

MEMORANDUM

May 28, 2015

TO: Chairman and Members of the Community Redevelopment Agency Board

FROM: Kenneth Fields, Executive Director

RE: Sale and Purchase Agreement with Intrepid Precast, Inc., for Longleaf Business Park Parcels 13 and 14, with a future option to purchase Parcel 15

SYNOPSIS: The subject Agreement is for the sale of two parcels in Longleaf Business Park to Intrepid Precast, Inc. The Letter of Intent was approved on May 19, 2015 by the adoption of Resolution CRA 2015-01 which authorized the negotiation of the subject Agreement.

RECOMMENDATION

It is recommended that the Lake Wales Community Redevelopment Agency approve the Sale and Purchase Agreement negotiated for the sale of Longleaf Business Park Parcels 13 and 14, with a future option to purchase Parcel 15.

BACKGROUND

Intrepid Precast, Inc. desires to purchase two parcels in Longleaf Business Park and take an option on a third parcel to construct a production facility for precast concrete products. The owners of Intrepid Precast, Inc. are experienced operators of such a facility and expect to employ no less than fifty people within four years of beginning operations. The proposed sale price of two hundred seventy nine thousand three hundred dollars (\$279,300) is at the asking price per acre of the property with an expected down payment of ten percent and the CRA financing the balance with a ten year mortgage at three percent per annum, amortized over twenty years. The result of this financing plan is to leave a principal balance of approximately \$144,400 at the end of ten years. As an incentive, the CRA will forgive ten percent of this balance for each year after year four that Intrepid Precast maintains a workforce of at least fifty employees on site. The result of this incentive would be to reduce the principle balance by approximately \$87,000 if the required employment level is maintained for the full period.

OTHER OPTIONS

Continue to market the property to other potential buyers.

FISCAL IMPACT

Annual mortgage payments during the ten year period would be approximately \$16,700 per year and the remaining principle balance at the end of year ten, assuming the maximum incentive based on employment level would be approximately \$57,700. In addition, the property will now generate *ad valorem* taxes annually based on the market value of the property and the buildings, structures and equipment constructed by Intrepid Precast. City tax revenue alone will be approximately \$2,300 based on the sale price of the property and the current millage rate.

ATTACHMENTS

Sale and Purchase Agreement

SALE AND PURCHASE AGREEMENT

THIS SALE AND PURCHASE AGREEMENT (the "Agreement") is made and entered into on the Effective Date (as defined in paragraph 4 below) by and between Lake Wales Community Redevelopment Agency, the address of which is 201 West Central Avenue, Lake Wales, Florida 33853 (the "Seller"), and Intrepid Precast, Inc., a Florida corporation, the mailing address of which is 470 SE 123rd Street Road, Ocala, Florida 34480 (the "Buyer").

FOR AND IN CONSIDERATION of the sum of Ten Dollars (\$10.00) paid by the Buyer to the Seller, as well as other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Sale and Purchase of Property. Upon the terms and subject to all of the conditions contained herein and the performance by each of the parties hereto of their respective obligations hereunder, the Buyer shall purchase and acquire from the Seller, and the Seller shall sell, convey, transfer, assign and deliver to the Buyer, certain real property (the "Property"), which Property contains approximately 7.98 acres and is more fully described as follows:

Lots 13 and 14 of the Longleaf Business Park, according to the plat thereof as recorded in Plat Book 116, Pages 24-26, Public Records of Polk County, Florida.

2. Purchase Price of the Property. The Buyer shall, in full consideration of the covenants, conditions and agreements of the Seller set forth herein and as full consideration for the purchase of the Property, pay to the Seller at the Closing (as provided below) in the manner set forth in paragraph 3 hereof the purchase price (the "Purchase Price") equal to the sum of Thirty Five Thousand and No/100 Dollars (\$35,000.00) per acre as determined by survey. In the event the Buyer fails to obtain a survey, then the total number of acres shall be deemed to be 7.98 acres. Assuming the acreage is 7.98 acres, the Purchase Price would be \$279,300.00.

3. Payment of Purchase Price. The Buyer agrees to pay to the Seller the Purchase Price in the following manner:

(a) A deposit (the "Initial Deposit") in the amount of Five Thousand and No/100 Dollars (\$5,000.00) shall be delivered by Buyer to Peterson & Myers, P.A. (the "Escrow Agent") within three (3) days after the Effective Date of this Agreement to be held and disbursed by Escrow Agent in accordance with the terms and conditions of this Agreement. The Initial Deposit shall be refundable until the expiration of the Investigation Period as more fully discussed in paragraph 5 below. The Initial Deposit is applicable to the Purchase Price.

(b) An additional deposit (the "Additional Deposit") in an amount equal to the sum of (i) 10% of the total Purchase Price, MINUS (ii) the Initial Deposit of \$5,000. The Additional Deposit shall be paid by the Buyer to the Escrow Agent upon the termination of the Investigation Period (as defined below) and is applicable to the Purchase Price. By way of example, if the total Purchase Price is \$279,300, then the Additional Deposit would be \$22,930 (which is the difference of \$27,930 - \$5,000).

(c) The balance of the Purchase Price shall be payable by Buyer executing and delivering to the Seller at closing a purchase money note (the "Note") and mortgage securing the Note with the Property (the "Mortgage"). The interest rate shall be Three Percent (3.00%) fixed rate per annum, based on 365 days per year. The payments of the Note shall be amortized over a twenty (20) year period. The Note shall have a maturity date that is ten (10) years after the Closing Date at which time a balloon payment for the outstanding principal balance and accrued unpaid interest shall be due and payable. Buyer shall have the right, but not the obligation, to make pre-payments to be applied toward and reduce the principle of the Note and Seller agrees there shall be no prepayment penalty. The Note and Mortgage shall provide for a 10 day grace period in the event of default. The Mortgage shall be subordinated to a first priority mortgage for construction of building improvements and subsequently converted to a permanent loan. Commencing at the beginning of the fourth year of the Note, for every year the Purchaser employs 50 employees for each year remaining during the term of the Note, the outstanding principal balance of the Note will be reduced by 10% of the original principal balance of the Note.

The Initial Deposit and Additional Deposit are collectively referred to herein as the "Deposit". The Deposit shall be held by the Escrow Agent for the mutual benefit of the parties hereto and shall be applied or disbursed in accordance with the terms of this Agreement. The Deposit may be placed by Escrow Agent, but is not required to be placed, in an interest-bearing account, and the interest, if any, shall belong to Buyer, except that if Buyer defaults and the Deposit is nonrefundable at the time of such default then such interest applicable to the nonrefundable Deposit shall become part of the nonrefundable portion of the Deposit to be retained by Seller.

4. Time for Acceptance and Effective Date. If this Agreement is not executed by the Seller and the Buyer on or before June 4, 2015, this Agreement shall be null and void. The "Effective Date" of this Agreement shall be the date on which the last one of the Seller and the Buyer has executed this Agreement.

5. Investigation Period. Commencing as of the Effective Date and continuing for a period of one hundred twenty (120) days thereafter (the "Investigation Period"), the Buyer, including all persons designated by the Buyer, shall have the right, at reasonable times to enter onto the Property for the purpose of investigation, discovery and testing of such Property, including, without limitation, surveying, soil testing and boring, hydrological studies, concurrency, zoning, environmental studies, the drainage and subsurface soil conditions being satisfactory for Buyer's use and maintenance of the Property. Buyer shall provide Seller reasonable notice of Buyer's entry onto the Property and shall schedule such access to the Property with Seller. Buyer will not unreasonably interfere with the operation of the Property or the rights of the tenants.

If Buyer is dissatisfied, in Buyer's sole discretion, with the results of Buyer's investigations, then Buyer may cancel this Agreement by notifying Seller of such cancellation, in writing, no later than 5:00 p.m. on the last day of the Investigation Period (if not a business day, then it shall be the next business day). In the event Buyer terminates the Agreement prior to the expiration of the Investigation Period, Escrow Agent shall return the Deposit to Buyer, together with any interest earned thereon. Upon a termination of the Agreement by Buyer prior to the expiration of the Investigation Period, both parties shall be released from all further obligations provided in this Agreement. In the event the Buyer does not elect to cancel this Agreement prior to the expiration of the Investigation Period, then the Deposit shall

become non-refundable (except as otherwise set forth in this Agreement), but applicable to the Purchase Price, and the parties shall proceed toward Closing.

Notwithstanding any provision in this Agreement to the contrary, Buyer does and shall indemnify and hold harmless Seller, its agents, officers, directors, employees, successors and assigns, against all losses, claims, damages, liability, attorney's and accountants' fees and costs of litigation and all other expenses related to, growing out of, or arising from the investigation of or entry upon the Property, or other acts undertaken by Buyer, its agents, contractors, employees or assigns, under this Agreement. If Buyer does not close on the purchase of the Property under this Agreement, Buyer shall return the Property to the condition in which it existed prior to any investigations undertaken by Buyer, its agents, employees and assigns pursuant to this Agreement.

6. Seller's Representations, Warranties and Covenants. In addition to all other representations, warranties and covenants of the Seller contained in this Agreement, the Seller warrants and represents to and covenants with, the Buyer as follows:

(a) The Seller has received no notice or has no actual knowledge of any litigation or proceeding pending or threatened affecting the Seller or any portion of the Property in any court or before any governmental or quasi-governmental agency or tribunal which would in any manner impair the Seller's ability to perform the Seller's obligations under this Agreement.

(b) Seller covenants that the Seller will give written notice to the Buyer prior to the Closing Date if the Seller receives notice or gains knowledge of any fact or condition subsequent to the Effective Date of this Agreement that would have a material adverse effect upon the Property, its current use or its value.

(c) There are no persons or parties in possession of any portion of the Property, whether as lessees, tenants at sufferance, trespassers or otherwise, other than the Seller.

(d) To the best of Seller's knowledge, (i) the Property is free from toxic chemicals and hazardous waste above state regulatory levels, and does not contain hazardous substances or asbestos in the construction and/or use of any structure on the Property; (ii) the Property complies with all applicable environmental laws, regulations and court or administrative orders; (iii) there are no pending claims or threats of claims by private, governmental or quasi-governmental authorities relating to environmental impairment or regulatory requirements; and (iv) there are no areas on the Property where hazardous substances have been either disposed of, released or found in violation of any applicable laws, rules, ordinances, orders, and regulations. For purposes of this Agreement, the terms "hazardous waste," "toxic chemicals," and "hazardous substances" include any chemical, material or substance exposure to which is prohibited, limited or regulated by any governmental or quasi-governmental authority or which, even if not so regulated, may pose a hazard to the health and safety of the owners or the occupants of the Property adjacent to the property or the environment, including asbestos and petroleum products.

(e) The Seller has full power and authority to execute and deliver this Agreement and to consummate the transaction contemplated herein in accordance with law, and the person executing and delivering this Agreement for the Seller has the full power and authority to do so for and in behalf of the Seller.

(f) The Seller will cause to be conveyed to the Buyer marketable fee simple title to

the Property free and clear of any liens, mortgages, pledges, security interests, options, rights, leases, easements, rights-of-way, judgments, charges, encumbrances or restrictions of any kind whatsoever.

(g) The Seller is not a “foreign person” as defined by Section 1445 of the Internal Revenue Code of 1986, as amended, and shall comply with all requirements imposed by the Foreign Investment in Real Property Tax Act of 1980 (“FIRPTA”), as amended, and, if applicable, the Seller shall execute an affidavit attesting to such fact, or shall evidence compliance with any withholding of sales proceeds required pursuant to FIRPTA.

(h) There are no pending or threatened special assessments affecting the Property.

(i) No work has been performed or is in progress upon, and no materials have been furnished to, the Property or any part thereof, which might give rise to any mechanics, materialmen or other liens against the Property or any part thereof.

(j) There is no pending or threatened condemnation or similar proceedings affecting the Property or any portion thereof, and the Seller has no knowledge that any such action is presently contemplated.

(k) Seller has not received written notice from any governmental authority of any violation of any federal, state, county or municipal law, ordinance, code, order, regulation, or requirement affecting any portion of the Property (including without limitation the Americans with Disabilities Act).

7. Survival of Representations, Warranties and Covenants. Notwithstanding any investigation made by Buyer or its authorized representatives before or after the Closing, the warranties, representations, covenants and agreements of the Seller as set forth in this Agreement are being made by Seller with the knowledge and expectation that the Buyer is placing reliance thereon. The warranties, representations, covenants and agreements made by Seller herein shall be deemed to apply as of the Effective Date and shall be construed as continuing warranties, representations, covenants and agreements that shall survive the Closing, and shall be fully enforceable at law or in equity against Seller and Seller’s heirs, devisees, personal representatives, successors and assigns, by the Buyer and its successors and assigns for a period not to exceed twenty four (24) months after the Closing Date. In addition to any other remedies provided by law or in this Agreement, each party shall, and does hereby, indemnify and hold harmless the other party from, against and in respect of any and all losses, liabilities, claims, damages and expenses, including, without limitation, court costs and attorneys’ fees, arising as a result of any breach of that party’s warranties, representations, covenants and agreements as set forth in this Agreement and this indemnity shall survive closing.

8. Seller’s Actions Prior to the Closing. Commencing as of the Effective Date and continuing for the entire period in which the Seller has any legal or equitable interest in the Property or any portion thereof:

(a) The Seller within five (5) days after the Effective Date of this Agreement shall immediately deliver to Buyer any copies in the possession or control of the Seller of the following items relating to the Property:

(i) True, correct and complete copies of all Leases that are in effect as of the

date of this Agreement or will be in effect on or after the Closing Date;

- (ii) True, correct and complete copies of all documents and instruments executed or issued in connection with the Assumed Debt;
- (iii) environmental studies and/or environmental audits;
- (iv) engineering reports;
- (v) architectural drawings;
- (vi) title insurance policies;
- (vii) surveys;
- (viii) a list, together with copies, of all management, service, supply, equipment rental, lease and other contracts and agreements related to the Property;
- (ix) a list of all capital improvements and repairs known to the Seller and performed on the Property within 24 months preceding the Effective Date of this Agreement;
- (x) all notices, warnings, orders, or documentation from any governmental or quasi-governmental agency relating to the Property; and
- (xi) all construction plans and specifications in Seller's possession or control that relate to the Property or any improvements located thereon.

(b) The Seller shall not take any action or fail to take any action which would cause any of the representations or warranties made by the Seller in this Agreement to be in any way not completely true, complete and accurate;

(c) The Seller shall cooperate fully with the Buyer during the Investigation Period, and at all times thereafter prior to the Closing, in connection with the Buyer's investigation of the property, provided such cooperation shall be at no cost to Seller;

(d) The Seller will not perform any act or permit any act to be performed which might cause damage, waste or destruction of the Property;

(e) The Seller shall comply with all federal, state and local laws, statutes, ordinances, regulations and orders relating to the Property; and

(f) The Seller shall perform or cause to be performed and take all action as otherwise set forth in this Agreement to be done by the Seller.

9. Risk of Loss Prior to Closing. Prior to the Closing, the Seller shall bear all risk, all loss of, any damage to, or destruction of the Property. If any portion or all of the Property is lost, damaged or destroyed, then this Agreement may be terminated at the option of the Buyer, within thirty (30) days of Buyer's receipt of such notice of such loss, whereupon the Deposit and any interest earned thereon shall be returned to the Buyer, and the parties shall be relieved of any further responsibilities or obligations under the Agreement.

10. Evidence of Title.

(a) Acceptable Title. For purposes of this Agreement, "Acceptable Title" of the Property shall be a fee simple marketable record title vested in the Seller with full and complete authority and right to sell, subject only to the following exceptions (the "Permitted Exceptions"): (i) existing road rights-of-way located contiguous to the boundary lines of the property; (ii) real estate taxes for the year of the Closing and subsequent years; (iii) rules, regulations and future assessments, if any, by Southwest Florida Water Management District; (iv) any title conditions, defects or matters that are waived by the Buyer or that are deemed to be waived hereunder by the Buyer.

(b) Title Information and Report. The Seller shall, within twenty (20) days after the Effective Date of this Agreement, and at the Seller's expense, cause to be issued through a national title insurance company authorized to do business in Florida and reasonably acceptable to the Buyer (the "Title Company") a title insurance commitment (the "Title Commitment"), together with copies of all documents listed on Schedule B-II of the Title Commitment, committing the Title Company to insure the Buyer's title in and to the Property. The Title Commitment and the resulting owner's title insurance policy (the "Title Policy") shall be in the aggregate amount of the purchase price and shall be on ALTA standard forms as currently authorized and approved by the Insurance Commissioner of the State of Florida. The Title Commitment shall set forth the state of the title of the Property, listing all exceptions and conditions to such title, including, without limitations, all easements, reservations, rights-of-way, covenants, restrictions, limitations and encumbrances affecting such parcel which would appear in the Title Policy, if and when issued, and shall be accompanied by a copy of each document affecting the such parcel and constituting an exception in the Title Commitment. The Title Policy shall insure marketable title and shall contain no exceptions other than the Permitted Exceptions.

The Buyer shall give to the Seller written notice on or before the later of (i) thirty (30) days after receipt of the Title Commitment, or (ii) thirty (30) days after receipt of the Survey, that the condition of the title to the Property as set forth in the Title Commitment and the Survey either is or is not acceptable. The Buyer shall not be required to make objection to the existence of any mortgage lien, materialmen or mechanics' lien, assessment lien or any other lien encumbering all or any part of the such parcel, all of which are hereby deemed to be title objections. Notwithstanding anything herein to the contrary, Buyer must notify Seller or its representatives of any and all valid title objections at least ten (10) days before the Closing or all objections to title shall be waived. In the event that the condition of the title is not acceptable, the Buyer shall state which exceptions in the Title Commitment are acceptable, and the Seller shall undertake to eliminate the remaining unacceptable exceptions in the manner set forth below; provided, however, that at the Closing, mortgages may be satisfied or the liens thereof partially released, as the case may be, as to such parcel. The Seller shall, at the Seller's sole cost and expense, promptly undertake to eliminate all unacceptable matters to the reasonable satisfaction of the Buyer. In the event the Seller is unable, with the exercise of reasonable diligence, to eliminate the unacceptable or objectionable matters within thirty (30) days after such notice, the Buyer may, at the Buyer's option, (i) accept title subject to the exceptions raised by the Buyer, without an adjustment in the Purchase Price, in which event such objections shall be deemed to be waived for all purposes, (ii) satisfy such objections on behalf of the Seller and deduct from the Purchase Price at the Closing the actual cost of satisfying such objections, or (iii) decline to

purchase the Property, whereupon the Escrow Agent shall promptly refund to the Buyer the Deposit, and any interest earned thereon, and the parties shall be relieved of any further responsibilities or obligations under this Agreement.

(c) Title Policy and Endorsements. At Closing the Seller shall revise the effective date of the Title Commitment to a date not earlier than twenty (20) days prior to the Closing Date. If any title update shall show any new exceptions to the title, the Buyer shall have until the Closing to object thereto, and in the event of an objection, the foregoing provisions of this subparagraph shall apply. The Title Commitment must be endorsed at the Closing to eliminate all standard, preprinted and other exceptions (except for the Permitted Exceptions) and to provide the Title Policy will insure against adverse matters arising between the effective date of the Title Commitment and the recordation of the instrument(s) of conveyance of fee simple title of the Property to the Buyer. The Seller shall cause the Title Company to issue such other endorsements to the Title Commitment and the Title Policy as shall be reasonably required by the Buyer.

(d) Affidavits. At the Closing of the Property, the Seller shall execute and deliver to the Buyer an affidavit of no lien and such additional documentation as is required in such form as is necessary to enable the Title Company issuing the title commitment to remove the mechanic's lien and persons-in-possession exceptions thereto, which affidavit shall (i) run to the benefit of the Buyer and the Title Company, (ii) be in form and content acceptable to the Title Company, and (iii) contain, without limitation, the following information: (a) there are no outstanding unrecorded contracts for sale, options, leases, or other arrangements with respect to the Property to any person other than the Buyer or being assigned to the Buyer hereunder; (b) the Property is being conveyed unencumbered except for the Permitted Exceptions; (c) no construction or repairs have been made by the Seller, nor any work done to or on the Property by the Seller, which has not been fully paid nor any contract entered into, nor anything done, the consequence of which would result in a lien or a claim of lien to be made against the Property pursuant to Chapter 713 of the Florida Statutes or otherwise; (d) there are no persons in possession of the Property other than the Seller; and (e) there are no filings in the office of the Clerk of the Circuit Court of the county where the Property is located that indicate a lien or security interest in, on, or under the Property which will not be released or terminated at the Closing.

11. Survey. The Buyer may, at the Buyer's expense and prior to the Closing, obtain a current survey (the "Survey") of the Property. If the Survey discloses an encroachment, setback violation, a difference or discrepancy between the legal description shown on the Survey for the Property and that shown on the title commitment, or that all or any portion of the Property lies within a "special flood hazard area," or any other state of facts which would impair the marketability of the Seller's title, such matters shall be deemed a defect in title and the provisions of subparagraph 10(b) hereof shall apply. The Survey shall be signed and certified by a registered and/or licensed land surveyor in Florida and shall have the surveyor's seal affixed to the Survey. The surveyor's registration and/or license number shall be indicated thereon, and the legal description of the parcel of property shall be set forth on the survey. The legal description of the Property will be confirmed by the Survey and that the Survey will include a calculation of the acreage of the Property to the nearest one-tenth of an acre. Any other survey requirements in the Title Commitment shall also be complied with, including a surveyor's certificate in form and content which is acceptable to the Title Company and the Buyer's counsel.

12. Conditions Precedent to Closing

(a) By the Buyer. The obligations of the Buyer to complete, consummate, and close the transaction contemplated by this Agreement is subject to and expressly conditioned upon the satisfaction and fulfillment of each of the following conditions, any of which may be waived in whole or in part by the Buyer at or prior to the Closing:

(i) Seller securing to Buyer's reasonable satisfaction adjustments to all land use and zoning regulations and designations applicable to the Property, and any other use restrictions applicable to the Property, to allow the Property to be used by Buyer for precast concrete manufacturing, storage of precast concrete forms, and other activities related to precast concrete manufacturing.

(ii) At Closing, all requirements under this Agreement to be observed, complied with and performed by the Seller at or prior to the Closing shall have been observed, complied with and performed.

(iii) At Closing, all of the Seller's representations, warranties, and covenants contained herein or in any document delivered pursuant thereto shall be true and accurate at the time of the Closing with the same force and effect as if the same had been made on or as of the Closing Date.

(iv) At Closing, the Seller shall have fee simple marketable title to the Property.

Notwithstanding anything to the contrary herein, if all of the conditions precedent set forth in this paragraph are not satisfied and fulfilled prior to Closing, Buyer may elect to (i) cancel this Agreement whereupon Escrow Agent shall return all Deposits, together with any interest thereon, to Buyer and the parties hereto shall be released from all further obligations provided in this Agreement, or (ii) extend the Closing Date until such time the conditions precedent are satisfied.

(b) By the Seller. The obligations of the Seller to complete, consummate, and close the transaction contemplated by this Agreement is subject to and expressly conditioned upon the satisfaction and fulfillment, at or prior to the Closing for the Property, each of the following conditions, any of which may be waived in whole or in part by the Seller at or prior to the Closing:

(i) At Closing, all requirements under this Agreement to be observed, complied with and performed by the Buyer at or prior to the Closing shall have been observed, complied with and performed.

(ii) At Closing, all of the Buyer's representations, warranties, and covenants contained herein or in any document delivered pursuant thereto shall be true and accurate at the time of the Closing with the same force and effect as if the same had been made on or as of the Closing Date.

13. Closing.

(a) Date and Place of Closing. Subject to the conditions set forth herein, the closing of the transaction contemplated herein (the "Closing") shall take place on or before thirty (30) days after the end of the Investigation Period (the "Closing Date") at the law office of Albert C. Galloway, Jr., P.A., 202 East Stuart Avenue Lake Wales, Florida, or such other location, or in some other manner or in escrow, as the Buyer and Seller may agree in writing. Buyer, at Buyer's option, shall have the right (but not the obligation) to extend the Closing Date for an additional thirty (30) days for such extension ("Closing Date Extension"). In order to exercise the Closing Date Extension, Buyer shall deliver written notice to Seller prior to 5:00 p.m. Florida time on the Closing Date. Upon Buyer exercising the Closing Date Extension, Buyer shall pay Escrow Agent the sum of Ten Thousand and No/100 Dollars (\$10,000.00) ("Extension Payment"), which Extension Payment will be nonrefundable, but shall be applicable to the Purchase Price.

(b) The Seller's Obligations at Closing. At the Closing, the Seller shall do the following:

(i) Execute, acknowledge, and deliver to the Buyer a general warranty deed (the "Deed") conveying Acceptable Title of the Property to the Buyer subject only to the Permitted Exceptions, which Deed shall be in form for recording with all required documentary stamps in the proper amount affixed thereto or provided for, and with the legal description of the Property contained in such Deed being identical to the legal description of the Property as contained in the Survey and the Title Commitment;

(ii) Execute, acknowledge, and deliver to the Buyer bills of sale, assignments and such other instruments of conveyance required to convey the Contracts, Permits, and Other Documents in forms reasonably acceptable to Buyer, vesting in Buyer good and fee simple title to such property described therein free of any claims;

(iii) Deliver to Buyer and the Title Company evidence satisfactory to them of the Seller's existence, organization, and authority to execute and deliver the documents necessary or advisable to consummate the transaction contemplated herein, and that the person(s) executing same on behalf of the Seller has the full right, power, and authority to do so;

(iv) Execute, acknowledge, and deliver to the Buyer and the Title Company the affidavit of no liens satisfactory to the Buyer and the Title Company so as to cause the Title Company to remove the materialmen and mechanic's lien and persons-in-possession standard exceptions from the title commitment;

(v) Execute, acknowledge, and deliver to the Buyer such affidavit or certificate in compliance with FIRPTA affirming that the Seller is not a "foreign person," as defined in the Internal Revenue Code of 1986, as amended;

(vi) Execute, acknowledge, and/or deliver any corrective instruments that may be required in connection with perfecting title of such Property, and such other documents as the Buyer or Title Company may reasonably require to be executed and/or delivered to complete the transaction contemplated hereunder;

- (vii) Put the Buyer into actual and full possession of the Property;
 - (viii) Deliver all originals and copies of all documents, instruments, agreements and contracts relating to the Property, and all permits, licenses, and plans and specifications for the Property to the extent in Seller's possession, custody or control;
 - (ix) Deliver and assign to the Buyer all licenses, permits, authorizations and approvals relating to the Property and required by law and issued by governmental authorities having jurisdiction, if transferable;
 - (x) A closing statement reflecting the purchase price and all prorations and expenses; and
 - (xi) Execute and deliver such other documents reasonably required by Buyer, Buyer's lender, Escrow Agent, Title Company, or Buyer's attorney in a form reasonably satisfactory to Buyer and Buyer's attorney.
- (c) The Buyer's Obligations at Closing. Subject to the terms, conditions, and provisions hereof, and contemporaneously with the performance by the Seller of the Seller's obligations set forth in subparagraph (b) above, the Buyer, on Closing, shall do the following:
- (i) Execute and deliver such documents as the Seller or Seller's attorney may reasonably require to be executed and delivered to complete the transaction contemplated hereunder, including without limitation the Note and Mortgage;
 - (ii) A closing statement reflecting the purchase price and all prorations and expenses; and
 - (iii) Pay to the Seller the cash sum required to close the transaction contemplated hereunder after application of the Deposit and any interest earned thereon.
- (d) Seller's Closing Costs. The Seller shall pay at the Closing the following costs and expenses in connection with the Closing:
- (i) All documentary stamps or other taxes which are required to be affixed to the Deed;
 - (ii) The cost of recording or curing defects in the title of any of the Property;
 - (iii) The cost of preparing, obtaining, furnishing, recording and/or delivering any other document or instrument required to be prepared, obtained, furnished, recorded and/or delivered by the Seller hereunder;
 - (iv) The premium, title search fee, and costs of UCC searches and other search fees payable for or related to the Title Commitment and the Owners Policy of Title Insurance issued pursuant hereto;

- (v) The Seller's counsel fees; and
- (vii) All Broker's Commissions described in paragraph 17 herein.

(e) Buyer's Closing Costs. The Buyer shall pay at the Closing of the Property the following costs and expenses in connection with the Closing:

- (i) The costs of recording the Deed;
- (ii) The cost of all documentary stamp taxes and intangibles tax relating to the Note and Mortgage;
- (iii) The cost of recording the Mortgage;
- (iv) The cost of the Survey, if any;
- (v) The cost of obtaining, furnishing and/or delivering any other documents and instruments required to be obtained, furnished and/or delivered by the Buyer hereunder;
- (vi) The premium payable for the Loan Policy of Title Insurance issued pursuant hereto at the simultaneous issue rate; and
- (vii) The Buyer's counsel fees.

(f) Prorations. Real estate and tangible personal property taxes for the Property for the year of the Closing, if any, shall be prorated to the Closing Date. If the Closing shall occur before the tax rate is fixed for the then current year, the apportionment of taxes shall be upon the basis of the tax rate for the preceding year applied to the latest assessed valuation; provided, however, that if there are completed improvements on the Property which were not in existence on January 1st of the year of Closing, then the tax shall be prorated based upon the tax rate (as determined above) and at an equitable assessment to be agreed upon between the parties, failing which, request shall be made to the Property Appraiser of the county where such property is located for an informal assessment. Subsequent to the Closing, when the tax rate is fixed for the year in which the Closing occurs, the Seller and the Buyer agree to adjust the proration of taxes and, if necessary, to refund or pay, as the case may be, on or before January 1st of the year following the Closing, any amount necessary to effect such adjustments. Notwithstanding the foregoing, the Buyer shall assume payment of any unpaid balances owing on special assessments against the real property as of the date of the Closing, provided that such unpaid balances are current as of the Closing Date. Except as may be expressly provided otherwise in this Agreement, all rents, insurance, interest, water and utility charges, fuels, and other expenses and revenues pertaining to such property shall be prorated as of the Closing Date.

(g) Closing Documentation Satisfactory to Counsel. The documentation necessary to close the transaction contemplated in this Agreement shall be in the form and content reasonably satisfactory to the Seller's and the Buyer's respective counsel.

(h) Title Insurance. Within sixty (60) days after the Closing of the Property, the Seller shall cause the Title Company to deliver to the Buyer the Owners Policy of Title Insurance

issued by the Title Company in the form and having the content required in this Agreement.

14. Possession of Property. Sole and full possession of the Property shall be transferred and delivered by the Seller to the Buyer at the Closing.

15. Environmental Indemnification. The Seller agrees to indemnify, defend and hold harmless the Buyer and the Buyer's assigns, employees, and agents from any claims, demands, causes of action, liabilities, losses, penalties, fines, administrative or consent order costs and expenses, pollution clean-up and response costs, and other expenses, including reasonable attorneys' fees and court costs, arising out of or resulting from any subsurface, soil, groundwater, or surface water pollution or contamination on, about or from or under the Property caused by the discharge of hazardous waste, toxic chemicals, hazardous substances, or other contaminants at, on or in the Property described herein which commenced or occurred prior to the Closing Date. The foregoing indemnification under this paragraph shall survive the Closing.

16. Escrow Agent. The escrow agent under this Agreement shall be Peterson & Myers, P.A. (the "Escrow Agent"), which shall perform its escrow duties pursuant to this paragraph. The Seller and the Buyer acknowledge and agree that the duties of the Escrow Agent are purely ministerial and are limited to the safekeeping of the Deposit(s) made pursuant to this Agreement, including any interest earned thereon, and the disposition of same in accordance with the terms of this Agreement. If all or any part of the Deposit(s) delivered to the Escrow Agent is in the form of a check or in any form other than cash, the Escrow Agent shall deposit same as required but shall not be liable for the non-payment thereof nor responsible to enforce collection thereof. The Escrow Agent shall not be deemed to have knowledge of any matter unless and until the Escrow Agent receives actual written notice thereof, and the Escrow Agent shall not be charged with constructive notice whatsoever. In the event the Escrow Agent shall be uncertain as to its duties, or shall receive instructions or demands which, in the Escrow Agent's sole opinion, are conflicting or violative of any provision of this Agreement, then the Escrow Agent shall be entitled to refrain from taking any action until the Escrow Agent shall be directed in writing by the Seller and the Buyer (and, at the Escrow Agent's sole discretion, consented to by any third person) or by any final order or judgment of a court of competent jurisdiction, or the Escrow Agent may deposit the subject of escrow with the Clerk of the Circuit Court of the county in which the Property is located, and upon notifying the Seller and the Buyer of such action, all liability on the part of the Escrow Agent shall immediately and fully terminate except to the extent of accounting for any items delivered out of escrow. The Escrow Agent may resign as the Escrow Agent at any time upon delivery of ten (10) days' prior written notice to the Seller and the Buyer. The Seller and the Buyer agree that the Escrow Agent shall not be liable to any party or person for any reason unless the Escrow Agent willfully, purposefully, and wrongfully breaches the terms of this Agreement in the misdelivery of any property held in escrow. The Seller and the Buyer each, jointly and severally, hereby agree to indemnify and hold harmless the Escrow Agent from and against any and all claims, liabilities, damages, fees, charges, costs, expenses penalties, losses, actions, suits, or proceedings at law or in equity, of any kind or nature, which the Escrow Agent incurs, may incur, or with which it may be threatened directly or indirectly, arising from or in any way connected with its acting as the Escrow Agent under this Agreement, including without limitation reasonable attorneys' fees at trial and appellate levels, and the Escrow Agent shall have a lien on and right of setoff against any property or monies held in escrow for the foregoing indemnification. Seller hereby acknowledges that Peterson & Myers, P.A. represents Buyer in the purchase of the Property and is also acting as Escrow Agent. Seller hereby agrees and consents that Escrow Agent may represent Buyer if any dispute or enforcement action that arises regarding this Agreement or any other matter. Seller further acknowledges and consents that Peterson & Myers, P.A.'s representation of Buyer shall not be limited in

any manner or by any means.

17. Brokerage. Each party warrants and represents to the other that the only broker (including cooperating brokers, if any) involved in this transaction and entitled to compensation is Coldwell Banker Commercial Saunders Ralston Dantzler Realty (referred to as the “Broker”). Seller agrees, at closing, to pay to the Broker a real estate commission in accordance with a separate written agreement between Seller and Broker. Each party agrees to indemnify and hold harmless the other from and against any and all costs, expenses, liabilities, or claims for any brokerage or other professional service fee, compensation, commission, or charge claimed by any broker, finder, agent, or other similar party, as a result of the other party’s acts or actions. Such indemnification shall include reasonable attorneys’ fees in connection with defending same at trial and appellate levels, by reason of any action of the indemnifying party. The terms of this paragraph shall survive Closing.

18. Failure of Performance and Default. If the Buyer fails to perform this Agreement within the time specified, the Seller shall retain Buyer’s Deposit held by Escrow Agent by and for the account of the Seller as agreed upon liquidated damages, consideration for the execution of this Agreement and in full settlement of any claims; whereupon, the Buyer and the Seller shall be relieved of all obligations under this Agreement. If the Seller fails, neglects or refuses to perform this Agreement, the Buyer may either (i) seek specific performance, or (ii) elect to receive the return of the Buyer’s Deposit and any interest earned thereon and the Buyer and Seller shall be relieved of all obligations under this Agreement.

19. Radon Gas Disclosure. Pursuant to and in accordance with Section 404.056(5) of the Florida Statutes, the Seller and the Buyer hereby acknowledge and are aware that radon gas 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.

20. Agreement Not Recordable. This Agreement may not be recorded in the public records of Polk County, Florida.

21. Choice of Law and Venue. This Agreement shall be construed and interpreted under the laws of the State of Florida, without giving effect to principles of conflict of laws, except where specifically preempted by federal law. The Seller and the Buyer agree that the proper venue with respect to any litigation in connection with this Agreement shall be in Polk County, Florida where the Property is located.

22. Condemnation. If, prior to the Closing Date, all or any portion of the Property is taken by eminent domain or condemnation (or is the subject of a pending or contemplated taking which has not been consummated), the Seller shall notify the Buyer of such fact and the Buyer shall have the option (which option shall be set forth in a notice from the Buyer to the Seller given no later than the earlier of: (a) fifteen (15) days after receipt of Seller’s notice, or (b) five (5) days prior to the Closing: (i) to terminate this Agreement, in which even the Deposit, together with interest, if any, earned thereon, shall be refunded to the Buyer; or (ii) to accept title to the Property (other than the portion so taken), with a reduction in the Purchase Price such that the Purchase Price shall be the sum of the Purchase Price LESS the amount of the condemnation award.

23. Notices. All notices provided for herein may be delivered in person or may be mailed in the United States mail as follows:

TO SELLER:

Lake Wales Community Redevelopment Agency
Attn: Kenneth Fields
201 West Central Avenue,
Lake Wales, Florida 33853
Facsimile:
E-mail:

with a copy to:

Albert C. Galloway, Jr.
Albert C. Galloway, Jr., P.A.
202 East Stuart Avenue
PO Box 3339
Lake Wales, Florida 33859
Facsimile: (863) 679-5332
E-mail: chuck@acgpa.net

TO BUYER:

Intrepid Precast, Inc.
Attn: Barry Stem
470 SE 123rd Street Road
Ocala, Florida 34480
Facsimile:
E-mail: rbstem1950@gmail.com

with a copy to:

David A. Miller
Peterson & Myers, P.A.
225 East Lemon Street, Suite 300
Lakeland, Florida 33801
Facsimile: (863) 688-8099
E-mail: DMiller@PetersonMyers.com

If given to the Escrow Agent, any such notice shall be addressed as follows:

David A. Miller
Peterson & Myers, P.A.
225 East Lemon Street, Suite 300
Lakeland, Florida 33801
Facsimile: (863) 688-8099
E-mail: DMiller@PetersonMyers.com

with copies to the Seller and the Buyer.

All notices, requests, consents, and other communications hereunder shall be in writing, and hand delivered or mailed by certified mail, return receipt requested to the above stated address or sent via facsimile transmittal or electronic mail and shall be deemed delivered on the earlier of the actual date received, if by hand delivery or facsimile transmittal or electronic mail, or when placed in a legal mail receptacle, postage prepaid, if by certified mail.

24. Assignment. This Agreement is not assignable by the Buyer without the Seller's prior written consent, which shall not be unreasonably withheld, except, however, that Buyer may, without Seller's approval or consent, assign all of its right, title, and interest in and to this Agreement to an affiliate of Buyer.

25. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, devisees, personal representatives, successors, and assigns, except as otherwise provided herein.

26. Incorporation of Exhibits and Captions. The exhibits attached hereto are incorporated into this Agreement as if set forth in full in this Agreement. The descriptive paragraph headings and captions contained in this Agreement are for the convenience of the parties only and do not in any way modify, amplify, alter, control, affect the meaning or construction, or give full notice of the provisions thereof.

27. Time of the Essence. The parties hereto acknowledge that time is of the essence for each time and date specifically set forth in this Agreement.

28. Survival. All representations, warranties, covenants, and agreements contained herein made in writing by the Seller and Buyer in connection herewith shall survive the execution, delivery, and closing of this Agreement. Such representations, warranties, covenants, and agreements made by the Seller and the Buyer are material and shall be deemed to have been relied upon by the Seller and the Buyer.

29. Time Periods. The calculation of the number of days that have passed during any time period prescribed shall be based on calendar days, and any such period shall commence on the day immediately following the action or event giving rise to the commencement of the period and shall expire at 5:00 p.m., Florida time, on the last day of the time period. Furthermore, any time period provided for herein which shall end on a Saturday, Sunday, or legal holiday shall extend to 5:00 p.m., Florida time, of the next full business day.

30. Attorneys' Fees and Costs. In connection with any litigation, including appellate proceedings, arising out of this Agreement, each party shall bear its own respective costs and attorney's fees.

31. Further Acts. Any party hereto, upon the request of any other party, agrees to perform the further acts, and to execute and deliver such other documents, that are reasonably necessary to carry out the provisions of this Agreement.

32. Amendments. Any amendment to this Agreement shall not bind any of the parties hereto unless such amendment is in writing and executed by all of the parties to this Agreement. Any amendment to this Agreement shall be binding upon the Seller and the Buyer as soon as it has been executed by both.

33. Draftsmanship. The fact that one of the parties may have drafted or structured any provision of this Agreement or any document attached as an exhibit hereto shall not be considered in construing the particular provision either in favor of or against such party.

34. Counterparts. This Agreement may be executed in multiple counterparts, all of which taken together shall constitute one and the same instrument. A counterpart signature page to this Agreement that is executed by a party and transmitted via facsimile transmission or electronic mail (PDF) has the same force and effect as an original.

35. Waiver. No waiver of any provision of this Agreement shall be effective unless it is in writing signed by the party against whom it is asserted, and any waiver of any provision of this Agreement shall be applicable only to the specific instance to which it is related and shall not be deemed to be a continuing or future waiver as to such provision or a waiver as to any other provision.

36. Number and Gender. Except as otherwise required by the context of this Agreement, whenever the singular number is used in this Agreement, the same shall include the plural, and the plural shall include the singular. One gender shall encompass all. The words "Seller" and "Buyer" shall include their respective heirs, devisees, personal representatives, successors, and permitted assigns, if any.

37. Relationship. Nothing contained in this Agreement shall be construed to be or to create a partnership, joint venture, or relationship between Seller and Buyer other than as Buyer and Seller of the Property pursuant to this Agreement. This Agreement shall bind, inure to the benefit of, and be enforceable by the parties hereto and their respective heirs, personal representatives, successors and assigns.

38. Option for Lot 15 of Long Longleaf Business Park.

(a) Option to Purchase. For and in good and valuable consideration of One Thousand and No/100 Dollars (\$1,000.00) (the "Option Payment") and the execution of this Agreement and purchase of Lots 13 and 14 of the Longleaf Business Park, the receipt and sufficiency of which are hereby acknowledged by Seller, Seller hereby grants to Buyer an option to purchase Lot 15 of the Longleaf Business Park, according to the plat thereof as recorded in Plat Book 116, Pages 24-26, Public Records of Polk County, Florida (the "Option Property"), at any time within four hundred eighty five (485) days after the date of this Agreement. If Buyer elects to exercise this option, Buyer may do so by giving written notice thereof to Seller any time between the date of this Agreement and the date that is one year after the Effective Date of this Agreement, otherwise this option shall expire. Any portion of the Option Payment conveyed to Seller shall be forfeited by Buyer upon the expiration of this option.

(b) Purchase Price. The purchase price (the "Option Purchase Price") for the Option Property pursuant to this Option shall be equal to the sum of Thirty Five Thousand and No/100 Dollars (\$35,000.00) per acre as determined by survey. In the event the Buyer fails to obtain a survey on Lot 15, then the total number of acres shall be deemed to be 4.20 acres. Assuming the acreage of Lot 15 is 4.20 acres, the Option Purchase Price would be One Hundred Forty Seven Thousand and No/100 Dollars (\$147,000). The Option Payment paid by Buyer shall be credited toward the Option Purchase Price. Buyer shall be responsible for obtaining financing for the balance of the purchase price and shall be responsible for all costs associated therewith

(c) Terms of Purchase. Buyer, if Buyer exercises the Option, will purchase the Option Property on terms similar to the terms set forth in this Agreement, and Buyer and Seller will enter into a Sale and Purchase Agreement having substantially similar terms as those set forth in this Agreement except that the Purchase Price for the Option Property will be the Option Purchase Price and the Seller will not provide any seller financing. By way of example, and not limiting the generality of the foregoing sentence, Buyer will have the benefit of an Investigation Period of 120 days, the Buyer's and Seller's representations, warranties and covenants will be the same for the Option Property as those set forth herein for the Property, and the Buyer's and Seller's closing obligations, costs and prorations will be substantially similar to those set forth in this Agreement.

(d) Closing. The purchase of the Option Property shall be closed on a date (the "Closing Date") reasonably set by the Buyer and within thirty (30) days after the investigation period applicable to the Option Property expires.

(e) Memorandum of Option. Buyer and Seller agree to sign a Memorandum of Option in the form attached hereto as Exhibit A, and the cost of recording the Memorandum will be the obligation of the Buyer.

(f) Survival. Subject to and conditioned on Buyer purchasing the Property (i.e. Lots 13 and 14 of the Longleaf Business Park), the Option granted herein in this Paragraph 38 shall survive Closing of the Property and the termination of this Agreement.

39. Entire Agreement and Severability. This Agreement contains the entire agreement and understandings among the parties relating to the transaction contemplated in this Agreement, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written, are merged into this Agreement and shall have no further force and effect. Should any portion of this Agreement be declared invalid or unenforceable, then that portion shall be deemed to be severed from this Agreement and shall not affect the remainder of this Agreement, unless the portion is so material that its severance from this Agreement would alter the intent and purpose of this Agreement.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO SALE AND PURCHASE AGREEMENT

EXECUTED by the Seller on this _____ day of _____, 2015.

“Seller”

Signed, sealed, and delivered
in the presence of:

Lake Wales Community Redevelopment Agency

Print Name: _____

By: _____
Jonathan Thornhill, as its Chairman

Print Name: _____

EXECUTED by the Buyer on this _____ day of _____, 2015.

“Buyer”

Signed, sealed, and delivered
in the presence of:

Intrepid Precast, Inc.
a Florida corporation

Print Name: _____

By: _____
R. Barry Stem, as its CEO

Print Name: _____

ESCROW AGENT'S AGREEMENT AND RECEIPT

The undersigned hereby agrees to act as the Escrow Agent in accordance with the terms of this Agreement and hereby acknowledges receipt from the Buyer of the Initial Deposit of \$5,000.00, subject to clearance.

PETERSON & MYERS, P.A.

By: _____
David A. Miller

Dated: _____

EXHIBIT A

This instrument prepared by:
David A. Miller, Esq.
Peterson & Myers, P.A.
P.O. Box 24628
Lakeland, Florida 33802

MEMORANDUM OF OPTION TO PURCHASE

This Memorandum of Option (the "Memorandum") dated _____, 2015, is recorded in the public records of Polk County, Florida to give notice of that certain option to purchase (the "Option") given by Lake Wales Community Redevelopment Agency ("LWCRA"), the address of which is 201 West Central Avenue, Lake Wales, Florida 33853, to Intrepid Precast, Inc., a Florida corporation ("Intrepid"), the mailing address of which is 470 SE 123rd Street Road, Ocala, Florida 34480.

The Option provides that LWCRA has granted to Intrepid an option to purchase the following described real property under certain terms set forth in the Option:

Lot 15 of the Longleaf Business Park, according to the plat thereof as recorded in Plat Book 116, Pages 24-26, Public Records of Polk County, Florida

This Memorandum has been prepared and is being recorded in the official records of Polk County, Florida, as notice to all interested persons of such Option. This Memorandum does not alter or amend the terms of the option and is subject to all terms of the Option.

IN WITNESS WHEREOF, the parties have set their hands and seals on the day and year first above written.

Signed, sealed, and delivered
in the presence of:

Lake Wales Community Redevelopment Agency

Print Name: _____

By: _____
Jonathan Thornhill, as its Chairman

Print Name: _____

Signed, sealed, and delivered
in the presence of:

Intrepid Precast, Inc.
a Florida corporation

Print Name: _____

By: _____
R. Barry Stem, as its CEO

Print Name: _____

STATE OF FLORIDA
COUNTY OF POLK

The foregoing was acknowledged before me this ____ day of _____, 2015, by Jonathan Thornhill, as Chairman of Lake Wales Community Redevelopment Agency, on behalf of the agency, who [] is personally known to me or [] has produced _____ as identification.

(SEAL)

Printed Name: _____
Notary Public

STATE OF FLORIDA
COUNTY OF POLK

The foregoing instrument was acknowledged before me on this ____ day of _____, 2015, by R. Barry Stem, as the Chief Executive Officer of Intrepid Precast, Inc., a Florida corporation, on behalf of the corporation. Such person is personally known to me or has produced a valid driver's license as identification.

Notary Public
My commission expires: