

REAL PROPERTY PURCHASE AND SALE AGREEMENT

THIS REAL PROPERTY PURCHASE AND SALE AGREEMENT by and between The School Board of Clay County, Florida, a political subdivision of the State of Florida and its successors and assigns (the "**Seller**") and Clay County Utility Authority, an independent special district of the State of Florida (the "**Purchaser**"), is entered into and effective on the date it is last executed by the Seller or Purchaser (the "**Effective Date**").

RECITALS:

- A. Seller is the owner of certain property located in Clay County, Florida.
- B. Seller wishes to sell to Purchaser, and Purchaser wishes to purchase from Seller, the Property as hereafter defined upon the terms, covenants and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties covenant and agree as follows:

1. Sale of Property. Subject to the terms and conditions hereinafter set forth, Seller agrees to sell, convey, and assign (to the extent assignable) to Purchaser, and Purchaser agrees to buy from Seller, that certain real property located in Clay County, Florida, described or shown on Exhibit A, attached hereto and made a part hereof, together with all appurtenances, easements and privileges thereto belonging, including all right, title and interest of the Seller in and to any easements, strips, gores, appurtenances, streets, alleys or ways adjoining the real property (collectively, the "**Property**").

2. Definitions. For purposes of this Agreement, the following terms are defined as hereinafter set forth:

"**Agreement**" shall mean this Real Property Purchase and Sale Agreement, as it may be amended from time to time.

"**Closing**" shall mean the execution and delivery of the Transaction Documents and the payment of those funds required to be paid at the time and in the manner required herein for the purchase and sale of the Property.

"**Closing Agent**" or "**Escrow Agent**" shall mean Roger W. Cruce, P.A., who shall receive funds from Purchaser and Seller as provided for under this Agreement at Closing, and who shall act as the title agent for title insurance purposes.

"**Closing Date**" shall mean the date on which the Closing shall occur, as set forth in Paragraph 7 herein.

"**Encumbrance**" shall mean and include any charge, claim, community property interest, condition, equitable interest, lien, option, pledge, security interest, right of first refusal, or

restriction of any kind, including any restriction on use, voting, transfer, receipt of income, or exercise of any other attribute of ownership.

"Environmental Law" shall mean any federal, state or local statute, regulation or ordinance or any judicial or administrative decree or decision, whether now existing or hereinafter enacted, promulgated or issued, with respect to any hazardous materials, drinking water, groundwater, wetlands, landfills, open dumps, storage tanks, underground storage tanks, solid waste, waste water, storm water runoff, waste emissions or wells. Without limiting the generality of the foregoing, the term shall encompass each of the following statutes, and regulations, including any state or local counterparts or equivalent, in each case, order, decrees, permits, licenses and deed restrictions now or hereafter promulgated thereunder, and amendments and successors to such statutes and regulations as may be enacted and promulgated from time to time: (i) the Comprehensive Environmental Response, Compensation and Liability Act (codified in scattered sections of 26 U.S.C., 33 U.S.C., 42 U.S.C. and 42 U.S.C. Section 9601 et seq.) ("CERCLA"); (ii) the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.); (iii) the Hazardous Materials Transportation Act (49 U.S.C. Section 1801 et seq.); (iv) the Toxic Substances Control Act (15 U.S.C. Section 2061 et seq.); (v) the Clean Water Act (33 U.S.C. Section 1251 et seq.); (vi) the Clean Air Act (42 U.S.C. Section 7401 et seq.); (vii) the Safe Drinking Water Act (21 U.S.C. Section 349, 42 U.S.C. Section 201 and Section 300f et seq.); (viii) the National Environmental Policy Act (42 U.S.C. Section 4321 et seq.); (ix) the Superfund Amendments and Reauthorization Act of 1986 (codified in scattered sections of 10 U.S.C., 29 U.S.C., 33 U.S.C. and 42 U.S.C.); (x) Title III of the Superfund Amendment and Reauthorization Act (40 U.S.C. Section 1101 et seq.); (xi) the Uranium Mill Tailings Radiation Control Act (42 U.S.C. Section 7901 et seq.); (xii) the Occupational Safety & Health Act (29 U.S.C. Section 655 et seq.); (xiii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.); (xiv) the Noise Control Act (42 U.S.C. Section 4901 et seq.); and (xv) the Emergency Planning and Community Right to Know Act (42 U.S.C. Section 11001 et seq.).

"Hazardous Materials" shall mean any solid, gaseous or liquid wastes (including hazardous wastes), regulated substances, pollutants or contaminants or terms of similar import, as such terms are defined in any Environmental law, and shall include, without limitation, any petroleum or petroleum products or by-products, flammable explosives, radioactive materials, asbestos in any form, polychlorinated biphenyls and any other substance or material which constitutes a threat to health, safety, property or the environment or which has been or is in the future determined by any governmental entity to be prohibited, limited or regulated by any Environmental Law.

"Parties" or **"parties"** shall mean the Purchaser and the Seller to this Agreement, and **"Party"** or **"party"** shall refer to either one of them in the singular.

"Purchase Price" shall mean the total consideration to be paid by the Purchaser to the Seller for the Property.

"Survey" shall mean a survey of the Property certified by a Florida Registered Land Surveyor.

"Transaction Documents" shall mean this Agreement and all of the documents required or contemplated in connection with the Closing of the purchase and sale of the Property.

3. Price / Deposits / Financing. The total Purchase Price for the Property shall be THIRTY THOUSAND AND NO/100 DOLLARS (\$30,000.00) ("**Purchase Price**"). Purchaser shall deposit with the Escrow Agent the sum of \$3,000.00 as Purchaser's deposit to bind this transaction ("**Escrow Deposit**" or "**Earnest Money**"), which, if not refunded to Purchaser or otherwise disbursed in accordance with this Agreement, shall be credited against the Purchase Price at Closing.

4. Execution / Calculation of Time / Time of the Essence

A. Execution. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which together shall constitute one and the same instrument. This Agreement shall become binding when one or more counterparts shall bear the respective signatures of all of the parties designated as signatories herein. If this Agreement shall be executed in counterparts, then upon the subsequent written request of any signatory, all parties shall join in the signing of one complete original instrument. A facsimile copy or scanned digital copy of this Agreement evidencing any signatures shall be considered as an original for all purposes.

B. Calculation of Time. All references to days shall mean calendar days unless Business Days are specifically stated. Business Days shall mean Monday through Friday, and exclude legal holidays. If any time period ends on a Saturday, Sunday, or legal holiday, it shall instead be deemed to expire at the end of the next Business Day.

C. Time of the Essence. **The Parties have been fully advised and agree that time is of the essence in this Agreement.**

5. Survey. Within twenty (20) days after the Effective Date, Purchaser may obtain, at Purchaser's expense, a boundary survey of the Property (the "**Survey**"). In the event the Survey reflects any easements, encroachments, rights-of-way, roads, lack of access, deficiencies, gaps or gores or hiatus between any of the parcels included within the Property or between the Property and any adjoining streets or roads, or any other adverse matters not acceptable to Purchaser, Purchaser may notify Seller of Purchaser's objections to the Survey within the applicable time period set forth in Paragraph 6 hereof. Objections to the Survey shall be treated as Title defects pursuant to Paragraph 6. Purchaser shall be entitled to obtain an update of the Survey ("**Updated Survey**") at any time prior to the Closing, at Purchaser's expense. If any Updated Survey reveals any adverse matter not disclosed by the Survey, then such Updated Survey defect shall be handled in the same manner as a new title defect.

6. Evidence of Title. At least Twenty (20) Days prior to the Closing Date, Seller shall obtain, at Seller's expense, a commitment for an owner's title insurance policy, (the "**Title Commitment**"), agreeing to issue to Purchaser, upon recording of the Statutory Warranty Deed, a title insurance policy in the amount of the Purchase Price, insuring Purchaser's title to the Property, subject only to Encumbrances and matters that are permitted, ("**Permitted Encumbrances**").

A. Permitted Encumbrances include the following:

- i. Requirements, approvals, ordinances, regulations, restrictions, prohibitions or other matters issued by a Governmental Entity, including, but not limited to such matters that involve land use, zoning, water retention, or storm water management;
- ii. Matters appearing on a plat of record or common to a subdivision in which the Property exists, other than plats that may have existed previously but are not part of the current development plan;
- iii. Taxes for the year of Closing and subsequent years, if any, if applicable;
- iv. Other Permitted Encumbrances: None.

The Title Commitment shall include legible copies of all documents referenced therein. The Title Commitment shall provide that all "standard exceptions" (including exceptions for taxes (for years prior to the year of Closing) and assessments not shown in the public records, claims of unrecorded easements, parties other than owner in possession, construction liens and matters disclosed on an accurate Survey, shall be deleted from the Policy when issued. Seller shall provide to the Closing Agent any affidavits, undertakings and other instruments required to delete said standard exceptions, and the Party responsible for submitting a Survey shall provide such Survey with required certifications.

B. Objections to Title. If the Title Commitment contains exceptions to coverage other than the standard exceptions which adversely affect title to the Property and render title unmarketable and uninsurable, or if the Survey reveals any defect as set forth in Paragraph 5 hereof, the Purchaser shall notify the Seller, in writing, of Purchaser's objection to such exceptions within ten (10) days after the Title Commitment and copies of all underlying title search instruments and the Survey have been furnished to Purchaser.

C. Curing Title Objections. The Seller shall have thirty (30) days after receipt of such notice in which to cure such defects (the "**Title Curative Period**") and furnish to the Purchaser evidence that same have been cured. The Closing Date shall be postponed and extended for the Title Curative Period. If the Title defects are cured within the Title Curative Period, the sale and purchase shall be closed within seven (7) days after written notice to Purchaser, but not earlier than the Closing Date. In the event that Seller is unable to cure such defects within the Title Curative period, Seller may give notice of the necessity to extend the Title Curative Period for an additional one hundred twenty (120) days. If the Seller fails to cure such defects within the Title Curative Period (as extended if applicable), or notifies Purchaser in writing that Seller has determined, in Seller's sole discretion, that it is not feasible on a commercially reasonable basis to cure one or more of Purchaser's objections (in which event Seller shall notify Purchaser of its determination within twenty (20) days after its receipt of Purchaser's notice of title objections), Purchaser shall have the option, to be exercised in its sole discretion, to either: (i) complete the purchase in accordance with the Agreement and accept title to the Property subject to such objections without any adjustment to the Purchase Price; or (ii) terminate this Agreement by written notice thereof to Seller within seven (7) days after

Purchaser's receipt of written notice of Seller's failure to cure Purchaser's objections within the Title Curative Period or Seller's determination that curing Purchaser's objections is not feasible, whereupon this Agreement shall terminate and be of no further force or effect.

If the Property has previously been platted, and the plat is not part of the current development plan, and the plat contains roads, easements, restrictions or other matters to which Purchaser objects, Seller shall obtain from the Local Government a vacation of all underlying streets shown on prior plats within the Property. The Closing Date shall be extended as necessary even beyond the Title Curative Period if required in order to complete the vacation of such plats or particular matters on the plats to which Purchaser objects.

D. Updates of Title. If Closing is scheduled to occur more than thirty (30) days from the date of the Title Commitment, the Title Commitment shall be updated by endorsement ("**Update Endorsement**") which endorsement, together with legible copies of any additional matters identified therein, shall be delivered to Purchaser no less than five (5) days before the respective Closing Date. If any Update Endorsement discloses any new requirement, defect, Encumbrance or other adverse matter that is not a Permitted Encumbrance, then Purchaser shall notify Seller in writing specifying the new title defect. Seller shall have a period of thirty (30) days following the receipt of such notice from Purchaser to cure such new title defect and, if necessary, the Closing Date shall be extended as provided above. Seller agrees to use diligent, good faith efforts to attempt to remove the new title defect, as provided above. If Seller fails to cure any such new title defect Purchaser shall have the remedies provided above in this Section.

E. Title Policy. At or after Closing, the Party who procured the Title Commitment shall be responsible for providing Purchaser a standard ALTA Owner's Policy of Title Insurance (10/17/92) (with Florida modifications) for the Property based on the Title Commitment and any issued Update Endorsements (the "Policy"). The Policy will be issued by the Closing Agent and be underwritten by the Closing Agent that underwrote the Title Commitment, will be in the amount of the Purchase Price, and will insure Purchaser's fee simple title to the Property subject only to the Permitted Encumbrances. If Purchaser has not provided Closing Agent a Survey certified to all appropriate parties and showing no defects, the policy shall obtain exceptions for matters which would be disclosed by an accurate Survey and inspection of the Property, and easements and claims of easements not shown by the public records.

F. **The Parties have been fully advised and agree that time is of the essence with respect to the parties' obligations under this Section.**

7. Closing Date and Procedure / Documents to be Provided.

A. Closing Date. The Closing Date contemplated by this Agreement shall be no later than thirty (30) days from the satisfaction by Purchaser and Seller of the Conditions Precedent set forth herein. Closing shall occur in the county in which the Property is situated, or at such location mutually agreed upon in writing by the Parties hereto. **The Parties have been fully advised and agree that time is of the essence with respect to the Closing Date.**

B. Closing Procedure.

1. Seller. At Closing, if not previously delivered to Purchaser, Seller shall execute and deliver to Purchaser:

- (i) a fully executed Statutory Warranty Deed;
- (ii) an owner's title affidavit. The owner's title affidavit shall attest to the absence, unless otherwise provided for herein, of any lien or Encumbrance upon the Property or any personal property to be conveyed, claims of lien or potential liens known to Seller, improvements or repairs to the Property within ninety (90) days immediately preceding date of Closing. However, if the Property has been improved or repaired within that time, Seller shall deliver releases or waivers of construction liens executed by all potential lienors and an affidavit setting forth the names of all potential lienors and affirming that all charges for improvements or repairs have been paid or will be paid at the Closing;
- (iii) originals, or if unavailable, copies of the specifications, technical manuals and similar materials for the Property to the extent same are in Seller's possession;
- (iv) assignable warranties, if any, with respect to any operating equipment or processes within or pertaining to improvements or fixtures within, upon or under the Property;
- (v) Bills of Sale as to any personal property conveyed within or about the Property; and
- (vi) Bill of Sale and Assignment of Permits, inclusive of CUP Permit No. 529, as assignable, as to the existing operating well on the Property, as reasonably required by Purchaser's attorney;
- (vii) any other document reasonably required by the Closing Agent.

2. Purchaser. At Closing, Purchaser shall deliver to Seller the following:

- (i) Cash or equivalent funds to cover the Purchase Price and Closing costs and prorations charged to Purchaser on the Closing Statement prepared by the Closing Agent;
- (ii) instructions from Purchaser directing Escrow Agent to pay all amounts due at Closing, or thereafter in accordance with the provisions of this Agreement; and

(iii) any such other documents required in connection with the transactions contemplated by this Agreement, or reasonably required by the Closing Agent.

3. Seller and Purchaser. Seller and Purchaser shall, on the Closing Date, each execute, acknowledge (as appropriate) and deliver the following documents:

(i) any transfer tax returns required under any tax laws applicable to the transactions contemplated herein, if any;

(ii) the Closing Statement; and

(iii) any other affidavit, document or instrument required to be delivered by Seller or Purchaser pursuant to the terms of this Agreement.

8. Costs. All applicable insurance, interest, and other expenses of the Property shall be prorated as of the Closing Date. Ad valorem real property taxes, if any, and if applicable, shall be prorated based on taxes for the current year, if known, and allowances made for the maximum discount. This covenant shall survive Closing.

A. Seller shall pay for, including but not limited to the following items: (i) the cost of curing any title or survey defect(s), including the preparation and recordation of curative instruments; (ii) Seller's legal fees and expenses; and (iii) any third-party professional and/or consulting fees incurred at Seller's request.

B. Purchaser shall pay for, including but not limited to the following items: (i) the documentary stamp tax due on the Statutory Warranty Deed; (ii) the recording fees for the Statutory Warranty Deed; (iii) the cost of all inspections, tests and studies undertaken by Purchaser in connection with its investigation; (iv) Purchaser's legal fees and expenses, (v) any third party professional and consulting fees incurred at Purchaser's request; (vi) the cost of the premium due on the Owner's Title Insurance required under this Agreement, along with all related title and search costs related thereto, if any; and (vii) cost of any Survey and any related certifications.

9. Purchaser's Inspection Period.

A. Purchaser shall have a period through and including the Closing Date (herein referred to as the "**Inspection Period**") to inspect the Property. Seller, following reasonable notice from Purchaser, shall provide Purchaser and its agents and consultants reasonable access to the Property, provided that in each such case Seller shall have the right to have a representative of Seller present during the course of each such entry. For purposes of illustration and not limitation, the Purchaser may initiate at Purchaser's sole cost and expense a Phase I Environmental Study, along with any recommended follow up studies or investigations, pertaining to the Property. During the course of any such entry Purchaser shall not cause, and shall not suffer or permit to occur, any damage or injury to the Property or any part thereof and if Purchaser does cause, suffer or permit any damage or injury to the Property, Purchaser shall, at

its expense, promptly restore the Property to the condition it was in immediately prior to such injury or damage.

B. Purchaser shall indemnify Seller from and against any and all damage to the Property resulting from any entry on the Property by Purchaser or any of its agents, contractors, consultants or other representatives, or any activities conducted by them, or any of them, during any such entry, together with all reasonable expenses incurred by Seller by reason thereof including, without limitation, reasonable attorneys' fees and disbursements, which obligation shall survive the Closing or the termination of this Agreement; provided, however, such indemnity shall not extend to repair or remediation of any existing conditions at the Property nor, in the case of any tort claim asserted directly by any third-party against Purchaser alone, exceed the then applicable limits of the statutory waiver of sovereign immunity in the State of Florida found in F.S. s. 768.28, or any successor statutes thereto. Purchaser shall deliver a certificate of insurance evidencing liability insurance coverage held by any agent or consultant retained by Purchaser to perform any studies or survey of the Property, in amount, form and substance reasonably satisfactory to Seller before any of such agents or consultants will be granted access to the Property.

C. To assist Purchaser in its inspections of the Property, and to the extent in Seller's control or possession, Seller shall deliver to Purchaser, within ten (10) days after the Effective Date, all existing title policies concerning the Property, together with hard copies of all Schedule B exceptions; all existing surveys (whether ALTA or otherwise) concerning the Property; all existing environmental reports (including all soil and geotechnical testings) prepared with respect to the Property during the five (5) year period preceding the date of this Agreement; all plans, plats, studies, appraisals, permits, authorizations, plans, specifications, development orders, feasibility studies, approvals and other intangibles rights pertaining to the ownership and/or operation of the Property; all maintenance, property and operational contracts; copies of real estate tax bills (including special assessments) for prior 3 years, including evidence of payment; copies of any Development of Regional Impact Studies, if applicable; evidence of compliance with all applicable laws, including zoning regulations; and any other documents pertaining to the Property which would assist the Purchaser in its inspection of the same to the extent in Seller's control or possession. In the event the transaction does not close, Purchaser shall promptly return all documents to Seller.

D. In the event that the results of Purchaser's inspections, investigations, reviews and feasibility studies are, in Purchaser's sole opinion and sole discretion, unacceptable for any reason whatsoever, the Purchaser shall give Seller written notice before the end of the Inspection Period that it intends to terminate the transaction contemplated by this Agreement, and this Agreement shall forthwith and thereupon be terminated, become null and void, and be of no further force and effect. In such event, Escrow Agent shall fully refund the Escrow Deposit to Purchaser. If Purchaser does not give such notice, the contingency shall have expired, and Purchaser shall proceed to Closing.

E. The Parties have been fully advised and agree that time is of the essence with respect to the parties obligations under the Inspection Period.

10. Duties and Rights of Escrow Agent.

A. Escrow Agent is hereby authorized and agrees by acceptance hereof, to hold all monies paid to it at Closing in escrow and to disburse the same in accordance with the terms and conditions of this Agreement.

B. In the event of doubt as to its duties or liabilities under the provisions of this Agreement, Escrow Agent shall have the right to withhold payment of the monies which are the subject of this escrow until the parties mutually agree to the disbursement thereof, or until a judgment of a court of competent jurisdiction shall determine the rights of the parties thereto, or Escrow Agent may deposit all monies then held pursuant to this Agreement with the Clerk of the Circuit Court of the county in which the Property lies, and upon notifying all parties concerned of such action, all liability on the part of Escrow Agent shall fully terminate. Purchaser and Seller agree that Escrow Agent shall not be liable to any party or person whomsoever for misdelivery of money subject to this escrow, unless such misdelivery shall be due to a willful breach of Escrow Agent's duties under this Agreement or fraudulent conduct by Escrow Agent.

11. Default and Notice to Cure.

A. If Purchaser defaults in the payment of the Purchase Price or if Purchaser shall default in the performance of any of its other material obligations, Seller shall have the right to terminate this Agreement as Seller's sole and exclusive remedy, in which case neither party hereto shall have any further obligations hereunder except for those that are expressly provided in this Agreement to survive the termination hereof.

B. If Seller defaults in any of its material obligations to be performed on or prior to the Closing Date, Purchaser shall have the right to terminate this Agreement, in which case neither party hereto shall have any further obligations hereunder except for those that are expressly provided in this Agreement to survive the termination hereof.

C. In the event any party breaches the terms and provisions of this Agreement, non-defaulting party shall not exercise any remedies for such breach unless the non-defaulting party has notified the defaulting party in writing of the breach and demanded compliance with this Agreement. The party who has breached this Agreement shall remedy its breach within one (1) day if the default is failure of the defaulting party to close, or within ten (10) days of receipt of written notice thereof as to any other default, unless such breach is susceptible of cure and such cure cannot, with diligence, be completed within the ten (10) day period, in which case additional time shall be afforded, provided said cure is begun within the ten (10) day period and diligently and continuously thereafter prosecuted to completion, and provided that in no event shall such additional time exceed sixty (60) days from the receipt by the defaulting party of written notice of the breach. If a cure is not completed after notice and within the allowed cure period, a non-defaulting party may declare a breaching party in default and may exercise its remedies as provided in this Agreement.

D. Attorneys' Fees and Costs. In connection with any litigation arising out of the enforcement or interpretation of this Agreement, each party shall bear their own costs incurred,

including attorneys' fees, including without limitation trial and appellate proceedings.

E. The provisions of this Section shall survive the termination hereof.

12. Condemnation. If, prior to the Closing Date, any part of the Property is taken (other than a temporary taking), or if Seller shall receive an official notice from any governmental authority, having eminent domain power over the Property, of its intention to take, by eminent domain proceeding, any part of the Property (a "**Taking**"), then Purchaser shall have the option, exercisable within ten (10) days after receipt of notice of such Taking, to terminate this Agreement by delivering written notice thereof to Seller, whereupon this Agreement shall be deemed canceled and of no further force or effect, and neither party shall have any further rights or liabilities against or to the other except pursuant to the provisions of this Agreement, which are expressly provided to survive the termination hereof. If a Taking shall occur and Purchaser shall not have timely elected to terminate this Agreement, then Purchaser and Seller shall consummate this transaction in accordance with this Agreement, without any abatement of the Purchase Price or any liability or obligation on the part of Seller by reason of such Taking, provided, however, that Seller shall, on the Closing Date, (i) assign and remit to Purchaser, and Purchaser shall be entitled to receive and keep, the net proceeds of any award or other proceeds of such Taking which may have been collected by Seller as a result of such Taking less the reasonable expenses incurred by Seller in connection with such Taking, or (ii) if no award or other proceeds shall have been collected, deliver to Purchaser an assignment of Seller's right to any such award or other proceeds which may be payable to Seller as a result of such Taking and Purchaser shall reimburse Seller for the reasonable expenses incurred by Seller in connection with such Taking.

13. Notices. Any notices provided for in this Agreement shall be in writing to the address set forth below and shall be effective (a) upon receipt or refusal if delivered personally or by fax or email with read receipt confirmation; (b) one (1) Business Day after deposit with a recognized overnight courier; or (c) two (2) Business Days after deposit in the U.S. mail.

If to Seller:

Jeff Topping
925 West Center Street
Green Cove Springs, FL 32043
Telephone: _____
Other: _____

With copy to:

School Board Attorney
925 West Center Street
Green Cove Springs, FL 32043
Telephone: _____
Other: _____

If to Purchaser:

David Rawlins, Jr.
3176 Old Jennings Road
Middleburg, FL 32068
Telephone: 904-213-2410
Other: drawlins@clayutility.org

With copy to:

Grady H. Williams, Jr., LL.M., Attorney
1543 Kingsley Ave. Ste. 5
Orange Park, FL 32073
Telephone: 904-264-8800
Other: grady@floridaelder.com

If to Escrow Agent:

Roger C. Cruce, P.A.
1409 Kingsley Ave. Ste. 1B
Orange Park, FL 32073
Telephone: 904-375-9522
Other: rcruce@crucelaw.com

Either party may change their address by written notice given to the other as hereinabove provided. Notwithstanding the foregoing, any notice sent to the last designated address of the party to whom a notice may be or is required to be delivered hereunder shall not be deemed ineffective if actual delivery cannot be made due to an unnoticed change of address of the party to whom the notice is directed or the failure or refusal of such party to accept delivery of the notice.

14. Covenants; Preclosing Rights and Obligations of Seller.

A. From the Effective Date of this Agreement until the Closing Date, Seller shall:

- i. not take any action which will adversely affect title to the Property;
- ii. notify Purchaser of any material changes discovered by Seller to the representations or warranties made by Seller. In the event that Purchaser learns, through Seller or otherwise, prior to the Closing Date, that any of Seller's warranties or representations are materially incorrect, Purchaser shall have the right to terminate this Agreement and all deposits shall be immediately returned in full to Purchaser;
- iii. not apply for or otherwise attempt to effectuate any rezoning of the Property unless Purchaser has previously consented in writing;
- iv. not enter into any lease, license or other agreement for occupancy of the Property, unless Purchaser has previously consented in writing;

- v. not enter into any service contracts which survive the Closing, unless Purchaser has previously consented in writing.

B. Whenever in this Agreement Seller is required to obtain Purchaser's approval with respect to any transaction described therein, Purchaser shall, within five (5) days after receipt of Seller's request therefore, notify Seller of its approval or disapproval of same and, if Purchaser fails to notify Seller of its disapproval within said five (5) day period, Purchaser shall be deemed to have approved same.

C. If the Property, or any portion thereof, is rented then Seller shall deliver to Purchaser, at least ten (10) days before Closing, copies of any written leases and estoppel letters from each tenant specifying the nature and duration of the tenant's occupancy, rental rates, advanced rent and security deposits paid by tenant. Seller shall, at Closing, deliver and assign all original leases to Purchaser.

D. The provisions of this Paragraph 14 shall survive the Closing.

15. Warranties, Representations and Disclosures of Seller. Seller makes the following warranties, representations and disclosures to Purchaser, which representations and disclosures shall be true on the Effective Date and shall also be true at the time of Closing.

A. Organization. The Seller is the public school district in and for Clay County, Florida, validly existing and in good standing under the Constitution and applicable laws of the State of Florida, and has all requisite power and authority to execute and deliver this Agreement.

B. Authorization and Validity. The execution, delivery and performance of this Agreement and the consummation of the transaction contemplated hereby by the Seller have been duly authorized and approved by all necessary company action. This Agreement, when executed, will constitute the legal, valid and binding obligation of Seller, enforceable in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws and subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law.)

C. Marketable Title. As of the Closing Date, Seller shall have the ability to deliver good, marketable and insurable title to the Property, subject only to Permitted Encumbrances and any other matter permitted by the terms of this Agreement.

D. Condemnation. Seller has no knowledge of any pending or threatened condemnation or similar proceeding affecting the Property, nor does Seller have knowledge that any such action is presently contemplated.

E. Environmental Matters. As to the Property, the Seller is, and at all times has been, in full compliance with, and has not been and is not in violation of or liable under, any Environmental Law. Seller has no basis to expect, nor has any other person or entity for whose conduct they are or may be held to be responsible received, any actual or threatened order,

notice, or other communication from (A) any governmental body or private citizen acting in the public interest, or (B) the current or prior owner or operator of the Property, of any actual or potential violation or failure to comply with any Environmental Law, or of any actual or threatened obligation to undertake or bear the cost of any environmental, health, and safety liabilities with respect to any of the Property, or with respect to any property or facility at or to which Hazardous Materials, as defined by law, were generated, transported, stored, handled, disposed, manufactured, refined, transferred, imported, used or processed by Seller, or any other person or entity for whose conduct they are or may be held responsible related to the Property. To the best of Seller's knowledge, there has been no release or threat of release, of any Hazardous Materials at or from the Property.

F. Pending Litigation/Violations. There are no legal actions, suits, code enforcement, regulatory actions, or other legal or administrative proceedings, including bankruptcy proceedings, pending or threatened, against the Property or Seller, and Seller is not aware of any facts which might result in any action, suit or other proceeding against the Property or Seller that could result in a lien encumbering the Property or any part thereof.

G. No Notice of Violation. Seller has not received any written notice of any violations of law, or municipal ordinances, orders, designations or requirements whatsoever noted in or issued by any federal, state, municipal or other governmental department, agency or bureau or any other governmental authority having jurisdiction over the Property with respect to the Property, except such notices as have been disclosed in writing to Purchaser.

H. Assessment Proceedings. There are no proceedings pending to reduce the assessment of the Property for real estate tax purposes.

I. Other Obligations and Assessments. There are no outstanding impact fees, obligations, assessments, fair share agreements or capital recovery obligations for sewer, water, drainage, roadway or other improvements which affect the Property by reason of any past or existing improvements on the Property.

J. Agreements. As of the Effective Date, there are no options, contracts or rights of any third parties affecting the Property in any manner whatsoever except as specifically set forth herein, nor shall there be by any such leases, options, contracts or right of third parties granted during the term of this Agreement without the prior written consent of the Purchaser except as may be liens that will be removed by payment by Seller on or before Closing.

K. Special Assessments. There are no outstanding special assessments with respect to the Property. Certified, confirmed and ratified special assessment liens imposed by public bodies as of Closing are to be paid by Seller. Any special assessment lien that has not been certified, confirmed and ratified as of Closing shall be assumed by Purchaser.

L. Development Rights. Seller has not transferred any development rights with respect to the Property.

M. Historic District/Landmark. No portion of the Property is in a historic district nor has it been designated a historic landmark.

N. Protected Species. There are currently no protected species or species of special concern located on the Property, as said species are defined under local, state or Federal laws and regulations, with the exception of possible gopher tortoises. Seller shall be solely responsible for any required mitigation of gopher tortoises in accordance with all existing local, state and Federal laws, rules and regulations.

O. Permitted Well. The existing well on the Property is validly permitted and water is being withdrawn under SJRWMD CUP No. 529, which will be assigned, to the extent the same pertains to the well and the Property, as is assignable, at Closing.

It shall be a condition precedent to Purchaser's obligation to close hereunder that the representations and warranties of Seller set forth in this Agreement will be true in all material respects on the Closing Date. Should Purchaser determine prior to the Closing Date that any representation or warranty set forth herein is inaccurate in a material way, then Purchaser shall promptly provide written notice to Seller of such inaccuracy, and provided that Seller does not otherwise elect or is unable to cure such inaccuracy, Purchaser shall have the option of either waiving any claim against Seller by virtue of such inaccuracy and proceeding to Closing without any adjustment to the Purchase Price, or Purchaser may terminate this Agreement, by written notice to Seller within ten (10) days following written notice from Seller that Seller cannot or will not cure any inaccuracy, whereupon the Escrow Deposit shall be released to the Purchaser by the Escrow Agent, and this Agreement and all rights and obligations of the parties hereunder shall thereupon cease and be deemed null and void.

16. Warranties and Representations of Purchaser. Purchaser hereby makes the following warranties and representations to Seller, which warranties and representations shall be true on the Effective Date and shall also be true at the time of Closing.

A. Good Faith. Purchaser shall use reasonable diligent effort in good faith to inspect the Property in an expeditious manner so as to determine as quickly as possible whether the Property is suitable to the Purchaser.

B. Organization. Purchaser is an independent special district of the State of Florida duly organized, validly existing and in good standing under the laws of the State of Florida, and has all requisite power and authority to execute and deliver this Agreement.

C. Authorization and Validity. The execution, delivery and performance of this Agreement and the consummation of the transaction contemplated herein by the Purchaser have been duly authorized and approved by all necessary company action. This Agreement, when executed, will constitute the legal, valid and binding obligation of Purchaser, enforceable in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws and subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law.)

It shall be a condition precedent to Seller's obligation to close hereunder that the representations and warranties of Purchaser set forth in this Agreement will be true in all material respects on the Closing Date. Should Seller determine prior to the Closing Date that any representation or warranty set forth herein is inaccurate in a material way, then Seller shall promptly provide written notice to Purchaser of such inaccuracy, and provided that Purchaser does not otherwise elect to cure such inaccuracy, Seller shall have the option of either waiving any claim against Purchaser by virtue of such inaccuracy and proceeding to Closing without any adjustment to the Purchase Price, or Seller may terminate this Agreement, by written notice to Purchaser within ten (10) days following written notice from Purchaser that Purchaser cannot or will not cure any inaccuracy, whereupon the Escrow Deposit shall be released to the Seller by the Escrow Agent, and this Agreement and all rights and obligations of the parties hereunder shall thereupon cease and be deemed null and void and Purchaser shall be deemed in default.

17. Purchaser's Conditions Precedent. The following are conditions precedent to Purchaser's obligations to close this transaction:

A. Marketable Title. Seller's delivery of good, marketable and insurable fee simple title to the Property as provided in Paragraph 6 above.

B. Document Delivery. Seller shall have executed and delivered to Purchaser all of the documents required of Seller under this Agreement, including but not limited to an acceptable Warranty Deed, the Seller's Affidavit sufficient and acceptable to the Closing Agent to address the elimination of standard exceptions for "gap" coverage, construction liens and possession, and the IRC Section 1445 requirements.

C. Performance of Covenants. Seller shall have performed all of its material covenants, agreements and obligations under this Agreement.

D. Truth of Representations and Warranties. All of Seller's representations and warranties set forth in Paragraphs 14 and 15 of this Agreement shall be true and correct in all material respects though first made as of the date of the Closing.

Purchaser may waive any or all of the preceding conditions precedent. With respect to those conditions precedent of which require the cooperation or subsequent action of Seller, Seller shall undertake such cooperation or action in good faith. If, notwithstanding the parties' commercially reasonably diligent effort, all of the following conditions precedent are not satisfied on or before the Closing Date, Purchaser shall have the right and option to either (i) waive any such unsatisfied condition precedent and close this Agreement in accordance with its terms without any adjustment to the Purchase Price, or (ii) terminate this Agreement on such Closing Date. If Purchaser terminates this Agreement because of the failure to satisfy or waive any such condition precedent all rights and obligations of the parties hereunder to each other shall end, the Escrow Deposit shall be released to the Purchaser by the Escrow Agent, and this Agreement shall be of no further force or effect.

18. Seller's Conditions Precedent. The following are conditions precedent to Seller's obligation to close this Transaction:

A. Delivery of Documents. Purchaser shall have executed and delivered to Seller all of the documents required of Purchaser under this Agreement.

B. Performance of Covenants. Purchaser shall have performed all of its material covenants, agreements and obligations under this Agreement.

C. Confirmation of Purchase Price. Purchaser shall have delivered to the Escrow Agent the Escrow Deposit and the balance of the Purchase Price in cash or cash equivalent funds for Closing.

D. Truth of Representations and Warranties. All of Purchaser's representations and warranties set forth in Section 16 of this Agreement shall be true and correct in all material respects.

Seller may waive any or all of the preceding conditions precedent. With respect to those conditions precedent of which require the cooperation or subsequent action of Purchaser, Purchaser shall undertake such cooperation or action in good faith. If, notwithstanding the parties' commercially reasonable diligent effort, all of the following conditions precedent are not satisfied on or before the Closing Date, Seller shall have the right and option to either (i) waive any such unsatisfied condition precedent and close this Agreement in accordance with its terms without any adjustment to the Purchase Price, or (ii) terminate this Agreement on such Closing Date. If Seller terminates this Agreement because of the failure to satisfy or waive any such condition precedent all rights and obligations of the parties hereunder to each other shall end, the Escrow Deposit shall be released to the Seller by the Escrow Agent, and this Agreement shall be of no further force or effect.

19. Miscellaneous.

A. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, representatives, successors and assigns; and no third party shall have any rights, privileges or other beneficial interest in or under this Agreement. Neither party may assign or transfer its rights or obligations under this Agreement without prior written consent of the other. Any assignment without such written consent shall be void and shall not act to release the assigning party from its duties and obligations hereunder. As used herein, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

B. Entire Agreement. This Agreement, including the Exhibits attached hereto, contains the entire Agreement between Seller and Purchaser and all other representations, negotiations and agreements, written and oral, including any letters of intent which pre-date the Effective Date hereof, with respect to the Property or any portion thereof, are superseded by this

Agreement and are of no force and effect. This Agreement may be amended and modified only by instrument, in writing, executed by all parties hereto.

C. 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 health department.

D. Mold. Mold is naturally occurring and may cause health risks or damage to property. This Agreement is not contingent upon testing for the existence of toxic mold unless specifically provided.

E. Risk of Loss. If a structure exists on the Property and is damaged substantially prior to Closing and the cost of restoration does not exceed 1.5% of the Purchase Price of the Property so damaged, the Seller shall repair the structure at Seller's expense and Closing shall proceed pursuant to the terms of this Agreement. If the cost of restoration exceeds 1.5% of the Purchase Price of the Property, Purchaser shall either take the Property as is, together with either the 1.5% difference paid or to be paid by Seller or credited at Closing, and any insurance proceeds payable by virtue of such loss or damage, or cancel the Agreement.

F. Waiver. No waiver hereunder of any condition or breach shall be deemed to be a continuing waiver or a waiver of any subsequent breach

G. Severability. In case any one or more provisions contained in this Agreement shall, for any reason, be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.

H. Florida Contract. This Agreement shall be deemed a Florida contract and construed according to the laws of such state, regardless whether this Agreement is being executed by any of the parties hereto in other states or otherwise. The proper and exclusive venue for any action concerning this Agreement shall be the Circuit Court in and for Clay County, Florida.

PURCHASER:

Clay County Utility Authority

By: _____
Tom Morris (Date)
Executive Director

SELLER:

The School Board of Clay County, Florida

By: _____
Chairman (Date)

Exhibit A
DESCRIPTION OF REAL PROPERTY

Legal Descriptions will be completed by the Survey of the 1 acre improved parcel site, and a 25' wide easement thereto for ingress, egress, utility, construction, and related purposes. Preliminary descriptions, to be amended prior to Closing, are attached hereto and made a part hereof.