

**SEMINOLE COUNTY GOVERNMENT
AGENDA MEMORANDUM**

SUBJECT: Land Purchase on 17-92 for Future Expansion at Five Points

DEPARTMENT: Administrative Services **DIVISION:** Support Services

AUTHORIZED BY: Jamie Croteau **CONTACT:** Meloney Lung **EXT.** 5256

Agenda Date <u>10/11/05</u> Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Work Session <input type="checkbox"/> Briefing <input type="checkbox"/> Public Hearing – 1:30 <input type="checkbox"/> Public Hearing – 7:00 <input type="checkbox"/>
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MOTION/RECOMMENDATION:

Option 1: Authorize staff to enter into negotiations for the purchase of parcel #22-20-30-200-0060-0000 owned by Link Holdings, Inc., after completion of the appraisal; or,

Option 2: Approve and authorize chairman to execute the Purchase and Assignment Agreement with GGM for \$165,000 and to proceed with the purchase for parcel #22-20-30-200-0060-0000 with the assignment of contract between GGM and Mr. and Mrs. Lackey for \$1,500,000; or,

Option 3: Authorize staff to proceed with securing both parcels which includes entering into negotiations for purchase of parcel #22-20-30-200-0060-0000 owned by Link Holdings, Inc., after completion of the appraisal; and, approve and authorize chairman to execute the Purchase and Assignment Agreement with GGM for \$165,000 and to proceed with the purchase for parcel #22-20-30-200-0060-0000 with the assignment of contract between GGM and Mr. and Mrs. Lackey for \$1,500,000.

District - 2 Morris and District – 5 Carey

BACKGROUND:

On 8/23/05, the Seminole County Board of County Commissioners authorized staff to enter into negotiations for the purchase or first right of refusal for two properties located on 17-92 near the Five Points area.

The budget contemplates \$1,770,000 allocated for land purchases in FY05/06. This funding was derived primarily from reducing the scope of renovations to the Civil Courthouse. This funding should be adequate to purchase one of the following parcels. Please note that to purchase both parcels, an appropriate funding source will need to be identified.

Reviewed by:	_____
Co Atty:	_____
DFS:	_____
Other:	_____
DCM:	_____
CM:	_____
File No.	<u>RASSS01</u>

Link Holdings Property: Parcel #14-20-30-300-0140-0000, located south and adjacent to the Criminal Justice Center, is currently owned by Link Holdings, Inc. The parcel is approximately 3 acres in size and is improved with a building and parking lot where a used car lot currently operates. The site is not flood prone nor does it contain wetlands. The parcel is located within the City of Sanford limits and per an interlocal agreement, site permits would be issued through the City; however, all other permitting would be handled through the County.

The assessed value is \$363,446 and last sold in 1999 for \$1,050,000. The Property Appraisers Office notes that this is a non-qualified sale. Staff has spoken with the registered agent of the corporation and has received information indicating a willingness to allow the County to negotiate the purchase of the property with a possibility to lease back the land to Link Holdings until the County has a need for the land. Prior to entering negotiations, the agent would like the County to obtain an appraisal on the property. Staff is in the process of coordinating the appraisal.

General Growth Management, LLC (GGM) Property: The southern most parcel, #22-20-30-200-0060-0000, located to the south of Fire Station 35 is currently under contract with General Growth Management, LLC (GGM).

This 4.7 acre property is currently for sale. This parcel is vacant, is not flood prone, nor does it contain any wetlands.

This parcel is located in unincorporated Seminole County. The parcel is adjacent on the back side with the Facilities Maintenance area. However, the front portion of the parcel is not contiguous with the Fire Station 35 due to a small .8 acre parcel (Allstate) in between. This parcel should be purchased at some point in order to make the property whole.

Staff was able to negotiate a Purchase and Assignment Agreement with GGM which allows the County to receive assignment of the contract between GGM and Mr. and Mrs. Lackey for \$1,500,000 and pay GGM \$165,000. The \$165,000 payment to GGM consists of \$150,000 for the assignment and \$15,000 for a deposit held in escrow for GGM by Greater Florida Title. The \$15,000 escrow will then be applied to the \$1,500,000 purchase at the time of closing.

Staff has obtained a copy of a survey and Phase I Environmental Assessment from GGM. Additionally, a title commitment has been completed. Attached is a copy of the Purchase and Assignment Agreement with GGM and the Purchase Agreement with Mr. and Mrs. Lackey.

PURCHASE AND ASSIGNMENT AGREEMENT

THIS PURCHASE AND ASSIGNMENT AGREEMENT is made and entered into this _____ day of _____, 2005, by and between GENERAL GROWTH MANAGEMENT, LLC, a Florida Limited Liability Company, whose address is 360 Lake Seminary Circle, Maitland, Florida 32751, hereinafter referred to as "GGM," and SEMINOLE COUNTY, a political subdivision of the State of Florida, whose address is Seminole County Services Building, 1101 East First Street, Sanford, Florida 32771, hereinafter referred to as "COUNTY."

WITNESSETH:

WHEREAS, GGM is the contract vendee of certain property that the COUNTY wishes to purchase; and

WHEREAS, GGM wishes to assign the purchase contract to the COUNTY, pursuant to the terms and conditions of this agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions herein contained, the parties agree as follows:

1. **AGREEMENT TO ASSIGN CONTRACT.** GGM hereby agrees to assign and COUNTY hereby agrees to accept the assignment of that certain contract between GGM and Donald R. and Patsy R. Lackey (the "Lackeys") dated July 25, 2005, covering the real property legally described as shown in that certain deed dated January, 1996, and recorded in ORB 3022 at page 397 of the Public Records of Seminole County, Florida (the "Property") and further described by Property Appraiser's Parcel No. 22-20-30-300-0060-0000 (hereafter the "Contract").

2. **PURCHASE PRICE.** As consideration for GGM's assignment of the Contract and subject to the terms of this agreement, the COUNTY agrees to pay GGM one hundred sixty five thousand dollars (\$165,000.00) at the closing. This amount includes all compensation due to GGM as a result of this Agreement for any reason and for any account whatsoever.

3. **GGM'S REPRESENTATIONS AND WARRANTIES.** GGM hereby represents and warrants the following:

A. GGM has no knowledge of any facts that would cause a reasonably prudent purchaser of real property for commercial development to fail to close the purchase of the Property under the Contract; and

B. GGM's investigation of the Property during its due diligence has not revealed any fact that would cause GGM to fail or refuse to close the purchase of the Property under the Contract; and

C. GGM has obtained a survey of the Property dated after the Effective Date of the Contract; and

D. GGM has obtained a Phase I Environmental Assessment on the Property; and

E. The survey will be certified to the COUNTY; and

F. The company performing the Phase I Environmental Assessment will issue a reliance letter to the COUNTY.

4. **DUE DILIGENCE DOCUMENTS.** Immediately upon the complete execution of this agreement by both parties GGM shall cause the survey to be certified and a reliance letter to be issued to the COUNTY in order that the COUNTY may rely upon the survey and the Phase I Environmental Assessment as if each of them had been provided to the COUNTY and not to GGM originally. GGM shall also provide the COUNTY with copies of any other site investigations performed during the due diligence period.

5. **CONDITIONS PRECEDENT TO CLOSING.** The closing of this assignment transaction and the COUNTY's purchase of the Property are conditioned upon occurrence of the following:

A. GGM waiving the financing contingency in the Contract; and

B. The title commitment and owner's policy of title insurance will be issued by an agent of the COUNTY's choosing, at Seller's expense (the fee will be the minimum fee allowed by law). The title insurance premium and closing fees shall not exceed the total of six thousand five hundred dollars (\$6,500.00) (NOTE: this amount does not include applicable tax proration or any other closing costs—for example, documentary stamps on the deed--required to be paid by Sellers).

6. **CLOSING.** The closing of this assignment transaction shall occur at the same time of the closing of the COUNTY's purchase of the property on or before November 1, 2005. At the closing the COUNTY shall make payment to GGM and GGM shall deliver the originals of all documents provided under paragraph 4 above, an executed assignment of the Contract in a form reasonably acceptable to the COUNTY and an assignment of GGM's deposit in a form reasonably acceptable to the COUNTY.

7. **TIME.** Time is of the essence in this agreement. Any reference herein to time periods of less than 6 days shall in the computation thereof exclude Saturdays, Sundays and legal holidays including County holidays, and any time period provided for herein which ends on a Saturday, Sunday or legal holiday, including County holidays, shall be extended to 5:00 p.m. of the next full County business day.

8. **CONTRACT RECORDABLE, PERSONS BOUND AND NOTICE.** This agreement shall be recorded in the Board of County Commissioner's public records and not recorded in the official land records. This agreement shall bind and inure to the benefit of the parties hereto and their successors in interest. Whenever the context permits, singular shall include plural and one gender shall include all. Notice given by or to the attorney for either party shall be as effective as if given by or to said party. The representations and warranties stated above shall survive the closing of this agreement.

9. **SURVIVAL.** Notwithstanding anything to the contrary in this agreement, it is understood and agreed that the representations, warranties, covenants and agreements of the parties shall survive the closing of this agreement.

10. **NOTICE.** Whenever a party desires or is required to give notice unto the other, it must be given by written notice, and either delivered personally or mailed to the appropriate address indicated on the first page of this Agreement, or such other address as is designated in writing by a party to this Agreement.

11. **OTHER AGREEMENTS.** No prior or present agreements or representations shall be binding upon any of the parties hereto unless incorporated in this agreement. No modification or change in this agreement shall be valid or binding upon the parties unless in writing and executed by the parties to be bound thereby.

12. **REALTORS.** GGM shall indemnify and hold the COUNTY harmless from and against any claims for real estate commissions made against the Buyer of the Property under the Contract. The COUNTY may deduct from the payment due GGM hereunder the amount of any real estate commissions agreed to be the Buyer's responsibility under the Contract.

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IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed in their respective names on the date first above written.

WITNESSES:

GENERAL GROWTH MANAGEMENT, LLC

SIGNATURE

MICHAEL J. HARRISON,
MANAGER

PRINT NAME

SIGNATURE

PRINT NAME

ATTEST:

**BOARD OF COUNTY COMMISSIONERS
SEMINOLE COUNTY, FLORIDA**

MARYANNE MORSE
Clerk to the Board of
County Commissioners of
Seminole County, Florida.

By: _____
CARLTON D. HENLEY, Chairman

Date: _____

For the use and reliance of
Seminole County only. Ap-
proved as to form and legal
sufficiency.

As authorized for execution by the Board
of County Commissioners at its _____,
2005, regular meeting.

County Attorney

SPL 09/26/05

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1. PURCHASE AND SALE: General Growth Management LLC ("Buyer")

2. agrees to buy and Donald R. & Patsy F. Lackey ("Seller")

3. agrees to sell the property described as: Street Address 4170 Hwy 17-92
Sanford, FL

4. Legal Description: Seminole Co parcel Id. 22-20-30-300-0060-0000
(4± Acres)

5. and the following Personal Property: None

6. (all collectively referred to as the "Property") on the terms and conditions set forth below. The "Effective Date" of this Contract is
7. the date on which the last of the Parties signs the latest offer. Time is of the essence in this Contract. Time periods of 5
8. days or less will be computed without including Saturday, Sunday, or national legal holidays and any time period ending on a
9. Saturday, Sunday or national legal holiday will be extended until 5:00 p.m. of the next business day.

10. 2. PURCHASE PRICE:

11. (a) Deposit held in escrow by Greater Florida Title \$ 1,500,000.00

12. (b) Additional deposit to be made within _____ days from Effective Date \$ _____

13. (c) Total mortgages (as referenced in Paragraph 3) \$ 1,200,000.00

14. (d) Other: _____ \$ _____

15. (e) Balance to close, subject to adjustments and prorations, to be made with cash, locally drawn
16. certified or cashier's check or wire transfer \$ 285,000.00

17. 3. THIRD PARTY FINANCING: Within 15 days from Effective Date ("Application Period"), Buyer will, at Buyer's expense, apply for
18. third party financing in the amount of \$ 1,200,000.00 or 80 % of the purchase price to be amortized over a period of 20
19. years and due in no less than 5 years and with a fixed interest rate not to exceed 7 % per year or variable interest rate not
20. to exceed 6 % at origination with a lifetime cap not to exceed 7 % from initial rate, with additional terms as follows:

21. Buyer will pay for the mortgagee title insurance policy and for all loan expenses. Buyer will timely provide any and all credit,
22. employment, financial and other information reasonably required by any lender. Buyer will notify Seller immediately upon obtaining
23. financing or being rejected by a lender. If Buyer, after diligent effort, fails to obtain a written commitment within 75 days from
24. Effective Date ("Financing Period"), Buyer may cancel the Contract by giving prompt notice to Seller and Buyer's deposit(s) will be
25. returned to Buyer in accordance with Paragraph 9.

26. Buyer (WWS) and Seller (DR & PL) acknowledge receipt of a copy of this page, which is page 1 of 5 Pages.



31 4. TITLE: Seller has the legal capacity to and will convey marketable title to the Property by statutory warranty deed
32 other _____ free of liens, easements and encumbrances of record or known to Seller
33 but subject to property taxes for the year of closing, covenants, restrictions and public utility easements of record; and (list any
34 other matters to which title will be subject) _____

35
36 provided there exists at closing no violation of the foregoing and none of them prevents Buyer's intended use of the Property as
37 Commercial Office Building

38 (a) Evidence of Title: Seller will, at (check one) Seller's Buyer's expense and within 10 days from Effective Date
39 prior to Closing Date from date Buyer meets or waives financing contingency in Paragraph 3, deliver to Buyer (check one)
40 a title insurance commitment by a Florida licensed title insurer and, upon Buyer recording the deed, an owner's policy in
41 the amount of the purchase price for fee simple title subject only to exceptions stated above
42 an abstract of title prepared or brought current by an existing abstract firm or certified as correct by an existing firm.
43 However, if such an abstract is not available to Seller, then a prior owner's title policy acceptable to the proposed insurer as
44 a base for reissuance of coverage. The prior policy will include copies of all policy exceptions and an update in a format
45 acceptable to Buyer from the policy effective date and certified to Buyer or Buyer's closing agent together with copies of all
46 documents recited in the prior policy and in the update.

47 (b) Title Examination: Buyer will, within 15 days from receipt of the evidence of title deliver written notice to Seller of title
48 defects. Title will be deemed acceptable to Buyer if: (1) Buyer fails to deliver proper notice of defects or (2) Buyer delivers proper
49 written notice and Seller cures the defects within 30 days from receipt of the notice ("Curative Period"). If the defects are
50 cured within the Curative Period, closing will occur within 10 days from receipt by Buyer of notice of such curing. Seller may
51 elect not to cure defects if Seller reasonably believes any defect cannot be cured within the Curative Period. If the defects are
52 not cured within the Curative Period, Buyer will have 10 days from receipt of notice of Seller's inability to cure the defects to
53 elect whether to terminate this Contract or accept title subject to existing defects and close the transaction without reduction in
54 purchase price. The party who pays for the evidence of title will also pay related title service fees including title and abstract
55 charges and title examination.

56 (c) Survey: (check applicable provisions below)
57 Seller will, within 5 days from Effective Date, deliver to Buyer copies of prior surveys, plans, specifications, and
58 engineering documents, if any, and the following documents relevant to this transaction: None
59 _____ prepared for Seller or in Seller's
60 possession, which show all currently existing structures in
61 Buyer will, at Seller's Buyer's expense and within the time period allowed to deliver and examine title evidence
62 obtain a current certified survey of the Property, from a registered surveyor. If the survey reveals encroachments on the
63 Property or that the improvements encroach on the lands of another, Buyer will accept the Property with existing
64 encroachments. such encroachments will constitute a title defect to be cured within the Curative Period.

65 (d) Ingress and Egress: Seller warrants that the Property presently has ingress and egress.

66 (e) Possession: Seller will deliver possession and keys for all locks and signs to Buyer at closing.

67 5. CLOSING DATE AND PROCEDURE: This transaction will be closed in Seminole County, Florida on
68 or before the October 20 or within 10 days from Effective Date ("Closing Date"), unless otherwise extended
69 herein. Seller Buyer will designate the closing agent. Buyer and Seller will, within 100 days from Effective Date, deliver to
70 Escrow Agent signed instructions which provide for closing procedure. If an institutional lender is providing purchase funds, lender
71 requirements as to place, time of day, and closing procedures will control over any contrary provisions in this Contract.

72 (a) Costs: Buyer will pay taxes and recording fees on notes, mortgages and financing statements and recording fees for the deed.
73 Seller will pay taxes on the deed and recording fees for documents needed to cure title defects. If Seller is obligated to discharge
74 any encumbrance at or prior to closing and fails to do so, Buyer may use purchase proceeds to satisfy the encumbrances.

75 (b) Documents: Seller will provide the deed, bill of sale, mechanic's lien affidavit, ~~assignments of leases, updated rent roll,~~
76 ~~tenant and lender estoppel letters,~~ assignments of permits and licenses, corrective instruments and letters notifying tenants of
77 the change in ownership/rental agent. If any tenant refuses to execute an estoppel letter, Seller will certify that information
78 regarding the tenant's lease is correct. If Seller is a corporation, Seller will deliver a resolution of its Board of Directors
79 authorizing the sale and delivery of the deed and certification by the corporate Secretary certifying the resolution and setting forth
80 facts showing the conveyance conforms with the requirements of local law. ~~Seller will transfer security deposits to Buyer.~~ Buyer
81 will provide the closing statement, mortgages and notes, security agreements and financing statements.

82 Buyer [Signature] and Seller [Signature] acknowledge receipt of a copy of this page, which is page 2 of 5 Pages.

83 (c) Taxes, Assessments, and Prorations: The following items will be made current and prorated as of Closing Date
84 as of _____ real estate taxes, bond and assessment payments assumed by Buyer, interest, *W. J. J. J.*
85 ~~rents, association dues, insurance premiums acceptable to Buyer, operational expenses and~~
86 If the amount of taxes and assessments for the current year cannot be ascertained, rates for the previous year will be used with due
87 allowance being made for improvements and exemptions. Seller is aware of the following assessments affecting or potentially
88 affecting the Property.

89 Buyer will be responsible for all assessments of any kind which become due and owing on or after Effective Date, unless the
90 improvement is substantially completed as of Closing Date, in which case Seller will be obligated to pay the entire assessment.

91 (d) FIRPTA Tax Withholding: The Foreign Investment in Real Property Act ("FIRPTA") requires Buyer to withhold at closing a
92 portion of the purchase proceeds for remission to the Internal Revenue Service ("I.R.S.") if Seller is a "foreign person" as defined
93 by the Internal Revenue Code. The parties agree to comply with the provisions of FIRPTA and to provide, at or prior to closing,
94 appropriate documentation to establish any applicable exemption from the withholding requirement. If withholding is required
95 and Buyer does not have cash sufficient at closing to meet the withholding requirement, Seller will provide the necessary funds
96 and Buyer will provide proof to Seller that such funds were properly remitted to the I.R.S.

97 6. ESCROW: Buyer and Seller authorize Greater Florida Title
98 Telephone: 407-622-4477 Facsimile: 407-622-4464 Address: 540 East Horatio Ave, #200
99 Maitland, FL 32751 to act as "Escrow Agent"

100 to receive funds and other items and, subject to clearance, disburse them in accordance with the terms of this Contract. Escrow
101 Agent will deposit all funds received in a non-interest bearing escrow account an interest bearing escrow account with
102 interest accruing to _____ with interest disbursed (check one) at closing

103 at _____ intervals. If Escrow Agent receives conflicting demands or has a good faith doubt as to Escrow
104 Agent's duties or liabilities under this Contract, he/she may (a) hold the subject matter of the escrow until the parties mutually
105 agree to its disbursement or until issuance of a court order or decision of arbitrator or determining the parties' rights regarding the
106 escrow or (b) deposit the subject matter of the escrow with the clerk of the circuit court having jurisdiction over the dispute. Upon
107 notifying the parties of such action, Escrow Agent will be released from all liability except for the duty to account for items
108 previously delivered out of escrow. If a licensed real estate broker, Escrow Agent will comply with applicable provisions of Chapter
109 475, Florida Statutes. In any suit or arbitration in which Escrow Agent is made a party because of acting as agent hereunder or
110 interpleads the subject matter of the escrow, Escrow Agent will recover reasonable attorneys' fees and costs at all levels, with
111 such fees and costs to be paid from the escrowed funds or equivalent and charged and awarded as court or other costs in favor
112 of the prevailing party. The parties agree that Escrow Agent will not be liable to any person for misdelivery to Buyer or Seller of
113 escrowed items, unless the misdelivery is due to Escrow Agent's willful breach of this Contract or gross negligence.

114 7. PROPERTY CONDITION: Seller will deliver the Property to Buyer at the time agreed in its present "as is" condition, ordinary
115 wear and tear excepted, and will maintain the landscaping and grounds in a comparable condition. Seller makes no warranties
116 other than marketability of title. By accepting the Property, "as is," Buyer waives all claims against Seller for any defects in the
117 property. (Check (a) or (b))

118 (a) As Is: Buyer has inspected the Property or waives any right to inspect and accepts the Property in its "as is" condition.
119 (b) Due Diligence Period: Buyer will, at Buyer's expense and within 90 days from Effective Date ("Due Diligence Period"),
120 determine whether the Property is suitable, in Buyer's sole and absolute discretion, for Buyer's intended use and development of
121 the Property as specified in Paragraph 4. During the Due Diligence Period, Buyer may conduct any tests, analyses, surveys and
122 investigations ("Inspections") which Buyer deems necessary to determine to Buyer's satisfaction the Property's engineering,
123 architectural, environmental properties; zoning and zoning restrictions; flood zone designation and restrictions; subdivision
124 regulations; soil and grade; availability of access to public roads; water and other utilities; consistency with local, state and regional
125 growth management and comprehensive land use plans; availability of permits; government approvals and licenses; compliance with
126 American with Disabilities Act; absence of asbestos; soil and ground water contamination; and other inspections that Buyer deems
127 appropriate to determine the suitability of the Property for Buyer's intended use and development. Buyer shall deliver written notice
128 to Seller prior to the expiration of the Due Diligence Period of Buyer's determination of whether or not the Property is acceptable.
129 Buyer's failure to comply with this notice requirement shall constitute acceptance of the Property in its present "as is" condition.
130 Seller grants to Buyer, its agents, contractors and assigns, the right to enter the Property at any time during the Due Diligence
131 Period for the purpose of conducting Inspections; provided, however, that Buyer, its agents, contractors and assigns enter the
132 Property and conduct Inspections at their own risk. Buyer shall indemnify and hold Seller harmless from losses, damages, costs,
133 claims and expenses of any nature, including attorneys' fees at all levels, and from liability to any person, arising from the conduct of
134 any and all inspections or any work authorized by Buyer. Buyer will not engage in any activity that could result in a mechanic's lien
135 being filed against the Property without Seller's prior written consent. In the event this transaction does not close, (1) Buyer shall
136 repair all damages to the Property resulting from the Inspections and return the Property to the condition it was in prior to conduct of
137 the Inspections, and (2) Buyer shall, at Buyer's expense, release to Seller all reports and other work generated as a result of the
138 Inspections. Should Buyer deliver timely notice that the Property is not acceptable, Seller agrees that Buyer's deposit shall be
139 immediately returned to Buyer and the Contract terminated.

140 Buyer [Signature] and Seller [Signature] acknowledge receipt of a copy of this page, which is page 3 of 5 Pages.

141 (c) **Walk-through Inspection:** Buyer may, on the day prior to closing or any other time mutually agreeable to the parties,
142 conduct a final "walk-through" inspection of the Property to determine compliance with this paragraph and to ensure that all
143 Property is on the premises.

144 (d) **Disclosures:**

145 1. **Radon Gas:** Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient
146 quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state
147 guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained
148 from your county/public health unit.

149 2. **Energy Efficiency:** Buyer may have determined the energy efficiency rating of the building, if any is located on the Property
150 Property.

151 **8. OPERATION OF PROPERTY DURING CONTRACT PERIOD:** Seller will continue to operate the Property and any business
152 conducted on the Property in the manner operated prior to Contract and will take no action that would adversely impact the
153 Property, tenants, lenders or business, if any. Any changes, such as renting vacant space, that materially affect the Property or
154 Buyer's intended use of the Property will be permitted only with Buyer's consent without Buyer's consent.

155 **9. RETURN OF DEPOSIT:** Unless otherwise specified in the Contract, in the event any condition of this Contract is not met and
156 Buyer has timely given any required notice regarding the condition having not been met, Buyer's deposit will be returned in
157 accordance with applicable Florida laws and regulations.

158 **10. DEFAULT:**

159 (a) In the event the sale is not closed due to any default or failure on the part of Seller other than failure to make the title
160 marketable after diligent effort, Buyer may either (1) receive a refund of Buyer's deposit(s) or (2) seek specific performance. If
161 Buyer elects a deposit refund, Seller will be liable to Broker for the full amount of the brokerage fee.

162 (b) In the event the sale is not closed due to any default or failure on the part of Buyer, Seller may either (1) retain all deposit(s)
163 paid or agreed to be paid by Buyer as agreed upon, liquidated damages, consideration for the execution of this Contract, and in
164 full settlement of any claims, upon which this Contract will terminate or (2) seek specific performance. If Seller retains the
165 deposit, Seller will pay the Listing and Cooperating Brokers named in Paragraph 12 fifty percent of all forfeited deposits retained
166 by Seller (to be split equally among the Brokers) up to the full amount of the brokerage fee.

167 **11. ATTORNEY'S FEES AND COSTS:** In any claim or controversy arising out of or relating to this Contract, the prevailing party,
168 which for purposes of this provision will include Buyer, Seller and Broker, will be awarded reasonable attorneys' fees, costs and
169 expenses.

170 **12. BROKERS:** Neither Buyer nor Seller has utilized the services of, or for any other reason owes compensation to, a licensed
171 real estate Broker other than:

172 (a) Listing Broker: Keller Williams Realty (Jim Apicella) (Kim Matthews)
173 who is an agent of Seller a transaction broker a nonrepresentative
174 and who will be compensated by Seller Buyer both parties pursuant to a listing agreement other (specify)

178 (b) Cooperating Broker
179 who is an agent of a transaction broker a nonrepresentative
180 and who will be compensated by Buyer Seller both parties pursuant to an MLS or other offer of compensation to a
181 cooperating broker other (specify)

185 (collectively referred to as "Broker") in connection with any act relating to the Property, including but not limited to inquiries,
186 introductions, consultations and negotiations resulting in this transaction. Seller and Buyer agree to indemnify and hold Broker
187 harmless from and against losses, damages, costs and expenses of any kind, including reasonable attorneys' fees at all levels, and
188 from liability to any person, arising from (1) compensation claimed which is inconsistent with the representation in this Paragraph, (2)
189 enforcement action to collect a brokerage fee pursuant to Paragraph 10, (3) any duty accepted by Broker at the request of Buyer or
190 Seller, which duty is beyond the scope of services regulated by Chapter 475, F.S., as amended, or (4) recommendations of or services
191 provided and expenses incurred by any third party whom Broker refers, recommends or retains for or on behalf of Buyer or Seller.

192 **13. ASSIGNABILITY; PERSONS BOUND:** This Contract may be assigned to a related entity, and otherwise is not assignable
193 is assignable. The terms "Buyer," "Seller," and "Broker" may be singular or plural. This Contract is binding upon Buyer, Seller
194 and their heirs, personal representatives, successors and assigns (if assignment is permitted).

195 Buyer (MJK) and Seller (W & P) acknowledge receipt of a copy of this page, which is page 4 of 5 Pages.

196 **14. OPTIONAL CLAUSES:** (Check if any of the following clauses are applicable and are attached as an addendum to this Contract):

- 197 Arbitration
- 198 Section 1031 Exchange
- 199 Property Inspection and Repair
- 200 Seller Representations
- Seller Warranty
- Coastal Construction Control Line
- Flood Area Hazard Zone
- Seller Financing
- Existing Mortgage
- Other: Use of property after clos.
- Other
- Other

201 **15. MISCELLANEOUS:** The terms of this Contract constitute the entire agreement between Buyer and Seller. Modifications of
202 this Contract will not be binding unless in writing, signed and delivered by the party to be bound. Signatures, initials, documents
203 referenced in this Contract, counterparts and written modifications communicated electronically or on paper will be acceptable for
204 all purposes, including delivery, and will be binding. Handwritten or typewritten terms inserted in or attached to this Contract prevail
205 over preprinted terms. If any provision of this Contract is or becomes invalid or unenforceable, all remaining provisions will continue
206 to be fully effective. This Contract will be construed under Florida law and will not be recorded in any public records. Delivery of any
207 written notice to any party's agent will be deemed delivery to that party.

208 **THIS IS INTENDED TO BE A LEGALLY BINDING CONTRACT. IF NOT FULLY UNDERSTOOD, SEEK THE ADVICE OF AN ATTORNEY**
209 **PRIOR TO SIGNING. BROKER ADVISES BUYER AND SELLER TO VERIFY ALL FACTS AND REPRESENTATIONS THAT ARE**
210 **IMPORTANT TO THEM AND TO CONSULT AN APPROPRIATE PROFESSIONAL FOR LEGAL ADVICE (FOR EXAMPLE,**
211 **INTERPRETING CONTRACTS, DETERMINING THE EFFECT OF LAWS ON THE PROPERTY AND TRANSACTION, STATUS OF**
212 **TITLE, FOREIGN INVESTOR REPORTING REQUIREMENTS, ETC.) AND FOR TAX, PROPERTY CONDITION, ENVIRONMENTAL AND**
213 **OTHER SPECIALIZED ADVICE. BUYER ACKNOWLEDGES THAT BROKER DOES NOT OCCUPY THE PROPERTY AND THAT ALL**
214 **REPRESENTATIONS (ORAL, WRITTEN OR OTHERWISE) BY BROKER ARE BASED ON SELLER REPRESENTATIONS OR PUBLIC**
215 **RECORDS UNLESS BROKER INDICATES PERSONAL VERIFICATION OF THE REPRESENTATION. BUYER AGREES TO RELY**
216 **SOLELY ON SELLER, PROFESSIONAL INSPECTORS AND GOVERNMENTAL AGENCIES FOR VERIFICATION OF THE PROPERTY**
217 **CONDITION, SQUARE FOOTAGE AND FACTS THAT MATERIALLY AFFECT PROPERTY VALUE.**

218 **DEPOSIT RECEIPT:** Deposit of \$ 15,000.00 by personal check other _____ received on _____
219 _____ by _____
220 _____ Signature of Escrow Agent

221 **OFFER:** Buyer offers to purchase the Property on the above terms and conditions. Unless acceptance is signed by Seller and a
222 signed copy delivered to Buyer or Buyer's agent no later than 5:00 a.m. p.m. on July 25, 2005
223 Buyer may revoke this offer and receive a refund of all deposits.

224 Date: 7/18/05 BUYER: Michael J. Harrison (Michael J. Harrison) Tax ID No. 20-0953414
General Growth Management LLC
225 Title: Managing Member Telephone: 407-830-7273 Facsimile: 407-830-1845
226 Address: 360 Lake Seminary Circle, Maitland, FL 32751

227 Date: _____ BUYER: _____ Tax ID No. _____
228 Title: _____ Telephone: _____ Facsimile: _____
229 Address: _____

230 **ACCEPTANCE:** Seller accepts Buyer's offer and agrees to sell the Property on the above terms and conditions (subject to the
231 attached counter offer)

232 Date: 7-22-05 SELLER: Donald R. Lachy Tax ID No. 240-00-2144
233 Title: _____ Telephone: _____ Facsimile: _____
234 Address: _____

235 Date: _____ SELLER: Patry R. Lachy Tax ID No. 241-54-6993
236 Title: _____ Telephone: _____ Facsimile: _____
237 Address: _____

238 Buyer (MJH) and Seller (DRL) acknowledge receipt of a copy of this page, which is page 5 of 5 Pages.

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Additional Clauses

Addendum No. 1 to the Commercial Contract between Donald R. & Patsy R. Lackey ("Seller") and General Growth Management LLC ("Buyer") concerning the sale and purchase of the Property described as 4170 Hwy 17 NE, Sem. Co. Parcel # 22-20-30-300-0060-0000

The clauses below shall be incorporated into the Contract referenced above only if initialed by all parties:

Seller Initials: _____ Buyer Initials: _____

(A) AR MLK **ARBITRATION:** Any controversy or claim arising out of or relating to this Contract, or the breach thereof, shall be settled by neutral binding arbitration in Seminole County, Florida, in accordance with the rules of (name of organization) American Arbitration Association and not by any court action, except as provided by Florida law or judicial review of arbitration proceedings. Any court having appropriate jurisdiction may enter judgment upon the award rendered by the arbitrator(s). Filing a judicial action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction or other provisional remedies shall not constitute a waiver of the right to arbitrate under this paragraph. Any claims or disputes with or against real estate agents participating in this transaction shall be submitted to arbitration under this provision only with the written consent and joinder of the agent's Broker. In connection with any arbitration or litigation between the parties, the prevailing party shall be entitled to recover all fees, costs, and expenses, including reasonable attorneys' fees, arbitrators' fees and administrative fees of arbitration.

(B) **SECTION 1031 EXCHANGE:** Buyer Seller requests a Section 1031 tax deferred exchange in connection with this transaction. The parties agree to cooperate in effecting the exchange in accordance with Section 1031 of the Internal Revenue Code, including execution of any documents that may be reasonably necessary to effect the exchange, provided that (1) the party requesting the exchange shall bear all additional costs incurred in connection with the exchange; (2) the non-requesting party shall not be obligated to delay the closing or to execute any note, contract, or other document providing for any personal liability which would survive the exchange.

(C) **PROPERTY INSPECTION AND REPAIR:** Paragraph 7 of the Contract is deleted. Seller shall grant reasonable access to the Property to Buyer, its agents, contractors and assigns for the purpose of conducting the inspections described below, provided however, that all such persons enter the Property and conduct the inspections at their own risk. Buyer shall indemnify and hold Seller harmless from losses, damages, costs, claims and expenses of any nature, including attorneys' fees, and from liability to any person arising from the conduct of any and all inspections or work authorized by Buyer. Buyer shall not engage in any activity that could result in a mechanics lien being filed against the Property without Seller's prior written consent. In the event this transaction does not close, Buyer shall, at Buyer's expense, (1) repair all damages to the Property resulting from the inspections and return the Property to its present condition and (2) release to Seller copies of all reports and other work generated as a result of the inspections. Seller has no duty to make repairs except to those defects and conditions reported by Buyer in writing prior to 5:00 p.m. on the date the applicable Inspection Period expires. Seller makes no warranties other than marketability of title. (Check if applicable)

(1) **Structure and Systems:** Within _____ days from Effective Date ("Inspection Period"), Buyer shall, at Buyer's expense, have a certified general contractor or engineer make inspections which Buyer deems necessary to determine the condition of all structures and systems, including roof, exterior walls, foundation, major appliances, electrical, HVAC, plumbing, and sewer, septic and well systems, pool and pool equipment, parking lot, fences, and seawall or other retaining structures on the Property except _____ Seller shall have _____ days from the date Seller receives Buyer's written report to obtain repair or replacement estimates from a licensed building or general contractor. If the cost to correct the defects does not exceed _____ % of the purchase price ("Structural Repair Limit"), Seller shall have _____ defects repaired in a workmanlike manner by an appropriately licensed contractor. If the cost to correct the defects exceeds the Structural Repair Limit, either party may elect to pay the excess, failing which either party may terminate this Contract.

Buyer MLK and Seller DLG-AR acknowledge receipt of a copy of this page, which is page 1 of 3 Pages.

43 (2) **Environmental Hazards:** Within _____ days from Effective Date ("Inspection Period"), Buyer shall, at Buyer's Seller's
44 expense, apply for a Phase I inspection to be conducted by an environmental engineer. Buyer shall deliver to Seller a copy of all resulting
45 environmental reports. If a lender requires a Phase II or III investigation, Buyer shall deliver written notice of the requirement to Seller and
46 Seller may elect within _____ days from receipt of the notice, to conduct the investigation at (check one) Seller's Buyer's
47 expense. If Seller elects not to conduct the investigation, either party may terminate this Contract. If Seller elects to conduct the
48 investigation, Seller will pay for and make corrective measures required by law. If remediation is necessary, Seller shall have _____
49 days to complete the cleanup ("Cleanup Period"). If remediation is completed within Cleanup Period, then Seller shall deliver written
50 notice to Buyer within 3 days after cleanup completion, and the parties will close the transaction on Closing Date, or, if Closing Date has
51 passed within 10 days from Buyer's receipt of Seller's notice. If Seller is unable to complete remediation within Cleanup Period, Seller
52 will deliver written notice to Buyer within 3 days after this determination is made and Buyer will within 10 days from receipt of Seller's
53 notice either cancel this Contract or accept the property in current condition and shall close on Closing Date, or, if Closing Date has
54 passed within 10 days from Buyer's receipt of Seller's notice with costs of completing the remediation being held in escrow at closing.

55 (3) **Wood Destroying Organism Inspection:** "Wood destroying organism" means arthropod or plant life which may damage
56 the wood in a structure, as defined in F.S. 482.02(26). Within _____ days from Effective Date ("Inspection Period"), Buyer shall,
57 at Buyer's expense, have the Property inspected by a Florida-licensed pest control business to determine the presence in the
58 improvements of past or present infestation and damage caused by infestation. Seller shall have _____ days from receipt of Buyer's
59 written report to obtain repair estimates from a licensed building or general contractor, and treatment estimates from a licensed pest
60 control business. Seller shall treat and repair the Property if the cost to do so does not exceed _____ % of the purchase price
61 ("Termite Repair Limit"). If the cost of treatment and repair exceeds the Termite Repair Limit, either party may elect to pay the
62 excess, failing which either party may terminate this Contract. If there is no evidence of live infestation and the Property is covered
63 by a full treatment warranty, Seller shall transfer the warranty to Buyer at closing and shall not be obligated to treat the Property.
64 Seller shall deliver the Property to Buyer at the time agreed in its present condition, ordinary wear and tear and repairs made
65 pursuant to this Paragraph excepted, and shall maintain the landscaping and grounds in a comparable condition. Walk-through
66 inspection. Buyer may on the day prior to closing or any other time mutually agreeable to the parties, conduct a final "walk-
67 through" inspection of the Property, to determine compliance with this paragraph and to ensure that all Property is on the premises.
68 No new issues may be raised as a result of the walk-through. Radon Gas: Radon is a naturally occurring radioactive gas that
69 when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time.
70 Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding
71 radon and radon testing may be obtained from your county public health unit. **Energy Efficiency:** Buyer may have determined the
72 energy efficiency rating of the building, if any is located on the Real Property.

73 Seller Initials: _____ Buyer Initials: _____

74 (D) _____ SELLER REPRESENTATIONS: Seller shall, within _____ days from Effective Date and at
75 Seller's expense, deliver to Buyer current copies of the rent roll, leases, notes and mortgages, existing title reports or policies, surveys,
76 permits and certificates of occupancy, certified income and expense statements for the period January 1, _____ through December
77 31, _____ as Evidence that the Property generated income of \$ _____ against expenses of \$ _____
78 and agreements with third parties that will remain in effect after closing. Buyer may terminate this Contract by written notice to Seller
79 within _____ days after receipt of the above documents if the statements differ materially from Seller's representations. If Buyer fails
80 to provide timely written notice, Buyer shall be deemed to waive this contingency.

81 (E) _____ SELLER WARRANTY: Seller warrants that Seller has no knowledge of (1) notice of city,
82 county, state, federal, building, zoning, fire, or health codes, regulations or ordinances filed or issued against the Property, (2)
83 current pending lawsuit(s), investigation(s), inquiry(ies), action(s), or other proceeding(s) or the right to use and occupy the Property,
84 (3) unsatisfied construction liens, (4) incompatibility of property with land use plans (5) tenants in bankruptcy, or (6) special
85 assessments, condemnation, eminent domain, change in grade of public streets affecting the Property or similar proceedings
86 affecting the Property. If Seller is notified of any of the above matters prior to closing, Seller shall notify Buyer in writing within
87 3 days. If Buyer requires the matter to be corrected prior to closing, Buyer shall notify Seller in writing within 3 days from
88 receipt of Seller's notice. Buyer's failure to provide timely notice shall be deemed acceptance of the Property with the matter as it
89 then exists. If Seller is unable or unwilling to correct the matter prior to closing, Buyer may terminate this Contract. Seller warrants
90 that, as of Effective Date, execution of this Contract and delivery of title is not a violation or breach of any agreement or judgment to
91 which Seller is a party.

92 (F) _____ COASTAL CONSTRUCTION CONTROL LINE: All or part of the Property is located
93 seaward of the Coastal Construction Control Line as defined in Florida Statute 161.053, and is therefore subject to government
94 regulation. Florida law requires Seller to provide Buyer with an affidavit, or a survey meeting the requirements of chapter 472 of the
95 Florida Statutes, delineating the location of the CCCL on the Property at or prior to closing, unless Buyer waives this requirement.
96 In writing, Buyer waives the right to receive a CCCL affidavit or survey, requests a CCCL affidavit or survey within the time
97 allowed for Seller to deliver title evidence.

98 Buyer (_____) and Seller (_____) acknowledge receipt of a copy of this page, which is page 2 of 3 Pages.

Seller Initials Buyer Initials

(G) FLOOD AREA HAZARD ZONE: The Property is located in a Special Flood Hazard Area Coastal High Hazard Area. Flood insurance on structures may be required as a condition of financing. If the first year premium of flood insurance required by a lender exceeds \$_____ per year, Buyer may terminate this Contract unless either party elects, within _____ days of notification of the excess amount, to pay the excess. In addition, there may be restrictions on rebuilding in the event of casualty or substantial modification to the structure. Buyer is advised to verify all such restrictions with the appropriate government agencies. Seller's flood insurance policy is is not transferable to or assumable by Buyer.

(H) SELLER FINANCING: Buyer shall execute a purchase money note and _____ mortgage to Seller in the amount of \$_____ due _____ bearing annual interest at _____ % and payable as follows:

The mortgage, note and any security agreement shall be in a form acceptable to Seller, but shall contain only clauses generally utilized by lending institutions in the county where the Property is located and shall provide for (1) a late payment fee, (2) acceleration at Seller's option in the event Buyer defaults, (3) the right to prepay without penalty all or part of the principal at any time(s) with interest only to date of payment, (4) the loan to be due on conveyance or sale assumable with mortgagee's consent, which may not be unreasonably withheld and (5) Buyer to keep the Property insured against loss by fire (and flood, if Property is in a flood zone) with extended coverage in an amount not less than the amount of the purchase money mortgage and note. Buyer shall furnish credit, employment, and financial information reasonably required by Seller. Within _____ days from receipt of all requested information, Seller shall deliver written notice to Buyer of Seller's decision to provide this financing. Seller shall not unreasonably withhold approval of this financing.

(I) EXISTING MORTGAGE: Seller shall, within _____ days from Effective Date, deliver to Buyer a copy of the mortgage and an estoppel letter from the lender stating principal balance and accrued interest, maturity date, time and method of payments, interest rate and status of mortgage. Buyer shall have _____ days from receipt of lender's statement to examine the mortgage and approve the terms of the loan. Buyer shall not unreasonably withhold approval. If mortgage contains a due on sale or conveyance clause, Seller shall, at Buyer's expense, obtain lender's consent to the assumption within _____ days from Effective Date. Any variance in the mortgage will be adjusted in the balance due at closing with no adjustment to purchase price; however, Seller shall not prepay any portion of the mortgage without Buyer's consent. Buyer shall purchase Seller's escrow account dollar for dollar.

(1) First Mortgage: Buyer shall assume and take title subject to the existing first mortgage, LN# _____ in favor of _____ having an approximate present principal balance of \$_____ payable \$_____ per month including principal, interest, other _____ and having a fixed other (describe) _____ interest rate of _____ % which will will not escalate upon assumption. Additional terms _____

(2) Second Mortgage: Buyer shall assume and take title subject to the existing second mortgage, LN# _____ in favor of _____ having an approximate present principal balance of \$_____ payable \$_____ per month including principal, interest, other _____ and having a fixed other (describe) _____ interest rate of _____ % which will will not escalate upon assumption. Additional terms _____

(J) OTHER TERMS AND CONDITIONS: Use of Property After closing: Seller may continue to use the property for operation of its current business after closing while Buyer pursues construction permits, providing Seller indemnifies Buyer and maintains insurance acceptable to Buyer. Seller must vacate property within 30 days written notice from Buyer.

Buyer (initials) and Seller (initials) acknowledge receipt of a copy of this page, which is page 3 of 3 Pages.

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