

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

Doc Stamp-Deed: \$4,445.00



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 7 day of September, 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**, 1125 NE 8th Avenue, Gainesville, Florida 32601, 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.

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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

Devonia L. Andrew
Witness
Print Name DEVONIA L ANDREW

Lauren Poe
Lauren Poe, Mayor

Kiandra Brown
Witness
Print Name Kiandra Brown

Approved as to Form and Legality
By: Nicolle M. Shalley
Nicolle M. Shalley
City Attorney

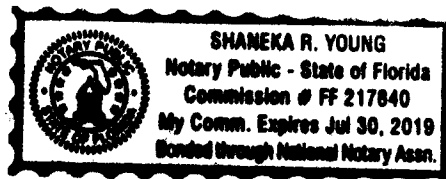
ATTEST:

Kurt M. Lannon
Kurt M. Lannon, Clerk of the Commission

STATE OF FLORIDA
COUNTY OF ALACHUA

The foregoing instrument was acknowledged before me this 6th day of September, 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.

Shaneka R. Young
Print Name: Shaneka R. Young
State of Florida
My Commission Expires: July 30, 2019



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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 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 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.