

CONTRACT FOR PURCHASE AND SALE OF REAL PROPERTY

PARTIES: The City of Gainesville, a Florida municipal corporation, whose mailing address is Post Office Box 490, Station 58, Gainesville, Florida 32627, ("Seller"), and Phalanx Defense Systems, LLC, a Florida limited liability company, whose mailing address is 4352 NE 40th Terrace, Gainesville, Florida 32609, ("Buyer"), hereby agree that Seller shall sell and Buyer shall buy the following described Real Property which includes two structures of approximately 24,053sq. ft. and 5,882 sq. ft. respectively as shown in **Exhibit A** attached hereto (the "Property") pursuant to the terms and conditions of this Contract for Sale and Purchase and any riders and addenda ("Contract"):

1. DESCRIPTION:

Legal description of the Real Property located at 1125 NE 8th Ave., Gainesville Florida 32601 in Alachua County, Florida:

COMMENCE AT A RAILROAD SPIKE FOUND AND ACCEPTED AS MARKING THE NORTHEAST CORNER OF SECTION 4, TOWNSHIP 10 SOUTH, RANGE 20 EAST; THENCE S 89°15'13" W ALONG THE NORTH LINE OF SAID SECTION 4 A DISTANCE OF 1409.39 FEET TO A 5/8" IRON ROD AND CAP STAMPED "ACLS INC.", BEING ON THE SOUTH RIGHT-OF-WAY LINE OF NE 8TH AVENUE AND THE POINT OF BEGINNING; THENCE LEAVING SAID SECTION LINE AND SOUTH RIGHT-OF-WAY LINE S 00°36'53" E A DISTANCE OF 310.33 FEET; THENCE S 89°15'13" W PARALLEL TO THE NORTH LINE OF SAID SECTION 4 AND SOUTH RIGHT-OF-WAY LINE OF NE 8TH AVENUE A DISTANCE OF 449.81 FEET TO A POINT ON THE EAST RIGHT-OF-WAY LINE OF NE 11TH STREET; THENCE N 00°36'53" W ALONG SAID EAST RIGHT-OF-WAY LINE A DISTANCE OF 310.33 FEET TO A NAIL AND DISC STAMPED ""PSM 5368" ON THE SOUTH RIGHT-OF-WAY LINE OF NE 8TH AVENUE AND THE NORTH LINE OF SAID SECTION 8; THENCE N 89°15'13" E ALONG SAID RIGHT-OF-WAY AND SECTION LINE A DISTANCE OF 449.81 FET TO THE POINT OF BEGINNING; ALL LYING AND BEING IN THE NORTHEAST ONE QUARTER (1/4) OF SECTION 4, TOWNSHIP 10 SOUTH RANGE 20 EAST, ALACHUA COUNTY, FLORIDA AND CONTAINING 139,591 SQUARE FEET (3.20 ACRES), MORE OR LESS.

A sketch of the Property (labeled as Parcel "A") is attached to this Contract as **Exhibit "A"**.

2. **PURCHASE PRICE** (Fixed Price, U. S. currency): \$ 635,000.00

PAYMENT:

- | | |
|---|------------------------|
| a) Deposit to be made to Closing Agent no later than 10 days after the Effective Date of this Contract. | \$ -0- |
| b) Financing: See Paragraph 4. | \$ <u>(635,000.00)</u> |
| c) Balance to close, subject to adjustments or prorations, and not including Buyer's closing costs. | \$ <u>0.00</u> |

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

- a) If this Contract is not executed by Buyer and Seller, and an executed copy delivered to all parties on or before **September 8, 2016**, the offer shall be deemed withdrawn, the deposit(s) shall be returned to Buyer, and the parties shall be relieved of all obligations under this Contract. The sale is contingent upon approval of this Contract by the City Commission of the City of Gainesville, a Florida municipal corporation (the "City Commission") which shall occur no later than November 15, 2016.
- b) The effective date of this Contract ("Effective Date") shall be the date when the following contingencies have been fulfilled: a) approval of this contract by the City Commission, b) the final approval of the a lot split creating the real property parcel to be purchased and described above, and c) the final approval of land use and zoning changes which will permit Buyer's Intended Use as defined in paragraph 7 below.

- 4. FINANCING:** As a financial incentive to encourage the Buyer to invest in this location, make property improvements and create jobs, the Seller will provide seller financing in the amount of \$635,000 which shall be evidenced by a recorded First Mortgage and Promissory Note, which will provide for possible loan forgiveness of up to \$535,000 in accordance with the terms of the First Mortgage and Promissory Note, copies of which are attached to this Contract as Exhibit "A."

5. TITLE EVIDENCE: Within **ten (10) days** of the Effective Date:

Title insurance commitment with legible copies of instruments listed as exceptions attached thereto ("Title Commitment") and, after Closing, an owner's policy of title insurance (see Standard A for terms) and a mortgagee policy of title insurance insuring the City's first mortgage, shall be obtained by (CHECK ONLY ONE):

- (1) Seller, at Seller's expense and delivered to Buyer or Buyer's attorney; or
 X (2) Buyer at Buyer's expense, and as to the mortgagee policy, delivered to Seller.

- 6. CLOSING DATE:** This transaction shall be closed and the closing documents delivered as soon as possible within 45 days from the Effective Date on a mutually agreed upon date but no later than on **December 15, 2016** ("Closing"), unless modified by other provisions of this Contract. Closing shall occur at Bosshardt Title Insurance Agency, LLC, 5532 NW 43rd Street, Gainesville, FL 32653.

- 7. RESTRICTIONS; EASEMENTS; LIMITATIONS:** Seller shall convey marketable title free and clear of all liens, encumbrances, mortgages, taxes, or assessments of any kind or nature, only subject to: comprehensive land use plans, zoning, restrictions, prohibitions and other requirements imposed by governmental authority; restrictions and; outstanding oil, gas and mineral rights of record without right of entry; unplatted public utility easements of record; taxes for year of Closing and subsequent years; provided, that there exists at Closing no violation of the foregoing and none prevent use of the Property for the development, manufacture and marketing or armor, holsters and related clothing and accessories manufacturing and assembly (the "Buyer's Intended Use.")

8. SURVEY AND DUE DILIGENCE:

- a) **Existing Documents:** Within **fifteen (15) business days** after the Effective Date of this

Contract, Seller shall provide Buyer with a copy of all surveys, title reports or title insurance policies, environmental and engineering reports and any other reports that pertain to the Property that are in the Seller's possession.

- b) **Survey:** The Seller shall furnish Buyer with a copy of the current boundary survey used to determine the location of the lot split and easements shown in Exhibit "A".
- c) **Due Diligence:**
 - 1) Commencing on the Effective Date, Buyer and its engineers, architects, and other agents shall have a period of **thirty (30) days** (the "Due Diligence Period") within which to undertake such physical inspections and other investigations of, and inquiries concerning, the Property as may be necessary in order for Buyer to evaluate the physical characteristics of the Property, including environmental conditions, as well as such other matters as may be deemed by Buyer to be reasonably necessary to generally evaluate the Property and determine the feasibility and advisability of Buyer's purchase of the Property for the Buyer's Intended Use.
 - 2) In the event Buyer determines, in Buyer's sole discretion, that the Property is not in acceptable condition or suitable for Buyer's Intended Use, Buyer may by written notice provided to Seller on or prior to expiration of the Due Diligence Period, terminate this Contract, upon which the Deposit shall be promptly returned to Buyer and except as otherwise provided herein, neither party shall have any further liability or obligation hereunder.
 - 3) For purposes of undertaking physical inspections and investigations of the Property, including but not limited to the Survey, Appraisal, Environmental Phase I, Environmental Phase II, soil studies, asbestos studies, topographical survey, land use and zoning review, water and sewer availability and capacity, ingress/egress, preliminary planning review, covenants and restrictions, coverage ratio, concurrency compliance, and construction time, Seller hereby grants to Buyer and its agents full right of entry upon the Property and any part thereof during the Due Diligence Period and, as long as this Contract has not been terminated, thereafter until Closing. Buyer, as a condition to its exercise of such right of entry, agrees to indemnify the Seller for claims brought against the Seller only to the extent that they are found to result from the sole negligence of the Buyer or its employees. This indemnification shall not be construed to be an indemnification for the acts or omissions of third parties, independent contractors or third party agents of the Buyer.
 - 4) Buyer shall use its own consultants, engineers and all other related professionals to make its own investigation and determination as to the accuracy or acceptability of any and all matters regarding the Property and the documents.

9. SPECIAL CONDITIONS/CONTINGENCIES:

- a) **Contingencies:** Seller, in its proprietary capacity, has initiated a lot split and land use and zoning changes for the Property in order to create a legal parcel and to allow the Buyer's Intended Use. This Contract is contingent on the approval of the lot split, land use and zoning changes and the approval of this contract by the City Commission prior to November 15, 2016. In the event, any one of the lot split, land use change or zoning change is denied, the Buyer may terminate this Contract and receive a return of its Deposit thereby releasing Buyer and Seller from all further obligations under this Contract. The parties recognize that the Seller is also the government entity that is vested with regulatory authority to grant or deny the lot split, land use and zoning changes. The parties agree that nothing contained in this

Contract shall be interpreted or construed as an approval, waiver or agreement to approve or waive any development plan, development permit, rezoning, comprehensive plan amendment or any other governmental requirement for the Buyer's Intended Use. Nothing contained in this Contract shall be interpreted or construed as contracting away the exercise of the regulatory or police powers of the City.

- b) **Easements:** Buyer agrees to grant to Seller at closing four (4) easements (public utility and Ingress/Egress easements) for the Property, in the form of Easement attached to this Contract as **Exhibit "B"**.
- c) **Rights of Reverter, Right of First Refusal and Restrictive Covenants:** The City shall retain two rights of reverter and a right of first refusal and has imposed restrictive covenants on use and height, all as described in the form of Special Warranty Deed attached to this Contract as **Exhibit "C"**.

10. WARRANTIES & COVENANTS OF SELLER AND BUYER:

- a) **Litigation:** Seller covenants and warrants that, to the best of its knowledge, there are no suits, actions, or proceedings pending, whether involving governmental authority or private party, to which Seller is a party and relating to the ownership or operation of the Property, nor has Seller any knowledge of any contemplated actions; and Seller agrees to give Buyer prompt notice of any suits instituted between the date hereof and the Closing date.
- b) **Seller's Ownership:** Seller warrants and covenants that Seller has title to the exclusion of all other persons or entities and free of all liens and encumbrances to the fee simple interest in the Property, and the same shall be conveyed by Seller to Buyer at the closing; that Seller has an unrestricted right to so transfer, that there are no contracts, leases or understandings affecting the Property or improvements thereon other than those that have been disclosed by provisions of this Contract. The property is not subject to a special assessment lien imposed by a public body payable in installments that continue beyond Closing.
- c) **Compliance with Law:** Seller warrants and covenants that, to the best of its knowledge, there are no violations of federal, state, or local law, regulations or ordinances affecting the Property.
- d) **Zoning:** Seller further warrants and covenants that there are no municipal orders or actions which might adversely affect Buyer's intended use which would not be eliminated by the presently pending lot split, land use and zoning changes to the real property and it has no knowledge or information of any existing or anticipated federal, state, county, or other orders or actions which might adversely affect Buyer's intended use.
- e) **Condemnation:** Seller warrants and covenants that it has not received any written or official notice or otherwise been notified or have any knowledge of any condemnation proceedings against the whole or any part of the Property, by any other government entity.
- f) **Corporate status:** Buyer represents and warrants that it is a legal entity validly organized and in good standing within the State of Florida.
- g) **Corporate authority:** Buyer represents and warrants that the execution of this Contract by its undersigned officer, together with all documents contemplated herein, have been authorized by all necessary action of the company. Further, this Contract and all documents to be executed pursuant hereto constitute a legally binding and enforceable obligation of the company.

11. OCCUPANCY: Seller shall deliver occupancy of Property to Buyer at time of Closing.

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

13. **DISCLOSURES:**

a) **Special Assessment Liens:** ___ CHECK HERE if the property is subject to a special assessment lien imposed by a public body payable in installments that continue beyond Closing and, if so, specify who shall pay amounts due after Closing: ___ Seller ___ Buyer ___ Other (See addendum).

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

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

d) **Energy-Efficiency Rating Information:** Buyer acknowledges notification of the option for an energy-efficiency rating on the Property in accordance with Section 553.996, Florida Statutes.

14. **MAXIMUM REPAIR COSTS:** Seller shall not be responsible for payment in excess of:

a) \$ 0.00 for treatment and repair under Standard C (if blank, then 2% of the Purchase Price).

b) \$ 0.00 for repair and replacement under Standard M not caused by Wood Destroying Organisms (if blank, then 3% of the Purchase Price).

15. **RIDERS; ADDENDA; SPECIAL CLAUSES:**

AS-IS SALE: This is an AS-IS sale, this does not relieve Seller's obligations under paragraph 10 or Standard V for facts known to Seller. However, except as required by law, paragraph 10, and Standard V, Seller extends and intends no warranty and makes no representation of any type, either express or implied, as to the physical condition or history of the Property. Seller has received no written or verbal notice from any governmental entity or agency as to a currently uncorrected building, zoning or safety code violation, except as disclosed to Buyer. Subject to the provisions and limitations of this paragraph 15, Buyer expressly waives any claims against Seller for any defects, damage or conditions that may exist at Closing of the Contract and be subsequently discovered by the Buyer or anyone claiming by, through, under or against the Buyer.

16. **STANDARDS FOR REAL ESTATE TRANSACTIONS ("Standards"):** Buyer and Seller acknowledge receipt of a copy of the attached Standards A through V, which are incorporated as a part of this Contract, except as modified herein.

17. **REAL ESTATE COMMISSION:** Seller and Buyer each represent and warrant to the other that it has not dealt with any broker, salesperson, agent, or finder in connection with any of the transactions contemplated by this Contract, and insofar as each party knows, no broker, salesperson, agent, finder, or other person is entitled to any commission or finder's fee in connection with any of the transactions contemplated by this Contract. Seller and Buyer each

agree to indemnify, defend (by counsel reasonably satisfactory to the indemnified party), save, and hold harmless the other from and against any and all losses, claims, damages, liabilities, Fees and Costs, and all other expenses related to, growing out of, or arising from, any claims or demands for any brokerage commissions or finder's fee alleged to be payable because of any act, omission, or statement of the indemnifying party. The terms of this Section shall survive the Closing and any termination of this Contract.

- 18. **NOTICE:** Any and all notices or demands by or from Seller to Buyer, or Buyer to Seller, shall be in writing. They will be served by certified mail. If served by certified mail, service shall be conclusively deemed made forty-eight (48) hours after the deposit thereof in the United States Mail, postage prepaid, addressed to the party to whom such notice or demand is to be given, as hereinafter provided, and the issuance of the registry receipt therefore.

Any notice or demand to Seller shall be given at the following address:

AS TO CITY: Attention: City Manager
City of Gainesville
P.O. Box 490, MS 6
Gainesville, Florida 32627

COPY TO: Attention: City Attorney
City of Gainesville
P.O. Box 490, Station 46
Gainesville, Florida 32627

Estelle Lens
Land Rights Coordinator
City of Gainesville
405 Northwest 39th Avenue
Gainesville, Florida 32609

Any notice or demand to Buyer shall be given to the following address:

AS TO SELLER: Phalanx Defense Systems
James G. Coats
9322 NW 15th Place
Gainesville, Florida 32606

COPY TO: Bruce Brashear, Esq.
Brashear & Assoc., PL
925 NW 56th Terr, Suite C
Gainesville, Florida, 32605

Jeffrey Shew
28472 Camino La Ronda
San Juan Capistrano, CA 92675

- 19. **MISCELLANEOUS:** The terms of this Contract constitute the entire agreement between Buyer and Seller. Modifications of this Contract will not be binding unless in writing, signed by all parties, and delivered. Typewritten or handwritten provisions, riders and addenda shall control all printed provisions of this Contract in conflict with them. If any term, covenant, condition or

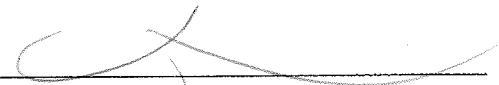
provision of this Contract or the application thereof to any person or circumstances shall, at any time or to any extent, be invalid or unenforceable, the remainder of this Contract, shall not be affected thereby, and all other terms, covenants, conditions and provisions of this Contract shall be valid and be enforced to the fullest extent permitted by law.

- 20. **CURE PERIOD:** Prior to any claim by the Buyer or Seller for default of this Contract, a party will have an opportunity to cure any alleged default. If a party fails to comply with any provision of this Contract, the other party will deliver written notice to the non-complying party specifying the non-compliance. The non-complying party will have **five (5) working days** after delivery of such notice to cure the non-compliance. Notice and cure shall not apply to failure to close.
- 21. **CAPTIONS:** The parties mutually agree that the headings and captions contained in this Contract are inserted for convenience of reference only and are not to be deemed part of or to be used in construing this Contract.
- 22. **COUNTERPARTS:** This Contract may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
- 23. **GOVERNING LAW:** The Laws of the State of Florida shall govern this Contract, venue in Alachua County, Florida.

THIS IS INTENDED TO BE A LEGALLY BINDING CONTRACT. IF NOT FULLY UNDERSTOOD, SEEK THE ADVICE OF AN ATTORNEY PRIOR TO SIGNING.

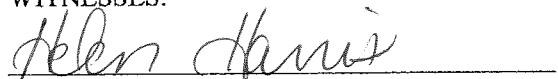
SELLER:

City of Gainesville, Florida, a municipal corporation.

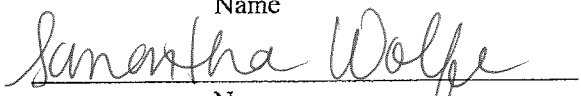
By: 
Anthony Lyons, City Manager

Date: 9-6-16

WITNESSES:

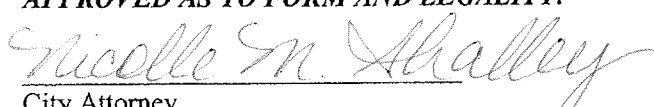

Name

Helen Harris
Print Name


Name

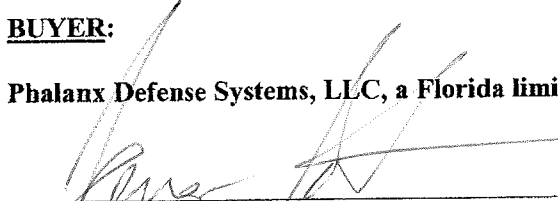
Samantha Wolfe
Print Name

APPROVED AS TO FORM AND LEGALITY:


City Attorney
City of Gainesville

BUYER:


Phalanx Defense Systems, LLC, a Florida limited liability company



James G. Coats, Manager

Date: 9/1/16

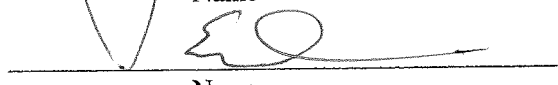
WITNESSES:



Name

9-1-16

Print Name



Name

ESQUE LENO 9-1-16

Print Name

STANDARDS FOR REAL ESTATE TRANSACTIONS

A. TITLE INSURANCE: The Title Commitment shall be issued by a Florida licensed title insurer agreeing to issue Buyer, upon recording of the deed to Buyer, an owner's policy of title insurance in the amount of the purchase price, insuring Buyer's marketable title to the Real Property together with endorsements for zoning, and access and entry, if such endorsements are available in Florida, subject only to matters contained in Paragraph 7 and those to be discharged by Seller at or before Closing. Marketable title shall be determined according to applicable Title Standards adopted by authority of The Florida Bar and in accordance with law. Buyer shall have 15 days from date of receiving the Title Commitment to examine it, and if title is found defective, notify Seller in writing specifying the defect(s) which render title unmarketable. Seller shall have 30 days from receipt of notice to remove the defects, failing which Buyer shall, within 5 days after expiration of the 30 day period, deliver written notice to Seller either: (1) extending the time for a reasonable period not to exceed 120 days within which Seller shall use diligent effort to remove the defects; or (2) requesting a refund of deposit(s) paid which shall be returned to Buyer. If Buyer fails to so notify Seller, Buyer shall be deemed to have accepted the title as it then is. Seller shall, if title is found unmarketable, use diligent effort to correct defect(s) within the time provided. If Seller is unable to timely correct the defects, Buyer shall either waive the defects, or receive a refund of deposit(s), thereby releasing Buyer and Seller from all further obligations under this Contract. If Seller is to provide the Title Commitment and it is delivered to Buyer less than 5 days prior to Closing, Buyer may extend Closing so that Buyer shall have up to 5 days from date of receipt to examine same in accordance with this Standard.

B. SURVEY: In addition to the current survey to be provided by the Seller, Buyer, at Buyer's expense, within time allowed to deliver evidence of title and to examine same, may have the Real Property surveyed and certified by a registered Florida surveyor. If the survey discloses encroachment on the Real Property or that improvements located thereon encroach on setback lines, easements, lands of others or violate any restrictions, Contract covenants or applicable governmental regulation, the same shall constitute a title defect.

C. WOOD DESTROYING ORGANISMS: Buyer, at Buyer's expense, may have the Property inspected by a Florida Certified Pest Control Operator ("Operator") during the due diligence period to determine if there is any visible active Wood Destroying Organism infestation or visible damage from Wood Destroying Organism infestation, excluding fences. If either or both are found, Buyer shall either take the Property as is or receive a refund of Deposit, thereby releasing Buyer and Seller from all further obligations under this Contract

D. INGRESS AND EGRESS: Seller warrants and represents that there is or will be ingress and egress to the Real Property sufficient for its intended use as described in Paragraph 7 hereof, and title to the Real Property is insurable in accordance with Standard A without exception for lack of legal right of access.

E. LEASES: Seller shall, at least 90 days before Closing, furnish to Buyer copies of all written leases and estoppel letters from each tenant specifying the nature and duration of the tenant's occupancy, rental rates, advanced rent and security deposits paid by tenant. If Seller is unable to obtain such letter from each tenant, the same information shall be furnished by Seller to Buyer within that time period in the form of a Seller's affidavit, and Buyer may thereafter contact tenant to confirm such information. If the terms of the leases differ materially from Seller's representations, Buyer may terminate this Contract by delivering written notice to Seller at least 5 days prior to Closing. Seller shall, at Closing, deliver and assign all original leases to Buyer.

F. LIENS: Seller shall furnish to Buyer at time of Closing an affidavit attesting to the absence,

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

G. PLACE OF CLOSING: Closing shall be held in the county wherein the Real Property is located at the office of the attorney or other closing agent ("Closing Agent") designated by the Seller.

H. TIME: In computing time periods of less than six (6) days, Fridays, Saturdays, Sundays and state or national legal holidays shall be excluded. Any time periods provided herein that shall end on a Friday, Saturday, Sunday or a legal holiday shall extend to 5:00 p.m. of the next business day. **Time is of the essence in this Contract.**

I. CLOSING DOCUMENTS: Seller and Closing Agent shall furnish all closing documents.

J. EXPENSES: Buyer will pay taxes and recording fees on the deed, notes, mortgages and financing statements. Unless otherwise provided by law or rider to this Contract, charges for the following related title services, namely title evidence, title examination, and closing fee (including preparation of closing statement), shall be paid by the party responsible for furnishing the title evidence in accordance with Paragraph 5.

K. PRORATIONS; CREDITS: Taxes and assessments of the Property shall be prorated through the day before Closing. The property is self-insured by the City, so Buyer shall not have the option of taking over existing policies of insurance. Cash at Closing shall be increased or decreased as may be required by prorations to be made through day prior to Closing, or occupancy, if occupancy occurs before Closing. Taxes shall be prorated based on the current year's tax with due allowance made for maximum allowable discount, homestead and other exemptions. If Closing occurs at a date when the current year's millage is not fixed and current year's assessment is available, taxes will be prorated based upon such assessment and prior year's millage. If current year's assessment is not available, then taxes will be prorated on the prior year's tax. If there are completed improvements on the Real Property by January 1st of year of Closing, which improvements were not in existence on January 1st of prior year, then taxes shall be prorated based upon prior year's millage and at an equitable assessment to be agreed upon between the parties; failing which, request shall be made to the County Property Appraiser for an informal assessment taking into account available exemptions. A tax proration based on an estimate shall, at request of either party, be readjusted upon receipt of tax bill on condition that a statement to that effect is signed at Closing.

L. SPECIAL ASSESSMENT LIENS: Certified, confirmed and ratified special assessment liens imposed by public bodies as of Closing are to be paid by Seller. Pending liens as of Closing shall be assumed by Buyer. If the improvement has been substantially completed as of Effective Date, any pending lien shall be considered certified, confirmed or ratified and Seller shall, at Closing, be charged an amount equal to the last estimate or assessment for the improvement by the public body.

M. INSPECTION, REPAIR AND MAINTENANCE: Seller shall, upon reasonable notice, provide utilities service and access to the Property for inspections, including a walk-through prior to Closing. Seller makes no warranties of repairs.

N. RISK OF LOSS: If the Property is damaged by fire or other casualty before Closing, Buyer shall either take the Property as is or receive a refund of Deposit, thereby releasing Buyer and Seller from all further obligations under this Contract.

O. CLOSING PROCEDURE: The deed shall be recorded immediately upon Closing. If the title agent insures adverse matters pursuant to Section 627.7841, F.S., as amended, the escrow and closing procedure required by this Standard shall be waived. Unless waived as set forth above the following closing procedures shall apply: (1) if Seller's title is rendered unmarketable, through no fault of Buyer, Buyer shall, within the 5-day period, notify Seller in writing of the defect and Seller shall have 30 days from date of receipt of such notification to cure the defect; (2) if Seller fails to timely cure the defect, upon written demand by Buyer and within 5 days after demand, Buyer shall return the Personal Property, vacate the Real Property and reconvey the Property to Seller by special warranty deed and bill of sale; and (3) if Buyer fails to make timely demand for refund, Buyer shall take title as is, waiving all rights against Seller as to any intervening defect except as may be available to Buyer by virtue of warranties contained in the deed or bill of sale.

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

Q. ATTORNEY'S FEES; COSTS: In any litigation, including breach, enforcement or interpretation, arising out of this Contract, the prevailing party in such litigation, which, for purposes of this Standard, shall include Seller and Buyer, shall be entitled to recover from the non-prevailing party reasonable attorney's fees, costs and expenses.

R. FAILURE OF PERFORMANCE: If Buyer fails to perform this Contract, the deposit(s) paid by Buyer and deposit(s) agreed to be paid, may be recovered and retained by and for the account of Seller as agreed upon liquidated damages, consideration for the execution of this Contract and in full settlement of any claims; whereupon, Buyer and Seller shall be relieved of all obligations under this Contract. If for any reason other than failure of Seller to make Seller's title marketable after diligent effort, Seller fails, neglects or refuses to perform this Contract, Buyer may seek specific performance or elect to receive the return of Buyer's deposit(s) without thereby waiving any action for damages resulting from Seller's breach.

S. CONTRACT NOT RECORDABLE; PERSONS BOUND; NOTICE; FACSIMILE: Neither this Contract nor any notice of it shall be recorded in any public records. This Contract shall bind and

inure to the benefit of the parties and their successors in interest. Whenever the context permits, singular shall include plural and one gender shall include all. Notice and delivery given by or to the attorney or broker representing any party shall be as effective as if given by or to that party. All notices must be in writing and may be made by mail, personal delivery or electronic media. A legible facsimile copy of this Contract and any signatures hereon shall be considered for all purposes as an original.

T. CONVEYANCE: Seller shall convey marketable title to the Real Property by special warranty deed.

U. OTHER CONTRACTS: No prior or present contracts or representations shall be binding upon Buyer or Seller unless included in this Contract. No modification to or change in this Contract shall be valid or binding upon the parties unless in writing and executed by the parties intended to be bound by it.

V. WARRANTY: Seller warrants that there are no facts known to Seller materially affecting the value of the Property which are not readily observable by Buyer or which have not been disclosed to Buyer.

Buyers Initials: _____

Sellers Initials: _____

EXHIBIT "A" TO CONTRACT FOR SALE AND PURCHASE

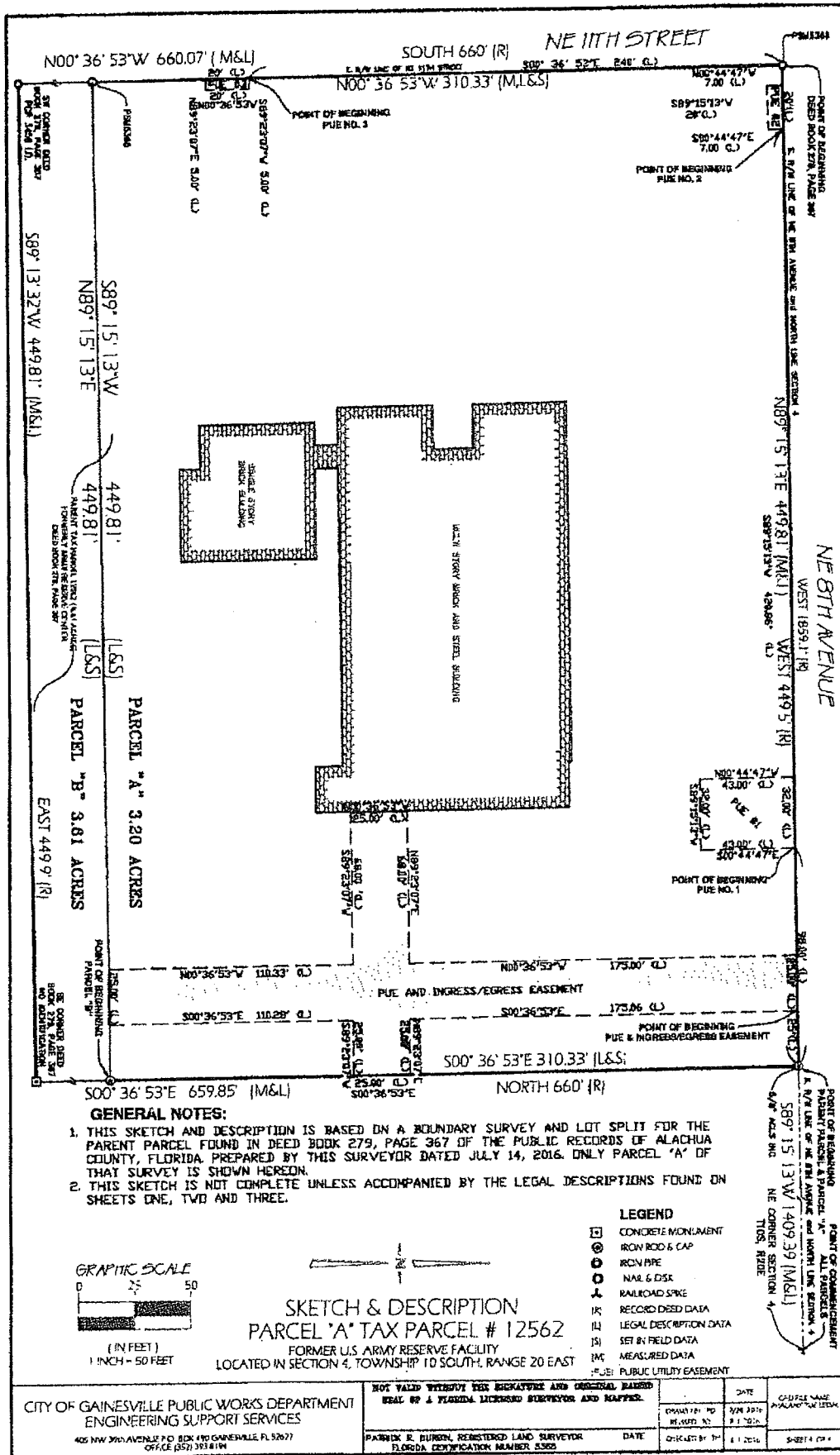


Exhibit "B" to Contract
for Purchase and Sale

File #100607B

This Instrument Prepared By:
Ann Mullins, Land Rights Coordinator
Real Estate Division
Gainesville Regional Utilities
P.O. Box 147117, Sta. A130
Gainesville, FL 32614-7117

A Portion of Tax Parcel No: 12562-000-000
Section 4, Township 10 South, Range 20 East

GRU File No. U-E-53-16
Page 1 of 6

EASEMENT

THIS EASEMENT, made this _____ day of _____, 2016, by PHALANX DEFENSE SYSTEMS, LLC, a Florida limited liability company, whose mailing address is 4352 NE 40th Terrace, Gainesville, FL 32609, GRANTOR, and CITY OF GAINESVILLE, Florida, d/b/a Gainesville Regional Utilities (GRU), a municipal corporation, whose post office address is P.O. Box 147117, Sta. A130, Gainesville, Florida 32614-7117, GRANTEE,

WITNESSETH:

That the said GRANTOR, for and in consideration of the sum of One (\$1.00) Dollar, and other good and valuable consideration, to it in hand paid by GRANTEE, receipt of which is hereby acknowledged, has given and granted, and by these presents does give and grant unto the GRANTEE, its successors and assigns, a perpetual easement for the purpose of ingress egress and constructing, operating and maintaining municipal public utility facilities including by example, electric, water, sanitary sewer, natural gas, reclaimed water and telecommunications utility facilities and related appurtenances over, under, upon and through the following described property in Alachua County, Florida, to wit:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

The rights herein granted to GRANTEE by GRANTOR specifically include: (a) the right to construct, locate, operate, inspect, patrol, alter, improve, repair, rebuild, relocate, and remove said facilities; (b) the right of ingress and egress to and from the Easement Area at all times; (c) the right to upgrade the quantity and type of facilities; (d) the right to clear the Easement area and keep it cleared of trees, limbs, undergrowth and other obstructions which, in the opinion of GRANTEE, endanger or interfere with the safe and efficient installation, operation or maintenance of said facilities; (e) the right to trim and cut and keep trimmed and cut any trees and undergrowth on GRANTOR's land adjacent to but outside the Easement Area which, in the opinion of GRANTEE, endanger or interfere with the safe and efficient installation, operation or maintenance of said facilities; and (f) all other rights and privileges reasonably necessary for GRANTEE's safe and efficient installation, operation and maintenance of said facilities.

GRANTOR hereby covenants and agrees that, except as expressly provided herein, no buildings, structures or obstacles shall be located, constructed, excavated or created within the Easement Area. All openings and excavations created by GRANTEE for the purpose of examining, repairing, replacing, altering or extending the facilities will be properly filled by GRANTEE, the surface restored, and the Easement area left in good and safe condition. Moveable fences are permitted on the Easement area, provided they are placed so as to allow ready access to GRANTEE's facilities and provide a working space of not less than six feet (6') from fire hydrants, manhole centers, and ten feet (10') from the opening side of any pad mounted transformer; three feet (3') from water meters, valve box centers, and four feet (4') from the other three sides of any pad mounted transformer and further provided that GRANTOR assumes all risk of loss for any moveable object placed in the easement area. Fire hydrants must be accessible from the roadway or closest paved surface.

GRANTOR agrees not to call upon GRANTEE to relocate its facilities, unless it is determined jointly by GRANTOR and GRANTEE that such relocation is necessary for the future orderly development of the premises and such development is in physical conflict with GRANTEE's facilities. In such event, said facilities will be relocated to another mutually agreed upon Easement Area within

GRU File No. U-E-53-16
Page 2 of 6

GRANTOR's premises, provided that GRANTOR executes and delivers to GRANTEE, at no cost to the GRANTEE, an acceptable and recordable easement to cover the relocated facilities. The cost of such relocation will be borne solely by GRANTOR unless otherwise agreed in writing by GRANTEE.

GRANTEE shall have quiet and peaceful possession, use and enjoyment of this easement. GRANTOR shall not utilize or permit to be utilized the Easement area in any way which will interfere with GRANTEE's facilities and the safe operation and maintenance thereof.

GRANTOR hereby warrants and covenants that GRANTOR is the owner of the fee simple title to the premises in which the above described Easement Area is located and has full right and lawful authority to grant and convey this easement.

TO HAVE AND TO HOLD the same unto the said GRANTEE, its successors and assigns, forever.

IN WITNESS WHEREOF, the said GRANTOR has caused these presents to be executed under seal on the day and year aforesaid.

*Signed, sealed and delivered
in our presence as witnesses:*

PHALANX DEFENSE SYSTEMS, LLC,
a Florida limited liability company

Witness Signature
Print Name: _____

By: _____
James G. Coats
Manager

Witness Signature
Print Name: _____

STATE OF FLORIDA
COUNTY OF ALACHUA

The foregoing instrument was acknowledged before me this _____ day of _____, 2016, by James G. Coats, Manager of Phalanx Defense Systems, LLC, a Florida limited liability company, on behalf of the company. He is personally known to me or has produced _____ as identification.

Signature of Notary
Print Name: _____
Notary Public, State of Florida
My Commission Expires:

Approved as to Form and Legality:

By: _____
Shayla L. McNeill
Utilities Attorney
City of Gainesville, Florida

EXHIBIT "A"**LEGAL DESCRIPTIONS OF TAX PARCEL #12562-000-000 AND LOT SPLIT PARCELS "A" & "B" (FOR REFERENCE ONLY –LEGAL DESCRIPTIONS ON THIS PAGE DO NOT DESCRIBE EASEMENTS):****PARENT PARCEL DESCRIPTION (DEED BOOK 279, PAGE 367):**

COMMENCE AT THE NORTHEAST CORNER OF SECTION 4, TOWNSHIP 10 SOUTH, RANGE 20 EAST, AND RUN WEST 1859.1 FEET FOR THE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE RUN SOUTH A DISTANCE OF 660 FEET TO A POINT; THENCE RUN EAST PARALLEL TO THE SECTION LINE A DISTANCE OF 449.9 FEET TO A POINT; THENCE RUN NORTH 660 FEET TO A POINT ON THE NORTH LINE OF SECTION 4; THENCE RUN WEST ON SECTION LINE, A DISTANCE OF 449.5 FEET TO THE POINT OF BEGINNING OF THE DESCRIPTION: ALL LYING AND BEING IN THE NORTHEAST QUARTER OF SECTION 4, TOWNSHIP 10 SOUTH, RANGE 20 EAST AND CONTAINING 6.81 ACRES MORE OR LESS.

PARENT PARCEL DESCRIPTION (THIS SURVEYOR):

COMMENCE AT A RAILROAD SPIKE FOUND AND ACCEPTED AS MARKING THE NORTHEAST CORNER OF SECTION 4, TOWNSHIP 10 SOUTH, RANGE 20 EAST; THENCE S 89°15'13" W ALONG THE NORTH LINE OF SAID SECTION 4 A DISTANCE OF 1409.39 FEET TO A 5/8" IRON ROD AND CAP STAMPED "ACLS INC.", BEING ON THE SOUTH RIGHT-OF-WAY LINE OF NE 8TH AVENUE AND THE POINT OF BEGINNING; THENCE LEAVING SAID SECTION AND SOUTH RIGHT-OF-WAY LINE S 00°36'53" E A DISTANCE OF 659.85 FEET TO A CONCRETE MONUMENT WITH NO ID; THENCE S 89°13'32" W A DISTANCE OF 449.81 FEET TO A NAIL AND DISC STAMPED "PCP 3456" ON THE EAST RIGHT-OF-WAY LINE OF NE 11TH STREET; THENCE N 00°36'53" W ALONG SAID EAST RIGHT-OF-WAY LINE A DISTANCE OF 660.07 FEET TO A NAIL AND DISC STAMPED ""PSM 5368" ON THE SOUTH RIGHT-OF-WAY LINE OF NE 8TH AVENUE AND THE NORTH LINE OF SAID SECTION 8; THENCE N 89°15'13" E ALONG SAID RIGHT-OF-WAY AND SECTION LINE A DISTANCE OF 449.81 FEET TO THE POINT OF BEGINNING; ALL LYING AND BEING IN THE NORTHEAST ONE QUARTER (1/4) OF SECTION 4, TOWNSHIP 10 SOUTH RANGE 20 EAST, ALACHUA COUNTY, FLORIDA AND CONTAINING 296,858 SQUARE FEET (6.81 ACRES), MORE OR LESS.

PARCEL "A" DESCRIPTION (THIS SURVEYOR):

COMMENCE AT A RAILROAD SPIKE FOUND AND ACCEPTED AS MARKING THE NORTHEAST CORNER OF SECTION 4, TOWNSHIP 10 SOUTH, RANGE 20 EAST; THENCE S 89°15'13" W ALONG THE NORTH LINE OF SAID SECTION 4 A DISTANCE OF 1409.39 FEET TO A 5/8" IRON ROD AND CAP STAMPED "ACLS INC.", BEING ON THE SOUTH RIGHT-OF-WAY LINE OF NE 8TH AVENUE AND THE POINT OF BEGINNING; THENCE LEAVING SAID SECTION LINE AND SOUTH RIGHT-OF-WAY LINE S 00°36'53" E A DISTANCE OF 310.33 FEET; THENCE S 89°15'13" W PARALLEL TO THE NORTH LINE OF SAID SECTION 4 AND SOUTH RIGHT-OF-WAY LINE OF NE 8TH AVENUE A DISTANCE OF 449.81 FEET TO A POINT ON THE EAST RIGHT-OF-WAY LINE OF NE 11TH STREET; THENCE N 00°36'53" W ALONG SAID EAST RIGHT-OF-WAY LINE A DISTANCE OF 310.33 FEET TO A NAIL AND DISC STAMPED ""PSM 5368" ON THE SOUTH RIGHT-OF-WAY LINE OF NE 8TH AVENUE AND THE NORTH LINE OF SAID SECTION 8; THENCE N 89°15'13" E ALONG SAID RIGHT-OF-WAY AND SECTION LINE A DISTANCE OF 449.81 FET TO THE POINT OF BEGINNING; ALL LYING AND BEING IN THE NORTHEAST ONE QUARTER (1/4) OF SECTION 4, TOWNSHIP 10 SOUTH RANGE 20 EAST, ALACHUA COUNTY, FLORIDA AND CONTAINING 139,591 SQUARE FEET (3.20 ACRES), MORE OR LESS.

PARCEL "B" DESCRIPTION (THIS SURVEYOR):

COMMENCE AT A RAILROAD SPIKE FOUND AND ACCEPTED AS MARKING THE NORTHEAST CORNER OF SECTION 4, TOWNSHIP 10 SOUTH, RANGE 20 EAST; THENCE S 89°15'13" W ALONG THE NORTH LINE OF SAID SECTION 4 A DISTANCE OF 1409.39 FEET TO A 5/8" IRON ROD AND CAP STAMPED "ACLS INC.", BEING ON THE SOUTH RIGHT-OF-WAY LINE OF NE 8TH AVENUE; THENCE LEAVING SAID SECTION AND SOUTH RIGHT-OF-WAY LINE S 00°36'53" E A DISTANCE OF 310.33 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE S 00°36'53" E A DISTANCE OF 349.52 FEET TO A CONCRETE MONUMENT WITH NO ID; THENCE S 89°13'32" W A DISTANCE OF 449.81 FEET TO A NAIL AND DISC STAMPED "PCP 3456" ON THE EAST RIGHT-OF-WAY LINE OF NE 11TH STREET; THENCE N 00°36'53" W ALONG SAID EAST RIGHT- OF-WAY LINE A DISTANCE OF 349.74 FEET; THENCE LEAVING SAID EAST RIGHT-OF-WAY LINE N 89°15'13" E PARALLEL TO THE NORTH LINE OF SAID SECTION 4 AND SOUTH RIGHT-OF-WAY LINE OF NE 8TH AVENUE A DISTANCE OF 449.81 FEET TO THE POINT OF BEGINNING; ALL LYING AND BEING IN THE NORTHEAST ONE QUARTER (1/4) OF SECTION 4, TOWNSHIP 10 SOUTH, RANGE 20 EAST, ALACHUA COUNTY, FLORIDA AND CONTAINING 157,267 SQUARE FEET (3.61 ACRES), MORE OR LESS.

EXHIBIT "A" CONTINUED**LEGAL DESCRIPTIONS OF PUBLIC UTILITY AND INGRESS/EGRESS EASEMENTS LOCATED ON
PARCEL "A" OF TAX PARCEL #12562-000-000 DESCRIBED IN DEED BOOK 279, PAGE 367:****PUBLIC UTILITY AND INGRESS/EGRESS EASEMENT:**

COMMENCE AT A RAILROAD SPIKE FOUND AND ACCEPTED AS MARKING THE NORTHEAST CORNER OF SECTION 4, TOWNSHIP 10 SOUTH, RANGE 20 EAST; THENCE S 89°15'13" W ALONG THE NORTH LINE OF SAID SECTION 4 A DISTANCE OF 1409.39 FEET TO A 5/8" IRON ROD AND CAP STAMPED "ACLS INC.," BEING ON THE SOUTH RIGHT-OF-WAY LINE OF NE 8TH AVENUE; THENCE CONTINUE S 89°15'13" W ALONG SAID NORTH SECTION LINE AND SOUTH RIGHT-OF-WAY LINE A DISTANCE OF 25.00 FEET TO THE POINT OF BEGINNING; THENCE LEAVING SAID SECTION LINE AND SOUTH RIGHT-OF-WAY LINE S 00°36'53" E A DISTANCE OF 175.06 FEET; THENCE N 89°23'07" E A DISTANCE OF 25.00 FEET TO A POINT ON THE EAST BOUNDARY LINE OF THAT PARCEL OF LAND AS DESCRIBED IN DEED BOOK 279, PAGE 367; THENCE S 00°36'53" E ALONG SAID EAST LINE A DISTANCE OF 25.00 FEET; THENCE LEAVING AND PERPENDICULAR TO SAID LINE S 89°23'07" W A DISTANCE OF 25.00 FEET; THENCE PARALLEL TO SAID LINE S 00°36'53" E A DISTANCE OF 110.28 FEET; THENCE PARALLEL TO AFOREMENTIONED NORTH LINE OF SAID SECTION 4 AND SOUTH RIGHT-OF-WAY LINE OF NE 8TH AVENUE S 89°15'13" W A DISTANCE OF 25.00 FEET; THENCE N 00°36'53" W A DISTANCE OF 110.33 FEET; THENCE S 89°23'07" W A DISTANCE OF 68.00 FEET; THENCE N 00°36'53" W A DISTANCE OF 25.00 FEET; THENCE N 89°23'07" E A DISTANCE OF 68.00 FEET; THENCE N 00°36'53" W A DISTANCE OF 175.00 FEET TO A POINT ON THE NORTH LINE OF SAID SECTION AND SOUTH RIGHT-OF-WAY LINE OF SAID NE 8TH AVENUE; THENCE N 89°15'13" E ALONG SAID SECTION AND RIGHT-OF-WAY LINE A DISTANCE OF 25.00 FEET TO THE POINT OF BEGINNING; ALL LYING AND BEING IN THE NORTHEAST ONE QUARTER (1/4) OF SECTION 4, TOWNSHIP 10 SOUTH, RANGE 20 EAST, ALACHUA COUNTY, FLORIDA AND CONTAINING 10,083 SQUARE FEET (0.231 ACRES), MORE OR LESS.

PUBLIC UTILITY EASEMENT NUMBER 1:

COMMENCE AT A RAILROAD SPIKE FOUND AND ACCEPTED AS MARKING THE NORTHEAST CORNER OF SECTION 4, TOWNSHIP 10 SOUTH, RANGE 20 EAST; THENCE S 89°15'13" W ALONG THE NORTH LINE OF SAID SECTION 4 A DISTANCE OF 1409.39 FEET TO A 5/8" IRON ROD AND CAP STAMPED "ACLS INC.," BEING ON THE SOUTH RIGHT-OF-WAY LINE OF NE 8TH AVENUE; THENCE CONTINUE S 89°15'13" W ALONG SAID NORTH SECTION LINE AND SOUTH RIGHT-OF-WAY LINE A DISTANCE OF 98.00 FEET TO THE POINT OF BEGINNING; THENCE LEAVING AND PERPENDICULAR TO SAID SECTION LINE AND SOUTH RIGHT-OF-WAY LINE S 00°44'47" E A DISTANCE OF 43.00 FEET; THENCE S 89°15'13" W PARALLEL TO THE NORTH LINE OF SAID SECTION 4 AND SOUTH RIGHT-OF-WAY LINE OF NE 8TH AVENUE A DISTANCE OF 32.00 FEET; THENCE N 00°44'47" W A DISTANCE OF 43.00 FEET TO A POINT ON THE NORTH LINE OF SAID SECTION AND SOUTH RIGHT-OF-WAY LINE OF SAID NE 8TH AVENUE; THENCE N 89°15'13" E ALONG SAID SECTION AND RIGHT-OF-WAY LINE A DISTANCE OF 32.00 FEET TO THE POINT OF BEGINNING; ALL LYING AND BEING IN THE NORTHEAST ONE QUARTER (1/4) OF SECTION 4, TOWNSHIP 10 SOUTH, RANGE 20 EAST, ALACHUA COUNTY, FLORIDA AND CONTAINING 1,376 SQUARE FEET (0.032 ACRES), MORE OR LESS.

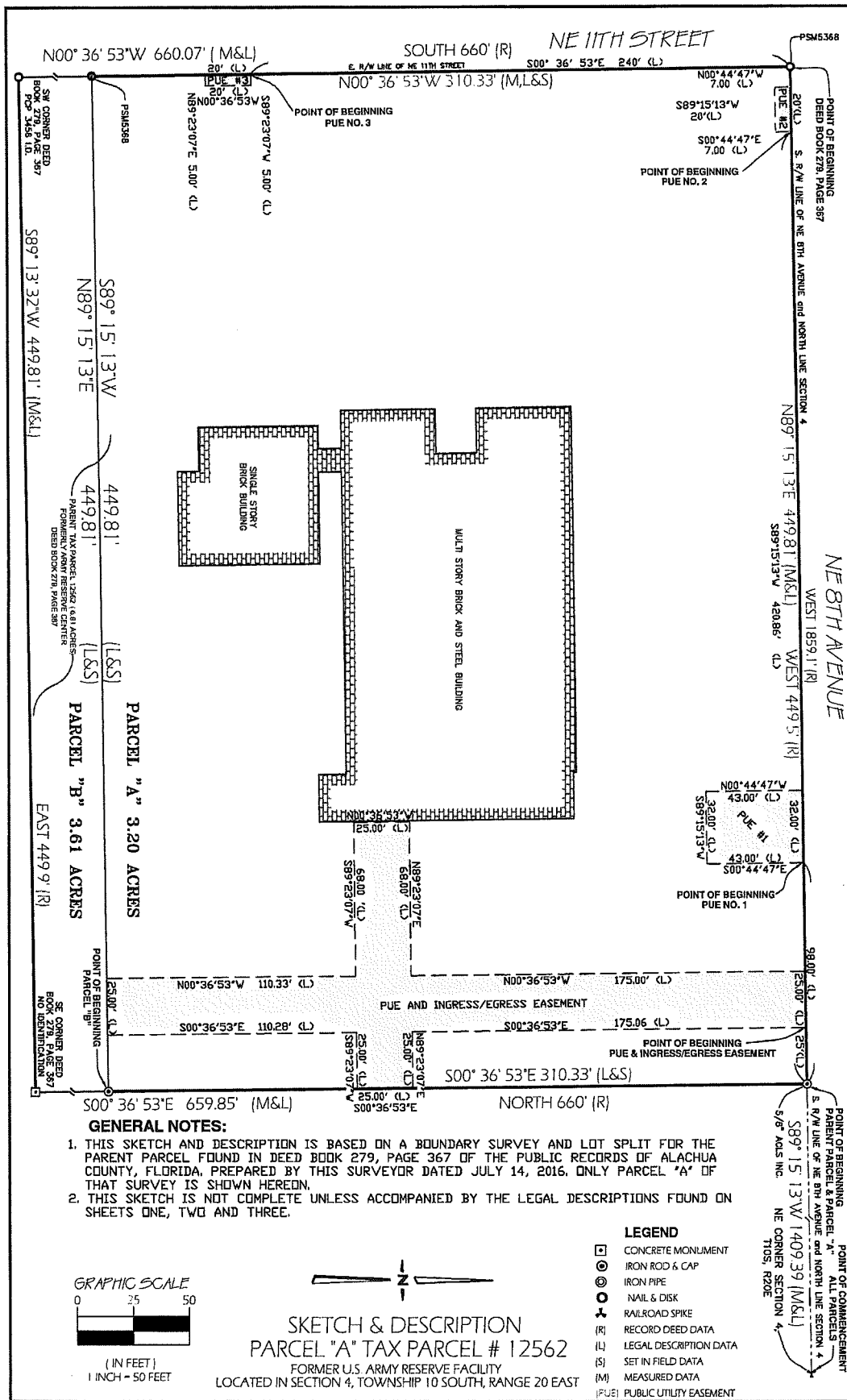
EXHIBIT "A" CONTINUED**LEGAL DESCRIPTIONS OF PUBLIC UTILITY AND INGRESS/EGRESS EASEMENTS LOCATED
ON PARCEL "A" OF TAX PARCEL #12562-000-000 DESCRIBED IN DEED BOOK 279, PAGE 367
CONTINUED:****PUBLIC UTILITY EASEMENT NUMBER 2:**

COMMENCE AT A RAILROAD SPIKE FOUND AND ACCEPTED AS MARKING THE NORTHEAST CORNER OF SECTION 4, TOWNSHIP 10 SOUTH, RANGE 20 EAST; THENCE S 89°15'13" W ALONG THE NORTH LINE OF SAID SECTION 4 A DISTANCE OF 1409.39 FEET TO A 5/8" IRON ROD AND CAP STAMPED "ACLS INC.", BEING ON THE SOUTH RIGHT-OF-WAY LINE OF NE 8TH AVENUE; THENCE CONTINUE S 89°15'13" W ALONG SAID NORTH SECTION LINE AND SOUTH RIGHT-OF-WAY LINE A DISTANCE OF 420.86 FEET TO THE POINT OF BEGINNING; THENCE LEAVING AND PERPENDICULAR TO SAID SECTION LINE AND SOUTH RIGHT-OF-WAY LINE S 00°44'47" E A DISTANCE OF 7.00 FEET; THENCE S 89°15'13" W PARALLEL TO THE NORTH LINE OF SAID SECTION 4 AND SOUTH RIGHT-OF-WAY LINE OF NE 8TH AVENUE A DISTANCE OF 20.00 FEET; THENCE N 00°44'47" W A DISTANCE OF 7.00 FEET TO A POINT ON THE NORTH LINE OF SAID SECTION AND SOUTH RIGHT-OF-WAY LINE OF SAID NE 8TH AVENUE; THENCE N 89°15'13"E ALONG SAID SECTION AND RIGHT-OF-WAY LINE A DISTANCE OF 20.00 FEET TO THE POINT OF BEGINNING; ALL LYING AND BEING IN THE NORTHEAST ONE QUARTER (1/4) OF SECTION 4, TOWNSHIP 10 SOUTH, RANGE 20 EAST, ALACHUA COUNTY, FLORIDA AND CONTAINING 140 SQUARE FEET (0.003 ACRES), MORE OR LESS.

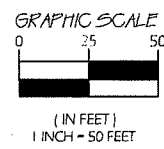
PUBLIC UTILITY EASEMENT NUMBER 3:

COMMENCE AT A RAILROAD SPIKE FOUND AND ACCEPTED AS MARKING THE NORTHEAST CORNER OF SECTION 4, TOWNSHIP 10 SOUTH, RANGE 20 EAST; THENCE S 89°15'13" W ALONG THE NORTH LINE OF SAID SECTION 4 A DISTANCE OF 1409.39 FEET TO A 5/8" IRON ROD AND CAP STAMPED "ACLS INC.", BEING ON THE SOUTH RIGHT-OF-WAY LINE OF NE 8TH AVENUE; THENCE CONTINUE S 89°15'13" W ALONG SAID NORTH SECTION LINE AND SOUTH RIGHT-OF-WAY LINE A DISTANCE OF 449.81 FEET TO A POINT ON THE EAST RIGHT-OF-WAY LINE OF NE 11TH STREET; THENCE S 00°36'53" E ALONG SAID EAST RIGHT-OF-WAY LINE A DISTANCE OF 240.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE S 00°36'53" E ALONG SAID EAST RIGHT-OF-WAY LINE A DISTANCE OF 20.00 FEET; THENCE LEAVING SAID RIGHT-OF-WAY LINE N 89°23'07" E A DISTANCE OF 5.00 FEET; THENCE N 00°36'53" W PARALLEL TO SAID RIGHT-OF-WAY LINE A DISTANCE OF 20.00 FEET; THENCE S 89°23'07" W A DISTANCE OF 5.00 FEET TO THE POINT OF BEGINNING; ALL LYING AND BEING IN THE NORTHEAST ONE QUARTER (1/4) OF SECTION 4, TOWNSHIP 10 SOUTH, RANGE 20 EAST, ALACHUA COUNTY, FLORIDA AND CONTAINING 100 SQUARE FEET (0.002 ACRES), MORE OR LESS.

EXHIBIT "A" CONTINUED
SKETCH OF PUBLIC UTILITY AND INGRESS/EGRESS EASEMENT LOCATIONS



GENERAL NOTES:
 1. THIS SKETCH AND DESCRIPTION IS BASED ON A BOUNDARY SURVEY AND LOT SPLIT FOR THE PARENT PARCEL FOUND IN DEED BOOK 279, PAGE 367 OF THE PUBLIC RECORDS OF ALACHUA COUNTY, FLORIDA, PREPARED BY THIS SURVEYOR DATED JULY 14, 2016. ONLY PARCEL "A" OF THAT SURVEY IS SHOWN HEREIN.
 2. THIS SKETCH IS NOT COMPLETE UNLESS ACCOMPANIED BY THE LEGAL DESCRIPTIONS FOUND ON SHEETS ONE, TWO AND THREE.



SKETCH & DESCRIPTION
PARCEL "A" TAX PARCEL # 12562
 FORMER U.S. ARMY RESERVE FACILITY
 LOCATED IN SECTION 4, TOWNSHIP 10 SOUTH, RANGE 20 EAST

- LEGEND**
- ⊙ CONCRETE MONUMENT
 - ⊙ IRON ROD & CAP
 - ⊙ IRON PIPE
 - ⊙ NAIL & DISK
 - ⊙ RAILROAD SPIKE
 - (R) RECORD DEED DATA
 - (L) LEGAL DESCRIPTION DATA
 - (S) SET IN FIELD DATA
 - (M) MEASURED DATA
 - (PUE) PUBLIC UTILITY EASEMENT

CITY OF GAINESVILLE PUBLIC WORKS DEPARTMENT ENGINEERING SUPPORT SERVICES 405 NW 39th AVENUE P.O. BOX 490 GAINESVILLE, FL 32627 OFFICE (352) 393-8194	NOT VALID WITHOUT THE SIGNATURE AND ORIGINAL RAISED SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER.				
	PATRICK R. DURBIN, REGISTERED LAND SURVEYOR FLORIDA CERTIFICATION NUMBER 5368	DATE 8/1/2016	CHECKED BY TM 8/1/2016	DATE 7/28/2016 8/1/2016	CAD FILE NAME PHALAN.PUE.LEGAL

Exhibit "C" to Contract File #100607B
for Purchase and Sale

This Instrument Prepared by:
Estelle Lens, Land Rights Coordinator
City of Gainesville – Public Works #58
Post Office Box 490
Gainesville, Florida 32627

Tax Parcel - Portion of 12562-000-000 (Former Army Reserve site)
Section 4, Township 10 South, Range 20 East

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED made the ___ day of _____, 2016, by the **City of Gainesville, a Florida municipal corporation** existing under the laws of the State of Florida, with its permanent post office address at Post Office Box 490, Gainesville, Florida 32627, **GRANTOR**, to **Phalanx Defense Systems, LLC, a Florida limited liability company**, 4352 NE 40th Terrace, Gainesville, Florida 32609, **GRANTEE**:

(Wherever used herein the terms "Grantor" and "Grantee" include all the parties to this instrument and the heirs, legal representatives and assigns of individuals, and the successors and assigns of corporations wherever the context so admits or requires)

WITNESSETH: That Grantor, for and in consideration of the sum of \$1.00 in hand paid by the Grantee, receipt of which is hereby acknowledged, does hereby grant, bargain, sell, alien, remise, release, convey and confirm unto the Grantee, all that certain land situate and lying in the County of Alachua, State of Florida, to wit:

Legal Description

See **Exhibit "A"**

SUBJECT to the Rights of Reverter and Right of First Refusal interests retained by the **GRANTOR**, as fully described in **Exhibit "B"**; and the Restrictive Covenants on use and height, as fully described in **Exhibit "C"**.

SUBJECT to valid and enforceable zoning restrictions imposed by governmental authority, valid and enforceable easements and restrictions of record and taxes for 2016 and subsequent years.

TOGETHER with all the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining.

TO HAVE AND TO HOLD, the same in fee simple forever.

Tax Parcel 12562-000-000
Section 4, Township 10 South, Range 20 East

Page 2

AND the Grantor hereby covenants with said Grantee, except as set forth herein, that at the time of delivery of this deed the land was free from all encumbrances made by it, and that it will warrant and defend the title to said land and will defend the same against the lawful claims of all persons claiming by, through or under the Grantor, but against none other.

IN WITNESS WHEREOF, the Grantor has hereunto set its hand and seal the day and year first above written.

Signed, sealed & delivered
In the Presence of:

CITY OF GAINESVILLE, FLORIDA
A Florida Municipal Corporation

Witness
Print Name _____

Lauren Poe, Mayor

Witness
Print Name _____

ATTEST:

Kurt M. Lannon, Clerk of the Commission

**STATE OF FLORIDA
COUNTY OF ALACHUA**

The foregoing instrument was acknowledged before me this ____ day of _____, 2016, by Lauren Poe and Kurt M. Lannon, Mayor and Clerk of the Commission, respectively, of the City of Gainesville, Florida, a municipal corporation, who are personally known to me and duly sworn, who acknowledged that as such officers, and pursuant to authority from said corporation, they executed the foregoing instrument and affixed the corporate seal for and on behalf of said corporation, as its act and deed, and for the uses and purposes set forth and contained in said instrument.

Print Name: _____
State of Florida
My Commission Expires: _____

Tax Parcel 12562-000-000
Section 4, Township 10 South, Range 20 East

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Exhibit "A"

COMMENCE AT A RAILROAD SPIKE FOUND AND ACCEPTED AS MARKING THE NORTHEAST CORNER OF SECTION 4, TOWNSHIP 10 SOUTH, RANGE 20 EAST; THENCE S 89°15'13" W ALONG THE NORTH LINE OF SAID SECTION 4 A DISTANCE OF 1409.39 FEET TO A 5/8" IRON ROD AND CAP STAMPED "ACLS INC.", BEING ON THE SOUTH RIGHT-OF-WAY LINE OF NE 8TH AVENUE AND THE POINT OF BEGINNING; THENCE LEAVING SAID SECTION LINE AND SOUTH RIGHT-OF-WAY LINE S 00°36'53" E A DISTANCE OF 310.33 FEET; THENCE S 89°15'13" W PARALLEL TO THE NORTH LINE OF SAID SECTION 4 AND SOUTH RIGHT-OF-WAY LINE OF NE 8TH AVENUE A DISTANCE OF 449.81 FEET TO A POINT ON THE EAST RIGHT-OF-WAY LINE OF NE 11TH STREET; THENCE N 00°36'53" W ALONG SAID EAST RIGHT-OF-WAY LINE A DISTANCE OF 310.33 FEET TO A NAIL AND DISC STAMPED ""PSM 5368" ON THE SOUTH RIGHT-OF-WAY LINE OF NE 8TH AVENUE AND THE NORTH LINE OF SAID SECTION 8; THENCE N 89°15'13" E ALONG SAID RIGHT-OF-WAY AND SECTION LINE A DISTANCE OF 449.81 FET TO THE POINT OF BEGINNING; ALL LYING AND BEING IN THE NORTHEAST ONE QUARTER (1/4) OF SECTION 4, TOWNSHIP 10 SOUTH RANGE 20 EAST, ALACHUA COUNTY, FLORIDA AND CONTAINING 139,591 SQUARE FEET (3.20 ACRES), MORE OR LESS.

The subject property is not the homestead of the Grantor nor is it contiguous thereto.

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Exhibit "B"

The disposition of this property was done through a competitive Request for Proposal (RFP) process in which the GRANTOR offered to incentivize potential buyers to acquire this property and provide public benefit. The GRANTEE was the successful respondent to the RFP process and worked with the GRANTOR to negotiate a partially forgivable loan as a financial incentive to encourage the GRANTOR to provide public benefit by investing in this location, making property improvements and creating jobs at higher than private sector wages and for certain qualified employees. In addition, having been specifically chosen through the RFP process, it is important to the GRANTOR that the GRANTEE: 1) improve and occupy the Property as the primary location of GRANTEE's business operations within 18 months from the date this deed is recorded; 2) so long as the Note is not paid in full, continue to so occupy the Property for a period of 10 years; and 3) not convey the property to a third party within a period of an additional 10 years from the date this deed is recorded without the GRANTOR having the opportunity to purchase the Property. Therefore, the parties negotiated, for good and valuable consideration, the below rights to be retained by the GRANTOR. Each party agrees that the below described rights are reasonable restraints on alienation. Each party further agrees that that they undertake duties of good faith and fair dealing in the performance of their obligations and the exercise of their rights hereunder.

RIGHT OF REVERTER #1 (18 months): In the event GRANTEE does not: a) complete the repairs, remediation and improvements (one improvement of which shall be a black aluminum perimeter fence, the style of which shall be subject to prior approval of the City Parks Director) on the Property, with completion defined as issuance of a Certificate of Occupancy, and b) physically occupy the Property for GRANTEE's business operations (a and b are collectively referred to as the "Reverter Event"), within 18 months following the date of recording of this Deed, the GRANTOR has the right to exercise this Right of Reverter #1.

GRANTEE shall be excused from performance and shall not be in default in respect of any obligations (a) and (b) above to the extent that the failure to perform such obligation is due to an Event of Force Majeure. For the purpose of this Agreement, an "Event of Force Majeure" means any circumstance not within the reasonable control of GRANTEE, but only if and to the extent that (i) such circumstance, despite the exercise of reasonable diligence, cannot be, or be caused to be, prevented, avoided or removed by GRANTEE, and (ii) such circumstance materially and adversely affects the ability of GRANTEE to perform obligations (a) and (b) above, and GRANTEE has taken all reasonable precautions, due care and reasonable alternative measures in order to avoid the effect of such event on GRANTEE's ability to perform obligations (a) and (b) above and to mitigate the consequences thereof.

GRANTEE shall notify GRANTOR when an Event of Force Majeure has occurred that affects GRANTEE'S ability to perform obligations (a) and (b) above and GRANTOR shall review and

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provide a reasonable extension (given the nature and extent of the Event of Force Majeure and its effect on the GRANTEE's ability to perform) of time for GRANTEE to perform.

To exercise this Right of Reverter #1, GRANTOR shall notify GRANTEE within 60 calendar days of the end of the 18-month period. Upon which GRANTEE shall convey the Property, together with all improvements thereon, back to the GRANTOR and the GRANTOR will pay GRANTEE a sales price equal to the GRANTEE's actual cost of property repairs/improvements (but excluding improvements that are custom/specific to the GRANTEE's use of the property), at the time of conveyance, but in no event shall the sales price exceed \$500,000. The GRANTEE shall provide the GRANTOR with paid receipts for the repairs/improvements to document/verify the sales price. At closing, that certain promissory note of even date in the original principal amount of \$635,000 executed by GRANTEE and payable to GRANTOR (the "Note") shall be forgiven and a Satisfaction of Mortgage recorded.

In addition, at closing, any other outstanding mortgages or liens encumbering the Property shall be satisfied and a Satisfaction of Mortgage and/or Release of Lien recorded. If deficiencies exist (i.e., the GRANTEE's proceeds at closing are not enough to satisfy all outstanding mortgages and liens, the GRANTEE shall remain solely liable and such obligation shall in no way encumber the Property after closing.

RIGHT OF REVERTER #2 (10 years): GRANTEE must continuously occupy the Property for GRANTEE's business operations for a period of 10 years following the date of recording of this Deed. If, during that period, GRANTEE plans to cease occupying the property, GRANTEE shall notify the GRANTOR and GRANTOR has the right to exercise this Right of Reverter #2.

To exercise this Right of Reverter #2, GRANTOR shall notify GRANTEE within 60 calendar days of the date notice was received from GRANTEE or, if GRANTEE fails to provide notice, within 90 calendar days of the date GRANTOR has actual notice of GRANTEE having ceased to occupy the Property for its business operations. Upon which GRANTEE shall convey the Property, together with all improvements thereon, back to the GRANTOR and the GRANTOR will pay GRANTEE a sales price equal to the GRANTEE's actual cost of property repairs/improvements (but excluding improvements that are custom/specific to the GRANTEE's use of the property), but in no event shall the sales price exceed \$500,000. The GRANTEE shall provide the GRANTOR with paid receipts for the repairs/improvements to document/verify the sales price.

At closing, that certain promissory note of even date in the original principal amount of \$635,000 executed by GRANTEE and payable to GRANTOR (the "Note") shall be forgiven and a Satisfaction of Mortgage recorded.

In addition, at closing, any other outstanding mortgages or liens encumbering the Property shall be satisfied and a Satisfaction of Mortgage and/or Release of Lien recorded. If deficiencies exist

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(i.e., the GRANTEE's proceeds at closing are not enough to satisfy all outstanding mortgages and liens, the GRANTEE shall remain solely liable and such obligation shall in no way encumber the Property after closing.

If GRANTOR does not exercise its Right of Reverter, the GRANTEE may sell the Property to a third party, provided at closing the Note in the amount of \$635,000 is paid in full, with no forgiveness.

RIGHT OF FIRST REFUSAL (additional 10 years): During the 10-year period commencing 10 years after the date this Deed is recorded and ending 20 years after the date this Deed is recorded, if GRANTEE desires to accept a bona-fide arms-length offer to purchase the Property from a third-party, the GRANTEE shall first provide the GRANTOR with a copy of the written offer of purchase containing all operative terms and conditions of the purchase and closing (the "Written Offer.") The GRANTOR shall have 60 calendar days from the date GRANTOR received the Written Offer to notify GRANTEE of its intent to purchase the Property on the same terms and conditions as the Written Offer. In the event GRANTOR does not so notify GRANTEE, GRANTEE may close on the sale with the third party in accordance with the Written Offer. In the event the closing with the third party does not occur or the terms of Written Offer are modified prior to closing, this Right of First Refusal shall remain in full force and effect and GRANTEE may not sell to any third party without first offering the Property to the GRANTOR on the revised terms and conditions or upon receipt of subsequent Written Offers. In the event GRANTOR does not give notice to GRANTEE within the applicable period that it wishes to exercise its right of first refusal and the property is sold on the terms set forth in the WRITTEN OFFER, this right of first refusal shall be extinguished and the third party buyer shall take the Property free and clear of this rights of first refusal.

The parties agree that an offer relating to the sale of GRANTEE or an offer made to GRANTEE to merge into another entity shall not constitute a bona-fide arms-length offer to purchase the Property from a third-party and that such sale of GRANTEE or merger into another entity shall not constitute a purchase of the Property by a third party.

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EXHIBIT "C"

RESTRICTIVE COVENANTS ON USE AND HEIGHT

The Grantor and Grantee agree that the following constitute reasonable restrictive covenants that are in the public interest. The Grantor and Grantee acknowledge that the Grantor is imposing these restrictive covenants in its proprietary capacity, as seller of the property. These restrictive covenants shall be enforceable, notwithstanding that the land use and zoning on the property may currently, or from time to time, allow all of the uses or heights that are prohibited herein. These restrictive covenants shall bind the Grantee and all successors in interest to the land and shall run with the land in perpetuity, unless sooner released by the Grantor as evidenced by recording of a written release document in the public records of Alachua County. The restrictive covenants shall be enforceable at law or in equity by the Grantor. The Grantor further reserves the right to enter the property at a reasonable time and in a reasonable manner, if necessary in order to monitor compliance with these restrictive covenants.

- No structure shall be erected on the property that exceeds 3 stories in height

In addition, the property shall not be used, in whole or in part, for any of the follow uses:

- Automotive service repair
- Gasoline service station
- Fuel Dealer
- Social Service or Rehabilitation Center: defined as establishments primarily engaged in the provision of residential and non-residential social and rehabilitative services. Included are establishments such as, alcoholism rehabilitation centers, drug rehabilitation centers, halfway group homes for persons requiring treatment, and rehabilitation agencies for delinquents and offenders, including parole and probation offices.
- Residence for the Destitute: defined as establishments primarily engaged in the provision of temporary residences for those persons lacking residences, possessions or resources. Services include overnight accommodations and furnishing of meals to residents only. Revenue is derived only from charitable sources.
- Community Residential Homes of 14 or More Residents: defined as a dwelling unit licensed to serve clients of the state department of health and rehabilitative services, which provides a living environment for residents who operate as the functional equivalent of a family, including such supervision and care by supportive staff as may be necessary to meet the physical, emotional and social needs of the residents. Community

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residential homes are further defined by Chapter 419, Florida Statutes, and regulated by the state department of health and rehabilitative services.

- Hotel or Motel
- Dormitory, Rooming House or Boarding House: defined as a dwelling used, or intended to be used, for the furnishing of sleeping accommodations for pay to transient or permanent guests.
- Communications Tower: defined as a guyed or self-supporting tower, constructed as a free standing structure or in association with a building, other permanent structure or equipment, containing one or more antennas intended for transmitting and/or receiving television, AM/FM radio, digital, microwave, cellular, telephone, or similar forms of electronic communication.