TRIM” (Truth in Millage) requirements specify that the City must notify the Property Appraiser of the City’s proposed millage rate by Friday, August 1, 2014. In addition, The City must also advise the Appraiser of the “rolled-back rate”, “maximum millage” rate and the date and time of the Tentative Budget Hearing.

For Property Appraiser notification purposes, staff recommends using 1.9723 as the proposed millage rate to be used, this enables the City the option to either adopt that rate, or some lower rate at the Budget Hearing. The current millage rate is 1.9723. The “roll-back rate” is 1.9213. If the Council elects to adopt a millage rate of 1.9723 or less, then no special notification of property owners is necessary. However, if the millage rate specified in the mailed notice is lower than what is finally adopted, then the City is required to provide mailed notice to each property owner.

The City Council has set Wednesday, September 3, 2014, 5:00 pm at Gulf Breeze City Hall for the Tentative Budget Hearing date for adopting the Resolution for Tentative Ad Valorem and Budget and Monday, September 15, 2014, 6:30 pm at Gulf Breeze City Hall as the date for the final millage, budget public hearing.

RECOMMENDATION: That the City Council establish 1.9723 mills, as the millage rate to be provided to the Property Appraiser for notification to property owners to accomplish “TRIM” requirements.



City of Gulf Breeze

Memorandum

To: Edwin A. Eddy, City Manager
From:  David J. Szymanski, Assistant City Manager
Subject: Setting of a Special Meeting
Date: July 9, 2014

Staff is currently preparing the Fiscal Year 2015 Budget.

“TRIM” (Truth in Millage) requirements specify that the City must notify the Property Appraiser of the City’s proposed millage rate by Friday, August 1, 2014. In addition, the City must also advise the Property Appraiser of the “rolled-back rate”, “maximum millage” rate and the date and time of the Tentative Budget Hearing.

To accomplish this “TRIM” requirement, staff recommends that the Executive meeting scheduled for July 30, 2014 be changed to a special Council meeting. (During the July 16, 2014, workshop and the July 26, 2014, Council will discuss a proposed millage rate.) At this July 30, 2014 special meeting the Council will vote on the proposed millage rate to be used.

The City must also provide the Property Appraiser with a date, time and place for the Tentative Budget Hearing. Trying to balance meeting schedules with this year’s “TRIM” requirements has proven to be a challenge. The City of Gulf Breeze cannot hold our required Public Meeting on the same days as Santa Rosa County or the School Board.

Santa Rosa County –Thursday, September 4th and Tuesday, September 16th
Santa Rosa School Board – Thursday, September 11th
City of Gulf Breeze Recommended – Wednesday, September 3rd

RECOMMENDATION: That the Executive Meeting scheduled for July 30, 2014, be set as a Special Meeting to accomplish "TRIM" requirements. That the Tentative Budget Hearing date for adopting the Resolution for Tentative Ad Valorem and Budget and Regular Council meeting be set for Wednesday, September 3, 2014, 6:30 pm at Gulf Breeze City Hall. And that the Council set Monday, September 15, 2014, 6:30 pm at Gulf Breeze City Hall as the date for the final millage, budget public hearing.



City of Gulf Breeze

OFFICE OF THE CITY MANAGER

Memorandum

To: Mayor and City Council

From:  Edwin A. Eddy, City Manager

Date: 7/25/2014

Subject: Appointment of David Schurger to the Storm Water Task Force

Staff has received a request from David Schurger, 201 Pensacola Beach Blvd, to be appointed to the Storm Water Task Force. Mr. Schurger has attended meetings of the Task Force. As a resident of Bahama Bay, he would like to be involved with the Committee as a member.

RECOMMENDATION:

THAT DAVID SCHURGER BE APPOINTED TO THE STORM WATER TASK FORCE.



City of Gulf Breeze

OFFICE OF THE CITY CLERK

TO : Mayor and City Council
Edwin A. Eddy, City Manager

FROM : Leslie Guyer and Stephanie D. Lucas, City Clerks

DATE : July 24, 2014

RE : City Hall Renovation Budget

As directed by the City Council, we have met with various contractors and in April obtained quotes for renovating City Hall. In addition, we also consulted with a local interior designer regarding the below listed renovations.

- Replacement of Flooring in City Hall
- Interior Painting in City Hall
- Updating lobby sitting area, Administrative Lobby and Conference room furnishings.

The carpet in City Hall was last replaced in 2006. The flooring is worn, stained and at the point where it can no longer be restored by cleaning. In April we obtained four quotes to replace the flooring in the Council Chambers, hallways, lobby, all offices, conference room and the administration lobby. The carpet and wood vinyl tile we chose is high quality commercial grade. The following are the quotes we received from each of the companies:

Carpet/Flooring

Act 1 Flooring & Supply	\$21,834.43
Gene's Floor Covering	\$21,993.23
American Catalog Carpets	\$23,947.31
Bluewater Flooring	\$24,646.00

The quotes include removal of old flooring and cover base, installation of new carpet tiles and cover base and labor for moving existing office furniture for removal/installation. Because of the quoted prices, we recommend using the services of Act 1 Flooring & Supply.

Due to the poor condition of the flooring we would propose to move forward with replacement once Council has approved and the installation of the new HVAC system is complete.

The interior of City Hall is in need of repainting. We obtained quotes to paint the interior of City Hall:

Painting

Southern Touch Painting	\$7,835.00
Peterson Precision Painting	\$8,239.20

We recommend retaining Southern Touch Painting. Southern Touch Painting is based within the City of Gulf Breeze. We propose painting City Hall in conjunction with the replacement of the flooring.

Interior Furniture and Fixtures

We met with Dee McDavid, a local interior designer to help pull together the elements we needed to accomplish our renovation goals. One of our goals is to modernize and update the front lobby sitting area and the back administrative lobby with new chairs and tables with storage. At this time, there is no place to store brochures, packages, magazines and other items in either lobby. In addition, we propose the purchase a storage cabinet and upgrade the chairs in the conference room. The chairs in the conference room are very old and no longer provide seating support. The estimated cost for the interior furniture and fixtures is \$16,097.00.

The following is a total of quotes utilizing the companies we recommend:

Act 1 Flooring & Supply	\$21,834.43
Southern Touch Painting	\$ 7,835.00
McDavid Interiors	<u>\$16,097.00</u>
Total:	\$45,766.43

We request a total budget of up to \$50,000 to renovate City Hall. The additional money will be for contingencies that may arise during the renovation process.

RECOMMENDATION:

THAT THE CITY COUNCIL AUTHORIZE A BUDGET OF UP TO \$50,000 FOR RENOVATING CITY HALL AS LISTED AND THAT THE CITY COUNCIL APPROVE SELECTION OF CONTRACTORS FOR REPLACEMENT OF CARPET/FLOORING AND PAINTING AS LISTED.



City of Gulf Breeze

OFFICE OF THE CITY MANAGER

Memorandum

To : Mayor and City Council
From : *Buy* Edwin A. Eddy, City Manager
Date : July 25, 2014
Subject: Purchase of 60" Television for Council Chamber

At Council direction, we are undertaking some minor improvements and upgrades to City Hall. We have considered for some time an upgrade to the ability to display the agenda and supporting materials for the Council and audience. We can currently only display such items on the drop down screen.

We can add an LED television monitor to the opposite side of the Council Chamber that would be mounted on the back wall toward the hallway from the City seal. This addition would allow everyone in the room to view displayed materials at the same time.

There may be additional upgrades later to improve document display. This is a good first step. The total cost is \$1,222 for the TV and splitter connections to tie the equipment together.

RECOMMENDATION:

THAT THE CITY COUNCIL APPROVE THE PURCHASE OF A 60" TELEVISION FOR THE COUNCIL CHAMBERS AND SPLITTER EQUIPMENT FOR A TOTAL COST OF \$1,222 TO BE FUNDED FROM THE CAPITAL RESERVE.



City of Gulf Breeze

OFFICE OF INFORMATION TECHNOLOGY

April 22, 2014

To: Edwin Eddy, City Manager

From: Charles McCown, Manager of Information Technology

Re: Council Chambers LED TV

I recommend installing a 60" LED TV on the left side of the wall behind the dais. The TV would be connected to the PC in the Council Chambers and duplicate information displayed on the projection screen. This will facilitate better communication with constituents attending public meetings.

The cost for this purchase and required accessories is \$1,222.15.

Item List:

\$899.99	Vizio E-Series 60" HDTV (E601I-A3)
\$129.99	Sanus Tilting Wall Mount (VLT5-B1)
\$58.35	StarTech USB to DVI External Video Card Adapter (USB2DVIE3)
\$133.82	Tripp Lite 4-Port DVI Video/Audio Splitter/Booster (B116-004A)



City of Gulf Breeze

OFFICE OF THE CITY MANAGER

Memorandum

To: Mayor and City Council

From:  Edwin A. Eddy, City Manager

Date: 7/25/2014

Subject: Demolition of Former BP Station Buildings – Shoreline Drive and Gulf Breeze Parkway

The former BP station at the intersection of Shoreline Drive and Gulf Breeze Parkway has been acquired by Robert Rinke of Levin–Rinke Realty. Mr. Rinke plans to construct an office building on the site in the future.

Mr. Rinke is aware that the City assisted with the demolition of the Benson Complex at the intersection of Fairpoint/Northcliffe and Gulf Breeze Parkway in order to eliminate an eyesore and potential safety hazard. He is requesting the City provide similar assistance to facilitate the removal of the abandoned structures on the BP site.

He has obtained demolition proposals and prices. He has decided to use Maverick Demolition for the demolition. Mr. Rinke has proposed that, like the demolition of the Benson Complex, the City pay one-half of the cost. ($\$8,740.00 \div 2 = \$4,370.00$)

RECOMMENDATION:

THAT THE CITY COUNCIL MEET ON MONDAY, AUGUST 4, 2014 AS THE BOARD OF COMMUNITY REDEVELOPMENT AGENCY AND APPROVE PAYMENT OF \$4,370 TO ROBERT RINKE FOR ONE-HALF OF THE COST OF DEMOLITION OF THE BP STATION.

MAVERICK

DEMOLITION, INC.

2355 SUMMIT BLVD.
PENSACOLA, FL. 32503
Maverickdemolitioninc@yahoo.com

850-478-5887 o
850-478-5861 f
850-377-0992 c

Rebekah Campbell
Levin & Rinke Resort Realty
1200 Ft. Pickens Rd.
Pensacola Beach, FL.
916-3317
rebekahc@resortrealtylife.com

7/15/14

REF: Demolition of former BP station at US 98 & Shoreline Dr.

Maverick Demolition, Inc. is pleased to offer you the following quote for our service. We will furnish all Equipment, Labor, Insurance, Licensing, and other incidentals, necessary to complete this project on time and to your satisfaction. Unless otherwise noted, all materials to be demolished or removed become the property of Maverick Demolition, Inc. to salvage or dispose of at their discretion. This quote does not include the cost of an Asbestos survey, or the removal of any Asbestos Containing Materials. This quote is based on the information obtained from a site visit on February 6, 2014.

SCOPE OF WORK:

Maverick Demolition will notify all pertaining Utilities to remove, relocate, disconnect, or cap-off their related services.

- 1. Obtain Demolition Permit. Notify FL One-Call. File DEP notification.**
- 2. Demolish and remove existing car wash and gas station.**
- 3. Remove Canopy structures. Remove elevated pump islands.**
- 4. Remove all Concrete and Asphalt Curbing, Driveway, and Parking areas.**
- 5. Remove Concrete foundations, including all footings.**
- 6. Remove Light Poles and Bases.**
- 7. Remove all Debris from Site.**
- 8. Install Silt-Fence and/or Hay bales as necessary for erosion control.**

Job Time: 3-5 Days. Terms: 2%- 10 Days, Net 30 Days

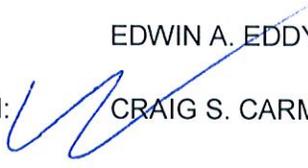
Job Total: \$8,740.00



City of Gulf Breeze

MEMORANDUM

TO: EDWIN A. EDDY, CITY MANAGER

FROM:  CRAIG S. CARMICHAEL, DIRECTOR OF COMMUNITY SERVICES / FIRE CHIEF

DATE: JULY 25, 2014

SUBJECT: COMMUNITY SERVICES / FIRE DEPARTMENT STAFF VEHICLE

The Department of Community Services and the Fire Department share a 2000 Jeep Cherokee that has reached the end of its reasonable life expectancy. The vehicle's engine electronic control unit has failed and the replacement will cost approximately \$2,000. Additionally the vehicle is in need of body work as there is significant rust under the lip of the roof. The estimated value of the vehicle is roughly \$2,500. Given these conditions staff has held off on repairs and the vehicle been idle for the past several months. Staff recommends that the vehicle be declared surplus and the City Council authorize staff to dispose of the vehicle through GovDeals.com.

RECOMMENDATION: THAT THE CITY COUNCIL DECLARE THE 2000 JEEP CHEROKEE SURPLUS AND AUTHORIZE STAFF TO DISPOSE OF IT THROUGH GOVDEALS.COM.

CSC



City of Gulf Breeze

OFFICE OF THE CITY MANAGER

Memorandum

To: Mayor and City Council

From:  Edwin A. Eddy, City Manager

Date: 7/25/2014

Subject: Donation of Vacant Lots by Quint and Rishy Studer

Quint Studer has offered to donate the lots as shown on the attached aerial photograph to the City. There are drainage outfalls in close proximity to or on these lots that result in storm water flowing overland from Harbortown and the Beach Road to the Sound. In the future, the City may wish to construct stormwater treatment vaults on this site to improve treatment of storm water prior to entrance to Santa Rosa Sound.

In addition, the City could construct a walking deck and platform on the lots in the future to provide a place for citizens to recreate. The only restriction noted by the donors is that the City not utilize the property for private development.

RECOMMENDATION:

THAT THE CITY COUNCIL ACCEPT THE DONATION OF TWO LOTS ON SOUNDVIEW TRAIL FROM QUINT AND RISHY STUDER SUBJECT TO AN AGREEMENT APPROVED BY THE CITY ATTORNEY.



MEDIAN

EVENTIDE DR

ENTRANCE RD

PENSACOLA BEACH RD

PENSACOLA BEACH RD
ON RAMP

ENTRANCE RD

Gul
Breez

SUNVIEW TR

Pensacola
Bay



City of Gulf Breeze

OFFICE OF THE CITY MANAGER

Memorandum

To : Mayor and City Council
From :  Edwin A. Eddy, City Manager
Date : July 25, 2014
Subject: Change to Russ Drive/Dracena Way Drainage Project

The City Council recently awarded a project bid to Utility Service Company for approximately \$1,800,000 to construct drainage improvements in several areas around the City. Included in this project is installation of a lift station in the Russ Drive area that would pump storm water to Hoffman Bayou. Further engineering and surveying following the severe rains revealed that storm water drainage in the Dracena Way and Silverthorn area can be improved along with the planned improvements to Russ Drive and to Center Street without an outfall to the Bayou or a lift station by changing the plans. Attached is a diagram of the new route.

The Storm Water Task Force has recommended this change. The original plans for the project awarded to Utility Service need to be changed. We believe any added cost will be shared by the City, FEMA, and the State of Florida. Easements need to be secured from area residents. The School Board has agreed to provide an easement on their property.

RECOMMENDATION:

THAT THE CITY COUNCIL APPROVE A CHANGE IN THE PLANS FOR THE CURRENT MAJOR STORM WATER PROJECT TO ELIMINATE THE OUTFALL IN HOFFMAN BAYOU AND THE RUSS DRIVE LIFT STATION AND ADD A 36-42 INCH PIPE AND CATCH BASINS TO CONVEY STORM WATER TO THE SOUTHEAST.





City of Gulf Breeze

OFFICE OF THE CITY MANAGER

Memorandum

To: Mayor and City Council

From:  Edwin A. Eddy, City Manager

Date: 7/25/2014

Subject: Rebuilding in Areas Flooded in April 29 – 30 Severe Rain Event

Attached is a map depicting the areas that flooded in the severe rain of April 29th and 30th. It is important to note that this rain event occurred after an extremely wet Winter and early Spring. The rain event that occurred on April 29th and 30th resulted in a declaration of a disaster for this area. The rain of 24" overnight is the most rain in a twelve hour period on record. Remedial actions are planned for each of the areas or pockets on the attached map to make those areas less vulnerable to flooding in a similar set of circumstances.

In the meantime, citizens may wish to demolish existing homes within one of the areas where flooding occurred and rebuild a residence in its place. The Council decided at the July 21st meeting that rebuilding should be allowed at a finished floor elevation (FFE) above the level of storm water that was realized on the lot during the severe rain event.

We hope to have an Ordinance prepared for your consideration at the July 30th Executive Session. The draft we are working on at present states that in the case of demolition and rebuilding due to the flood, the FFE of the new structure should be at a point that is 8" above the water level during this flood. Such a point will be established using a point above sea level that can be easily referenced on the plans that is consistent across various areas. Establishment of this point for reference in each area will require some survey work at the outset. In the meantime a moratorium on new structures has been established by the City Council. Citizens that desire to proceed must demonstrate compliance with the proposed Ordinance.

FLOOD PRONE AREAS



FFE ZONE

- 12
- 24
- 36
- 44



City of Gulf Breeze

OFFICE OF THE CITY MANAGER

Memorandum

To : Mayor and City Council
From :  Edwin A. Eddy, City Manager
Date : July 25, 2014
Subject: **Contract for Purchase of Peyton Office Complex**

On May 19, 2014, the City Council met as the Board of Directors of the Community Redevelopment Agency and approved the purchase of the Peyton Office Complex, 1189 Gulf Breeze Parkway, directly across the highway from the Office Depot Shopping Center. The purchase price is \$425,000. The City will also pay closing costs of approximately \$6,000.

Ownership of the property will provide a beginning point for development of a parallel road system as contemplated in the City's Master Plan. We will also be able to locate rapid fill equipment on this site for vehicles using natural gas. There is a remote chance that a portion of the building can be remodeled to be used as office space for rent or use by City staff.

A contract has been prepared by the City Attorney and is ready for final approval. We have also asked local builder and developer Frank Davis to evaluate the structure.

RECOMMENDATION:

THAT THE CITY COUNCIL MEET ON MONDAY, AUGUST 4, 2014, AS THE BOARD OF COMMUNITY REDEVELOPMENT AGENCY AND APPROVE THE CONTRACT FOR PURCHASE OF THE PEYTON OFFICE COMPLEX.

AGREEMENT FOR CONVEYANCE OF REAL PROPERTY

THIS AGREEMENT for conveyance of real property (hereinafter "Agreement") is made and entered into as of the _____ day of July, 2014, (hereinafter "Effective Date") by and between THREE P, INC., an Alabama corporation authorized to transact business in Florida under the name of PEYTON ENTERPRISES, INC., having a mailing address of 3811 Idlewood Drive, Pensacola, FL 32505, (hereinafter "Seller"), and the CITY OF GULF BREEZE, a municipal corporation of the State of Florida, whose mailing address is 1070 Shoreline Drive, Gulf Breeze, FL, 32562, (hereinafter "Buyer"), who may hereinafter be collectively referred to as the "Parties" or individually as a "Party".

WITNESSETH:

WHEREAS, Seller owns and is possessed of fee simple title to, and Buyer desires to purchase and acquire, certain parcels of real property, together with certain improvements, appurtenances, tangible personal property, and intangible personal property, all as more particularly described in Exhibit "A" attached hereto (hereinafter collectively the "Real Property").

WHEREAS, Seller and Buyer desire to enter into this Agreement and to set forth the mutually agreed upon terms and conditions associated with the proposed conveyance of the Real Property.

NOW, THEREFORE, for and in consideration of the premises hereof, the sums of money to be paid hereunder, and for other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the Parties do hereby covenant, stipulate and agree as follows:

Section 1. Agreement to Sell and Purchase. Seller hereby agrees to sell and convey the Real Property to Buyer and Buyer hereby agrees to purchase the Real Property from Seller upon the terms and conditions set forth in this Agreement.

Section 2. Purchase Price. The purchase price for the Real Property (hereinafter "Purchase Price") shall be the sum of Four Hundred Twenty-Five Thousand and 00/100 Dollars (\$425,000.00), subject to prorations and adjustments described in this Agreement. At Closing (as subsequently defined herein) Buyer shall pay or cause to be paid to Seller the Purchase Price by cashier's check, wire transfer or other form of payment acceptable to the closing agent, subject to all adjustments, credits, setoffs, and prorations as provided in this Agreement.

Section 3. Existing Mortgages. Not less than fifteen (15) days before the Closing, Seller shall deliver to Buyer an appropriate estoppel letter from the holders of any and all existing mortgages encumbering the Real Property confirming all matters required for satisfaction of such mortgages. If any holder does not credit against the payoff amount any sums held in an escrow account for the payment of taxes, insurance, and other items, Sellers shall be entitled to receive these sums from the holder after the Closing; Buyer's sole obligation with respect to such sums shall be to turn over to Seller any such sums delivered to Buyer.

Section 4. Title Matters. Seller shall convey, by general warranty deed, to Buyer at Closing, fee simple title to the Real Property (as subsequently defined herein) subject only to those matters, if any, set forth in Exhibit "B" attached to and made a part of the Agreement (hereinafter the "Permitted Exceptions"), and such additional matters as otherwise may be permitted by this Agreement. Buyer agrees to accept title to the Real Property subject only to the Permitted Exceptions and such additional matters as otherwise may be permitted by this Agreement.

Within thirty (30) days after the Effective Date, Seller shall deliver to Buyer a title insurance commitment for an ALTA Form B Marketability Policy issued by a Florida licensed title insurer in the full amount of the Purchase Price (hereinafter the "Commitment"), together with legible copies of all Permitted Exceptions. The Commitment shall have an effective date that is after the Effective Date of this Agreement and that is within ten (10) days of the date of its issuance. If the Commitment shows any exceptions other than the Permitted Exceptions, Seller shall deliver copies of such additional exceptions to Buyer along with the Commitment. At Closing, Seller shall deliver an endorsement to the Commitment deleting all Schedule B-I requirements, all standard exceptions except taxes for the current year not then due and payable, and the "gap" exception. Not later than thirty (30) days after the date on which the deed of conveyance is recorded, Seller shall deliver or cause to be delivered the final title insurance policy to Buyer. This provision shall survive closing. If the Commitment contains any exceptions other than the Permitted Exceptions, which additional exceptions render title unmarketable or adversely affect the value of the Real Property or Buyer's intended use of the Real Property as determined by Buyer in its sole discretion (hereinafter referred to as "Title Defects"), Buyer shall deliver written notice to Seller specifying the Title Defects that render title unmarketable or objectionable to Buyer. Such notice shall be given not later than ten (10) days after Buyer's receipt of the Commitment. Upon receipt of such notice, Seller shall have five (5) days to undertake a good faith diligent and continuous effort to and, in fact, cure or eliminate the Title Defects. If Seller is unable to cure or eliminate the Title Defects prior to Closing after making a good faith and continuous effort to do so, Seller shall notify Buyer in writing prior to Closing of its inability. Buyer, at its sole option and discretion, may then (a) extend the time allowed for removal of the Title Defects and the time for Closing; (b) waive the Title Defects and proceed with Closing and accept the Real Property subject to such exceptions without reduction of the Purchase Price; and/or (c) reject title as it then exists and terminate this Agreement, whereupon this Agreement shall cease and terminate and the Parties shall have no further rights, duties, or obligations under this Agreement, except for those rights, duties and obligations that survive termination of this Agreement.

If any subsequent endorsement to the Commitment reveals any additional exceptions not permitted by this Agreement, Seller shall have five (5) days within which to remove such additional exceptions subject to the limitations set forth above. If Seller is unable to remove, cure or eliminate such additional exceptions after making a good faith and continuous effort to do so, Buyer shall have the same rights and remedies as provided above.

During the term of this Agreement, Seller shall not, without in each instance first obtaining Buyer's written consent, which may be withheld in Buyer's sole discretion, consent to or permit (a) any modifications to existing easements, covenants, conditions, restrictions, or rights-of-way affecting the Real Property, (b) any new easements, covenants, conditions, restrictions, or

rights-of-way affecting the Real Property, (c) any zoning changes or other changes of governmental approvals, (d) any modifications to or future advances under any existing liens, mortgages, deeds of trust, or other encumbrances on the Real Property, or (e) any new liens, mortgages, deeds of trust, or other encumbrances on the Real Property.

Seller and Buyer each agree to provide reasonable affidavits and documentation to enable the title company to delete all Schedule B-I requirements, the "gap" exception, and the construction lien and Parties in possession exceptions from the Commitment at Closing. Seller and Buyer each shall be responsible for satisfying those Schedule B-I requirements applicable to each of them.

Section 5. Survey. Within thirty (30) days after the Effective Date, Buyer may obtain a current survey of the Real Property. The survey shall meet the minimum technical standards of the Florida Board of Land Surveyors, shall be certified to the Parties and the title insurer, and shall show and locate all of the Permitted Exceptions (to the extent that they can be located). The survey shall also contain a complete and accurate legal description of the Real Property, and shall show all encroachments, visible easements, and improvements on the Real Property. Any of the following matters shown on the survey shall be treated as Title Defects as provided in Section 4, above:

- (a) Any encroachments onto the Real Property;
- (b) Any encroachments of the Improvements (as subsequently defined herein) onto the lands of others;
- (c) Any encroachments of the Improvements onto easements or beyond setback lines located on the Real Property;
- (d) No means of physical and legal ingress to and egress from a publicly dedicated roadway;
- (e) Voids or lapses in the legal description of the Real Property;
- (f) Slivers, strips, gores, or vacancies contained in the Real Property;
- (g) Any other matters that cause the title insurer to refuse to delete the survey and unrecorded easements exceptions to the Commitment; and
- (h) Any matter shown on the survey which adversely affects title to the Real Property.

If the survey shows a Title Defect and Seller declines to cure the Title Defect(s) after request to do so, Buyer shall have the option, in its sole discretion, to either (i) accept the Real Property subject to such Title Defect(s), or (ii) terminate this Agreement and Buyer's obligations hereunder by giving notice to Seller, whereupon this Agreement shall be null and void with neither party having any further rights, obligations or remedies hereunder, except for those rights, obligations and remedies that specifically survive termination of this Agreement.

Section 6. Due Diligence. At any time or times prior to Closing, Buyer and its agents and consultants shall have the right to enter upon the Real Property and otherwise undertake, at Buyer's sole expense, any physical inspections or other investigations of and/or concerning the Real Property, including surveys, soil borings, percolation tests, engineering studies, tests for radon gas and other investigations, tests or studies that Buyer deems necessary or desirable to review and evaluate the Real Property. Buyer shall not intentionally or unreasonably interfere with Seller's activities on the Real Property or on adjoining property. If as a result of such due diligence investigations Buyer determines, in its sole discretion, that the Real Property is insufficient for Buyer's purposes or otherwise decides against purchasing the Real Property, Buyer shall have the option, in its sole discretion, to terminate this Agreement and Buyer's obligations hereunder by giving notice to Seller, whereupon this Agreement shall be null and void with neither party having any further rights, obligations or remedies hereunder, except for those rights, obligations and remedies that specifically survive termination of this Agreement.

Section 7. Seller's Documents. To the extent that Seller has possession or control of them, within ten (10) days of the Effective Date, Seller shall deliver to Buyer copies of the following items which have not been amended or modified in any way, and with respect to which non-modification or amendment Seller further represents and warrants as provided by this Agreement:

- (a) *(This paragraph has been intentionally omitted.)*
- (b) *(This paragraph has been intentionally omitted.)*
- (c) A complete set of blue-lined copies of "as-built" plans and specifications (including architectural, structural, mechanical, electrical, and plumbing plans and specifications) for all buildings and other improvements at and/or upon the Real Property, and all surveys within Seller's possession prepared in connection with the Real Property and/or such plans and specifications, together with final lien waivers and a certificate of final completion from the inspection architect;
- (d) All engineering, soil, environmental, technical, zoning, access, and similar reports or documents with respect to the Real Property prepared by or for Seller that are in Seller's possession or control, and all licenses, certificates of occupancy, use permits, and the like issued with respect to the Real Property or any portion of the Real Property;
- (e) *(This paragraph has been intentionally omitted.)*
- (f) An inventory of all Intangible Personal Property to be conveyed to Buyer;
- (g) All recorded and unrecorded restrictive covenants, conditions, restrictions, and easements affecting title to or use of the Real Property;
- (h) *(This paragraph has been intentionally omitted.)*

- (i) Seller's existing owner's title insurance policy; and
- (j) *(This paragraph has been intentionally omitted.)*

Section 8. Seller's Representations and Warranties. To induce Buyer to enter into this Agreement and to purchase the Real Property, Seller covenants with and represents and warrants to Buyer as follows:

(a) Seller owns the entire fee simple title to the Real Property, legal and equitable, subject only to the Permitted Exceptions;

(b) During the term of this Agreement, Seller shall not, without prior written consent of Buyer in each instance, which consent shall not be unreasonably withheld, undertake or commence any material or substantial renovations or alterations to the Real Property unless necessary to remedy violations or preserve or protect the Real Property or comply with any obligation of Seller under this Agreement;

(c) Seller has no knowledge regarding, and has received no written notice of, violations of any law, ordinance, order, or regulation affecting the Real Property issued by any governmental or quasi-governmental authority having jurisdiction over the Real Property that has not been corrected; and before the Closing, Seller shall promptly disclose to Buyer any knowledge regarding, and furnish to Buyer copies of any and all written notices of, violations that Seller receives between the Effective Date and the date of Closing from any governmental or quasi-governmental authorities having jurisdiction over the Real Property;

(d) There are no (i) existing or pending improvement liens affecting the Real Property; (ii) existing, pending, or threatened lawsuits or appeals of prior lawsuits affecting the Real Property or Seller; (iii) existing, pending, or threatened condemnation proceedings affecting the Real Property; (iv) existing, pending, or threatened zoning, building, or other moratoria, down zoning petitions, proceedings, restrictive allocations, or similar matters that could affect Buyer's use of the Real Property or the value of the Real Property; or (v) pending real estate tax appeals or protests with respect to the Real Property before any applicable governmental authority;

(e) There is vehicular and pedestrian physical and legal egress from and ingress to the Real Property over public roads;

(f) To the best of Seller's knowledge, the Real Property is filled to grade and Seller is not aware of any natural or artificial conditions on or adjacent to the Real Property that would prevent, limit, impede, or render more costly the use of the Real Property (except that Seller advises that during the heavy rainfall event in April 2014, property adjacent to the Real Property flooded, although the Real Property did not);

(g) All contractors and materialmen who have to date furnished labor or materials to

improve the Real Property have been paid in full or will be paid in full on or before the Closing and there is no basis for the filing of any construction, mechanics', materialmens', laborers', or other liens against the Real Property, or any portion of the Real Property; and as of the Closing, no work will have been performed or will be in progress at, and no materials will have been furnished to the Real Property that, although not then the subject of, might provide the basis for, construction, mechanics', materialmens', laborers', or other liens against the Real Property or any portion of the Real Property;

(h) *(This paragraph has been intentionally omitted.)*

(i) Except as necessary to comply with all governmental requirements, Seller shall not consent to any material alteration of any of the Improvements, including, without limitation, any buildings, parking areas, or common areas and facilities on the Real Property, without the prior written consent of Buyer in each instance, which consent shall not be unreasonably withheld or delayed;

(j) Seller shall provide, and keep in full force through the Closing, all existing policies of fire, hazard, and other casualty insurance on the Improvements, insuring the Improvements;

(k) No notice has been received by Seller from any of Seller's current insurance companies stating that any of the policies will not be renewed or will be renewed only on the basis of a higher premium or higher risk category;

(l) There are no management, service, supply, concession, or maintenance agreements, equipment leases, or similar agreement with respect to the Real Property or any portion of the Real Property;

(m) Buyer shall have no obligation to continue employing any persons presently employed by Seller in the management of the Real Property;

(n) Seller has not received a written summons, citation, directive, notice, complaint, or letter from the United States Environmental Protection Agency, the State of Florida, Department of Environmental Protection, or other federal, state, or local governmental agency or authority specifying any alleged violation of any environmental law, rule, regulation or order at or on the Real Property and the Real Property is not under investigation for any such violations;

(o) Seller is a corporation that is duly organized and whose status is active under the laws of the State of Alabama, and the corporation has full power and authority to enter into this Agreement and to consummate the transaction contemplated herein;

(p) Seller is solvent, and no receivership, bankruptcy, or reorganization proceedings are pending or, to Seller's knowledge, contemplated against Seller in any court;

(q) At all times during the term of this Agreement and as of the Closing, all of Seller's representations, warranties, and covenants in this Agreement shall be true and correct; and

(r) No representation or warranty by Seller contained in this Agreement and no statement delivered or information supplied to Buyer pursuant to this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements or information contained in them or in this Agreement not misleading.

(s) There are no existing leases, tenancies, licenses, and other rights of occupancy or use of any portion of the Real Property (collectively, "Tenant Leases").

(t) There are no agreements with former tenants or other occupants of the Real Property or any portion of the Real Property including, without limitation, modifications or extensions of Tenant Leases, lease guarantees, subordination or nondisturbance agreements, and disputes with or legal action involving any tenant or other occupant of the Real Property, if any.

(u) There are no special uses, nonconforming uses, or zoning variances granted with respect to the Real Property.

(v) There are not now, and to the best of Seller's knowledge have never been, any (i) storage tanks on or about the Real Property, (ii) "Hazardous Materials" (as that term is defined in Section 18, below) placed at or upon the Real Property, (iii) "Spill" (as that term is defined in Section 18, below) at or upon the Real Property, and (iv) "Environmental Condition" (as that term is defined in Section 18, below) at, upon or pertaining to the Real Property.

No inquiries, examinations, inspections, investigations, or analysis made by Buyer (or the results of same) shall reduce, limit, or otherwise affect the representations and warranties made by Seller in this Agreement. Furthermore, notwithstanding that certain of Seller's representations and warranties may be limited to the extent of Seller's actual knowledge of the facts stated therein, the conditions precedent to Buyer's obligation to close under this Agreement shall not be so limited, and the satisfaction of such conditions shall depend on the actual correctness, as of the time of the Closing, of the facts stated in all such representations and warranties. Seller's representations and warranties as stated herein are accurate and effective as of both the Effective Date and the date of Closing.

Section 9. Conditions Precedent to Closing. The obligation of Buyer to close the sale and purchase transaction contemplated in this Agreement shall be and is hereby expressly conditioned upon the prior occurrence, satisfaction or fulfillment of the following:

(a) Prior to closing, all obligations of Seller and Buyer as set forth in this Agreement shall have been fully satisfied, shall have occurred, or shall be considered as having been waived by the Seller and/or Buyer, whichever appropriate, unless otherwise provided in writing;

(b) Within the time provided in this Agreement, Buyer shall have established to its

satisfaction that Seller is the owner of good and marketable fee simple title to the Real Property, subject only to the Permitted Exceptions and those exceptions which are to be discharged by Seller at or before the Closing or, alternatively, waived by Buyer;

(c) The results of inspections, investigations, testings and inquiries that Buyer has made with respect to the Real Property (including those referenced in paragraph 6, above) are, in Buyer's sole opinion, acceptable to Buyer;

(d) Review of the Real Property by Buyer and its representatives is determined to be satisfactory to Buyer for its intended use and purposes with respect to (i) zoning, land use and concurrency factors; and (ii) any approvals, permits, or the like from governmental bodies which Buyer deems necessary;

(e) All of Seller's representations and warranties being true and correct;

(f) Seller's delivery to Buyer of the documentation described in Section 7, above;

(g) The proper execution and delivery of all of Seller's documents described in Section 12, below.

Section 10. Default. If Buyer shall default in the performance of its obligations under this Agreement without fault on Seller's part and without failure of title or any conditions precedent to Buyer's obligations under this Agreement, Seller, at its option, shall have the right to elect, as Seller's sole and exclusive remedy, either (a) to terminate this Agreement by giving notice to Buyer, in which event Buyer shall reimburse Seller for Seller's out-of-pocket costs and expenses, including all professionals' and attorneys' fees, incurred in performing under this Agreement, whereupon this Agreement shall be deemed null and void with neither Party having any further rights or obligations under this Agreement, except for those rights, obligations, and remedies that specifically survive the termination of this Agreement; or (b) to seek to specifically enforce the terms and conditions of this Agreement.

If Seller shall default in the performance of its obligations under this Agreement, Buyer, at its option, shall have the right to elect, as Buyer's sole and exclusive remedies, either (a) to terminate this Agreement by giving notice to Seller, in which event Seller shall reimburse Buyer for Buyer's out-of-pocket costs and expenses, including all professionals' and attorneys' fees incurred in performing under this Agreement, whereupon this Agreement shall be deemed null and void with neither Party having any further rights or obligations under this Agreement, except for those rights, obligations, and remedies that specifically survive the termination of this Agreement; or (b) to seek to specifically enforce the terms and conditions of this Agreement.

Section 11. Closing. The transaction contemplated by this Agreement shall be closed (heretofore and hereinafter "Closing") within thirty (30) days after the Effective Date and the meeting of all contingencies, or sooner if the Parties so agree, unless there shall be further delay called for herein or written extension signed by the Parties.

Section 12. Closing Documents. At the Closing, Seller shall deliver to Buyer each of the following items duly and properly executed, acknowledged, and in proper form for recording, if required, by the appropriate Party, unless waived by Buyer:

(a) A general warranty deed from Seller conveying the Real Property, Improvements and Appurtenances (as subsequently defined herein) to Buyer, subject only to the Permitted Exceptions;

(b) *(This paragraph has been intentionally omitted.)*

(c) *(This paragraph has been intentionally omitted.)*

(d) Originals or, if appropriate, copies of all Intangible Personal Property, together with an assignment of all Intangible Personal Property;

(e) A UCC- 1 or similar search from a service acceptable to Buyer indicating that as of not earlier than three (3) days before Closing there are no filings against Seller in the Office of the Secretary of State of the State of Florida or other governmental office under the Uniform Commercial Code of such state that would be a lien on the Tangible Personal Property, other than those filings that will be terminated at Closing;

(f) An affidavit from Seller in a form satisfactory to permit the title insurer to delete the construction lien exception, the Parties in possession exception, and the "gap" exception from the Commitment and the final title insurance policy;

(g) Originals or certified copies of all licenses and permits issued by applicable governmental authorities and used in connection with the Real Property;

(h) Any federal and state tax reporting forms required in connection with the transaction contemplated in this Agreement, including Internal Revenue Service Form 1099-S and Form DR-219 of the Department of Revenue, State of Florida;

(i) A certificate of good standing for Seller from the governmental agency having jurisdiction over the Seller;

(j) A certified copy of resolutions from the Board of Directors of Seller authorizing the sale of the Real Property;

(k) A closing indemnification letter for the closing agent;

(l) Closing statements;

(m) A certificate from Seller dated as of the date of closing certifying that all of the representations and warranties of Seller set forth in this Agreement are true, correct, and complete

in all respects at and as of the Closing;

(n) Corrected instruments or other instruments necessary to clear title;

(o) Such additional documents as are customarily required of sellers in transactions of this type in Santa Rosa County, Florida, or as reasonably may be necessary to consummate the purchase and sale of the Real Property, together with any other documents, instruments, or agreements called for under this Agreement that have not been delivered previously; and

(p) Actual physical possession of the Real Property and all keys to the Real Property.

At Closing, Buyer shall deliver to Seller the following:

(a) The Purchase Price as provided in Section 2, above, of this Agreement subject to prorations as provided for herein;

(b) An affidavit from Buyer in form that may be reasonably requested by the title insurer to remove any of the standard title exceptions from the Commitment and final policy;

(c) A certified copy of resolutions from the governing body of Buyer authorizing purchase of the Real Property;

(d) Closing statements; and

(e) Such additional documents as are customarily required of purchasers in transactions of this type in Santa Rosa County, Florida, or as may be reasonably necessary to consummate the purchase and sale of the Real Property, together with any other documents, instruments, or agreements called for under this Agreement that have not been previously delivered.

Section 13. Prorations. The following items shall be paid, apportioned, and prorated (based on the actual number of days in the month in which the Closing occurs) between Buyer and Seller:

(a) Real property taxes for the then-current tax fiscal year shall be prorated based on the current year's tax with due allowance made for maximum allowable discount and exemptions. If the current year's tax is not then available and the Closing occurs at a date when the current year's millage is not fixed and the current year's assessment is available, taxes will be prorated based on such assessment and the prior year's millage. If the current year's assessment is not then available, taxes will be prorated on the prior year's tax. If there are completed improvements on the Real Property by January 1 of the year of the Closing, which improvements were not in existence on January 1 of the prior year, taxes shall be prorated based on the prior year's millage and an equitable assessment taking into consideration available exemptions. Any tax proration based on an estimate, at request of either Buyer or Seller, may be readjusted after receipt of the tax bill; this provision shall survive Closing.

(b) Personal property taxes on the Tangible Personal Property shall be prorated at Closing. Any tax proration based on estimate, at the request of either Buyer or Seller, may be readjusted after receipt of the tax bill; this provision shall survive closing.

(c) If any outstanding insurance is assumed by Buyer at the Closing, such insurance shall be prorated at the Closing. If such insurance is not assumed or is not assumable, Seller shall be entitled to make a claim against the insurance company for any unearned premiums or credits on the insurance.

(d) Sums paid, if any, by Seller for fuel, water, sewer, waste collection charges, charges for gas, electricity, telephone, and all other public utilities shall be prorated at the Closing to the extent such sums are collected. Seller shall pay all utility bills in Sellers' name that are due as of the Closing Date. Seller shall pay, or cause to be paid, at or before closing, all utility bills of current or former tenants or occupants of the Real Property that are or will be outstanding as of Closing.

(e) All amounts payable under any service, maintenance, and similar contracts assumed by Buyer at the Closing shall be prorated at the Closing and Seller shall be entitled to a credit for any outstanding deposits made by Seller under such contracts. Seller shall be responsible for all outstanding obligations and shall be entitled to receive all outstanding deposits or credits under such contracts not assumed at the Closing.

(f) All accrued income and rents of the Real Property as of the Closing, whether or not collected by Seller, shall be prorated as of the Closing. Buyer shall receive a credit in an amount equal to the aggregate amount of unused security deposits, interest accrued on such deposits, if any, and advance rents collected by Seller.

(g) All other expenses, revenues, assessments, and other proratable items shall be prorated as of the Closing.

Section 14. Closing Costs. Except as otherwise expressly set forth herein, all costs and expenses associated with the Closing of the conveyance contemplated herein including, but not limited to, documentary stamp tax on the deed of conveyance, final owners title insurance policy, recording fees, and other fees and expenses customarily associated with real estate conveyances, shall be paid by Buyer; provided, however, Seller shall be responsible for all costs associated with (i) corrective instruments as to the fee title, (ii) the fees and expenses of Seller's legal counsel incurred in connection herewith, and (iii) any compensation to be paid or that might be owed to any broker, sales person, agent, or finder in connection with any of the transactions contemplated in this Agreement .

Section 15. Risk of Loss. Seller shall bear the risk of loss or damage to, or destruction of, the Real Property or any portion of the Real Property from any and all causes whatsoever (collectively, "Damage") up to and including the date and time of the Closing. The doctrine of

equitable conversion shall not apply to this transaction. If any Damage occurs at any time before Closing, Seller shall promptly give written notice of such Damage to Buyer. The rights and obligations of the Parties by reason of such Damage shall, at Buyer's option, be as follows:

(a) Buyer may accept title to the Real Property in its destroyed or damaged condition, but at the Closing Seller shall assign to Buyer all of Seller's rights, title, and interest in and to the proceeds of any insurance carried by Seller and paid or payable with respect to such Damage; or

(b) Terminate this Agreement by giving written notice to Seller, whereupon the Parties shall have no further rights, obligations, or duties under this Agreement or with respect to the Real Property, except for those rights, obligations and duties that survive termination of this Agreement.

Section 16. Condemnation. If, at or before Closing, the Real Property or any portion of the Real Property shall be condemned or taken pursuant to any power of eminent domain or if any written notice of any taking or condemnation is issued, or if any proceedings are instituted or threatened by any governmental authority having the power of eminent domain, Seller shall promptly give Buyer written notice of such taking or condemnation, or of any pending or threatened proceedings; and if the property condemned constitutes a material part of the Real Property, as determined by Buyer in its reasonable judgment, Buyer shall have the right to terminate this Agreement by giving Seller written notice to that effect, within thirty (30) days of receipt of Seller's notice, in which event Seller shall reimburse Buyer for Buyer's out-of-pocket costs and expenses, including all professional and attorneys' fees, incurred in performing under this Agreement, and thereafter the Parties shall have no further obligation or liability under this Agreement or with respect to the Real Property, at law or in equity; or in the alternative, Buyer may elect to proceed to Closing with no reduction in this Purchase Price and any condemnation award shall be paid over to and shall become the sole property of Buyer. Seller and Buyer agree to cooperate with each other to obtain the highest and best price for the condemned property.

Section 17. Indemnification. Seller does and shall indemnify, defend (by counsel reasonably satisfactory to Buyer), save, and hold harmless Buyer, its employees, officials, representatives, other agents, successors, and assigns, from and against any and all losses, claims, damages, liabilities, expenses (including all accounting, legal and other professional fees of whatever nature), and all other expenses relating to, growing out of, or arising from:

(a) Seller's failure to pay sales tax due to the State of Florida before the Closing;

(b) Seller's failure to pay any personal property taxes against any portion of the Real Property for any years prior to Closing; and

(c) Any breach of any representation or warranty of Seller set forth in this Agreement.

This provisions of this Section shall survive Closing and the termination of this Agreement.

Section 18. Environmental Concerns.

(a) **Definitions.** As used in this Section, the following words, terms and phrases shall have the meanings ascribed to them as set forth below:

(i) "Environmental Condition" shall mean any noncompliance with any Environmental Law (as subsequently defined herein).

(ii) "Environmental Law" shall mean any and all federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements, or other governmental restrictions relating to the protection of the environment or human health, welfare, or safety, or to the emission, discharge, seepage, release, or threatened release of Hazardous Materials (as subsequently defined herein) into the environment including, without limitation, into ambient air, surface water, ground water, or land, or restrictions otherwise relating to the Handling (as subsequently defined herein) of such Hazardous Materials.

(iii) "Handling" shall mean use, treatment, storage, manufacturing, processing, distribution, transport, placement, handling, discharge, generation, production, or disposal.

(iv) "Hazardous Materials" shall mean any containment, chemical, waste, irritant, petroleum product, waste product, radioactive material, flammable or corrosive substance, explosive, polychlorinated biphenyls, asbestos, hazardous or toxic substance, material, or waste of any kind, or any other substance regulated by any Environmental Law.

(v) "Indemnified Parties" shall mean Buyer and Buyer's officers, officials, agents, employees, representatives, and their respective heirs, legal representatives, successors, and assigns.

(vi) "Notice" shall mean any notice or report, whether oral or written, of any of the following matters on or about the Real Property or otherwise arising out of Seller's use or ownership of the Real Property: (1) any lawsuit, proceeding, investigation, order, consent order, injunction, writ, award, or action related to or affecting the Handling of Hazardous Materials; (2) any Spill (as subsequently defined here) or Environmental Condition; (3) any dispute relating to any person's or entity's handling of any Hazardous Materials, Spill, or Environmental Condition; (4) any claims by or against any insurer related to or arising out of any Hazardous Materials, Spill, or Environmental Condition; (5) any investigations, recommendations, or requirements of any governmental or regulatory authority or insurer relating to any Handling of Hazardous Materials, Spill, or Environmental Condition; (6) any legal requirement or deficiency related to the Handling of Hazardous Materials, Spill, or Environmental Condition; or (7) any lien filed against the Real Property in favor of any governmental entity for any liability under Environmental Laws, or for damages arising from or cause incurred by such governmental entity in response to any release of Hazardous Materials.

(vii) "Permits" shall mean any environmental permit, license, approval, consent, or authorization issued by a federal, state, or local governmental agency.

(viii) "Spill" shall mean any spill, contamination, seepage, discharge, leakage, release, or escape of any Hazardous Materials, whether sudden or gradual, accidental or anticipated, or of any other nature or manner.

(b) Representations and Warranties. As a material inducement to Buyer entering into this Agreement and to consummate the transactions contemplated herein, Seller represents and warrants to Buyer and its successors and assigns as follows:

(i) Seller has not placed or permitted to be placed any Hazardous Materials on the Real Property, and to the best of Seller's knowledge, no other person or entity has placed or permitted to be placed any Hazardous Materials on the Real Property.

(ii) Not only has Seller not filed or received any Notice and not otherwise have knowledge of any Notice or facts relating to the Real Property, there have been no Notices relating to the Real Property.

(iii) Seller and, to the best of Seller's knowledge, any other person or entity that has owned, occupied, or possessed the Real Property has never violated any and is presently in compliance with all Environmental Laws applicable to the Real Property and the facilities and operations thereupon.

(iv) To the best of Seller's knowledge, no Environmental Condition exists and no Spill has occurred on any parcel of property contiguous with or in the vicinity of the Real Property.

(v) Seller and any other person or entity occupying or possessing the Real Property has Permits necessary for the activities and operations of Seller and any other person or entity occupying or possessing the Real Property.

(vi) To the best of Seller's knowledge, no underground treatment or storage tanks, dumps, or wells are or ever have been located on the Real Property.

(c) Compliance with Environmental Laws. Seller covenants and agrees to comply with all Environmental Laws, including without limitation, those Environmental Laws that relate to the Handling of Hazardous Materials on or about the Real Property from the date of this Agreement to and through the date that Seller relinquishes possession of the Real Property to Buyer or the date of Closing, whichever date is later.

(d) Notice to Buyer. Immediately upon receipt of any Notice, Seller shall deliver to Buyer a true, correct and complete copy of any written notice or a true, correct and complete report of any non-written notice. Receipt of any Notice shall not be deemed to create any obligation on the part of Buyer to defend or otherwise respond to any Notice.

(e) Seller's Indemnification of Buyer for Environmental Matters. Seller hereby agrees that it shall indemnify, defend, save and hold harmless the Indemnified Parties against and from, and to reimburse the Indemnified Parties with respect to, any and all damages, claims, liabilities, loss, costs, and expenses (including, without limitation, reasonable attorneys' fees and expenses, whether in court, out of court, in bankruptcy or administrative proceedings, or on appeal), penalties, or fines, incurred by or asserted against the Indemnified Parties by reason or arising out of:

(i) The breach of any representation or undertaking of Seller under this Section;

(ii) Any Environmental Condition that exists as of the date of that Agreement or as of the date of Closing on or arising from the Real Property or any facilities or operations on the Real Property (for purposes of this subparagraph (ii), the term "Real Property" shall be deemed to exclude the "Improvements").

(f) Survival of Covenants, Representations, Warranties, and Indemnities. Notwithstanding anything in this Agreement to the contrary, the covenants, representations, warranties, indemnities, and undertakings of Seller set forth in this Section shall survive Closing and the delivery of the deed to Buyer.

Section 19. Brokers. Buyer represents and warrants that it has not dealt with any broker, sales person, agent, or finder in connection with any of the transactions contemplated in this Agreement, however Seller has utilized the services of Jill Stewart and J. Stewart Realty Company, 220 South Palafox Street, Pensacola, Florida ("Broker") in connection with any of the transactions contemplated in this Agreement. Nonetheless, insofar as each Party knows, no broker, sales person, agent, finder, or other person other than Broker is entitled to any commission or finder's fee in connection with any of the transactions contemplated by this Agreement; and any compensation to be paid to or that may be owing to Broker will be the sole responsibility of Seller and will be addresses outside the scope of the transaction contemplated herein. . Seller and Buyer each agree to indemnify, defend (by counsel reasonably satisfactory to the indemnified Party), save, and hold harmless the other from and against any and all losses, claims, damages, liabilities, and all other expenses (including reasonable attorneys' and other professional fees) related to, growing out of, or arising from, any claims or demands for any brokerage commissions or finder's fee ,including to Broker, alleged to be payable because of any of act, omission, or statement of the Indemnified Party. Broker's commissions and fees will be paid pursuant to the terms of a separate agreement between Seller and Broker, and Seller agrees to indemnify, defend (by counsel reasonably satisfactory to Buyer), save and hold harmless Buyer from and against any and all losses, claims, damages, liabilities, and expenses relating to, growing out of, or arising from any claims or demands of Broker. The terms of this Section shall survive Closing and any termination of this Agreement.

Section 20. Seller's Cooperation and Joinder. Seller shall promptly, at Buyer's request and expense, before or after Closing and provided that Seller thereby assumes no liability

or obligation, join in all applications for building permits, certificates of dedication, public works or other agreements, and permits for sewer, water, or other utility services, or other instruments of dedication or other permits or approvals, the granting of entry into which, by any governmental or quasi-governmental authority having jurisdiction over the Real Property, is, in Buyer's reasonable opinion, necessary to permit the use and occupancy of the Real Property for Buyer's intended use without violating applicable law.

Section 21. Radon Notice. As required by Section 404.056(6), Florida Statutes, the following notification is made regarding radon gas:

RADON GAS: Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your County Public Health unit.

Section 22. Energy Efficiency Rating. In accordance with Section 553.996, Florida Statutes, Buyer acknowledges having been notified by Seller that Buyer may have the energy-efficiency rating of the building upon the Real Property determined.

Section 23. Notices. All notices, requests, consents, instructions, and communications required or permitted under this Agreement shall be in writing and shall be deemed to have been duly given on the date of service if served personally on the Party to whom notice is to be given or on the third day after mailing if mailed to the Party to whom notice is to be given by first class mail, registered or certified, postage prepaid and properly addressed to the Party at its respective address set forth in the initial paragraph of this Agreement. Either Party may change its address for purposes of this Section by giving the other Party written notice of the new address in the manner just set forth.

Section 24. Waiver. Buyer reserves the right to waive any of the terms and conditions of this Agreement made for its benefit and to purchase the Real Property in accordance with the terms and conditions of this Agreement that had not been so waived. Any such waiver must be in writing signed by the Buyer. No waiver by either Party of any breach or default by the other of any provision of this Agreement shall be deemed or construed to be a waiver of any subsequent or continuing breach or default of the same or other provision of this Agreement; any forbearance by either Party from the exercise of a remedy for any such breach or default after notice of same shall not be deemed or construed to be a waiver by such Party of any of its rights and remedies with respect to such breach or default. Any custom or practice of the Parties in variance with the terms of this Agreement shall not constitute a waiver of the aggrieved Party's right to demand strict compliance with the terms of this Agreement.

Section 25. Integration. This Agreement constitutes the entire agreement between the Parties and supersedes all prior negotiations, writings, agreements, or other understandings between the Parties with respect to the subject matter of this Agreement.

Section 26. Time of the Essence. Time is of the essence with respect to each material provision of this Agreement that requires action to be taken by either Party within a stated period of time, or upon a specified date.

Section 27. Headings. The headings or captions set forth in this Agreement are for convenience only and are not to be construed as defining or limiting in any way the scope or intent of the provisions of this Agreement.

Section 28. Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

Section 29. Interpretation. This Agreement, and the Exhibits to this Agreement, have been negotiated at arms length by Seller and Buyer, and the Parties mutually agree that for purposes of construing the terms of this Agreement or the Exhibits, neither Party shall be deemed responsible for the drafting of this Agreement.

Section 30. Severability. The invalidity, unenforceability or lawful rejection of any provision of this Agreement shall not affect or impair the validity or enforceability of any other provision. To the extent any provision is invalid, unenforceable, or lawfully rejected, the Parties desire and hereby request the courts (or other applicable regulatory authorities) to construe, reconstruct and/or reform this Agreement in a manner rendering this Agreement effective within the intent and purpose of this Agreement.

Section 31. Binding Effect. This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective legal representative, successors, and assigns.

Section 32. Attorneys' Fees. In connection with any dispute or litigation arising under, from, as a result of, or out of this Agreement, the Parties agree that the prevailing Party in such dispute or litigation shall be entitled to recover all costs and expenses incurred (including those incurred in any appeals from any litigation and enforcement of judgments), including reasonable attorneys' fees and fees for the services of other professionals, paraprofessionals and similar persons. This provision shall survive Closing or any termination of this Agreement.

Section 33. Further Assurances. Buyer and Seller each agree from time to time to execute and deliver such further and other transfers, assignments, and documents and to do all matters and things that are legally required or reasonably necessary to effectuate the intentions of this Agreement. The provisions of this Section shall survive Closing.

Section 34. Amendments. No amendments, modifications, or alteration the terms of this Agreement shall be binding or effective unless in writing and duly executed by the Parties.

Section 35. Plurals and Gender. Whenever the context of this Agreement permits, the singular shall include the plural, and one gender shall include all.

Section 36. Computation of Time. Any references in this Agreement to periods of

time of less than five (5) days shall, in the computation thereof, exclude Saturdays, Sundays, and legal holidays; any time period provided for in this Agreement that shall end on a Saturday, Sunday, or legal holiday, shall extend to 5:00 p.m. on the next day that is not a Saturday, Sunday, or legal holiday.

Section 37. Survival. Unless otherwise expressly provided in this Agreement, all covenants, agreements, representations, and warranties of the Parties in this Agreement, all remedies related to them, and the provisions of this Section shall survive Closing or the termination of this Agreement.

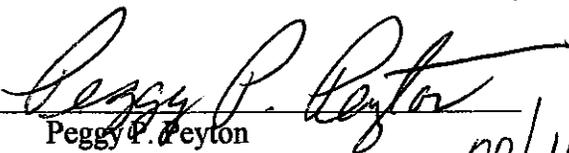
Section 38. Governing Law. This Agreement and all transactions contemplated by this Agreement shall be governed by and construed and enforced in accordance with the internal laws of Florida without regard to principals of conflicts of laws.

Section 39. Jurisdiction and Venue. The Parties acknowledge that a substantial portion of the negotiations and anticipated performance of this Agreement occurred or shall occur in Santa Rosa County, Florida, and that each Party irrevocably and unconditionally (a) agrees that any lawsuit, action, or other legal proceeding arising out of or related to this Agreement may be brought only in the state (as opposed to federal) courts of record of the State of Florida in Santa Rosa County; (b) consents to the jurisdiction of such courts in any such lawsuit, action or proceeding; and (c) waives any objection that it may have to laying of venue in any such lawsuit, action, or proceeding in any such courts.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date and year first above written.

SELLER:

THREE P, INC., an Alabama corporation, that is authorized to transact business in the State of Florida under the name of PEYTON ENTERPRISES, INC.

By: 
Peggy P. Peyton
Its: President
07/16/14
JH

STATE OF FLORIDA:
COUNTY OF ESCAMBIA:

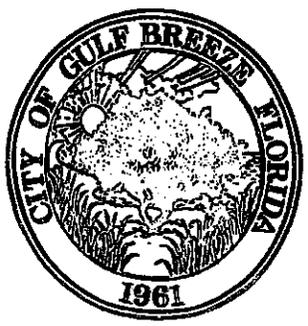
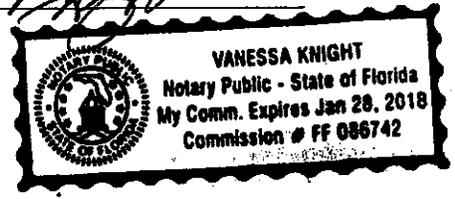
SWORN TO AND SUBSCRIBED before me on this 16th day of July, 2014, by PEGGY P. PEYTON, as President of THREE P, INC., an Alabama corporation that is authorized to transact business in the State of Florida under the name of PEYTON ENTERPRISES, INC.,

who is personally known to me or who has produced FLDL# P350-675-48-8910 as identification.

Vanessa Knight

NOTARY PUBLIC

AFFIX NOTARY STAMP



BUYER:

CITY OF GULF BREEZE, a Florida municipal corporation

By: *Beverly H. Zimmern*
Beverly H. Zimmern
Its: Mayor

ATTEST:

By: *Leslie Guyer*
Its: *City Clerk*

STATE OF FLORIDA:
COUNTY OF SANTA ROSA:

SWORN TO AND SUBSCRIBED before me on this 21st day of July, 2014, by Beverly H. Zimmern as Mayor of the CITY OF GULF BREEZE, a Florida municipal corporation, and *Leslie Guyer*, as City Clerk of the CITY OF GULF BREEZE, a Florida municipal corporation, who are personally known to me or who have produced _____ as identification.

Leslie A. Guyer
NOTARY PUBLIC

AFFIX NOTARY STAMP

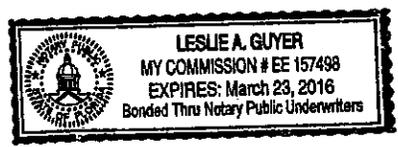


EXHIBIT "A"
TO THE AGREEMENT FOR CONVEYANCE OF REAL PROPERTY
BY AND BETWEEN THREE P, INC.
CITY OF GULF BREEZE, FLORIDA

The Real Property which is the subject of the Agreement is more specifically described as follows:

13 OFFICIAL RECORDS 47
BK 1701 PG 866

Exhibit "A" to Warranty Deed

A PARCEL OF LAND IN GOVERNMENT LOT 5, SECTION 4, TOWNSHIP 3 SOUTH, RANGE 29 WEST, SANTA ROSA COUNTY, FLORIDA, AND DESCRIBED AS FOLLOWS: BEGIN AT THE INTERSECTION OF THE EAST LINE OF THE SAID GOVERNMENT LOT 5 AND THE NORTHERLY RIGHT-OF-WAY LINE OF U.S. HIGHWAY 98 (S.R. #30-120 FOOT RIGHT-OF-WAY); THENCE GO NORTH 18°45' WEST ALONG THE EAST LINE OF THE SAID GOVERNMENT LOT 5 A DISTANCE OF 155.57 FEET; THENCE GO SOUTH 71°16' WEST A DISTANCE OF 144.91 FEET; THENCE GO SOUTH 00°02' WEST A DISTANCE OF 164.10 FEET; THENCE GO NORTH 71°18'30" EAST ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF U.S. HIGHWAY 98 A DISTANCE OF 197.78 FEET TO THE POINT OF BEGINNING.

Grantor hereby warrants that the property described in this instrument is not his constitutional homestead as provided by the Florida Constitution.

EXHIBIT "A"
TO THE AGREEMENT FOR CONVEYANCE OF REAL PROPERTY
BY AND BETWEEN THREE P, INC.
AND
CITY OF GULF BREEZE, FLORIDA

The Real Property which is the subject of the Agreement is more specifically described as follows:

1198 GULF BREEZE PKwy 
GULF BREEZE, FL 32561



The Real Property also includes the aforesaid Real Property and the appurtenances, improvements, tangible personal property, and intangible personal property as follows:

1. Improvements. All buildings, structures, and improvements situated on the Real Property, including, without limitation, all fixtures, facilities, and other property attached to such buildings, structures, and improvements (collectively, the "Improvements").
2. Appurtenances. All right, title, and interest of Seller, if any, in and to any and all strips, gores, easements, privileges, choses in action, rents, issues, and profits, and other tenements,

hereditaments, and appurtenances of or related to the Real Property (collectively, the "Appurtenances"), including, without limitation, the following:

- (a) Rights to land underlying streets, roads, highways, and avenues adjacent to the Real Property;
- (b) Access easements and rights-of-way relating to or benefitting the Real Property;
- (c) Riparian, littoral, and other water rights relating to or benefitting the Real Property;
- (d) Utility mains, service laterals, hydrants, and valves servicing or available to service the Real Property and the Improvements; and
- (e) Oil, gas, minerals, soil, flowers, shrubs, crops, trees, timber, compacted soil, submerged lands, fill, landscaping, and other embellishments now or in the future on or appurtenant to the Real Property.

3. **Tangible Personal Property.** All tangible personal property, including, without limitation, all furniture, furnishings, equipment, appliances, machinery and any other apparatus, owned by Seller and used or useful in connection with the Real Property (collectively, the "Tangible Personal Property").

4. **Intangible Personal Property.** All development and other rights and all documents, technical matters, and work product related to the Real Property (collectively, the "Intangible Personal Property"), including, without limitation, the following:

- (a) Agreements, contracts, covenants, and restrictions related to or benefitting the Real Property and the Improvements, and any and all rights of Seller thereunder, including development rights, air rights, density rights, and drainage rights;
- (b) *(This paragraph has been intentionally omitted.)*
- (c) Approvals, licenses, authorizations, permits, and applications with or from governmental authorities relating to or benefitting the Real Property and the Improvements;
- (d) Warranties or guarantees received or held by Seller from any manufacturers, contractors, subcontractors, suppliers, or material men in connection with the Real Property and the Improvements;
- (e) Documents and work product of all professionals in connection with the Real Property, including all environmental studies and water samplings, all soil or engineering tests and all construction, engineering, architectural, landscaping, and other plans, drawings, renderings, photographs, specifications, surveys, maps, site plans, plats, and other graphics related to development of the Real Property and the

construction of the Improvements; and

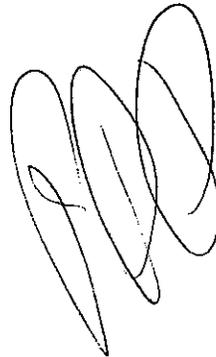
- (f) All trademarks, servicemarks, trade names, fictitious names, telephone and facsimile numbers, post office box numbers, and other Intangible Personal Property of or related to the Real Property and the improvements.



EXHIBIT "B"
TO THE AGREEMENT FOR CONVEYANCE OF REAL PROPERTY
BY AND BETWEEN THREE P, INC.
AND
CITY OF GULF BREEZE, FLORIDA

The following shall be deemed Permitted Exceptions to the Agreement and to the quality of title contemplated to be conveyed:

1. Ad valorem real property taxes for the years subsequent to Closing.
2. Applicable land use regulations.
- 3.

A handwritten signature in black ink, consisting of several overlapping loops and curves, positioned in the lower right quadrant of the page.



City of Gulf Breeze

OFFICE OF THE CITY MANAGER

Memorandum

To : Mayor and City Council

From :  Edwin A. Eddy, City Manager

Date : July 25, 2014

Subject: Award of Bid – Tennis Court Demolition and Rebuild

The City Council authorized Rebol-Battle Engineering and staff to prepare and advertise for bids to remove the tennis courts at Shoreline Park and install new courts. Bids are due on August 1. We plan to have a recommendation prepared for award of bid at the August 4 meeting.