

MEMORANDUM

July 15, 2008

TO: Honorable Mayor and City Commissioners

VIA: Anthony G. Otte, City Manager^{AGO}

FROM: Harold Gallup, Economic Development Director

**SUBJECT: Purchase of +/- 60 Acres from David Crews for Extension of
Main Runway 6-24 City of Lake Wales Airport**

RECOMMENDATION: Staff recommends that the City Commission make and authorize the following two actions

- 1) **that the City Commission authorizes the expenditure of One Million Five Hundred Seventy Five Thousand Dollars (\$1,575,000.00) from the Economic Development Trust Fund Grant –EDTF 07-MP017 for the purchase of 60+/- acres from David Crews for the purpose of extending Runway 6-24 as described in the Master Plan for Lake Wales Municipal Airport by Hoyle Tanner and Associates; and**
- 2) **that the City Commission authorizes the Mayor to execute all required documentation to effect the purchase of the property with the funding from the Economic Development Trust Fund Grant for this project.**

BACKGROUND: Senator J.D. Alexander has been working with City representatives for many years to improve our municipal airport. Three years ago he led the efforts to acquire \$1.5 million which was used to construct a water system with fire fighting capability to the airport for the first time. Two years ago he again led the efforts to acquire \$3 million to initiate a program for the extension of the east/west runway (runway 06-24). This is a complex undertaking, involving many separate tasks and coordinating efforts with both state and federal agencies. The final product will capitalize on the airport's strategic location on SR 60 W, which is quickly being recognized as a key area for industrial development in the future. .

Our municipal airport has two runways: Runway 06-24 lies in an east/west configuration and has the most aircraft operations. The north/south runway, 17-35, is used less often.

The extension of runway 06-24 is included as a project in the Airport Master Plan update completed by Hoyle Tanner and Associates in December, 2004. At present this runway is approximately 4,000 feet in length, and the plan is to extend it up to an additional 1,400 feet. The extended runway will be able to accommodate corporate jets that must now be turned away. Because of its strategic location on SR 60, near the proposed CSX rail center and spin off

industries to be built, and the Longleaf Business Park, our municipal airport has a very bright future for general aviation.

On March 10, 2007, through the Senator's efforts, the funding for the acquisition and design phase of the project was secured; more specifically, this includes survey work, environmental analysis and assessment, appraisal, contract preparation, property acquisition, engineering and design, and permitting. The City Commission has previously approved contracts for most of these items, and the results are as follows:

- The survey work has been completed;
- The environmental assessment work has been completed, and there is nothing to indicate that a runway could not be located on the property;
- The appraisal was completed according to the Federal Aviation Authority (FAA) guidelines for property acquisitions. It was conducted by an MAI designated firm on the state's pre-approved list of appraisers;
- Harold Gallup, the City's Economic Development Director, negotiated the contract on behalf of the City for acquisition of the property over many months with owner David Crews and his attorney. These negotiations were successful, as the contract reflects the appraised price and acquires the property without the need for eminent domain. The purchase contract was initially prepared and received final review by the City Attorney.
- The state grant of \$3 million is technically a reimbursement type grant; however, Mr. Gallup has worked out a favorable arrangement as to the timing of the release of funds.

The request for the funding of the construction of the runway extension will be submitted this calendar year based upon the completion of this phase of the project.

The property owner has been very supportive of the "Economic Revitalization" of the Municipal Airport and realizes that this is a major "Milestone" in the process. The overall project will take several more years to complete with the construction Phase(s). The Airport's role and mission will grow to be an integral part of the overall economic development efforts for the City.

CURRENT FISCAL IMPACT

The acquisition of the property is being paid for with grant funds.

OTHER ALTERNATIVES

Do not authorize the purchase of the property.

ATTACHMENT: Contract to purchase is attached. The appraisal is in the City's Clerk's office.



Contract For Sale And Purchase
FLORIDA ASSOCIATION OF REALTORS® AND THE FLORIDA BAR

1* PARTIES: Luther David Crews and Mary Carol Crews, his wife ("Seller"),
2* and City of Lake Wales, Florida ("Buyer"),
3 hereby agree that Seller shall sell and Buyer shall buy the following described Real Property and Personal Property (collectively
4 "Property") pursuant to the terms and conditions of this Contract for Sale and Purchase and any riders and addenda ("Contract"):

5 I. DESCRIPTION:

6* (a) Legal description of the Real Property located in Polk County, Florida:
7* See attached Exhibit "A"
8*
9* (b) Street address, city, zip, of the Property:
10 (c) Personal Property includes existing range(s), refrigerator(s), dishwasher(s), ceiling fan(s), light fixture(s), and window treatment(s)
11 unless specifically excluded below.
12* Other items included are:
13*
14*
15* Items of Personal Property (and leased items, if any) excluded are:
16*

17* II. PURCHASE PRICE (U.S. currency): \$ 1,575,000.00

18 PAYMENT:

19* (a) Deposit held in escrow by Albert C. Galloway, Jr., PA \$ 1,000.00
20 ("Escrow Agent") in the amount of (checks subject to clearance).
21* Escrow Agent's address:
22* Phone:
23* (b) Additional escrow deposit to be made to Escrow Agent within days after Effective Date in the amount of \$
24 (c) Financing in the amount of ("Loan Amount") see Paragraph IV below \$
25* (d) Other: \$
26* (e) Balance to close by cash, wire transfer or LOCALLY DRAWN cashier's or official bank check(s), subject to adjustments or prorations \$ 1,574,000.00

29 III. TIME FOR ACCEPTANCE OF OFFER AND COUNTEROFFERS; EFFECTIVE DATE:

30 (a) If this offer is not executed by and delivered to all parties OR FACT OF EXECUTION communicated in writing between the parties
31* on or before July 17th, 2008, the deposit(s) will, at Buyer's option, be returned and this offer withdrawn.
32 Unless otherwise stated, the time for acceptance of any counteroffers shall be 2 days from the date the counteroffer is delivered.
33 (b) The date of Contract ("Effective Date") will be the date when the last one of the Buyer and Seller has signed or initialed this offer or the
34 final counteroffer. If such date is not otherwise set forth in this Contract, then the "Effective Date" shall be the date determined above for
35 acceptance of this offer or, if applicable, the final counteroffer.

36 IV. FINANCING:

37* [X] (a) This is a cash transaction with no contingencies for financing;
38* [] (b) This Contract is contingent on Buyer obtaining written loan commitment which confirms underwriting loan approval for a loan to
39* purchase the Property ("Loan Approval") within days (if blank, then 30 days) after Effective Date ("Loan Approval Date") for
40* (CHECK ONLY ONE): [] a fixed; [] an adjustable; or [] a fixed or adjustable rate loan, in the Loan Amount (See Paragraph
41* II.(c)) at an initial interest rate not to exceed %, and for a term of years. Buyer will make
42* application within days (if blank, then 5 days) after Effective Date.
43 BUYER: Buyer shall use reasonable diligence to: obtain Loan Approval; notify Seller in writing of receipt of Loan Approval by Loan
44 Approval Date; satisfy terms of the Loan Approval; and close the loan. Loan Approval which requires a condition related to the sale of
45 other property shall not be deemed Loan Approval for purposes of this subparagraph. Buyer shall pay all loan expenses. Buyer authorizes
46 the mortgage broker(s) and lender(s) to disclose information regarding the conditions, status, and progress of loan application and Loan
47 Approval to Seller, Seller's attorney, real estate licensee(s), and Closing Agent.
48 SELLER: If Buyer does not deliver to Seller written notice of Loan Approval by Loan Approval Date, Seller may thereafter cancel this
49 Contract by delivering written notice ("Seller's Cancellation Notice") to Buyer, but not later than seven (7) days prior to Closing. Seller's
50 Cancellation Notice shall notify Buyer that Buyer has three (3) days to deliver to Seller written notice waiving this Financing
51 contingency, or the Contract shall be cancelled.
52 DEPOSIT(S) (for purposes of this Financing Paragraph IV(b) only): If Buyer has used reasonable diligence but does not obtain Loan
53 Approval by Loan Approval Date, and thereafter either party elects to cancel this Contract, the deposit(s) shall be returned to Buyer. If
54 Buyer obtains Loan Approval or waives this Financing contingency, and thereafter the Contract does not close, then the deposit(s) shall
55 be paid to Seller; provided however, if the failure to close is due to: (i) Seller's failure or refusal to close or Seller otherwise fails to meet
56 the terms of the Contract, or (ii) Buyer's lender fails to receive and approve an appraisal of the Property in an amount sufficient to meet
57 the terms of the Loan Approval, then the deposit(s) shall be returned to Buyer.
58* [] (c) Assumption of existing mortgage (see rider for terms); or
59* [] (d) Purchase money note and mortgage to Seller (see Standards B and K and riders; addenda; or special clauses for terms).

60* V. TITLE EVIDENCE: At least 5 days (if blank, then 5 days) before Closing a title insurance commitment with legible copies of
61 instruments listed as exceptions attached thereto ("Title Commitment") and, after Closing, an owner's policy of title insurance (see Standard A
62 for terms) shall be obtained by:

63* (CHECK ONLY ONE): [] (1) Seller, at Seller's expense and delivered to Buyer or Buyer's attorney; or
64* [X] (2) Buyer at Buyer's expense.

65* (CHECK HERE): [] If an abstract of title is to be furnished instead of title insurance, and attach rider for terms.

66* VI. CLOSING DATE: This transaction shall be closed and the closing documents delivered on or before 7-31-08
67 ("Closing"), unless modified by other provisions of this Contract. In the event of extreme weather or other conditions or events constituting
68 "force majeure", Closing will be extended a reasonable time until: (i) restoration of utilities and other services essential to Closing, and (ii)
69* availability of Hazard, Wind, Flood, or Homeowners' insurance. If such conditions continue more than days (if blank, then 14 days)
70 beyond Closing Date, then either party may cancel this Contract.

71 **VII. RESTRICTIONS; EASEMENTS; LIMITATIONS:** Seller shall convey marketable title subject to: comprehensive land use plans,
72 zoning, restrictions, prohibitions and other requirements imposed by governmental authority; restrictions and matters appearing on the plat or
73 otherwise common to the subdivision; outstanding oil, gas and mineral rights of record without right of entry; unplatted public utility easements
74 of record (located contiguous to real property lines and not more than 10 feet in width as to the rear or front lines and 7 1/2 feet in width as to the
75 side lines); taxes for year of Closing and subsequent years; and assumed mortgages and purchase money mortgages, if any (if additional items,
76 see addendum); provided, that there exists at Closing no violation of the foregoing and none prevent use of the Property for
77* permitted purpose(s).

78 **VIII. OCCUPANCY:** Seller shall deliver occupancy of Property to Buyer at time of Closing unless otherwise stated herein. If Property is intended
79 to be rented or occupied beyond Closing, the fact and terms thereof and the tenant(s) or occupants shall be disclosed pursuant to Standard F.
80 If occupancy is to be delivered before Closing, Buyer assumes all risks of loss to Property from date of occupancy, shall be responsible and liable
81 for maintenance from that date, and shall be deemed to have accepted Property in its existing condition as of time of taking occupancy.

82 **IX. TYPEWRITTEN OR HANDWRITTEN PROVISIONS:** Typewritten or handwritten provisions, riders and addenda shall control all
83 printed provisions of this Contract in conflict with them.

84* **X. ASSIGNABILITY:** (CHECK ONLY ONE): Buyer may assign and thereby be released from any further liability under this
85* Contract; may assign but not be released from liability under this Contract; or may not assign this Contract.

86 **XI. DISCLOSURES:**

87 (a) The Property may be subject to unpaid special assessment lien(s) imposed by a public body ("public body" does not include a
88 Condominium or Homeowners' Association). Such lien(s), if any, whether certified, confirmed and ratified, pending, or payable in
89* installments, as of Closing, shall be paid as follows: by Seller at closing by Buyer (if left blank, then Seller at Closing).
90 If the amount of any assessment to be paid by Seller has not been finally determined as of Closing, Seller shall be charged at Closing an
91 amount equal to the last estimate or assessment for the improvement by the public body.

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

95 (c) Mold is naturally occurring and may cause health risks or damage to property. If Buyer is concerned or desires additional
96 information regarding mold, Buyer should contact an appropriate professional.

97 (d) Buyer acknowledges receipt of the Florida Energy-Efficiency Rating Information Brochure required by Section 553.996, F.S.

98 (e) If the Real Property includes pre-1978 residential housing then a lead-based paint rider is mandatory.

99 (f) If Seller is a "foreign person" as defined by the Foreign Investment in Real Property Tax Act, the parties shall comply with that Act.

100 (g) **BUYER SHOULD NOT EXECUTE THIS CONTRACT UNTIL BUYER HAS RECEIVED AND READ THE**
101 **HOMEOWNERS' ASSOCIATION/COMMUNITY DISCLOSURE.**

102 (h) **PROPERTY TAX DISCLOSURE SUMMARY: BUYER SHOULD NOT RELY ON THE SELLER'S CURRENT PROPERTY**
103 **TAXES AS THE AMOUNT OF PROPERTY TAXES THAT THE BUYER MAY BE OBLIGATED TO PAY IN THE YEAR**
104 **SUBSEQUENT TO PURCHASE. A CHANGE OF OWNERSHIP OR PROPERTY IMPROVEMENTS TRIGGERS REASSESSMENTS**
105 **OF THE PROPERTY THAT COULD RESULT IN HIGHER PROPERTY TAXES. IF YOU HAVE ANY QUESTIONS CONCERNING**
106 **VALUATION, CONTACT THE COUNTY PROPERTY APPRAISER'S OFFICE FOR INFORMATION.**

107 **XII. MAXIMUM REPAIR COSTS:** Seller shall not be responsible for payments in excess of:

108* (a) \$0.00 for treatment and repair under Standard D (if blank, then 1.5% of the Purchase Price).

109* (b) \$0.00 for repair and replacement under Standard N not caused by Wood Destroying Organisms (if blank,
110 then 1.5% of the Purchase Price).

111* **XIII. HOME WARRANTY:** Seller Buyer N/A will pay for a home warranty plan issued by _____
112* at a cost not to exceed \$ _____.

113 **XIV. RIDERS; ADDENDA; SPECIAL CLAUSES: CHECK** those riders which are applicable AND are attached to and made part of this Contract:

114* CONDOMINIUM VA/FHA HOMEOWNERS' ASSN. LEAD-BASED PAINT COASTAL CONSTRUCTION CONTROL LINE

115* INSULATION "AS IS" EVIDENCE OF TITLE (SOUTH FLORIDA CONTRACTS) Other Comprehensive Rider Provisions Addenda

116* Special Clause(s): The settlement/title agent for this transaction shall be

117* the Lake Wales City Attorney, Albert C. Galloway, Jr.

118* _____

119* _____

120 **XV. STANDARDS FOR REAL ESTATE TRANSACTIONS ("Standards"):** Buyer and Seller acknowledge receipt of a copy of Standards A
121 through Y on the reverse side or attached, which are incorporated as part of this Contract.

122 **THIS IS INTENDED TO BE A LEGALLY BINDING CONTRACT. IF NOT FULLY UNDERSTOOD,**

123 **SEEK THE ADVICE OF AN ATTORNEY PRIOR TO SIGNING.**

124 **THIS FORM HAS BEEN APPROVED BY THE FLORIDA ASSOCIATION OF REALTORS® AND THE FLORIDA BAR.**

125 Approval does not constitute an opinion that any of the terms and conditions in this Contract should be accepted by the parties in a particular transac-
126 tion. Terms and conditions should be negotiated based upon the respective interests, objectives and bargaining positions of all interested persons.

127 AN ASTERISK(*) FOLLOWING A LINE NUMBER IN THE MARGIN INDICATES THE LINE CONTAINS A BLANK TO BE COMPLETED.

128* _____

129* (BUYER) City of Lake Wales (DATE) (SELLER) Luther David Crews (DATE)

130* _____

131* (BUYER) (DATE) (SELLER) Mary Carol Crews (DATE)

132 Buyers' address for purposes of notice Sellers' address for purposes of notice

133* PO Box 1320

134* Lake Wales, FL 33859

135* _____ Phone _____ Phone

136 **BROKERS:** The brokers (including cooperating brokers, if any) named below are the only brokers entitled to compensation in connection with

137 this Contract:

138* Name: _____

139* Cooperating Brokers, if any None Listing Broker None

STANDARDS FOR REAL ESTATE TRANSACTIONS

141 **A. TITLE INSURANCE:** The Title Commitment shall be issued by a Florida licensed title insurer agreeing to issue Buyer, upon recording of the deed to
 142 Buyer, an owner's policy of title insurance in the amount of the purchase price, insuring Buyer's marketable title to the Real Property, subject only to matters
 143 contained in Paragraph VII and those to be discharged by Seller at or before Closing. Marketable title shall be determined according to applicable Title Standards
 144 adopted by authority of The Florida Bar and in accordance with law. Buyer shall have 5 days from date of receiving the Title Commitment to examine it, and if
 145 title is found defective, notify Seller in writing specifying defect(s) which render title unmarketable. Seller shall have 30 days from receipt of notice to remove
 146 the defects, failing which Buyer shall, within 5 days after expiration of the 30 day period, deliver written notice to Seller either: (1) extending the time for a
 147 reasonable period not to exceed 120 days within which Seller shall use diligent effort to remove the defects; or (2) requesting a refund of deposit(s) paid which
 148 shall be returned to Buyer. If Buyer fails to so notify Seller, Buyer shall be deemed to have accepted the title as it then is. Seller shall, if title is found
 149 unmarketable, use diligent effort to correct defect(s) within the time provided. If, after diligent effort, Seller is unable to timely correct the defects, Buyer shall
 150 either waive the defects, or receive a refund of deposit(s), thereby releasing Buyer and Seller from all further obligations under this Contract. If Seller is to
 151 provide the Title Commitment and it is delivered to Buyer less than 5 days prior to Closing, Buyer may extend Closing so that Buyer shall have up to 5 days
 152 from date of receipt to examine same in accordance with this Standard.

153 **B. PURCHASE MONEY MORTGAGE; SECURITY AGREEMENT TO SELLER:** A purchase money mortgage and mortgage note to Seller shall provide
 154 for a 30 day grace period in the event of default if a first mortgage and a 15 day grace period if a second or lesser mortgage; shall provide for right of prepayment
 155 in whole or in part without penalty; shall permit acceleration in event of transfer of the Real Property; shall require all prior liens and encumbrances to be kept in
 156 good standing; shall forbid modifications of, or future advances under, prior mortgage(s); shall require Buyer to maintain policies of insurance containing a
 157 standard mortgagee clause covering all improvements located on the Real Property against fire and all perils included within the term "extended coverage
 158 endorsements" and such other risks and perils as Seller may reasonably require, in an amount equal to their highest insurable value; and the mortgage, note and
 159 security agreement shall be otherwise in form and content required by Seller, but Seller may only require clauses and coverage customarily found in mortgages,
 160 mortgage notes and security agreements generally utilized by savings and loan institutions or state or national banks located in the county wherein the Real
 161 Property is located. All Personal Property and leases being conveyed or assigned will, at Seller's option, be subject to the lien of a security agreement evidenced
 162 by recorded or filed financing statements or certificates of title. If a balloon mortgage, the final payment will exceed the periodic payments thereon.

163 **C. SURVEY:** Buyer, at Buyer's expense, within time allowed to deliver evidence of title and to examine same, may have the Real Property surveyed and
 164 certified by a registered Florida surveyor. If the survey discloses encroachments on the Real Property or that improvements located thereon encroach on setback
 165 lines, easements, lands of others or violate any restrictions, Contract covenants or applicable governmental regulations, the same shall constitute a title defect.

166 **D. WOOD DESTROYING ORGANISMS:** "Wood Destroying Organisms" (WDO) shall be deemed to include all wood destroying organisms required to be
 167 reported under the Florida Structural Pest Control Act, as amended. Buyer, at Buyer's expense, may have the Property inspected by a Florida Certified Pest
 168 Control Operator ("Operator") within 20 days after the Effective Date to determine if there is any visible active WDO infestation or visible damage from WDO
 169 infestation, excluding fences. If either or both are found, Buyer may within said 20 days (1) have cost of treatment of active infestation estimated by the Operator;
 170 (2) have all damage inspected and cost of repair estimated by an appropriately licensed contractor; and (3) report such cost(s) to Seller in writing. Seller shall
 171 cause the treatment and repair of all WDO damage to be made and pay the costs thereof up to the amount provided in Paragraph XII(a). If estimated costs exceed
 172 that amount, Buyer shall have the option of canceling this Contract by giving written notice to Seller within 20 days after the Effective Date, or Buyer may elect
 173 to proceed with the transaction and receive a credit at Closing equal to the amount provided in Paragraph XII(a). If Buyer's lender requires an updated WDO
 174 report, then Buyer shall, at Buyer's expense, have the opportunity to have the Property re-inspected for WDO infestation and have the cost of active infestation
 175 or new damage estimated and reported to Seller in writing at least 10 days prior to Closing, and thereafter, Seller shall cause such treatment and repair to be made
 176 and pay the cost thereof; provided, Seller's total obligation for treatment and repair costs required under both the first and second inspection shall not exceed the
 177 amount provided in Paragraph XII (a).

178 **E. INGRESS AND EGRESS:** Seller warrants and represents that there is ingress and egress to the Real Property sufficient for its intended use as described in
 179 Paragraph VII hereof and title to the Real Property is insurable in accordance with Standard A without exception for lack of legal right of access.

180 **F. LEASES:** Seller shall, at least 10 days before Closing, furnish to Buyer copies of all written leases and estoppel letters from each tenant specifying the nature
 181 and duration of the tenant's occupancy, rental rates, advanced rent and security deposits paid by tenant. If Seller is unable to obtain such letter from each tenant,
 182 the same information shall be furnished by Seller to Buyer within that time period in the form of a Seller's affidavit, and Buyer may thereafter contact tenant to
 183 confirm such information. If the terms of the leases differ materially from Seller's representations, Buyer may terminate this Contract by delivering written
 184 notice to Seller at least 5 days prior to Closing. Seller shall, at Closing, deliver and assign all original leases to Buyer.

185 **G. LIENS:** Seller shall furnish to Buyer at time of Closing an affidavit attesting to the absence, unless otherwise provided for herein, of any financing statement,
 186 claims of lien or potential lienors known to Seller and further attesting that there have been no improvements or repairs to the Real Property for 90 days
 187 immediately preceding date of Closing. If the Real Property has been improved or repaired within that time, Seller shall deliver releases or waivers of
 188 construction liens executed by all general contractors, subcontractors, suppliers and materialmen in addition to Seller's lien affidavit setting forth the names of all
 189 such general contractors, subcontractors, suppliers and materialmen, further affirming that all charges for improvements or repairs which could serve as a basis
 190 for a construction lien or a claim for damages have been paid or will be paid at the Closing of this Contract.

191 **H. PLACE OF CLOSING:** Closing shall be held in the county wherein the Real Property is located at the office of the attorney or other closing agent
 192 ("Closing Agent") designated by the party paying for title insurance, or, if no title insurance, designated by Seller.

193 **I. TIME:** Calendar days shall be used in computing time periods except periods of less than six (6) days, in which event Saturdays, Sundays and state or
 194 national legal holidays shall be excluded. Any time periods provided for herein which shall end on a Saturday, Sunday, or a legal holiday shall extend to
 195 5:00 p.m. of the next business day. **Time is of the essence in this Contract.**

196 **J. CLOSING DOCUMENTS:** Seller shall furnish the deed, bill of sale, certificate of title, construction lien affidavit, owner's possession affidavit,
 197 assignments of leases, tenant and mortgagee estoppel letters and corrective instruments. Buyer shall furnish mortgage, mortgage note, security agreement and
 198 financing statements.

199 **K. EXPENSES:** Documentary stamps on the deed and recording of corrective instruments shall be paid by Seller. All costs of Buyer's loan (whether obtained
 200 from Seller or third party), including, but not limited to, documentary stamps and intangible tax on the purchase money mortgage and any mortgage assumed,
 201 mortgagee title insurance commitment with related fees, and recording of purchase money mortgage to Seller, deed and financing statements shall be paid by
 202 Buyer. Unless otherwise provided by law or rider to this Contract, charges for related closing services, title search, and closing fees (including preparation of
 203 closing statement), shall be paid by the party responsible for furnishing the title evidence in accordance with Paragraph V.

204 **L. PRORATIONS; CREDITS:** Taxes, assessments, rent, interest, insurance and other expenses of the Property shall be prorated through the day before
 205 Closing. Buyer shall have the option of taking over existing policies of insurance, if assumable, in which event premiums shall be prorated. Cash at Closing shall
 206 be increased or decreased as may be required by prorations to be made through day prior to Closing, or occupancy, if occupancy occurs before Closing. Advance
 207 rent and security deposits will be credited to Buyer. Escrow deposits held by mortgagee will be credited to Seller. Taxes shall be prorated based on the current
 208 year's tax with due allowance made for maximum allowable discount, homestead and other exemptions. If Closing occurs at a date when the current year's
 209 millage is not fixed and current year's assessment is available, taxes will be prorated based upon such assessment and prior year's millage. If current year's
 210 assessment is not available, then taxes will be prorated on prior year's tax. If there are completed improvements on the Real Property by January 1st of year of
 211 Closing, which improvements were not in existence on January 1st of prior year, then taxes shall be prorated based upon prior year's millage and at an equitable
 212 assessment to be agreed upon between the parties; failing which, request shall be made to the County Property Appraiser for an informal assessment taking into
 213 account available exemptions. A tax proration based on an estimate shall, at request of either party, be readjusted upon receipt of current year's tax bill.

214 **M. (RESERVED - purposely left blank)**

STANDARDS FOR REAL ESTATE TRANSACTIONS (CONTINUED)

216 **N. INSPECTION AND REPAIR:** Seller warrants that the ceiling, roof (including the fascia and soffits), and exterior and interior walls, and foundation of the
 217 Property do not have any visible evidence of leaks, water damage, or structural damage and that dockage, seawalls, septic tank, pool, all appliances, mechanical
 218 items, heating, cooling, electrical, plumbing systems, and machinery are in Working Condition. The foregoing warranty shall be limited to the items specified
 219 unless otherwise provided in an addendum. Buyer may inspect, or, at Buyer's expense, have a firm or individual specializing in home inspections and holding an
 220 occupational license for such purpose (if required), or by an appropriately licensed Florida contractor, make inspections of, those items within 20 days after the
 221 Effective Date. Buyer shall, prior to Buyer's occupancy but not more than 20 days after Effective Date, report in writing to Seller such items that do not meet the
 222 above standards as to defects. Unless Buyer timely reports such defects, Buyer shall be deemed to have waived Seller's warranties as to defects not reported. If
 223 repairs or replacements are required to comply with this Standard, Seller shall cause them to be made and shall pay up to the amount provided in Paragraph XII(b).
 224 Seller is not required to make repairs or replacements of a Cosmetic Condition unless caused by a defect Seller is responsible to repair or replace. If the cost for
 225 such repair or replacement exceeds the amount provided in Paragraph XII (b), Buyer or Seller may elect to pay such excess, failing which either party may cancel
 226 this Contract. If Seller is unable to correct the defects prior to Closing, the cost thereof shall be paid into escrow at Closing. For purposes of this Contract: (1)
 227 "Working Condition" means operating in the manner in which the item was designed to operate; (2) "Cosmetic Condition" means aesthetic imperfections that do
 228 not affect the Working Condition of the item, including, but not limited to: pitted marcite or other pool finishes; missing or torn screens; fogged windows; tears,
 229 worn spots, or discoloration of floor coverings, wallpaper, or window treatments; nail holes, scratches, dents, scrapes, chips or caulking in ceilings, walls,
 230 flooring, fixtures, or mirrors; and minor cracks in floors, tiles, windows, driveways, sidewalks, or pool decks; and (3) cracked roof tiles, curling or worn shingles,
 231 or limited roof life shall not be considered defects Seller must repair or replace, so long as there is no evidence of actual leaks or leakage or structural damage,
 232 but missing tiles will be Seller's responsibility to replace or repair.

233 **O. RISK OF LOSS:** If, after the Effective Date, the Property is damaged by fire or other casualty ("Casualty Loss") before Closing and cost of restoration
 234 (which shall include the cost of pruning or removing damaged trees) does not exceed 1.5% of the Purchase Price, cost of restoration shall be an obligation of
 235 Seller and Closing shall proceed pursuant to the terms of this Contract and if restoration is not completed as of Closing, restoration costs will be escrowed at
 236 Closing. If the cost of restoration exceeds 1.5% of the Purchase Price, Buyer shall either take the Property as is, together with the 1.5% or receive a refund of
 237 deposit(s) thereby releasing Buyer and Seller from all further obligations under this Contract. Seller's sole obligation with respect to tree damage by casualty or
 238 other natural occurrence shall be the cost of pruning or removal.

239 **P. CLOSING PROCEDURE:** The deed shall be recorded upon clearance of funds. If the title agent insures adverse matters pursuant to Section 627.7841, F.S.,
 240 as amended, the escrow and closing procedure required by this Standard shall be waived. Unless waived as set forth above the following closing procedures shall
 241 apply: (1) all closing proceeds shall be held in escrow by the Closing Agent for a period of not more than 5 days after Closing; (2) if Seller's title is rendered
 242 unmarketable, through no fault of Buyer, Buyer shall, within the 5 day period, notify Seller in writing of the defect and Seller shall have 30 days from date of
 243 receipt of such notification to cure the defect; (3) if Seller fails to timely cure the defect, all deposits and closing funds shall, upon written demand by Buyer and
 244 within 5 days after demand, be returned to Buyer and, simultaneously with such repayment, Buyer shall return the Personal Property, vacate the Real Property
 245 and reconvey the Property to Seller by special warranty deed and bill of sale; and (4) if Buyer fails to make timely demand for refund, Buyer shall take title as is,
 246 waiving all rights against Seller as to any intervening defect except as may be available to Buyer by virtue of warranties contained in the deed or bill of sale.

247 **Q. ESCROW:** Any Closing Agent or escrow agent (collectively "Agent") receiving funds or equivalent is authorized and agrees by acceptance of them to
 248 deposit them promptly, hold same in escrow and, subject to clearance, disburse them in accordance with terms and conditions of this Contract. Failure of funds to
 249 clear shall not excuse Buyer's performance. If in doubt as to Agent's duties or liabilities under the provisions of this Contract, Agent may, at Agent's option,
 250 continue to hold the subject matter of the escrow until the parties hereto agree to its disbursement or until a judgment of a court of competent jurisdiction shall
 251 determine the rights of the parties, or Agent may deposit same with the clerk of the circuit court having jurisdiction of the dispute. An attorney who represents a
 252 party and also acts as Agent may represent such party in such action. Upon notifying all parties concerned of such action, all liability on the part of Agent shall
 253 fully terminate, except to the extent of accounting for any items previously delivered out of escrow. If a licensed real estate broker, Agent will comply with
 254 provisions of Chapter 475, F.S., as amended. Any suit between Buyer and Seller wherein Agent is made a party because of acting as Agent hereunder, or in any
 255 suit wherein Agent interpleads the subject matter of the escrow, Agent shall recover reasonable attorney's fees and costs incurred with these amounts to be paid
 256 from and out of the escrowed funds or equivalent and charged and awarded as court costs in favor of the prevailing party. The Agent shall not be liable to any
 257 party or person for misdelivery to Buyer or Seller of items subject to the escrow, unless such misdelivery is due to willful breach of the provisions of this
 258 Contract or gross negligence of Agent.

259 **R. ATTORNEY'S FEES; COSTS:** In any litigation, including breach, enforcement or interpretation, arising out of this Contract, the prevailing party in such
 260 litigation, which, for purposes of this Standard, shall include Seller, Buyer and any brokers acting in agency or nonagency relationships authorized by Chapter
 261 475, F.S., as amended, shall be entitled to recover from the non-prevailing party reasonable attorney's fees, costs and expenses.

262 **S. FAILURE OF PERFORMANCE:** If Buyer fails to perform this Contract within the time specified, including payment of all deposits, the deposit(s) paid by
 263 Buyer and deposit(s) agreed to be paid, may be recovered and retained by and for the account of Seller as agreed upon liquidated damages, consideration for the
 264 execution of this Contract and in full settlement of any claims; whereupon, Buyer and Seller shall be relieved of all obligations under this Contract; or Seller, at
 265 Seller's option, may proceed in equity to enforce Seller's rights under this Contract. If for any reason other than failure of Seller to make Seller's title marketable
 266 after diligent effort, Seller fails, neglects or refuses to perform this Contract, Buyer may seek specific performance or elect to receive the return of Buyer's
 267 deposit(s) without thereby waiving any action for damages resulting from Seller's breach.

268 **T. CONTRACT NOT RECORDABLE; PERSONS BOUND; NOTICE; COPIES:** Neither this Contract nor any notice of it shall be recorded in any public
 269 records. This Contract shall bind and inure to the benefit of the parties and their successors in interest. Whenever the context permits, singular shall include plural
 270 and one gender shall include all. Notice and delivery given by or to the attorney or broker representing any party shall be as effective as if given by or to that
 271 party. All notices must be in writing and may be made by mail, personal delivery or electronic media. A legible facsimile or electronic (including "pdf") copy of
 272 this Contract and any signatures hereon shall be considered for all purposes as an original.

273 **U. CONVEYANCE:** Seller shall convey marketable title to the Real Property by statutory warranty, trustee's, personal representative's, or guardian's deed, as
 274 appropriate to the status of Seller, subject only to matters contained in Paragraph VII and those otherwise accepted by Buyer. Personal Property shall, at the
 275 request of Buyer, be transferred by an absolute bill of sale with warranty of title, subject only to such matters as may be otherwise provided for herein.

276 **V. OTHER AGREEMENTS:** No prior or present agreements or representations shall be binding upon Buyer or Seller unless included in this Contract. No
 277 modification to or change in this Contract shall be valid or binding upon the parties unless in writing and executed by the parties intended to be bound by it.

278 **W. SELLER DISCLOSURE:** There are no facts known to Seller materially affecting the value of the Property which are not readily observable by Buyer or
 279 which have not been disclosed to Buyer.

280 **X. PROPERTY MAINTENANCE; PROPERTY ACCESS; REPAIR STANDARDS; ASSIGNMENT OF CONTRACTS AND WARRANTIES:** Seller
 281 shall maintain the Property, including, but not limited to lawn, shrubbery, and pool in the condition existing as of Effective Date, ordinary wear and tear and
 282 Casualty Loss excepted. Seller shall, upon reasonable notice, provide utilities service and access to the Property for appraisal and inspections, including a walk-
 283 through prior to Closing, to confirm that all items of Personal Property are on the Real Property and, subject to the foregoing, that all required repairs and
 284 replacements have been made, and that the Property has been maintained as required by this Standard. All repairs and replacements shall be completed in a good and
 285 workmanlike manner, in accordance with all requirements of law, and shall consist of materials or items of quality, value, capacity and performance comparable
 286 to, or better than, that existing as of the Effective Date. Seller will assign all assignable repair and treatment contracts and warranties to Buyer at Closing.

287 **Y. 1031 EXCHANGE:** If either Seller or Buyer wish to enter into a like-kind exchange (either simultaneous with Closing or deferred) with respect to the
 288 Property under Section 1031 of the Internal Revenue Code ("Exchange"), the other party shall cooperate in all reasonable respects to effectuate the Exchange,
 289 including the execution of documents; provided (1) the cooperating party shall incur no liability or expense related to the Exchange and (2) the Closing shall not
 290 be contingent upon, nor extended or delayed by, such Exchange.

ADDENDUM TO CONTRACT

Addendum No. 1 to the Contract dated July 15th, 2008 between
Luther David Crews and Mary Carol Crews, his wife (Seller) and
City of Lake Wales, Florida (Buyer)

concerning the property described as:

See attached Exhibit "A"

(the "Contract"). Buyer and Seller make the following terms and conditions part of the Contract:

1. The City of Lake Wales will provide to Luther David Crews a revocable license for ingress and egress across a ten (10) foot wide north-south strip of the uplands portion of the subject Property. The license will be for ingress and egress in connection with the utilization of an area of Seller's land consisting of approximately ten (10) acres located northerly and westerly of the subject parcel. The use of the license shall be limited to crossings related to the cattle ranching and agricultural use of Seller's land and shall be sufficient to allow for passage of a pickup truck and trailer and/or cattle. The City will attempt to provide prompt and early notice of its intent to revoke this contemplated license to allow Mr. Crews to establish alternative access to that area, but if the FAA or its regulations require termination without delay, no advance notice shall be required. This provision shall survive the closing of the contemplated sale and purchase.

2. This Contract for Sale and Purchase is subject to approval of the Lake Wales City Commission at a duly noticed public hearing and shall become enforceable upon such approval. The hearing is scheduled for the regular City Commission meeting on July 15, 2008.

APPROVED by the Lake Wales City Commission this ____ day of July, 2008.

Lee A. Wheeler, III, Mayor

BUYER City of Lake Wales Date

SELLER Luther David Crews Date

BUYER Date

SELLER Mary Carol Crews Date