

PURCHASE AND SALE AGREEMENT

(Peppertree Shores and Circle)

THIS PURCHASE AND SALE AGREEMENT (this “Agreement”) is made by and between the **CITY OF ORLANDO, FLORIDA**, a municipal corporation of the State of Florida (“Seller”), and **BLUE SKY COMMUNITIES LLC**, a Florida limited liability company, or permitted assigns (“Buyer”). Seller and Buyer may be referred to separately as “Party” and collectively as “Parties” in this Agreement.

RECITALS

Seller seeks to sell two (2) vacant parcels of real property (collectively, the “Property”) located in Orlando, Florida, known as the location of the former Peppertree Shores apartments located at 1014 Mercy Drive and the location of the former Peppertree Circle apartments located at 1471 Mercy Drive, Orlando Florida. The Property is described and depicted on Exhibit “A”, attached hereto and incorporated herein, and also includes any and all easements, rights of way, privileges, licenses, appurtenances, entitlements, and any other rights, privileges, and benefits belonging to Seller and/or running with the land.

Seller seeks to have the Property redeveloped into mixed income affordable housing communities to: (i) increase the inventory of safe, affordable housing available to serve low and moderate income households within the City of Orlando, (ii) increase the inventory of permanent supportive housing (“PSH”), as defined by the United States Interagency Council on Homelessness, within the City of Orlando, and (iii) foster community development that will enhance the surrounding neighborhoods.

Buyer desires to purchase the Property for the purpose of constructing an affordable housing community on each parcel of the Property. The planned affordable housing communities will consist of approximately 34 two bedroom units and approximately 34 three bedroom units on the location of the former Peppertree Shores apartments and approximately 28 one bedroom units and approximately 20 two bedroom units on the location of the former Peppertree Circle apartments. The community developed at the location of the former Peppertree Circle apartments (Parcel ID No. 292220140800010) is intended to be devoted substantially to PSH with appropriate resident services. Buyer intends to improve the Property with three (3) story garden style apartments using concrete and wood construction with a total net leasable area of approximately 108,600 sq. ft. Each parcel included in the Property is intended to have approximately 2,000 square feet of common area. Buyer’s overall plan for the affordable housing communities to be constructed on the Property is referred to in this Agreement as the “Development.”

The total cost of the Development is expected to be approximately \$23,000,000.

In order to obtain the funds needed for the Development, Buyer intends to seek financing from Florida Housing Finance Corporation (“FHFC”). In addition to the FHFC, Buyer will seek funding through programs offered by or administered by Seller.

Buyer has successfully demonstrated its ability to revitalize disadvantaged areas through constructing housing developments, and Seller, therefore, desires to sell and convey the Property to Buyer for the purpose of constructing the Development upon and subject to the terms and conditions of this Agreement.

AGREEMENT

For and in consideration of the covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Buyer and Seller, Buyer and Seller hereby represent, warrant, covenant and agree as follows:

1. **Sale and Purchase.**

(a) Seller agrees to sell and convey the Property to Buyer, and Buyer agrees to purchase and accept the Property from Seller, for the Purchase Price (defined below), subject to the terms and conditions set forth in this Agreement.

(b) Seller shall convey the Property to Buyer as described in this Agreement subject to the Permitted Exceptions (as defined below).

2. **Purchase Price.** Buyer agrees to pay to Seller at Closing (as defined below), as the full purchase price (the "Purchase Price") for the Property, the sum of ONE MILLION FIVE HUNDRED THOUSAND AND 00/100 DOLLARS (\$1,500,000). The Purchase Price shall be paid in full at the Closing by Buyer to Closing Agent (as defined below), by wire transfer of immediately available funds to an escrow account and Closing Agent shall, in turn, pay to Seller the net proceeds due Seller from this sale, after adjustments, prorations and expenses provided for in this Agreement, by wire transfer of immediately available funds to a bank account designated by Seller.

3. **Earnest Money.** This Agreement shall be effective as of the last date signed by both Buyer and Seller (the "Effective Date"). Within two (2) business days following the Effective Date of this Agreement, Buyer shall deposit in escrow with Nelson Mullins Broad and Cassel (hereinafter alternatively referred to as the "Escrow Agent" and/or the "Closing Agent", as the context requires), the sum of FIVE THOUSAND AND NO/100 DOLLARS (\$5,000.00) as an earnest money deposit (the "Earnest Money"). The Earnest Money shall be held and disbursed by the Escrow Agent in accordance with the terms of this Agreement. In the event the transaction contemplated by this Agreement is closed, the Earnest Money shall be applied to the Purchase Price. In the event the transaction contemplated by this Agreement is not closed, the Earnest Money shall be disbursed in accordance with the provisions of this Agreement. In the event the Earnest Money is not deposited with the Escrow Agent within the time required by this Agreement, Seller may, in its discretion, elect at any time to terminate this Agreement.

4. **Due Diligence Items.** Buyer acknowledges that it has received copies of the following items from Seller relating to the areas of the Property as identified on Exhibit "A" ("Due Diligence Items"):

Peppertree Shores 1014 Mercy Drive:

2013-06-27 Peppertree Shores Phase I ESA
2015-03-02 Peppertree Shores Appraisal
2015-03-24 Peppertree Shores Survey
2015-08-21 Peppertree Shores Asbestos Report
2016-02-03 Peppertree Shores Abatement Report
Chicago Title Insurance Company Owner's Title Policy

Peppertree Circle 1471 Mercy Drive:

2013-07-16 Peppertree Circle Phase I ESA
2015-03-02 Peppertree Circle Appraisal
2015-03-23 Peppertree Circle Survey
2015-08-21 Peppertree Circle Asbestos Survey Report
2016-03-31 Peppertree Circle Air Monitoring Report
Chicago Title Insurance Company Owner's Title Policy

Misc:

2015-08-20 5 Mercy Properties Asbestos Abatement

Buyer further acknowledges that Seller has never operated the Property and has limited knowledge regarding the Property. Seller has no obligation, under this Agreement, to provide Buyer with any additional information regarding the Property, and Buyer will rely on its own due diligence investigation of the Property to determine all aspects of the Property's condition and suitability for its intended uses. Seller makes no representation or warranties concerning the Property unless specifically set forth in this Agreement and makes no representations or warranties concerning the accuracy or completeness of any of the Due Diligence Items.

5. **Title Commitment and Survey.**

(a) Within sixty (60) days from the Effective Date, Buyer shall, at its expense, obtain a Commitment for an Owner's policy of Title Insurance ("Title Commitment") from Fidelity Title Insurance Company or another title insurer approved by the Parties (the "Title Company"), through Closing Agent as title agent, setting forth the status of the title of the Property.

(b) Within ninety (90) days from the Effective Date, Buyer shall, at its expense, obtain a survey ("Survey") of the Property by a professional land surveyor licensed in the State of Florida. Buyer shall cause the Survey to provide or include all of the following: (i) an accurate legal description of the Property; (ii) a depiction of all improvements, visible evidence of easements in use, evidence of boundaries, all easements, and any encroachments or overlaps; and (iii) certify the gross area of the Property to the 00/10 sq. ft.

(c) If the Title Commitment and/or the Survey disclose any matters which render title to the Property unmarketable or is otherwise unacceptable to Buyer, then Buyer shall

give Seller written notice thereof within fifteen (15) days after receipt of the Title Commitment and Survey (the "Objections Letter"), specifying those matters shown on the Title Commitment or Survey which render title unmarketable or are otherwise unacceptable to Buyer and to which Buyer objects (the "Objections"). All matters shown on the Title Commitment or Survey which are not made the subject of the Objections Letter shall be "Permitted Exceptions."

(d) In the event any items are referenced in the Objections Letter which are (i) monetary judgments against Seller, (ii) monetary claims of lien, mortgages, judgment liens, or fines against the Property arising from Seller's activities, or (iii) any consensual monetary lien executed by Seller, (iv) other matters arising due to Seller's activities on the Property, and not arising through Buyer or any prior owner or occupant of the Property, and curable by the payment of money, without resort to litigation, or (v) City of Orlando imposed code enforcement liens, fines, judgment liens, or other monetary claims which have been filed or imposed against the Property which Seller has the power and authority to release or terminate or cause to be released or terminated (the "Mandatory Exceptions") from the Property by taking the actions necessary to have the Mandatory Exceptions deleted or insured over by the Title Company, or transferred to bond so that the Mandatory Exceptions are removed from the Title Commitment, or paid from Seller's proceeds at Closing.

(e) The provisions of this subsection (e) apply to all Objections raised by Buyer, other than the Mandatory Exceptions. Seller shall have no obligation to cure any Objection to Title Commitment or the Survey; however, if Buyer gives its Objections Letter within the time period specified above, Seller, at its option, in its sole and absolute discretion, shall have the right to attempt to cure any title or Survey Objection properly and timely made by Buyer if Seller elects to do so. In the event Seller is unable or elects not to cure any title or Survey Objection properly and timely made by Buyer, Seller may so notify Buyer ("Seller's Title Response"), within thirty (30) days of Seller's receipt of the Objections Letter, and Buyer shall have the right, within thirty (30) days of Buyer's receipt of Seller's Title Response, or within sixty (60) days of the date of Buyer's Objection Letter if Seller has not timely provided a Seller's Title Response, to either (i) terminate this Agreement and, upon such termination, the Earnest Money shall be returned to the Buyer and this Agreement shall terminate except for the rights, obligations and liabilities of the Parties that expressly survive the termination of this Agreement, or (ii) waive any and all title or Survey Objections and proceed to Closing.

(f) In the event Seller does not timely respond to Buyer's Objections Letter, Seller shall be deemed to elect not to cure any title or Survey Objections, and Buyer has the option to exercise 5 (e) (i) or (ii) hereinabove. Notwithstanding anything herein to the contrary, Seller shall not be required to cure any of Buyer's Objections to title or the Survey other than the Mandatory Exceptions.

(g) Buyer may elect to obtain, at its expense, updates to the Title Commitment at any time prior to Closing. If such an update reveals any matter encumbering the Property rendering title unmarketable, or otherwise unacceptable to Buyer, not appearing on the original Title Commitment or Survey, then Buyer shall give Seller written notice thereof within fifteen (15) days after receipt of such updated Title Commitment, specifying such matters shown on the Title Commitment which render title unmarketable or are otherwise unacceptable to Buyer and to which Buyer objects ("New Objections"). All matters shown on any updated Title

Commitment which are not made the subject of the New Objections shall be included within the definition of “Permitted Exceptions.” Buyer shall not be entitled to object to matters of title or survey caused by or arising from or through Buyer.

(i) Seller shall have no obligation to cure any objection to title other than Mandatory Exceptions; however, if Buyer gives notice of New Objections within the time period specified above, Seller, at its option, in its sole and absolute discretion, shall have the right to attempt to cure any title objection properly and timely made by Buyer if Seller elects to do so. In the event Seller is unable or elects not to cure any New Objection properly and timely made by Buyer, Seller may so notify Buyer, within thirty (30) days of Seller’s receipt of the New Objections and Buyer shall have the right, within thirty (30) days of Buyer’s receipt of Seller’s notice electing not to cure any New Objections, or within sixty (60) days of the date of Buyer’s notice of New Objections if Seller has not timely provided a response to Buyer’s notice of New Objections, to either (y) terminate this Agreement and, upon such termination, the Earnest Money shall be returned to the Buyer and this Agreement shall terminate except for the rights, obligations and liabilities of the Parties that expressly survive the termination of this Agreement, or (z) waive any and all title objections and proceed to Closing.

(ii) In the event Seller does not timely respond to Buyer’s notice of New Objections, Seller shall be deemed to elect not to cure any title objections and Buyer shall have the option to exercise 5 (g) (i) (y) or (z) hereinabove. Notwithstanding anything herein to the contrary, Seller shall not be required to cure any of Buyer’s objections to title other than the Mandatory Exceptions.

(h) Buyer may elect to obtain, at its expense, updates to the Survey at any time prior to Closing. In the event Buyer’s update of the Survey reveals new matters not revealed by the original Survey or the Title Commitment, rendering title unmarketable or matters otherwise unacceptable to Buyer, the same notice and cure rights as set forth above relating to title shall apply to any such new Survey matters, including Buyer’s right to terminate this Agreement as set forth above. However, Buyer shall not be entitled to object to matters of title or survey caused by or arising from or through Buyer.

(i) The Property shall be subject to deed restrictions, restrictive covenants or other applicable legal agreements to ensure compliance with an affordable housing set aside requirement and a permanent supportive housing requirement. If permitted by all applicable lenders and tax credit investors, such restrictive covenants shall not be terminable upon foreclosure by a lender holding a mortgage lien on the Property in connection with Buyer’s financing, including construction and permanent loans except such restrictive covenants may be terminated by a foreclosure judgment obtained by the holder of the first mortgage on the Property in a foreclosure proceeding commenced no earlier than ten (10) years following issuance of certificates of occupancy for all contemplated improvements on the Property. Buyer acknowledges and agrees that the foregoing restrictions in the deed or separate restrictive covenant shall be Permitted Exceptions.

(j) At Buyer’s request, Seller will waive the automatic mineral interest reservation it enjoys pursuant to Section 270.11, Florida Statutes.

6. **Due Diligence Period.**

(a) Buyer shall have a maximum period beginning on the Effective Date and ending on July 1, 2019 (the "Due Diligence Period") during which time Buyer and its employees, agents, contractors, engineers, surveyors and representatives (collectively, "Consultants") shall have the right to enter the Property to make inspections, surveys, soil analysis and other non-invasive tests, studies and surveys, including without limitation, environmental tests, and analysis and studies within the Property, provided Buyer has given Seller reasonable prior notice in each instance. Seller may, at its election, have a representative or agent present during Buyer's or Consultants' access of the Property. Seller and its agents and representatives shall reasonably cooperate with Buyer and the Consultants in connection with any test or inspection. Notwithstanding the foregoing, Buyer may engage an environmental engineering firm to perform Phase I and, if reasonably necessary, Phase II environmental studies of the Property. However, if any such test or study requires test boring(s) or other intrusions into the Property or which testing would otherwise damage or disturb any portion of the Property or any existing infrastructure or improvements (collectively, the "Improvements") thereon, Buyer shall obtain Seller's prior written consent thereto, which consent will not be unreasonably withheld. If Seller approves any such testing, by any Consultant, Buyer shall be responsible for, and shall dispose of, all such test samples in accordance with applicable law at no cost or liability to Seller. Buyer shall provide to Seller copies of any and all independent tests, studies or test results obtained after the Effective Date and relating to the Property as soon as practical after Buyer's receipt thereof.

(b) In accessing the Property to perform tests and studies as permitted under this Section, Buyer shall not interfere unreasonably with Seller or Seller's agents. Buyer shall bear the cost of all inspections or tests undertaken by the Consultants and shall be responsible for properly disposing of any wastes generated by those tests. The Property shall be restored by Buyer or the Consultants to substantially the same condition as of the Effective Date, at Buyer's or the Consultants' sole expense following any site work by Buyer or any Consultant.

(c) To the fullest extent permitted by law, Buyer hereby indemnifies, exonerates, releases, will defend and hold harmless Seller, and its affiliates, successors and assigns, and their officers, elected and unelected officials, directors, attorneys, insurers, employees, agents, from and against any and all losses, liabilities, damages, claims, demands, actions, judgments, suits, fines, penalties, costs or expenses (including but not limited to reasonable consultants and attorneys' fees, or injuries to any persons or property) (collectively, "Claims") arising out of or resulting from (a) acts or omissions of Buyer or its Consultants arising in any way from or relating to the Property; (b) the use, occupancy and presence of Buyer or its Consultants, within the Property; and (c) any liens, charges or other encumbrances which may be filed or asserted against the Property due to the failure of Buyer to pay when due all bills incurred, arising from Buyer or its Consultant's access to the Property (collectively, the "Indemnity Scope"). Buyer's obligations under this indemnification provision shall survive any expiration or termination of this Agreement. This obligation to indemnify, exonerate, release, defend and hold harmless includes, without limitation, third-party Claims for contribution, reasonable attorneys' fees, Claims for injury or alleged injury of any kind to any persons (including, but not limited to, death) and for any violation or alleged violation of any federal, state or local environmental, health or safety laws or any "release" or "threatened release" of any

“hazardous substance” (as such term is defined hereinbelow) arising from or in any way connected to the Indemnity Scope. Seller shall provide written notification to Buyer within three (3) business days of Seller obtaining knowledge of any such Claim, and Buyer may, at its option, engage legal counsel of its choice to defend and represent Buyer with regard to any such Claim.

(d) Buyer shall obtain (or cause its contractor or consultant to obtain), at Buyer’s sole cost and expense, from and after the Effective Date, a policy of commercial general liability insurance covering any and all liability of Buyer with respect to or arising out of any investigative activities conducted by or on behalf of Buyer. Such policy of insurance shall be an occurrence policy and shall have liability limits of not less than One Million Dollars (\$1,000,000.00) combined single limit per occurrence for bodily injury, personal injury and property damage liability. Such insurance policy shall name Seller and its successors and assigns as an additional insured and shall be in form and substance and issued by an insurance company reasonably satisfactory to Seller. Buyer shall keep the Property free and clear of any construction liens, mechanics’ liens or materialmen’s liens related to Buyer’s right of inspection and Buyer’s activities contemplated by this Agreement.

(e) If, prior to the end of the Due Diligence Period, Buyer finds any information or conditions relating to the Property that are objectionable to Buyer, in Buyer’s sole and absolute discretion, Buyer shall have the right to terminate this Agreement by giving written notice of termination to Seller by no later than the end of the Due Diligence Period and, in such case, the Earnest Money shall be refunded promptly to Buyer. Upon such termination, neither Seller nor Buyer shall have any further rights, obligations or liabilities under or in connection with this Agreement, except for the rights, obligations and liabilities of the Parties that expressly survive the termination of the Agreement.

(f) Seller covenants that Seller shall maintain the Property substantially in its current condition until April 1, 2019 (“Buyer’s Maintenance Commencement Date”).

7. Closing and Financing Timeline, Buyer’s Obligations Pending Closing.

(a) Subject to extensions, and provided that all conditions precedent to the Parties’ obligations to close set forth in this Agreement have been satisfied or waived in writing, the closing of the transaction contemplated by this Agreement (the “Closing”) shall be held on or before the earlier of (a) December 31, 2019, or (b) six (6) months after final non-appealable approval of the FHFC Funding (defined below) (the “Closing Date”), and shall be on a date selected by the Buyer but with no less than thirty (30) days advance written notice thereof to Seller. Notwithstanding the foregoing, in no event shall the Closing Date be later than March 31, 2020, and if the Closing does not occur on or before March 31, 2020, this Agreement will terminate unless extended by the Parties in writing. The Closing shall take place at the offices of Closing Agent, or at the office designated by the lender providing Buyer’s Construction Financing (as defined below), at such time of day as may be mutually agreed upon by the Parties hereto. Neither Party shall be required to attend the Closing. Instead, the Closing may take place by means of an escrow arrangement pursuant to which each Party shall deliver to Closing Agent all fully executed documents and funds required by this Agreement, together with any desired escrow instructions that are not inconsistent with this Agreement.

(b) Buyer shall use commercially reasonable efforts to secure financing (the “Construction Financing”) in sums sufficient to purchase the Property and construct Buyer’s contemplated Development in its entirety. Buyer shall apply for FHFC funding in the SAIL RFA due November 27, 2018, and intends to apply for CDBG-DR RFA anticipated to be due by March 31, 2019 (the “FHFC Funding”). Buyer may also apply for other funding in order to finance the Development. In the event that Buyer is unable to secure a non-appealable written notice of approval of the FHFC Funding by July 31, 2019 (“FHFC Funding Approval Date”), and either (a) the Development has been tentatively selected for Funding by the FHFC Board of Directors; or (b) Buyer has filed a petition under Section 120 in an attempt to win the FHFC Funding, then the FHFC Funding Approval Date shall be extended until the FHFC Board provides non-appealable written notice of approval of the Development, but no longer than 120 days.

Buyer will provide Seller with a copy of such FHFC applications contemporaneously with submittal.

If Buyer fails to make such applications to the FHFC within the time required as set forth above, then Buyer will be in default and Seller may, in its sole and absolute discretion, terminate this Agreement and the Earnest Money will be delivered to Seller. Upon such termination, neither Seller nor Buyer shall have any further rights, obligations or liabilities under or in connection with this Agreement, except for the rights, obligations and liabilities of the Parties that expressly survive the termination of this Agreement.

(c) Beginning on Buyer’s Maintenance Commencement Date, and continuing thereafter until the Closing or earlier termination of this Agreement, Buyer shall assume sole responsibility for landscape maintenance and maintaining any fence on the Property, except however, that Buyer will not be required by this Agreement to make any repairs to the Property or to bring the Property into compliance with any applicable governmental requirements, or to insure the Property for anything other than liability, as set forth below. Without limiting the generality of the foregoing, Buyer shall be responsible to provide commercial general liability insurance naming Seller as an additional insured with limits of not less than \$1,000,000.00 for injury to or death of persons. At Seller’s option, Seller may perform the maintenance obligations of Buyer as set forth in this section and in such event Buyer will reimburse Seller for the cost of such maintenance monthly or periodically as Seller may request reimbursement.

(d) Buyer acknowledges that because the Seller is a governmental entity, so long as Seller owns the Property, no construction or similar lien otherwise arising under Chapter 713, Florida Statutes, shall be applicable to the Property. Buyer shall so advise any of its contractors or representatives, in writing, and in any agreement between Buyer and any contractor or supplier that any such potential lienor shall have no lien rights against the Property based on services or materials supplied to Buyer or to any, person, firm or entity associated with the Property. It is expressly agreed and understood between the Parties that nothing in this Agreement shall ever be construed as empowering Buyer to encumber or cause to be encumbered the title or interest of Seller in the Property in any manner whatsoever. In the event that regardless of this prohibition any person, furnishing or claiming to have furnished labor or materials at the request of Buyer or of any person claiming by, through or under Buyer shall file a lien against the Property, Buyer, within thirty (30) days after being notified thereof, shall cause

said lien to be satisfied of record or the Property released therefrom by the posting of a bond or other security as prescribed by law, or shall cause same to be discharged as a lien against the Property by an order of a court having jurisdiction to discharge such lien. In the event the lien is not discharged as required above, Seller may advance funds necessary to discharge the lien and recover any amounts so paid and costs and reasonable attorneys' fees incurred, from Buyer.

8. **Closing Obligations.**

(a) The Parties will execute and deliver documents reasonably necessary to consummate the sale-purchase transaction of the Property contemplated by the Agreement, including without limitation:

(i) A special warranty deed ("Deed"), in form approved by Seller and acceptable to the Title Company, subject only to the Permitted Exceptions;

(ii) A closing statement executed by all Parties evidencing the financial terms of the transaction ("Closing Statement");

(iii) Duly executed certificate of Seller stating Seller's U.S. Taxpayer Identification Number, and that Seller is not a "foreign person" within the meaning of the Internal Revenue Code for the purposes of substantiating exemption from the withholding provisions of the Tax Reform Act of 1984;

(iv) Instruments in form and substance satisfactory to Seller evidencing the status, capacity and authority of Buyer and its representatives to consummate the transaction contemplated by this Agreement; and

(v) Other documents or certifications reasonably requested by Seller, Buyer or the Title Company, including Seller's No-Lien, Gap and Possession Affidavit sufficient to have the standard exceptions deleted from the to-be-issued owner's and lenders' title insurance policies and all such municipal resolutions authorizing the subject transaction.

(vi) A general assignment of any and all rights, licenses, development rights, contracts, and plans of Seller which pertain to the Property.

(b) Buyer, at Buyer's sole cost and expense, shall deliver or cause to be delivered to Seller through Closing Agent, wired funds, in an amount equal to the Purchase Price minus the Earnest Money and adjusted by the amount of any credits due or any items chargeable to Buyer under this Agreement, all as set forth on the Closing Statement.

(c) Seller shall be responsible for the payment of the following items prior to or at the time of Closing: (i) recording costs for all documentation necessary to cure any title defects as may be required by this Agreement, and (ii) its own legal fees.

(d) Buyer shall pay all closing expenses of any kind which Seller has not agreed to pay pursuant to this Agreement, including, without limitation, Buyer shall be responsible for the payment of the following items prior to or at the time of Closing, (i) all recording fees payable in connection with the transfer of the Property; (ii) any documentary

stamp tax due in connection with the recording of the Deed; (iii) all title premiums or search charges for the Title Commitment and title policies, (iii) the costs of any Survey obtained by Buyer, (iv) all financing expenses; (v) all development approval costs incurred by Buyer, and (vi) its own legal fees.

(e) There shall be no proration of any ad valorem or other taxes and assessments, if any, relating to the Property, and Seller will not be responsible for any ad valorem taxes or any assessments.

(f) Buyer shall notify all utility companies that as of the date of Closing, Buyer shall own the Property and, if not previously done pursuant to Buyer's duties set forth in Section 7(c), that all utility bills are to be sent to Buyer. Seller will pay all charges for such utility charges which have accrued on or prior to the Buyer's Maintenance Commencement Date.

(g) Subject to the Permitted Exceptions and the other matters described herein, Seller shall deliver possession of the Property to Buyer on the date of Closing.

(h) Buyer shall have closed on the Construction Financing contemporaneously with the Closing, and the Construction Financing must be sufficient to permit Buyer to construct the Development in its entirety. In addition, Buyer shall have provided Seller with (i) a copy of the construction contract for the improvements intended to be constructed on the Property, (ii) written evidence that the general contractor is duly licensed in the State of Florida, and (iii) copies of the general contractor's payment and performance bonds, on which, if requested by Seller, Seller shall be named as an additional obligee on the Multiple Obligatee Rider, ensuring completion of the Development, each in an amount not less than the aggregate cost of constructing all intended improvements, less amounts covered by subcontractor bonds, provided that 100% of the construction costs are bonded in aggregate.

9. **Closing Conditions.** The obligations of Buyer to pay the Purchase Price and to perform Buyer's other obligations at the Closing under this Agreement are and shall be subject to the satisfaction of each of the following conditions on or prior to the Closing Date:

(a) The title company shall be able to deliver at Closing an ALTA Owner's Title Insurance Policy ("Title Policy") or a marked-up title commitment insuring title of the Property to be in the name of the Buyer as of the time and date of Closing in the amount of the Purchase Price, and excepting no matters other than the Permitted Exceptions;

(b) All of the representations and warranties of Seller contained in this Agreement shall have been true and correct in all material respects when made, and shall be true and correct in all material respects on the Closing Date with the same effect as if made on and as of such date;

(c) At Closing, there shall be no material adverse change in the physical condition of the Property that has arisen or occurred after the expiration of the Due Diligence Period, which condition would materially and adversely affect the development and construction of the Development (an "Adverse Change"). The parties acknowledge and agree that an Adverse Change is limited to the physical condition of the Property and may include, but is not limited to,

the presence of any Hazardous Substances (hereinafter defined) created by Seller, Seller's removal of fill or soil, removal or addition of underground improvements, sink holes and other similar changes in the physical condition of the Property that materially and adversely affect the development and construction of the Development.

If any of the foregoing conditions benefiting the Buyer have not been satisfied as of the Closing Date, and Seller is not otherwise in default hereunder (in which event the provisions of Section 14 shall control), then Buyer may, in Buyer's sole discretion: (i) terminate this Agreement by delivering written notice to the Seller, whereupon the Earnest Money shall be returned to Buyer and the Parties shall be released from any further liability or obligation hereunder, except for those rights and obligations which specifically survive termination hereunder; or (ii) the Buyer may waive such unsatisfied condition and elect to close, notwithstanding the non-satisfaction of such condition(s).

10. **Seller's Covenants.**

(a) From and after the Effective Date, Seller shall (i) through Buyer's Maintenance Commencement Date, maintain the Property in its present condition, subject to normal wear and tear, it being agreed, however, that Seller will not be required by this Agreement to make any repairs to the Property or to bring the Property into compliance with any applicable governmental requirements unless liens will result from such non-compliance, (ii) not enter into any leases for the Property without Buyer's prior written consent, (iii) not enter into any long-term service or maintenance contracts regarding the Property, without Buyer's prior written consent, (iv) not take any voluntary action which results in a New Objection. As used herein, "long-term" shall mean any service or maintenance contract that cannot be terminated upon thirty (30) days' notice.

(b) In its capacity as the owner of the Property, Seller agrees, at no cost to Seller, to cooperate fully with Buyer with respect to Buyer's efforts to obtain approval of any platting, zoning, permits, site planning and other licenses and approvals required by Buyer in connection with Buyer's intended use of the Property, and upon receipt of written request therefor Seller agrees to promptly execute, acknowledge, and deliver such applications, dedications, grants, plats, documents, instruments, and consents as may be reasonably required to obtain approval, provided that same shall not (a) adversely affect the marketability and insurability of the Property as it existed before entering into such documents, (b) adversely affect the value, permitted uses or zoning of the Property or (c) cause any default or breach under any existing covenant affecting the Property. Nothing in this Agreement shall be deemed to obligate the Seller to approve any application submitted by Buyer or any of its affiliates, and nothing in this Agreement shall be deemed to limit or in any way restrict the Seller's exercise of its regulatory authority.

11. **Representations and Warranties.**

(a) **Seller's Representations and Warranties.** Seller represents and warrants to Buyer as follows:

(i) Seller has the power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution, delivery and performance of this Agreement and the other agreements and documents to be executed and delivered by Seller pursuant to the provisions of this Agreement have been duly authorized by all necessary municipal action on the part of Seller.

(ii) To the best of Seller's knowledge, it has good and marketable fee simple title to the Property. Seller has not entered into any agreement to sell, or otherwise dispose of its interest in the Property or any part thereof. To the best of Seller's knowledge, no person, firm, corporation or other entity has any right or option to acquire the Property, or any part thereof, from Seller, other than Buyer as herein provided. While this Agreement is in effect and prior to the Closing, Seller will not voluntarily convey, transfer or encumber the Property or any part thereof or any interest therein.

(iii) Seller is not a "foreign person" as such term is defined in Section 1445(f)(3) of the Internal Revenue Code of 1986, as amended.

(iv) To Seller's knowledge, there are no pending or threatened condemnation or similar proceedings to take any portion of the Property by power of eminent domain.

(v) This Agreement has been duly executed and delivered on behalf of Seller and is a legal, valid, and binding obligation of Seller enforceable against it in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization or other laws or equitable principles relating to or affecting the enforcement of creditors' rights.

(vi) To Seller's knowledge, there are no actions, suits, proceedings or investigations, either at law or in equity, or before any commission or other administrative authority in any United States or foreign jurisdiction, of any kind now pending or, to Seller's knowledge, threatened or proposed in any manner, or any circumstances which should or could reasonably form the basis of any such action, suit, proceeding or investigation, involving Seller or any of its properties or assets that: (i) questions the validity of this Agreement; or (ii) seeks to delay, prohibit or restrict in any manner any action taken or contemplated to be taken by Seller under this Agreement. When used in this Agreement the term "Seller's knowledge" or to the "best of Seller's knowledge" or similar phrases, means the actual knowledge of Laurie J. Botts.

(vii) Other than as disclosed in the Due Diligence Items, to Seller's knowledge, during Seller's ownership of the Property, Seller has not received any written notice from a governmental authority that there are any Hazardous Substances (hereinafter defined) on the Property in violation of any applicable statutes, ordinances or regulations.

(viii) To the best of Seller's knowledge, the Property is not subject to any leases, occupancy or use agreements, is free and clear of all tenants, and that there are no parties in possession of the Property.

(b) Buyer's Representations and Warranties. Buyer hereby represents and warrants to Seller as follows:

(i) Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Florida and has the power and authority to carry on its business as now being conducted and to own and operate the properties and assets now owned and being operated by it.

(ii) Buyer has the requisite legal power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution, delivery and performance of this Agreement and any other agreements and documents to be executed and delivered by Buyer pursuant to the provisions of this Agreement have been duly authorized by all necessary action on the part of Buyer. This Agreement has been duly executed and delivered on behalf of Buyer and is a legal, valid, and binding obligation of Buyer enforceable against it in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization or other laws or equitable principles relating to or affecting the enforcement of creditors' rights.

(iii) Neither the execution, delivery or performance of this Agreement by Buyer nor the consummation of any of the transactions provided for in this Agreement will (i) violate or conflict with any provision of the Articles of Organization or the Operating Agreement of Buyer; (ii) result in any breach of or default by Buyer under any provision of any material contract or agreement of any kind to which Buyer is a party or by which Buyer is bound or to which the properties or assets of Buyer is subject; or (iii) is prohibited by, or requires Buyer to obtain or make any consent, authorization, approval, registration or filing under, any statute, law, ordinance, regulation, rule, judgment, decree or order of any court or governmental agency, board, bureau, body, department or authority.

(iv) There are no actions, suits, proceedings or investigations, either at law or in equity, or before any commission or other administrative authority in any United States or foreign jurisdiction, of any kind now pending or, to Buyer's knowledge, threatened or proposed in any manner, or any circumstances which should or could reasonably form the basis of any such action, suit, proceeding or investigation, involving Buyer or any of its respective properties or assets that: (i) questions the validity of this Agreement; or (ii) seeks to delay, prohibit or restrict in any manner any action taken or contemplated to be taken by Buyer under this Agreement.

(v) Subject to available third party financing on terms acceptable to Buyer, in its sole and absolute discretion, Buyer represents and warrants to the Seller that it will construct the Development generally as described in this Agreement with the majority of residential units within the Development reserved for and affordable to a diverse population of low income persons and families (including the chronically homeless), and Buyer shall restrict the occupancy of a majority of the Units for Low Income persons or families with a total annual

anticipated gross income that does not exceed 60% of the area median income (as increased from time to time in accordance with the tax credit program).

(vi) All of Buyer's designers and contractors will comply with all applicable City codes, laws, zoning, rules and regulations, as well as any other applicable government and regulator entities and agencies.

(vii) Buyer shall make good faith efforts to meet the City's diversity goals for this Development, to help foster the growth of M/WBE City-certified businesses and to maximize participation by the community in the Development. Prior to the execution of any construction contract for the Development, Buyer shall demonstrate such good faith efforts to Seller with the following targets: 18% participation by minority-owned companies (MBEs) and 6% participation by women-owned companies (WBEs) for 24% of the aggregate monetary value of the general construction contract for the Development to be performed by M/WBE City-certified companies. Further, no later than the end of the Due Diligence Period, Buyer will create, and provide to Seller, a plan to provide a roadmap to companies and the local workforce in Central Florida that identifies opportunities and maximizes participation in the Development ("Community Action Plan"), including:

(a) Business opportunities for M/WBE City-certified companies to gain valuable "big project" experience, receive valuable mentoring from larger more experienced companies and forge new business relationships in the industry in order to continue to grow their companies.

(b) Employment opportunities for the local workforce, including both skilled and unskilled labor, giving employees an opportunity to gain valuable work skills, receive on-the-job training and develop a strong resume to advance their careers.

Developer will follow the Community Action Plan in all material respects.

(viii) Buyer shall not sell or convey the Property, or any interest therein, until a Certificate of Occupancy has been issued by the City in accordance with its governmental functions, for the completed Development.

(ix) Seller and Buyer agree to name the Development "Fairlawn Village Apartments". The Seller shall have the right to approve the name of any streets within the Development.

12. **Agents.** Seller and Buyer each represent and warrant to the other that it has not engaged the services of any agent, broker, or other similar party who is seeking a commission in connection with this transaction.

13. **Notices.**

(a) Any notice under this Agreement shall be in writing and shall be deemed to have been served and received (i) when delivered in person to the address set forth below for the party to whom the notice is given, (ii) within 3 business days if placed in the United States

mail, return receipt requested, addressed to such party at the address specified below, (iii) the next business day if deposited into the custody of FedEx Corporation to be sent by FedEx Overnight Delivery or other reputable overnight carrier for next day delivery, addressed to the party at the address specified below, or (iv) upon transmission if electronically transmitted to the party at the email address or telecopy number listed below, provided that the electronic transmission is confirmed by the recipient on the date of the transmission.

<p><u>Addresses:</u> <u>Seller's Address:</u></p> <p>City of Orlando 400 South Orange Avenue P.O. Box 4990 Orlando, Florida 32802-3370 Attn: Laurie J. Botts, Real Estate Manager e-mail: laurie.botts@cityoforlando.net</p>	<p><u>Buyer's Address</u></p> <p>Blue Sky Communities LLC 5300 West Cypress Street Suite 200 Tampa, Florida 33607 2002 Attn: Shawn Wilson, Manager e-mail: swilson@blueskycommunities.com</p>
<p><u>With a Required Copy to:</u> Carlton Fields 450 South Orange Avenue, Suite 500 Orlando, Florida 32801 Attn: Dan DeCubellis e-mail: ddecubellis@carltonfields.com</p> <p><u>Escrow Agent Address:</u></p> <p>Nelson Mullins 390 North Orange Avenue Suite 1400 Orlando, Florida 32801-4961 Attn: Randy Alligood e-mail: randy.alligood@nelsonmullins.com</p>	<p><u>With a Required Copy to:</u> Nelson Mullins Broad and Cassel 390 North Orange Avenue Suite 1400 Orlando, Florida 32801-4961 Attn: Randy Alligood e-mail: randy.alligood@nelsonmullins.com</p>

From time to time any Party may designate another address or telecopy number under this Agreement by giving the other party advance written notice of the change.

14. **Termination, Default, and Remedies.**

(a) If this Agreement is not signed by Seller and an executed copy delivered to Buyer within thirty (30) days after the date this Agreement has been signed by Buyer and an executed copy of this Agreement delivered to Seller, then this Agreement will automatically terminate and be of no further force or effect and the Earnest Money, if any has been delivered to Escrow Agent, will be returned to Buyer.

(b) If Buyer fails or refuses to consummate the purchase of the Property pursuant to this Agreement on or before the date of Closing for any reason other than Seller's prior failure to perform Seller's obligations under this Agreement, or the unavailability of financing (on terms acceptable to Buyer, in Buyer's sole and absolute discretion), then Seller, as Seller's sole and exclusive remedy, shall have the right to terminate this Agreement by giving written notice thereof to Buyer on or before the date of Closing and retain the Earnest Money as liquidated damages and not as a penalty or forfeiture, whereupon neither Party hereto shall have any further rights or obligations hereunder except those which expressly survive termination of the Agreement.

(c) If Seller fails or refuses to consummate the sale of the Property pursuant to this Agreement on or before the date of Closing or fails to perform any of Seller's obligations hereunder for any reason other than due to Buyer's prior failure to perform Buyer's obligations under this Agreement, or any of Seller's representations or warranties made hereunder are inaccurate, untrue or incorrect as of the Closing Date as a result of an intentional, deliberate or grossly negligent act of the Seller, then Buyer, at Buyer's option, shall have the right to terminate this Agreement by giving written notice thereof to Seller on or before the date of Closing and receive the return of the Earnest Money and Seller shall reimburse Buyer (but without limiting Buyer's right to receive a refund of the Earnest Money) for its direct and actual out-of-pocket expenses and costs (documented by paid invoices to third parties) in connection with this transaction, and thereafter neither Party hereto shall have any further rights or obligations hereunder except those which expressly survive termination of the Agreement, or in lieu of exercising the option to terminate, Buyer may seek the remedy of specific performance of this Agreement by Seller.

(d) In no event shall Buyer or Seller be liable for any special, indirect, punitive, exemplary, incidental or consequential loss or damages of any nature howsoever caused, and whether based on contract, tort (including negligence), indemnity, strict liability or any other theory of the law.

(e) Prior to either Buyer or Seller declaring a default under this Agreement (other than a default in the nature of the failure of a party to close, for which no cure period shall apply), the non-defaulting party shall send written notice of the default to the defaulting party and to the Escrow Agent. The defaulting party shall have a period of ten (10) days after receipt of the notice of default to cure such default. Neither Buyer nor Seller shall be entitled to any of the remedies set forth in this Section 14 prior to the sending of a notice of default to the defaulting party and the allowance of an opportunity to cure such default within ten (10) days after the receipt of the notice by the defaulting party.

15. **City Commitment for Funding.** Buyer has informed Seller it will seek funding for the Development from the Seller to supplement the FHFC Funding in an amount not to exceed Two Million and 00/100 Dollars (\$2,000,000). Buyer acknowledges that it will be required to supply information and submit requests/applications for such funding to Seller, or its agencies, and that any such funding will be subject to review and approval of such applications and requests. Upon receipt from Buyer of all information needed to process the request for funding, Seller will process the request and inform Buyer of the availability of funding through Seller, or its agencies, as soon as reasonably practical in accordance with Seller processes. If the City's contribution includes Federal funds, the Development must comply with all applicable federal requirements including, if applicable, Davis-Bacon prevailing wage and Section 3 requirements.

16. **Entire Agreement.** This Agreement (including the statements set forth in the Recitals, and any written addenda or exhibits, all of which are expressly incorporated herein by this reference) shall constitute the entire agreement between Buyer and Seller; no prior written or prior or contemporaneous oral promises or representations shall be binding. All prior understandings and agreements between the Parties with respect to the subject matter of this Agreement are merged within this Agreement, which alone fully and completely sets forth the understanding of the Parties with respect thereto. This Agreement shall not be amended, changed or extended except by written instrument signed by both parties hereto.

17. **Successors and Assigns.** Subject to the restrictions on transfer set forth in this Agreement, this Agreement shall be binding upon and inure to the benefits of the successors and assigns of the parties hereto. In no event shall Buyer have any right to delay or postpone the Closing to create a partnership, corporation or other form of business association or to obtain financing to acquire title to the Property or to coordinate with any other sale, transfer, exchange or conveyance. This Agreement is for the sole benefit of the Parties hereto and no other person or entity shall be a third party beneficiary hereunder.

18. **Assignment.** This Agreement is personal to Seller and Buyer and Buyer shall not be entitled to assign this Agreement, or rights pursuant to this Agreement, without prior written consent of Seller. Notwithstanding the foregoing, Seller acknowledges that Buyer intends to form, or has formed, Blue CASL Orlando LLC, a Florida limited liability company for the purpose of developing the Property and making application for the FHFC Funding, and no consent shall be required for the assignment of this Agreement by Buyer to Blue CASL Orlando LLC, a Florida limited liability company. Subject to the restrictions on transfer set forth herein, this Agreement shall be binding upon and inure to the benefits of the successors and assigns of the Parties hereto.

19. **Time of the Essence.** Time is of the essence under this Agreement.

20. **Taking Prior to Closing.** If, prior to Closing, the Property or any portion thereof becomes subject to a taking by virtue of eminent domain, Buyer may, in Buyer's sole discretion, either (i) terminate this Agreement and neither Party shall have any further rights or obligations hereunder, or (ii) proceed with the Closing of the transaction with an adjustment in the Purchase Price to reflect the net square footage of the Property after the taking.

21. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

22. **No Prevailing Party Attorneys' Fees.** If any action or proceeding is commenced by either Party to enforce its rights under this Agreement or to collect damages as a result of the breach of any of the provisions of this Agreement, each Party shall be responsible for its own attorneys' fees and expenses. The provisions of this Section will survive the Closing or the termination of this Agreement.

23. **Severability.** If any provision of this Agreement is held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability will not affect any other provision, and this Agreement will be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

24. **Business Days.** If the date of Closing or the day for performance of any act required under this Agreement falls on a Saturday, Sunday, or legal holiday, then the date of Closing or the day for such performance, as the case may be, shall be the next following regular business day.

25. **Counterparts.** This Agreement may be executed in multiple counterparts, each of which will be deemed an original, but which together will constitute one instrument.

26. **Extensions.** Seller appoints the Real Estate Division Manager of the City of Orlando, who may in his/her absolute discretion, act on Seller's behalf in connection with any and all actions deemed expedient of Seller as described in this Agreement and that in her discretion, he/she may, on behalf of Seller, elect to extend each and every deadline or any timeframe set forth in this Agreement for any length of time up to a maximum for each time period of one (1) year for any such deadline or time period.

27. **Disclaimer.** Buyer represents and warrants that Buyer will inspect and conduct tests and studies of the Property, and that Buyer will become familiar, in all respects, with the condition of the Property. Buyer represents and warrants that Buyer is acting, and will act only, upon information obtained by Buyer directly from Buyer's own inspection of the Property and that no person acting on behalf of Seller is authorized to make, and that no person has made, any representation, agreement, statement, warranty, guarantee or promise regarding the Property or the transaction contemplated herein or the zoning, construction, physical condition or other status of the Property except as may be expressly set forth in this Agreement.

28. **As Is, Where is Condition.** BUYER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS MAY BE EXPRESSLY PROVIDED IN THIS AGREEMENT, NEITHER SELLER NOR ANY OF SELLER'S OFFICERS, DIRECTORS, ELECTED OR UNELECTED OFFICIALS, EMPLOYEES, MEMBERS, PRINCIPALS, OR AFFILIATES NOR ANY OF THEIR AGENTS OR REPRESENTATIVES HAS MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, OR GUARANTIES OF ANY KIND, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO (I) THE VALUE OF THE PROPERTY; (II) THE INCOME TO BE

DERIVED FROM THE PROPERTY; (III) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH BUYER MAY CONDUCT THEREON; (IV) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY; (V) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE PROPERTY; (VI) THE NATURE, QUALITY OR CONDITION OF THE PROPERTY; (VII) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY; (VIII) THE MANNER OR QUALITY OF THE CONSTRUCTION OR MATERIALS, IF ANY, INCORPORATED INTO THE PROPERTY; (IX) COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATION, ORDERS OR REQUIREMENTS; (X) THE PRESENCE OR ABSENCE OF HAZARDOUS SUBSTANCES, MATERIALS OR WASTES, POLLUTANTS OR CONTAMINANTS, MOLD, OR OTHER CONDITIONS AFFECTING HEALTH AT, ON, UNDER, OR ADJACENT TO THE PROPERTY; (XI) THE CONFORMITY OF THE IMPROVEMENTS TO ANY PLANS OR SPECIFICATIONS FOR THE PROPERTY; (XII) THE CONFORMITY OF THE PROPERTY TO PAST, CURRENT OR FUTURE APPLICABLE ZONING OR BUILDING REQUIREMENTS; (XIII) DEFICIENCY OF ANY DRAINAGE; (XIV) THE EXISTENCE OF VESTED LAND USE, ZONING OR BUILDING ENTITLEMENTS AFFECTING THE PROPERTY; (XV) THE FACT THAT ALL OR A PORTION OF THE PROPERTY MAY BE LOCATED ON OR NEAR AN EARTHQUAKE FAULT LINE, SINKHOLE, FLOOD ZONE OR OTHER NATURAL HAZARD; (XVI) SERVICE OF THE PROPERTY BY WATER, POWER AND/OR ANY OTHER UTILITY; OR (XVII) WITH RESPECT TO ANY OTHER MATTER. AS PART OF BUYER'S AGREEMENT TO PURCHASE AND ACCEPT THE PROPERTY "AS-IS WHERE-IS," AND NOT AS A LIMITATION ON SUCH AGREEMENT, BUYER HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY AND ALL ACTUAL OR POTENTIAL RIGHTS BUYER MIGHT HAVE REGARDING ANY FORM OF WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND OR TYPE, RELATING TO THE PROPERTY. SUCH WAIVER IS ABSOLUTE, COMPLETE, TOTAL AND UNLIMITED IN ANY WAY. SUCH WAIVER INCLUDES, BUT IS NOT LIMITED TO, A WAIVER OF EXPRESS WARRANTIES, IMPLIED WARRANTIES, WARRANTIES OF FITNESS FOR A PARTICULAR USE, WARRANTIES OF MERCHANTABILITY, WARRANTIES OF HABITABILITY, STRICT LIABILITY RIGHTS, AND CLAIMS, LIABILITIES, DEMANDS OR CAUSES OF ACTION OF EVERY KIND AND TYPE, WHETHER STATUTORY, CONTRACTUAL OR UNDER TORT PRINCIPLES, AT LAW OR IN EQUITY.

29. **Hazardous Materials.** If Buyer discovers any hydrocarbon substances, polychlorinated biphenyls, or any other hazardous or toxic substances, wastes or materials (as determined under federal, state or local law then in effect), asbestos or asbestos-bearing materials or other environmental condition subject to legal requirements for corrective action or affecting the Property (a "Hazardous Substance"), Buyer shall immediately notify Seller, and if such discovery is made after the Closing, Buyer shall cause the condition to be corrected in accordance with applicable law. FROM AND AFTER THE CLOSING, BUYER SHALL PROTECT, DEFEND, INDEMNIFY AND HOLD SELLER AND ITS AFFILIATES AND THEIR RESPECTIVE OFFICERS, EMPLOYEES, ELECTED OFFICIALS, APPOINTED OFFICIALS, AND AGENTS (COLLECTIVELY, "SELLER ENTITIES") FREE AND

HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS (INCLUDING THIRD PARTY CLAIMS), DEMANDS, LIABILITIES, DAMAGES, COSTS AND EXPENSES, INCLUDING, WITHOUT LIMITATION, INVESTIGATORY EXPENSES, CLEAN-UP COSTS AND REASONABLE ATTORNEY'S FEES OF WHATEVER KIND OR NATURE (COLLECTIVELY, "CLAIMS") ARISING FROM OR IN ANY WAY CONNECTED WITH THE PHYSICAL CONDITION OF THE PROPERTY OR ANY OTHER ASPECT OF THE PROPERTY, NO MATTER WHETHER EARLIER DISCOVERABLE OR NOT AND ANY EFFORT OF BUYER AND/OR BUYER'S CONTRACTORS TO CORRECT THE SAME. THIS INDEMNIFICATION DOES NOT APPLY TO THE EXTENT ANY INDEMNIFIED MATTERS ARE CAUSED BY THE FRAUD, GROSS NEGLIGENCE, OR WILLFUL MISCONDUCT OF SELLER OR ANY SELLER ENTITIES. Buyer's obligations of indemnity set forth herein shall survive the Closing and shall not be merged with the Deed.

30. **Waiver of Trial By Jury.** BUYER AND SELLER HEREBY AGREE AS FOLLOWS: (A) EACH OF THEM KNOWINGLY, VOLUNTARILY, INTENTIONALLY, AND IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM, OR OTHER LITIGATION (AN "ACTION") BASED UPON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT OR ANY RELATED DOCUMENTS, INSTRUMENTS, OR AGREEMENTS (WHETHER ORAL OR WRITTEN AND WHETHER EXPRESS OR IMPLIED AS A RESULT OF A COURSE OF DEALING, A COURSE OF CONDUCT, A STATEMENT, OR OTHER ACTION OF EITHER PARTY); (B) NEITHER OF THEM MAY SEEK A TRIAL BY JURY IN ANY SUCH ACTION; (C) NEITHER OF THEM WILL SEEK TO CONSOLIDATE ANY SUCH ACTION (IN WHICH A JURY TRIAL HAS BEEN WAIVED) WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED; AND (D) NEITHER OF THEM HAS IN ANY WAY AGREED WITH OR REPRESENTED TO THE OTHER OF THEM THAT THE PROVISIONS OF THIS SECTION WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

31. **Sovereign Immunity.** Seller is a Florida municipal corporation, and entity, whose limits of liability are set forth in section 768.28, Florida Statutes, and nothing in this Agreement shall be construed to extend the liabilities of Seller beyond that provided in section 768.28, Florida Statutes. Further, nothing herein is intended as a waiver of Seller's sovereign immunity under any applicable provision of Section 768.28, Florida Statutes. Nothing hereby shall inure to the benefit of any third party for any purpose, including but not limited to, anything which might allow claims otherwise barred by sovereign immunity or operation of law.

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

33. **Escrow Agent.** The escrow of the Earnest Money shall be subject to the following provisions:

(a) Duties and Authorization. The payment of the Earnest Money to the Escrow Agent is for the accommodation of the Parties. The duties of the Escrow Agent shall be determined solely by the express provisions of this Agreement. The Parties authorize the Escrow Agent, without creating any obligation on the part of the Escrow Agent, in the event this Agreement or the Earnest Money becomes involved in litigation, to deposit the Earnest Money with the clerk of the court in which the litigation is pending and thereupon the Escrow Agent shall be fully relieved and discharged of any further responsibility under this Agreement. The undersigned also authorize the Escrow Agent, if it is threatened with litigation, to interplead all interested parties in any court of competent jurisdiction and to deposit the Earnest Money with the clerk of the court and thereupon the Escrow Agent shall be fully relieved and discharged of any further responsibility hereunder.

(b) Liability. The Escrow Agent shall not be liable for any mistake of fact or error of judgment or any acts or omissions of any kind unless caused by its willful misconduct or gross negligence. The Escrow Agent shall be entitled to rely on any instrument or signature believed by it to be genuine and may assume that any person purporting to give any writing, notice or instruction in connection with this Agreement is duly authorized to do so by the party on whose behalf such writing, notice, or instruction is given.

(c) Interest Bearing Account. Escrow Agent will place the Earnest Money into an interest bearing account if Buyer so directs and provides Escrow Agent with any documentation reasonably required by Escrow Agent, including without limitation a W-9 for Buyer.

(d) Seller acknowledges that Escrow Agent is also Buyer's counsel in this transaction, and Seller hereby consents to the Escrow Agent's representation of Buyer in any litigation which may arise out of this Agreement.

Signatures appear on the following pages

Seller Execution Page

IN WITNESS WHEREOF, the Parties have caused these presents to be executed on the day and year indicated above.

SELLER

CITY OF ORLANDO

By: _____
Buddy Dyer, Mayor

ATTEST:

Denise Aldridge, City Clerk

Approved as to form and legality for the use and
reliance of the City of Orlando, Florida, only.

By: _____
City Attorney

Buyer Execution Page

IN WITNESS WHEREOF, the Parties have caused these presents to be executed on the day and year indicated above.

BUYER:

BLUE SKY COMMUNITIES LLC,
a Florida limited liability company


By: 
Shawn Wilson, as
Manager

EXHIBIT "A"
DEPICTION AND DESCRIPTIONS OF PROPERTY

PEPPERTREE CIRCLE

LOT 1, CLEMENT'S ADDITION, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 7, PAGE 57, PUBLIC RECORDS OF ORANGE COUNTY, FLORIDA.

PEPPERTREE SHORES

BLOCK A, CLEMENTS SECOND ADDITION, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 4, PAGE 79, IN THE PUBLIC RECORDS OF ORANGE COUNTY, FLORIDA.

