

**INVITATION TO NEGOTIATE FOR PURCHASE  
OF HIDDEN CREEK GOLF COURSE**

**The Club at Hidden Creek  
3070 PGA Boulevard  
Navarre, Florida, 32566**

**November 18, 2020**

**Submission Deadline: January 5, 2021**

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## 1.0 OBJECTIVES AND CONDITIONS

The Club at Hidden Creek, LLC, a Florida Limited Liability Company (“Owner”), is inviting the submission of qualified proposals for the purchase of an 18-hole, par 72 championship golf course and ancillary equipment and facilities located in Navarre, Florida, known as the Club at Hidden Creek (the “Club”). The Club is located on approximately 185 acres of real property in Santa Rosa County, Florida as more particularly described in Attachment “A.” Attachment “B” provides a listing of ancillary facilities and equipment to be included in the purchase.

The Club has been owned and operated by Owner since 2012. Financial statements documenting operating expenses and revenues for the Club during the previous three years are available upon request.

The Club’s irrigation system is connected directly to reclaimed water facilities owned and operated by Holley Navarre Water System, Inc. (“HNWS”). HNWS, which is the sole member of Owner, presently provides water and waste water service to approximately 14,000 customers in Santa Rosa County and possesses the right to dispose up to 1.19 million gallons per day annual average of treated effluent on Club property. This treated effluent serves as the primary source of irrigation for the Club. HNWS desires to maintain these effluent disposal rights and any sale of the Club will therefore be conditioned upon execution of an Effluent Disposal Easement Agreement in favor of HNWS substantially in the form of the agreement appended as Attachment”C.”

Any sale of the Club will be further conditioned on the Club continuing to operate as a golf course and the grant of a Right of First Refusal in favor of Owner, each as more particularly described in the draft Purchase and Sale Agreement appended as Attachment “D.”

Each Respondent must thoroughly review all requirements and provisions of this Invitation to Negotiate (“ITN”) and ensure compliance with the same. Owner reserves the right, without qualification and in its sole discretion, to reject non-compliant proposals.

### ATTACHMENTS

This ITN is accompanied by the attachments presented in Table 1. These attachments are integral parts of the ITN and should be reviewed in detail.

In the event of an actual or perceived conflict between this ITN and any attachments hereto, Respondents must seek written clarification from the Owner. Owner has developed, and included in Attachments “C” and “D,” a pro forma Purchase and Sale Agreement and Effluent Disposal Easement Agreement (collectively the “Pro Forma Agreements”). Pending execution, these documents remain subject to change by Owner. The Schedules attached to the Purchase and Sale Agreement will be updated prior to execution of the Agreement.

Owner desires that each proposal conform in all material respects to the Pro Forma Agreements. If a proposal is conditioned on any changes to the Pro Forma Agreements, then the Respondent must expressly and clearly so state in its proposal and must provide in its proposal the specific language changes that the Respondent proposes by red-lining the Pro Forma Agreements depicting the specific additions (bold and underlined) and specific deletions (strike-through).

**Table 1-- List of attachments accompanying this ITN**

<b>Attachment</b>	<b>Description</b>
<b>A</b>	Club Real Property Legal Description
<b>B</b>	Listing of Ancillary Facilities and Equipment to be Sold
<b>C</b>	Effluent Disposal Easement Agreement
<b>D</b>	Purchase and Sale Agreement

## **2.0 ITN TERMS**

This ITN does not constitute an offer or commitment to sell the Club. Owner is not obligated to enter into a contract with any Respondent by virtue of issuance of this ITN. No contract or other binding obligation on Owner will be implied by law or otherwise.

### **2.1 RESERVATION**

Owner reserves the right to suspend, cancel, or amend the ITN in its sole discretion. Similarly, Owner reserves the right to waive immaterial defects and minor irregularities in proposals. Owner may, in its sole discretion, reject any or all proposals, disqualify any Respondent, seek clarification around any proposal, request curative actions with respect to defective proposals, agree to modifications of any proposal, or elect not to proceed with this ITN. Owner is by no means committed or obligated to select any proposal. Owner reserves the right to re-issue this ITN to additional Respondents in its sole discretion, if the responses obtained from first group of Respondents are not satisfactory.

### **2.2 COSTS**

Any and all liabilities, costs, expenses, losses or damages (collectively the “Costs”) incurred by a Respondent in responding to this ITN or any related demonstrations or presentations or other activities are the sole responsibility of the Respondent. The Respondent irrevocably and unconditionally waives any claims against Owner relating to Costs incurred by the Respondent. Neither Owner, nor its Board of Directors, its employees, affiliates, or its agents will be responsible for Costs incurred, sustained or suffered by any Respondent in connection with this ITN.

**2.3 NOTICE OF INTENT TO RESPOND**

On or before the notice of intent deadline set forth in Table 2 below, each prospective Respondent intending to submit a proposal in response to this ITN must provide written notice to Owner expressing its intent to submit a proposal and setting forth the Respondent’s: (i) name; (ii) mailing address; and (iii) email address. This notice must be sent to Owner’s contact as set forth in Section 6.11 of this ITN. Owner will utilize this contact information to the extent that additional communications involving the ITN are required.

**2.4 SCHEDULE**

Please closely follow the dates and schedule set forth below. If there is a change in any schedule, Owner will inform all persons having submitted notices of intent to respond through issuing an addendum to the ITN.

**Table 2 --Schedule of Milestones for ITN**

<b>Milestone</b>	<b>Due date</b>
<b>ITN issuance</b>	11/18/2020
<b>Respondents provide notice of intent to respond</b>	12/9/2020
<b>Pre-proposal conference</b>	12/10/2020
<b>Deadline for Respondents to submit requests for information</b>	12/21/2020
<b>All requests for information answered by Owner</b>	12/28/2020
<b>Deadline for Owner’s receipt of proposal submission (4:00 PM Central Time)</b>	1/5/2021
<b>Notification to Respondents</b>	1/15/2021

**3.0 PROPOSAL CONTENT**

**3.1 TITLE PAGE**

Show the ITN Title, the name of the Respondent, address, telephone number(s), email, website or web presence, name of contact person and date.

**3.2 TABLE OF CONTENTS**

Clearly identify the materials by section and page number.

### **3.3 COVER LETTER**

Include an acknowledgment that the Respondent understands the requirements of the ITN and provide any other introductory information deemed relevant by the Respondent. Give the name(s) of the person(s) who are authorized to make representations for the Respondent, their title, mailing address, email address and telephone number.

The letter must be signed by a representative who has the authority to bind the Respondent.

### **3.4 EXPERIENCE/QUALIFICATIONS/OPERATIONS**

Provide general background information on the Respondent as well as specialized experience and capabilities as more particularly described in subsections 3.4.1 through 3.4.5 below.

#### **3.4.1 General Experience and Qualifications of the Respondent and all Partners**

Provide the Respondent's and each of its partner's (if any) general business experience, history, financial stability, types of projects, and overall qualifications. Include an organizational chart identifying key staff and sub-contractors (if any) expected to provide services on behalf of the Respondent.

#### **3.4.2 Experience in Golf Course Ownership/Operation**

Provide detailed information on Respondent's experience in owning and/or operating other golf courses, including identification of specific golf courses and duration of ownership/operation.

#### **3.4.3 References**

Respondents must attach a list of professional references. Include the name of the reference, a description of the nature of the listed reference's experience with the Respondent and the name, title, address, telephone number, and email address of a contact person at the reference entity.

#### **3.4.4 Respondent Financial Data**

To the extent available, include audited annual financial statements (income sheet, balance sheet, and statement of cash flows) for the Respondent's previous three fiscal years. If audited financial statements are not available, please include unaudited financial statements for the same time period. To the extent that financial statements are not available, please provide an explanation for the lack of the same and provide

other information (which may include letters of interest/recommendation from financing institutions) demonstrating the Respondent's financial position.

### **3.4.5 Operations Plan**

Provide a detailed description of the Respondent's proposed operating plan for the Club. This should include:

- A. Description of how the Respondent plans to operate the golf course, including but not limited to:
  - Management structure
  - Operations and play of golf course
  - Potential services, activities, future capital investment and/or development plan(s)
- B. Expectations, if any, that the Respondent would have of the Owner.
- C. An estimated time line for implementation of the Respondent's operating plan.
- D. Itemization of differences between the Respondent's proposed operating plan and the manner in which the Club is presently operated.

## **3.5 PURCHASE PRICE AND CONDITIONS/CONTINGENCIES**

### **3.5.1 Purchase Price**

Provide Respondent's proposed purchase price, including the anticipated source(s) of funding for the purchase funds and an approximate timeframe for closing of the sales transaction.

### **3.5.2 Conditions**

Identify and contingencies and/or conditions to closing not otherwise set forth in the Pro Forma Purchase and Sale Agreement.

## **4.0 SUBMITTAL INSTRUCTIONS**

One copy of each proposal must be sent to Owner in a sealed envelope via hand delivery, United States Mail, or overnight courier at the following address:

Attention: Daryl Lynchard Holley Navarre Water System, Inc., 8574 Turkey Bluff Road, Navarre, Florida 32566.

## **5.0 EVALUATION CRITERIA AND PROCESS**

### **5.1 EVALUATION CRITERIA**

- A. Experience and qualifications of the Respondent, inclusive of references and financial integrity
- B. Substance of the Respondent's plan for future operation of the golf course
- C. The Respondent's proposed purchase price
- D. The extent to which a Respondent takes exception to any provisions in the Pro Forma Agreements
- E. Conditions, if any, which the Respondent places upon the consummation of the transaction
- F. The extent to which the Respondent's proposal complies with the rules and instructions of this ITN.

### **5.2 EVALUATION PROCESS**

#### **5.2.1 Ratings**

Respondents will be ranked using qualitative and/or quantitative rating factors for each of the ITN evaluation criteria.

#### **5.2.2 Process and Interviews**

Evaluation of each proposal will be performed by a committee of individuals consisting of board members of HNWS. The committee will rank each proposal as submitted using the evaluation criteria specified above and other criteria to the extent deemed relevant by the committee. Owner reserves the right to select a proposal based solely on written submissions. Owner also reserves the right to request oral interviews with the highest ranked Respondents (shortlist). The purpose of the interviews would be to allow expansion upon the written responses.

The final selection will be based on the total of evaluators' scores achieved. The highest ranked proposal may be invited to enter into negotiations with Owner for the purposes of contract award. Upon review of the proposals Owner may, at its discretion, require additional detail to supplement the proposal.

### **5.3 SELECTION PROCESS**

The highest ranking Respondent may be invited to enter into contract negotiations with Owner. If definitive agreements cannot be reached, the next highest ranking Respondent may be contacted for negotiations. This process may continue until successful negotiations are achieved. However, the Owner reserves the right, in its sole discretion to terminate negotiations with any Respondent. Owner reserves the right to reject any and all proposals submitted for any reason.

## **6.0 RULES AND INSTRUCTIONS TO RESPONDENTS**

### **6.1 EXAMINATION OF PROPOSALS**

Respondents should carefully examine the entire ITN and all addenda hereto.

### **6.2 AWARD NOTIFICATION/TERM OF PROPOSALS**

Owner expects to notify Respondents of Owner's initial award decision no later than January 15, 2021; provided, however, that all proposals must be complete and irrevocable for 120 calendar days following the submission date.

### **6.3 PROPOSAL FORMAT**

Proposals should be prepared in such a way to provide a straightforward, concise delineation of the Respondent's capabilities to satisfy the requirements of this ITN. Emphasis should be concentrated on: 1) conformance to the ITN instructions, 2) responsiveness to the ITN requirements, 3) completeness and clarity of content.

### **6.4 SIGNATURE REQUIREMENTS**

All proposals must be signed. A proposal may be signed by an officer or other agent of a corporate Respondent, if authorized to sign contracts on its behalf; a member of a partnership; the owner of a privately-owned Respondent; or other agent if properly authorized by a power of attorney or equivalent document. The name and title of the individual(s) signing the proposal must be clearly shown immediately below the signature.

## **6.5 PUBLIC RECORDS**

Owner is a wholly-owned subsidiary of HNWS. Although HNWS is a private entity, it operates in many respects like a public entity, including holding public meetings and publication of certain information pertinent to the operations of HNWS.

Respondents recognize and agree that proposals submitted in response to this ITN may become a matter of public record. To the extent that the Respondent considers portions of a proposal to constitute confidential and competitively sensitive business information, Respondent must clearly designate such portions with a disclaimer to that effect. Owner will exercise reasonable and good faith efforts to shield such information from public disclosure.] Blanket confidentiality designations are not permissible.

## **6.6 PRE-PROPOSAL CONFERENCE AND SITE VISITS OF GOLF COURSE AND FACILITIES**

A pre-proposal conference will be held at The Club at Hidden Creek, 3070 PGA Boulevard, Navarre, Florida, on December 10 2020 at 1:00 p.m. Central Time. Face masks and appropriate social distancing will be required. Potential Respondents may also attend the pre-proposal conference remotely. Potential Respondents who have provided a notice of intent to respond will be provided with log-in information for the remote conference. Potential Respondents are strongly encouraged to attend the pre-proposal conference (in person if feasible) to learn more about the Club and the ITN process. Additionally, site visits to the golf facilities may be scheduled prior to submitting proposals. To schedule a tour, contact the General Manager at [ccallen@theclubathiddencreek.com](mailto:ccallen@theclubathiddencreek.com) or 850-939-4604.

## **6.7 CHANGES TO ITN**

No oral change or interpretation of any provision contained in this ITN is valid. Written addenda will be issued when changes, clarifications, or amendments are deemed necessary by Owner.

## **6.8 PROPOSAL MODIFICATION OR WITHDRAWAL**

To the extent that a Respondent submits a proposal prior to the submission deadline, a Respondent may withdraw its proposal at any time prior to the submission deadline by sending written notification of its withdrawal, signed by an agent authorized to represent the Respondent. The Respondent may thereafter submit a new or modified proposal prior to the submission deadline.

Modifications offered in any other manner, oral or written, will not be considered. Following the submission deadline, a proposal cannot be changed or withdrawn, except for modifications requested by the Owner after the date of receipt.

## **6.9 LATE SUBMISSIONS**

Owner reserves the right to decline to consider proposals not received prior to the submission deadline.

## **6.10 PROPOSAL DEPOSIT**

In order to be considered valid, each proposal must be accompanied by a proposal deposit of \$20,000. Checks should be made payable to Beggs & Lane, RLLP Trust Account. This deposit will be held by Beggs & Lane, RLLP pending notification of Respondents concerning Owner's award decision, after which the deposit will be returned within thirty (30) calendar days to those Respondents that are not selected to engage in definitive contract negotiations. In the event that Owner and the selected Respondent execute definitive agreements, the deposit will be credited toward the earnest money deposit required by the definitive agreements. In the event that the Owner and selected Respondent are unable to execute definitive agreements notwithstanding the exercise of good faith efforts toward the same, the deposit will be returned to the Respondent within thirty (30) calendar days of the cessation of negotiations. The deposits shall be held in Beggs & Lane RLLP's Florida Bar IOTA account. Neither Owner, Respondents, nor Beggs & Lane, RLLP shall receive any interest earned on the deposits.

## **6.11 POINT OF CONTACT FOR INQUIRIES**

Respondents are requested to submit any questions no later than 12 p.m. (noon) Central Time, December 21, 2020, to Daryl Lynchard, HNWS Board President and "Acting" CEO at bcarawan@hnws-fl.com. Responses to inquiries will be provided via email as soon as practicable. Oral answers to questions relative to interpretation of requirements or the proposal process will not be binding on Owner. Owner reserves the right to include questions and responses in the form of written addenda to the ITN, as it deems necessary or convenient.

Attachment "A"

**PARCEL 1**

Tract "A", HOLLEY BY THE SEA FIRST ADDITION, a subdivision of a portion of Sections 2 and 11, Township 2 South, Range 27 West, Santa Rosa County, Florida, as recorded in Plat Book [E, at Page 15](#), Public Records of said County.

**PARCEL 2**

Tract "B", HOLLEY BY THE SEA FIRST ADDITION, a subdivision of a portion of Sections 2 and 11, Township 2 South, Range 27 West, Santa Rosa County, Florida, as recorded in Plat Book [E, at Page 15](#) of the Public Records of said County, LESS AND EXCEPT the following three (3) described parcels, more or less:

Lot 1, Holley Club Phase I, as recorded in Plat Book [E, Page 90](#), of the Public Records of Santa Rosa County, Florida, being more particularly described as follows: Begin at the most Northerly corner of Lot 1, Block 303, of said Holley By The Sea First Addition, said point also lying on the Southeasterly right-of-way line of PGA Boulevard (60' right-of-way); thence South 45° 26' 38" East along the Northeasterly line of said Lot 1, Block 303, and its Southerly extension for a distance of 145.00 feet; thence North 44° 33' 22" East for a distance of 156.89 feet; thence North 15° 24' 42" West for a distance of 36.29 feet; thence North 60° 23' 41" West for a distance of 84.59 feet; thence south 77° 42' 05" West for a distance of 34.84 feet; thence North 58° 13' 18" West for a distance of 35.69 feet to a point on the aforementioned Southeasterly right-of-way line of PGA Boulevard, said point also lying on a circular curve concave to the Northwest having a radius of 317.72 feet and a delta angle of 21° 26' 44"; thence Southwesterly along said Southeasterly right-of-way line and arc of said curve for an arc distance of 118.92 feet (chord bearing of South 33° 50' 00" West; chord distance of 118.23 feet) to the Point of Beginning.

AND

Lots 1 and 2, HOLLEY CLUB PHASE II, as recorded in Plat Book [E, Page 84](#), of the Public Records of Santa Rosa County, Florida, being more particularly described as follows:

Begin at the Southwest corner of Lot 1, Block 322, of said Holley By The Sea First Addition, said point also lying on the North right-of-way line of Australian Drive (66' right-of-way); thence South 88° 49' 00" West along said North right-of-way line for a distance of 270.00 feet; thence North 0 1 ° 11' 00" West for a distance of 106.00 feet; thence North 88° 49' 00" East for a distance of 270.00 feet to the Northwest corner of said Lot 1, Block 322; thence South 01° 11' 00" East for a distance of 106.00 feet to the Point of Beginning.

AND

Lot 1, HOLLEY CLUB PHASE III, as recorded in Plat Book [E, Page 85](#), of the Public Records of Santa Rosa County, Florida, being more particularly described as follows: Begin at the Southeast corner of Lot 38, Block 303, of said Holley By The Sea First Addition, thence South 85° 09' 30" East along an Easterly extension of the South line of said Lot 38, Block 303 for a distance of 20.00 feet; thence South 08° 50' 01" West for a distance of 104.40 feet; thence North 88° 09' 52" West for a distance of 140.00 feet to a point on the East right-of-way line of Master's Boulevard (60' right-of-way), said point also lying on a circular curve concave to the Southeast having a radius of 212.86 feet and a delta angle of 03° 00' 22"; thence Northeasterly along the arc of said curve for an arc distance of 111.54 feet (chord bearing of North 03° 20' 21" East; chord distance of 111.52 feet) to the Southwest corner of said Lot 38, Block 303; thence South 85° 09' 30" East along the South line of said Lot 38, Block 303 for a distance of 130.00 feet to the Point of Beginning.

**PARCEL 3**

Tract "C", HOLLEY BY THE SEA FIRST ADDITION, a subdivision of a portion of Sections 2 and 11, Township 2 South, Range 27 West, Santa Rosa County, Florida, as recorded in Plat Book [E, at Page 15](#) of the Public Records of said County, LESS AND EXCEPT the following five (5) described parcels, more or less:

Lot 1, HOLLEY CLUB PHASE IV, as recorded in Plat Book [E, Page 91](#), of the Public Records of Santa Rosa County, Florida, being more particularly described as follows: Begin at the Northeast corner of Lot 15, Block 305 of the said Holley By The Sea First Addition, said point also lying on the West right-of-way line of Master's Boulevard (60' right-of-way); thence South 88° 49' 00" West along the North line of said Lot 15 and Lot 14 of said Block 305, for a distance of 145.00 feet; thence North 01° 11' 00" West for a distance of 31.32 feet to the point of curvature of a circular curve concave to the East having a radius of 2330.86 feet and a delta angle of 01° 55' 53"; thence Northwesterly along the arc of said curve for an arc distance of 78.57 feet (chord bearing of North 00° 13' 03" West; chord distance of 78.57 feet); thence South 89° 15' 07" East for a distance of 145.00 feet to the aforementioned West right-of-way of Master's Boulevard, said point also lying on a circular curve concave to the East having a radius of 2185.86 feet and a delta angle of 01 ° 55' 53"; thence Southeasterly along said West right-of-way line and along said curve for an arc distance of 73 .68 feet ( chord bearing of South 00° 13' 03" East; chord distance of 73.68 feet) to the point of tangency of said curve; thence South 01° 11' 00" East along said right-of-way line for a distance of 31.32 feet to the Point of Beginning.

AND

Lots 1 and 2, HOLLEY CLUB PHASE V, as recorded in Plat Book [E, Page 92](#), of the Public Records of Santa Rosa County, Florida, being more particularly described as follows:

Begin at the Southeast corner of Lot 21, Block 306, of said Holley By The Sea First Addition, said point also lying on the West right-of-way line of Master's Boulevard (60' right-of-way); thence North  $83^{\circ} 02' 27''$  West along the South line of said Lot 21, Block 306 and its Westerly extension for a distance of 145.00 feet to a point on a circular curve concave to the East having a radius of 2330.86 feet and a delta angle of  $05^{\circ} 25' 29''$ ; thence Southeasterly along the arc of said curve for an arc distance of 220.68 feet (chord bearing of South  $04^{\circ} 14' 49''$  West; a chord distance of 220.60 feet); thence South  $88^{\circ} 27' 56''$  East for a distance of 145.00 feet to a point on the aforementioned West right-of-way line of Master's Boulevard, said point also lying on a circular curve concave to the East having a radius of 2185.86 feet and a delta angle of  $05^{\circ} 25' 29''$ ; thence Northeasterly along said West right-of-way line and the arc of said curve for an arc distance of 206.96 feet ( chord bearing of North  $04^{\circ} 14' 49''$  East; chord distance of 206.88 feet) to the Point of Beginning.

AND

Lots 1 through 6, inclusive, HOLLEY CLUB PHASE VI, as recorded in Plat Book [E, Page 86](#), of the Public Records of Santa Rosa County, Florida, being more particularly described as follows:

Begin at the intersection of the South right-of-way line of Australian Drive (66' right-of-way) and the East right-of-way line of 4th Court (66' right-of-way); thence North  $01^{\circ} 11' 00''$  West along said East right-of-way line for a distance of 672.00 feet to the North right-of-way line of Summit Drive (66' right-of-way), said point also lying on the South line of Lot 17, Block 320, of said Holley By The Sea First Addition; thence North  $69^{\circ} 00' 00''$  East along said South line of said Lot 17, Block 320, for a distance of 138.18 feet; thence South  $01^{\circ} 11' 00''$  East for a distance of 618.84 feet; thence South  $27^{\circ} 37' 39''$  West for a distance of 114.13 feet; thence South  $88^{\circ} 49' 00''$  West for a distance of 75.00 feet to the Point of Beginning.

AND

Lot 1, HOLLEY CLUB PHASE VII, as recorded in Plat Book [E, Page 95](#), of the Public Records of Santa Rosa County, Florida, being more particularly described as follows:

Begin at the most Northerly corner of Lot 1, Block 320, of said Holley By The Sea First Addition; thence South  $22^{\circ} 29' 01''$  West along the Westerly line of said Lot 1, Block 320, for a distance of 255.00 feet to a point on the Northeasterly right-of-way line of Pebble Beach Drive (60' right-of-way), said point also lying on a circular curve concave to the Southwest having a radius of 404.44 feet and a delta angle of  $12^{\circ} 45' 00''$ ; thence

Northwesterly along said right-of-way and the arc of said curve for an arc distance of 90.00 feet (chord bearing of North 73° 53' 29" West; chord distance of 89.81 feet); thence North 09° 44' 01" East for a distance of 255.00 feet to a point on a circular curve concave to the Southwest having a radius of 659.44 feet and a delta angle of 12° 45' 00"; thence Southeasterly along the arc of said curve for an arc distance of 146.74 feet (chord bearing of South 73° 53' 29" East; chord distance of 146.44 feet) to the Point of Beginning.

AND

That parcel conveyed by Corporation Warranty Deed recorded in Official Records Book [1530, Page 134](#), of the Public Records of Santa Rosa County, Florida, being more particularly described as follows:

Begin at the Northwest corner of Lot 21, Block 306, HOLLEY BY THE SEA FIRST ADDITION, as recorded in Plat Book [E, Page 15](#) of the Public Records of Santa Rosa County, Florida; thence go South 09° 28' 50" East along the Westerly line of said Lot 21 a distance of 144.45 feet to the Southwest corner of said Lot 21, said point being on the Northerly line of Lot 1, HOLLEY CLUB PHASE V, as recorded in Plat Book [E, Page 92](#) of the Public Records of said county; thence go North 83° 02' 27" West along said line a distance of 45.00 feet to a point being a curve having a radius of 2,330.86 feet; thence go along said curve to the right in a Northerly direction an arc distance of 138.62 feet (chord distance 138.60 feet; chord bearing=North 08° 39' 44" East) to the Point of Beginning. The above described parcel of land lies in Section 11, Township 2 South, Range 27 West, Santa Rosa County, Florida.

#### **PARCEL 4**

Tract "D", HOLLEY BY THE SEA FIRST ADDITION, a subdivision of a portion of Sections 2 and 11, Township 2 South, Range 27 West, Santa Rosa County, Florida, as recorded in Plat Book [E, at Page 15](#) of the Public Records of said County, LESS AND EXCEPT the following described parcel, more or less:

Lot 1, HOLLEY CLUB PHASE VIII, as recorded in Plat Book [E, Page 87](#), of the Public Records of Santa Rosa County, Florida, being more particularly described as follows:

Begin at the most Northerly corner of Lot 18, Block 319, of HOLLEY BY THE SEA FIRST ADDITION, said point also lying on the Southwesterly right-of-way line of Pebble Beach Drive (60' right-of-way); thence South 34° 53' 44" West along the Northwesterly line of said Lot 18, Block 319 for a distance of 112.32 feet to the most Westerly corner of said Lot 18, Block 319; thence South 65° 40' 09" West for a distance of 35.00 feet; thence North 39° 07' 39" West for a distance of 108.55 feet; thence North 07° 05' 53" East for a distance of 82.26 feet to the aforementioned Southwesterly right-of-way line of Pebble Beach Drive, said point also lying on a circular curve concave to the Southwest having a

radius of 344.44 feet and a delta angle of  $27^{\circ} 47' 51''$ ; thence Southeasterly along said Southeasterly right-of-way line and along the arc of said curve for an arc distance of 167.11 feet (chord bearing of South  $69^{\circ} 00' 12''$  East; chord distance of 165.47 feet) to the Point of Beginning.

#### **PARCEL 5**

Tract "E", HOLLEY BY THE SEA FIRST ADDITION, a subdivision of a portion of Sections 2 and 11, Township 2 South, Range 27 West, Santa Rosa County, Florida, as recorded in Plat Book [E, at Page 15](#) of the Public Records of said County, LESS AND EXCEPT the following described parcel, more or less:

Lots 1 and 2, HOLLEY CLUB PHASE IX, as recorded in Plat Book [E, Page 93](#), of the Public Records of Santa Rosa County, Florida, being more particularly described as follows:

Begin at the Southeast corner of Lot 1, Block 313, of said HOLLEY BY THE SEA FIRST ADDITION, said point also lying on the Southwesterly right-of-way line of Pebble Beach Drive (60' right-of-way); thence South  $22^{\circ} 54' 07''$  East along said Southwesterly right-of-way line for a distance of 30.00 feet to the point of curvature of a circular curve concave to the Northeast having a radius of 411.05 feet and a delta angle of  $22^{\circ} 03' 57''$ ; thence Southeasterly along the arc of said curve for an arc distance of 158.30 feet (chord bearing of South  $33^{\circ} 56' 06''$  East; chord distance of 157.33 feet) to the most Northerly corner of Lot 1, Block 317, of said HOLLEY BY THE SEA FIRST ADDITION, said point lying on a circular curve concave to the East having a radius of 455.89 feet and a delta angle of  $23^{\circ} 58' 44''$ ; thence Southwesterly along the Westerly line of said Lot 1, Block 317 and the arc of said curve for an arc distance of 190.79 feet (chord bearing of South  $08^{\circ} 33' 00''$  West; chord distance of 189.41 feet) to the Southwest corner of said Lot 1, Block 317; thence South  $87^{\circ} 00' 38''$  West for a distance of 70.49 feet; thence North  $22^{\circ} 54' 07''$  West for a distance of 321.99 feet to the Southeasterly line of Lot 2, Block 313 of said HOLLEY BY THE SEA FIRST ADDITION; thence North  $67^{\circ} 05' 53''$  East along the said Southeasterly line of said Lot 2, Block 313, for a distance of 135.00 feet to the Point of Beginning.

#### **PARCEL 6**

Tract "F", HOLLEY BY THE SEA FIRST ADDITION, a subdivision of a portion of Sections 2 and 11, Township 2 South, Range 27 West, Santa Rosa County, Florida, as recorded in Plat Book [E, at Page 15](#), of the Public Records of said County.

## **PARCEL 7**

Tract "G", HOLLEY BY THE SEA FIRST ADDITION, a subdivision of a portion of Sections 2 and 11, Township 2 South, Range 27 West, Santa Rosa County, Florida, as recorded in Plat Book [E, at Page 15](#), of the Public Records of said County, LESS AND EXCEPT the following described parcel, more or less:

Lots 1 and 2, HOLLEY CLUB PHASE X, as recorded in Plat Book [E, Page 94](#), of the Public Records of Santa Rosa County, Florida, being more particularly described as follows:

Begin at the Northeast corner of Lot 21, Block 309, of HOLLEY BY THE SEA FIRST ADDITION, said point lying on the Southerly right-of-way line of Pro-Am Court (60' right-of-way); thence North 84° 56' 38" East along said Southerly right-of-way line for a distance of 40.00 feet to the point of curvature of a circular curve concave to the Northwest having a radius of 417.00 feet and a delta angle of 21° 59' 02"; thence Northeasterly along said Southerly right-of-way line and the arc of said curve for an arc distance of 160.00 feet (chord bearing of North 73° 57' 07" East; chord distance of 159.02 feet); thence South 27° 02' 24" East for a distance of 145.00 feet to a point on a circular curve concave to the Northwest having a radius of 562.00 feet and a delta angle of 21° 59' 02"; thence Southwesterly along the arc of said curve for an arc distance of 215.63 feet (chord bearing of South 73° 57' 07" West; chord distance of 214.31 feet to the point of tangency of said curve; thence South 84° 56' 38" West for a distance of 40.00 feet to the Southeast corner of said Lot 21, Block 309 of said Holley By The Sea First Addition; thence North 05° 03' 22" West along the East line of said Lot 21, Block 309 for a distance of 145.00 feet to the Point of Beginning.

## **PARCEL 8**

Tract "H", Holley By The Sea First Addition, a subdivision of a portion of Sections 2 and 11, Township 2 South, Range 27 West, Santa Rosa County, Florida, as recorded in Plat Book [E, at Page 15](#), of the Public Records of said County.

## **PARCEL 9**

Lot 2, HOLLEY CLUB PHASE X, according to the plat thereof, as recorded in Plat Book [E, Page 94](#), Public Records of Santa Rosa County, Florida.

## **PARCEL 10**

Commencing at a permanent reference monument located at the intersection of the South line of Lot 17 and the platted witness line, Block 320, HOLLEY BY THE SEA FIRST ADDITION, as recorded in Plat Book [E, at Page 15](#), of the Public Records of Santa Rosa County, Florida, thence proceed North 69 degrees 06 minutes 37 seconds East along the

South line of said Lot 17 for a distance of 58.08 feet to the existing edge of a Golf Course Green for the Point of Beginning; thence departing said South line, proceed North 04 degrees 45 minutes 32 seconds East along said Golf Course Green for a distance of 17.82 feet; thence proceed North 26 degrees 19 minutes 50 seconds East along said Golf Course Green for a distance of 30.57 feet; thence proceed North 28 degrees 53 minutes 42 seconds East along said Golf Course Green for a distance of 25.00 feet to the North line of said Lot 17; thence departing said Golf Course Green proceed North 88 degrees 50 minutes 00 seconds East along the North line of said Lot 17 for a distance of 28.77 feet to the Northeast corner of said Lot 17; thence proceed South 02 degrees 36 minutes 30 seconds East along the East line of said Lot 17 for a distance of 45.56 feet to the Southeast corner of said Lot 17; thence proceed South 69 degrees 06 minutes 37 seconds West along the South line of said Lot 17 for a distance of 62.03 feet to the Point of Beginning.

Attachment "B"

All equipment and furnishing onsite subject to final negotiation to sale.

Attachment "C"

Effluent Disposal Easement Agreement

## **EFFLUENT DISPOSAL EASEMENT AGREEMENT**

THIS EFFLUENT DISPOSAL EASEMENT AGREEMENT (the "Easement Agreement") is made and entered into on this \_\_ day of \_\_\_\_\_, 2021 (the "Effective Date"), by and between HOLLEY NAVARRE WATER SYSTEM, INC., a Florida not-for-profit corporation, whose address is 8574 Turkey Bluff Road, Navarre, Florida 32566, Navarre, Florida 32566 ("HNWS") and \_\_\_\_\_, a \_\_\_\_\_, whose address is \_\_\_\_\_ ("Owner").

### **WITNESSETH**

WHEREAS, HNWS is the sole member of The Club at Hidden Creek, LLC ("Company"); and

WHEREAS, pursuant to that certain Purchase and Sale Agreement dated \_\_\_\_\_, 2021, between Company and Owner (the "Purchase Agreement"), Company has sold and conveyed to Owner approximately 144.3 acres of land, which is a part of the property known as The Club at Hidden Creek, which property is located at 3070 PGA Boulevard, Navarre, Florida, 32566, and is more particularly described on Exhibit "A" attached hereto (hereinafter the "Spray Field Property"); and

WHEREAS, pursuant to the Purchase Agreement, Company has also sold certain assets of the ongoing business known as The Club at Hidden Creek; and

WHEREAS, HNWS, maintains and operates wastewater treatment facilities that reclaim wastewater effluent to produce treated effluent of a quality that may be safely disposed of through a permitted effluent disposal system; and

WHEREAS, the Spray Field Property when owned by Company was used as a golf course and as an effluent disposal irrigation spray field that is part of the slow-rate public access land application effluent disposal system provided for under the permit issued to HNWS by the Florida Department of Environmental Protection ("FDEP") for operation of its wastewater treatment facilities (Permit Number FLA010211); and

WHEREAS, the Purchase Agreement provides for an effluent disposal and easement agreement, in the form of this Easement Agreement, to allow for HNWS's continued use of the Spray Field Property for effluent disposal in accordance with FDEP Permit FLA010211, including any renewals thereof or amendments or successors thereto (collectively the "FDEP Permit"); and

WHEREAS, without this Easement Agreement, upon the sale of the Spray Field Property, HNWS would lose the Spray Field Property's permitted effluent disposal capacity, which under the FDEP Permit is an average of 1.19 million gallons per day ("MGD") annual average daily flow; and

WHEREAS, Owner agreed that as an express condition to Company's obligations under the Purchase Agreement, Owner will provide an easement for effluent disposal from HNWS's wastewater treatment facilities through an effluent disposal system such as the spray field irrigation system currently existing on the Spray Field Property to accommodate up to 1.19 MGD annual average of effluent disposal capacity that would otherwise be lost upon the sale of the Spray Field Property to Owner; and

WHEREAS, Owner agrees to allow and provide for disposal of up to an average of 1.19 MGD annual average of effluent disposal capacity on the terms and conditions set forth herein, but acknowledges that HNWS does not have the obligation to dispose of that full amount; and

WHEREAS, the parties are entering into this Easement Agreement to provide for their respective rights and obligations with respect to the disposal of effluent on the Spray Field Property;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and conditions hereinafter set forth, and for other good and valuable consideration, the parties hereby agree as follows:

12. Recitals. The foregoing recitals are true and correct and are hereby incorporated herein by reference.

13. Termination of Existing Agreements. Any agreements addressing effluent disposal on the Spray Field Property by the HNWS existing prior to the Effective Date of this Agreement, including but not limited to the Restated Spray Field Easement between Magna Properties, Inc., and The Club At Hidden Creek, Inc., recorded in the Official Records of Santa Rosa County, Florida, at O.R. Book 1418, Pages 593-601, and all addendums thereto, are hereby terminated as to the Spray Field Property effective as of the Effective Date.

14. Term of Easement. This Easement Agreement and all terms and conditions hereof shall be perpetual; provided, however, that HNWS may terminate this Easement Agreement as to all or any portion of the Spray Field Property by written notice to Owner in the event that HNWS, in its sole discretion, determines that HNWS no longer desires or needs all or any portion of the Spray Field Property as provided for hereunder for purposes of effluent disposal.

15. Grant of Easements.

Upon the terms and subject to the conditions of this Easement Agreement, Owner hereby grants to HNWS, its successors and assigns, the perpetual, unobstructed, exclusive right, privilege and easement on, over, under and across the Spray Field Property:

- a. To dispose of, discharge and disperse up to 1.19 MGD annual average of treated wastewater effluent on the Spray Field Property, which is the permitted effluent disposal capacity or maximum disposal load available on the Spray Field Property under the FDEP Permit (hereinafter the "Permitted Capacity"); and
- b. To enter upon, occupy and use the Spray Field Property for any and all of the uses and purposes set forth in this Easement Agreement, including without limitation for the exercise and performance of HNWS's rights and obligations under Section 5 below; and
- c. To exercise all other rights and privileges with respect to the Spray Field Property as are necessary or convenient for the full enjoyment thereof for the uses and purposes set forth herein;

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

Notwithstanding the foregoing, Owner shall be entitled to use the Spray Field Property for all uses and purposes that do not restrict or interfere with the exclusive rights, privileges and easements granted to HNWS under this Easement Agreement or do not otherwise alter the Spray Field Property or conditions on the Spray Field Property in a manner that would reduce the ability of the Effluent Disposal System (as defined in Section 5 below) to accommodate the Permitted Capacity.

The rights and easements hereby granted shall burden the Spray Field Property and run with the land for the benefit of HNWS, its successors and assigns.

5. Rights and Obligations of Owner and HNWS. So long as this Easement Agreement remains in effect, Owner shall accept and allow HNWS to dispose of treated effluent on the Spray Field Property in an amount up to the Permitted Capacity in accordance with the following terms and conditions:

- a. Effluent Disposal System. For purposes of this Easement Agreement, the "Effluent Disposal System" means that slow-rate spray irrigation system that currently exists on, over, under and across the Spray Field Property and which was conveyed to Owner pursuant to the Purchase Agreement, and is allowed and permitted for by the FDEP Permit pursuant to Section 403.051, et. seq., Florida Statutes, and Chapter 62-610, Florida Administrative Code, including all portions, parts and components thereof, including without limitation, the pipes, pipelines, lift stations, pumps, pumping facilities, spray nozzles, meters, and other equipment and appurtenances and all future additions, accessions, modifications thereto (collectively the "Effluent Disposal System"). Owner shall, at its sole cost and expense, install, construct, re-construct, use, operate, maintain, repair, remove, replace, relocate and expand the Effluent Disposal System located on, over, and under the Spray Field Property, from time

to time, as necessary to accommodate, accept and dispose of, in accordance with the FDEP Permit, which may be amended from time to time, not less than the Permitted Capacity of effluent. Owner shall not undertake or cause to be installed, constructed, or re-constructed, any additions, accessions, or modifications to the Effluent Disposal System without: i) the approval of FDEP or a determination by HNWS that the modifications do not require FDEP approval; and ii) without the consent of HNWS, which consent shall not be unreasonably withheld.

- b. Effluent Discharge Lines. HNWS shall continue to own, and, at its sole cost and expense, install, construct, re-construct, use, operate, maintain, repair, remove, replace, relocate and expand as necessary any and all transmission lines on or to the Spray Field Property as required to extend and connect HNWS's wastewater treatment system to the storage pond located on the Spray Field Property at Hole 7 of the golf course where the reclaimed effluent water will be discharged (the "Effluent Discharge Lines").
- c. Conditions for Operating the Effluent Disposal System.<sup>1</sup>
- (i) Wet Weather Storage Ponds. In order to satisfy the obligation to allow HNWS to dispose of reclaimed treated effluent up to the Permitted Capacity, Owner shall be obligated to operate the Effluent Disposal System, and HNWS shall be obligated to supply reclaimed treated effluent water, in a manner that assures that the level of reclaimed treated effluent water in the wet weather storage ponds located on the Spray Field Property, the location of which is depicted on Exhibit "B" attached hereto (hereinafter the "Wet Weather Storage Ponds"), is maintained at between \_\_\_ and \_\_\_ feet above sea level. To measure compliance, HNWS shall install and maintain staff gauges in the Wet Weather Storage Ponds with which to measure the level of water, which shall be read daily by HNWS at a time to be mutually agreed upon by Owner and HNWS.
  - (ii) Meters. HNWS shall maintain and install, at its sole cost and expense, one or more meters at points along the Effluent Discharge Line ("Effluent Meters"). The Effluent Meters shall be used by HNWS to measure and monitor the volume of reclaimed treated effluent water supplied by HNWS for use in the Effluent Disposal System. The Effluent Meters shall be calibrated on an annual basis to assure accurate readings.
  - (iii) Adjustments to Lower Wet Weather Storage Pond Levels. If the water level of the Wet Weather Storage Ponds rises to above \_\_\_ feet above sea level, Owner shall be notified by HNWS and upon notification must promptly adjust the operation of the Effluent Disposal System to provide for disposal through irrigation of a minimum of \_\_\_\_\_ gallons, as measured through the Effluent Meters, to bring the level in the Wet Weather Storage Ponds back to the required operating level of between \_\_\_ and \_\_\_ feet above sea level within no less than three (3) days or such other time as mutually agreed to by the parties.
  - (iv) Adjustments to Raise Wet Weather Storage Pond Levels. If the water level of the Wet Weather Storage Ponds drops below \_\_\_ feet above sea level, HNWS shall increase the level of reclaimed treated effluent water in the Wet Weather Storage Ponds so as to return it to the required operating level of between \_\_\_ and \_\_\_ above sea level within no less than three (3) days or such other time as mutually agreed to by the parties.

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<sup>1</sup> Blanks in the sub-paragraphs of paragraph (c) of Section 5 will be completed prior to execution of the Purchase and Sale Agreement between The Club at Hidden Creek, LLC, as seller, and Owner, as buyer, for the sale and purchase of the real property described in Exhibit "A" hereto and certain related assets specified therein based on current data to be developed by HNWS.

- d. Groundwater Monitoring Wells. Owner shall allow HNWS to permit, install, operate, and maintain groundwater monitoring wells as required by FDEP or other regulatory authorities for purposes of monitoring the impact, if any, of the effluent spray on groundwater quality. HNWS shall have the right to access the monitoring wells at reasonable times for sampling and maintenance. Any such monitoring wells shall be placed in locations required by or acceptable to FDEP and other regulatory authorities. Owner shall not apply any chemical or substance to the Spray Field Property in an amount that would result in a violation of applicable groundwater standards. In the event such a violation occurs and is revealed through the groundwater monitoring required by FDEP or any other regulatory authority related to the effluent disposal, Owner shall be solely responsible at its sole cost and expense for taking any and all remedial actions, and any and all other actions, necessary to resolve the violation as ordered by FDEP or other regulatory authorities, including the payment of any penalties and fines.
- e. No Obstruction of or Interference With the Effluent Disposal. Owner shall not erect any building or other permanent structure or improvement across, along, upon, above, or below the Spray Field Property in a manner that would interfere with the operation of the Effluent Disposal System or the use of the Spray Field Property as an effluent disposal irrigation spray field as provided for herein. Additionally, Owner shall not modify the ground surface, turf system, or topography without: i) the approval of FDEP or a determination by HNWS that the modifications do not require FDEP approval; and ii) without the consent of HNWS, which consent shall not be unreasonably withheld.
- f. Licenses and Permits. HNWS shall be solely responsible for obtaining and maintaining, at its sole cost and expense, all applicable licenses and permits required for the legal operation of the Effluent Disposal System in accordance with the terms and conditions of this Easement Agreement. Upon Owner's request, HNWS shall provide copies of such permits and licenses to Owner. In meeting the obligations and exercising the rights established hereunder, Owner and HNWS shall abide by all applicable parts of Section 403.051, et seq., Florida Statutes, Chapter 62-610, Florida Administrative Code, the FDEP Permit, and all other applicable licenses, permits and laws, including, but not limited to, the Code of Ordinances and Land Development Code of Santa Rosa County, Florida. Owner, at its sole expense, will cooperate with and provide reasonable assistance to HNWS in connection with HNWS's obtaining and maintaining applicable licenses and permits.
- g. Protective Use of Reclaimed Treated Effluent Irrigation Water. Owner shall also undertake such actions and practices for the use of reclaimed treated effluent irrigation water that are protective of human health and the environment, including, but not limited to, any and all actions required by FDEP or other regulatory authority, and actions and practices to ensure that: i) no above ground hose bibs (faucets) are allowed to be connected to any pipe that contains reclaimed effluent water; ii) reclaimed effluent water is not used to fill swimming pools or hot tubs; iii) bubbler or subsurface type irrigation systems are used around pool planters; iv) no cross-connections are made between the Effluent Disposal System and potable water systems; v) a buffer of seventy-five (75) feet is maintained between the edges of the wetted areas of the Effluent Disposal System and any existing or approved (but not yet constructed) potable water supply wells; vi) no cross connections are made between the Effluent Disposal System and wells, potable or non-potable, that non-potable wells used as backups to reclaimed water have backflow preventers, and that Owner notifies and receives permission from HNWS, and as necessary FDEP, before a non-potable well is added as a back-up to the Effluent Disposal System; and vii) Owner at all times complies with the restrictions and requirements of Chapter 62-610, Florida Administrative Code, in effect from time to time.
- h. Informational Signage. Owner may and shall post and maintain on the Spray Field Property and adjacent portions of the Spray Field Property informational signage, in accordance with the FDEP Permit and all applicable FDEP rules and regulations, as amended from time to time, to advise that treated effluent is being dispersed onto the Spray Field Property in accordance with FDEP rules and regulations and that the effluent is not potable water. The signs and labeling will clearly identify that the water is not potable water, but reclaimed water, that is not suitable for drinking, swimming or bathing.
- i. Mineral Rights. So long as this Easement Agreement is in effect, Owner shall not explore for, develop, or produce oil, gas, or other minerals on, above, or from the surface of the Spray Field

Property, it being expressly understood and agreed that the only manner in which said mineral rights may be explored for, developed, or produced is from a surface location not within the boundaries of the Spray Field Property and then only in the event that all other covenants and conditions of this Easement Agreement are strictly complied with, performed and observed.

6. HNWS's Remedies in Event of Default.

- a. In the event that during any period of three (3) consecutive days Owner fails to meet its obligations hereunder, then, in addition to and not in lieu of any other remedies available to HNWS at law or in equity, HNWS may, at its election, assume control and operation of the Effluent Disposal System. Owner hereby grants to HNWS an irrevocable license to take over control and operation of the Effluent Disposal System and Owner shall promptly take all necessary action to transfer control and operation of the Effluent Disposal System to HNWS in such event; provided that HNWS shall operate the Effluent Disposal System in a manner that will not unreasonably interfere with Owner's normal operations on the Spray Field Property.
- b. In the event the HNWS assumes control and operation of the Effluent Disposal System pursuant to Section 6.a. above, Owner shall pay to HNWS as liquidated damages the sum of one thousand dollars (\$1,000.00) per day for so long as HNWS controls and operates the Effluent Disposal System. Such payments and reimbursements shall be due and payable within thirty (30) days after invoicing by HNWS to Owner. HNWS and Owner agree that (i) such amounts shall constitute liquidated damages for Owner's failure to meet its obligations hereunder and are not intended as, and shall not be deemed to be a forfeiture or penalty, (ii) the actual damages that would be suffered by HNWS are unclear, (iii) actual damages would be unreasonably difficult to ascertain, (iv) such amounts bear a reasonable relationship to the anticipated harm, costs, liabilities, and damages that would be suffered or incurred by HNWS by reason of Owner's failure to meet its obligations hereunder, and (v) Owner irrevocably waives any right that it may have to raise as a defense that any such liquidated damages are excessive or punitive.

7. Warranty of Title to Spray Field Property. Owner represents and warrants to HNWS that Owner is the sole owner in fee simple of the Spray Field Property that Owner has good right, power and authority to enter into and grant this Easement Agreement without the consent or joinder of any other person or party; that title to the Spray Field Property is free and clear of all claims, liens and encumbrances; and that Owner shall warrant and defend HNWS's right, title, interest and estate in, to and under this Easement Agreement against the claims of all persons claiming by, through, or under the Owner, but none other.

8. Assignment, Assumption and Binding Effect. HNWS may assign this Easement Agreement, in whole or in part, upon written notice to Owner. This Easement Agreement and all terms, covenants, and conditions contained herein shall run with the Spray Field Property and shall be binding upon and against, and enforceable by and against, the parties hereto and their respective successors, successors-in-title and assigns, including but not limited to all persons and entities hereafter claiming any right, title, interest, or estate in the Spray Field Property or any portion thereof or interest therein. Each transferee of all or any portion of or interest in the Spray Field Property shall, by acceptance of such property or interest, be deemed to have assumed and agreed to pay and perform all obligations of Owner under this Easement Agreement that arise or accrue on or after the date that the transferee acquired such property or interest.

9. Notices. All notices, requests and other communications required or desired hereunder (each, a "notice") shall be in writing and shall be delivered by (i) personal delivery, (ii) "next business day" delivery by a nationally recognized overnight delivery service with evidence of delivery, (iii) electronic mail, with an electronic mail delivery receipt, and with the following subject line (in all caps and bold print) "FORMAL NOTICE UNDER EFFLUENT DISPOSAL EASEMENT AGREEMENT; TIME SENSITIVE"; provided, however, that email notice shall also be followed by confirmation in one of the other accepted methods in parts (i) or (ii) of this Section 9. Notice shall be sent to the following addresses:

If to Owner: \_\_\_\_\_  
Attn: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Email: \_\_\_\_\_

With copies to: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Email: \_\_\_\_\_

If to HNWS: Holley Navarre Water System, Inc.  
Attn: \_\_\_\_\_  
8574 Turkey Bluff Road  
Navarre, Florida 32566  
Email: \_\_\_\_\_

With copy to: Mary Jane Bass  
Beggs & Lane, RLLP  
P. O. Box 12950 (32591-2950)  
501 Commendencia Street  
Pensacola, FL 32502  
Email: [mjb@beggslane.com](mailto:mjb@beggslane.com)

or at such other address as may be designated by either of the parties in a written notice given in accordance with the provisions of this Section 9.

All notices shall be deemed to have been sufficiently given and received for all purposes, whether actually received or not, (i) on the date of delivery, if delivered prior to 4:00 p.m. central time on a day that is a Business Day or (ii) on the next Business Day, if delivered on a day other than a Business Day or after 4:00 p.m. central time on a day that is a Business Day. Notice shall be deemed delivered if delivery is attempted between 9:00 a.m. and 4:00 p.m. central time on a Business Day and is refused, rejected or fails due to abandonment or closure. All notices, requests and other communication may be given by counsel to the party giving such notice. For such purposes of this Easement Agreement a "Business Day" means any day except Saturday, Sunday, or a Federal Reserve holiday.

10. Attorneys' Fees. In the event of a dispute arising under this Easement Agreement, whether or not a lawsuit or other proceeding is filed, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs, whether incurred without a lawsuit having been filed or incurred before suit, during suit or at the appellate level. The prevailing party shall also be entitled to recover any attorneys' fees and costs incurred in litigating the entitlement to attorneys' fees and costs, as well as in determining or quantifying the amount of attorneys' fees and costs due it. The reasonable costs to which a prevailing party is entitled shall include costs that are taxable under any applicable statute, rule, or guideline, as well as non-taxable costs reasonably incurred by the prevailing party.

11. Time of the Essence. Time is of the essence with respect to this Easement Agreement.

12. Covenant of Further Assurances. The parties agree to execute such other documents and perform such other acts that any party hereto may reasonably request in order to more fully effectuate and carry out the purposes of this Easement Agreement.

13. Governing Law. This Easement Agreement shall be governed by and construed in accordance with the laws of the State of Florida without regard to the laws regarding conflict of laws thereof that would require the laws of another jurisdiction to apply.

14. Counterparts. This Easement Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

15. Amendment, Termination, or Waiver by HNWS. No modification, amendment, waiver, cancellation, or termination of this Easement Agreement, in whole or in part, or of any term, condition, or provision of this Easement Agreement, by HNWS shall be effective, enforceable by Owner, or binding upon or against HNWS, unless a written consent thereto is duly executed by all of the then current members of the Board of Directors of HNWS and is recorded in the Public Records of Santa Rosa County, Florida.

16. Entire Agreement. This Easement Agreement constitutes the entire agreement by and among each of the parties hereto with respect to the subject matter hereof and all prior agreements, negotiations and understandings, written or verbal, with respect to the subject matter hereof are hereby superseded.

IN WITNESS WHEREOF, the parties have executed and delivered this instrument on the day and year first above written.

Signed, sealed and delivered  
in the presence of:

HOLLEY NAVARRE WATER SYSTEM, INC.  
a Florida corporation

\_\_\_\_\_  
Print Name: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

Signed, sealed and delivered  
in the presence of:

\_\_\_\_\_  
a \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF SANTA ROSA

The foregoing instrument was acknowledged before me, by means of physical presence, this \_\_\_\_ day of \_\_\_\_\_, 2021, by \_\_\_\_\_, the \_\_\_\_\_ of Holley Navarre Water System, Inc., a Florida corporation, on behalf of said corporation. Said person is personally known to me or produced his/her current Florida driver's license as identification.

[AFFIX SEAL OR STAMP]

\_\_\_\_\_  
Notary Public  
Printed Name: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me, by means of physical presence, this \_\_\_\_ day of \_\_\_\_\_, 2021, by \_\_\_\_\_, the \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_, on behalf of said \_\_\_\_\_. Said person is personally known to me or produced his/her current \_\_\_\_\_ driver's license as identification.

[AFFIX SEAL OR STAMP]

\_\_\_\_\_  
Notary Public  
Printed Name: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

Attachment "D"

Purchase and Sales Agreement

## PURCHASE AND SALE AGREEMENT

**THIS PURCHASE AND SALE AGREEMENT** (this “Agreement”) is made and entered into by and between **THE CLUB AT HIDDEN CREEK, LLC**, a Florida limited liability company, whose address is 8574 Turkey Bluff Road, Navarre, Florida 32566 (“Seller”) and \_\_\_\_\_, a \_\_\_\_\_, whose address is \_\_\_\_\_ (“Buyer”).

### WITNESSETH:

WHEREAS, Seller is the owner of certain real property and improvements (including but not limited to club house, pro shop, driving range, 18-hole golf course, eating facilities, and maintenance facilities) commonly referred to as The Club at Hidden Creek (the “Land”), which Land is described on **Exhibit “A”**.

WHEREAS, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, the Land and certain other assets of Seller upon the terms and subject to the conditions of this Agreement;

NOW, THEREFORE, for and in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

(1) **Purchase and Sale of Property.** Subject to the terms and conditions set forth in this Agreement, Seller shall sell, convey, assign, transfer and deliver to Buyer, and Buyer shall purchase, acquire and assume from Seller, the following property (collectively, the “Property”):

(a) **Real Property.** The Land and (a) the buildings, structures, and other improvements on the Land (collectively, the “Improvements”), (b) all easements, rights-of-way, development rights, entitlements, air rights, and all other appurtenances, relating or appertaining to the Land or the Improvements, and (c) all oil, gas, and minerals located in, on or under the Land (collectively, the “Real Property”).

(b) **Personal Property.** The following personal property (collectively, the “Personal Property”):

(i) **Furniture, Fixtures and Equipment.** The equipment, machinery, tools, appliances, furniture, fixtures, and trade fixtures described in **Schedule (1)(b)** (the “FF&E”).

(ii) **Inventory.** All goods held for use or resale, including but not limited to pro shop inventory, food and beverage inventory, fertilizer and pesticide inventory, and supplies that are on hand at the Real Property on the Closing Date.

(iii) **Effluent Disposal System.** That certain slow-rate spray irrigation system that currently exists on, over, under, and across the Land, including all portions, parts and components thereof, including without limitation, the pipes, pipelines, lift stations, pumps, pumping facilities, spray nozzles, meters, and other equipment

and appurtenances, excluding, however, (i) all monitoring wells on the Land and (ii) all transmission lines, pipes, meters, and other equipment and facilities on, over, under, and across the Land that connect the wastewater treatment system of Holley Navarre Water System, Inc. (“HNWS”) to the storage pond on Hole No. 7 of the golf course on the Land, which monitoring wells, transmission lines, pipes, meters, and other equipment and facilities are and will continue to be owned by HNWS.

The Personal Property shall be conveyed free and clear of any and all liens, liabilities, encumbrances and claims, other than the Assumed Contracts (hereinafter defined). The Personal Property shall be conveyed by Seller to Buyer by a special warranty Bill of Sale delivered at Closing.

(c) Assumed Contracts. All of Seller’s right, title and interest in, to and under each contract and lease relating to the operation, maintenance or management of the Property described in **Schedule (1)(c)** (the “Assumed Contracts”). Effective on and as of the Closing Date, Buyer shall assume Seller’s obligations under the Assumed Contracts which accrue or arise on or after the Closing Date and shall indemnify, defend and hold harmless Seller with respect thereto. Further, prior to the expiration of the Investigation Period, Buyer shall obtain and deliver to Seller the written agreement of the other party or parties to each Assumed Contract consenting to the assumption of such Assumed Contract by Buyer at the Closing and releasing Seller, effective on and as of the Closing Date, from all liability accruing or arising under such Assumed Contract on or after the Closing Date. All Assumed Contracts will be transferred to Buyer current and in good standing, free and clear of any liens, security interests, claims or charges of any kind or nature, other than those accruing or arising on or after the Closing.

(d) The Golf Carts Lease. All of Seller’s right, title, and interest in, to, and under the Golf Carts Lease as defined in Section (4) below, subject to the provisions of Section (4) below. The assignment and assumption of the Golf Carts Lease shall be governed by Section (4) and not by paragraph (c) of this Section (1).

(e) The Club at Hidden Creek Membership Agreements. All of Seller’s right, title and interest in, to and under each The Club at Hidden Creek membership agreement (each a “Membership Agreement”), if any, listed in **Schedule (1)(e)**.

(f) Permits. If and to the extent the same are lawfully transferrable and assignable and Buyer, at its sole cost and expense, complies with all conditions and requirements incidental to the transfer and assignment of the same, all of Seller’s right, title and interest in, to and under all permits, licenses (including without limitation that certain retail beverage license issued to Seller No. 11CX/BEV6701279 which expires on September 30, 2021 (the “Liquor License”)), certificates of occupancy, approvals, water management permits, authorizations and orders obtained from any governmental authority and held by Seller relating to the Property or Seller’s business of owning, operating, maintaining or managing the Property, including, without limitation, those items, if any, set forth on **Schedule (1)(f)** (collectively the “Permits”).

(g) Intangibles. If and to the extent the same are lawfully transferrable and assignable and Buyer, at its sole cost and expense, complies with all conditions and requirements incidental to the transfer and assignment of the same, all right, title and interest, if any, of Seller in and to the following intangible property: (1) all warranties in favor of Seller with respect to the Property; (2) all goodwill relating to the business of owning, operating, maintaining and managing the Property; (3) all advertising, marketing and promotional materials in Seller's possession relating to the Property; (4) all artwork, photographs and other intellectual property utilized in conjunction with the ownership, operation or management of the Property; (5) the name "The Club at Hidden Creek" and all derivations thereof (the "Names"), it being understood and agreed that within thirty (30) days after Closing, Seller shall change its name to a name that is not similar to "The Club at Hidden Creek"; (6) all trademark, service marks, trade dress, logos, trade names and corporate names incorporating or associated with the Names (excluding "Holley Navarre Water System," "HNWS", and derivations thereof), together with all translations, adaptations, derivations, and combinations thereof and including all goodwill associated therewith (the "Marks"); (7) any rights of the Seller in the domain name [www.theclubathiddencreek.com](http://www.theclubathiddencreek.com) (the "Domain Name"); (8) any rights, including any claim by Seller to copyright, Seller may own in the internet web pages relating to the Domain Name; including, without limitation, the web pages identified by the uniform resource locator to which the Domain Name is assigned by the registrar or any successor registrar of the Domain Name; including, without limitation, program files, contents files, software, and services located on such web pages (the "Website"); (9) the email addresses (but only those email addresses and no others), if any, associated with the Domain that are listed in **Schedule (1)(g)** (the "Email Addresses"); (10) any rights, including any claim by Seller to copyright, in business forms and other printed or electronic materials exclusively associated with the Property; and (11) the telephone number(s) (but only those telephone number(s) and no others), if any, used at the Property and listed in **Schedule (1)(g)** (all intangible property described in this paragraph being hereinafter referred to collectively as the "Intangible Property"). Notwithstanding any contrary provision in this Agreement, at the Closing, Seller shall quitclaim to Buyer all right, title and interest, if any, of Seller in and to the Intangible Property, and Seller hereby expressly disclaims any and all representations and warranties, written and verbal, express and implied, as to the Seller's right, title or interest, if any, in or to any of the Intangible Property.

(h) Entitlements. If and to the extent the same are lawfully transferrable and assignable and Buyer, at its sole cost and expense, complies with all conditions and requirements incidental to the transfer and assignment of the same, all of Seller's right, title and interest in, to and under all permits, approvals, land use entitlements, development rights, water allocations, water rights, sewer capacity, density allocations and other rights or approvals relating to or authorizing the ownership, development or operation of the Property; all plans and specifications, all contract rights (including any and all guarantees and warranties relating to the construction of any Improvements); all development and land use rights, applications, engineering plans and reports, as-built drawings, maps; and any documents of the same or similar nature pertaining to the Property; including, without limitation, those items, if any, set forth in **Schedule (1)(h)**; and all changes, additions, substitutions and replacements for any of the foregoing (collectively the "Entitlements"). Notwithstanding any contrary provision in this Agreement, at the Closing, Seller shall quitclaim to Buyer all right, title and interest, if any, of Seller in and to the Entitlements, and Seller hereby expressly disclaims any and all

representations and warranties, written and verbal, express and implied, as to the Seller's right, title or interest, if any, in or to any of the Entitlements.

(i) Books and Records. Copies of all books and records exclusively relating to the business of operating, maintaining or managing the Property, including without limitation copies of all accounting, financial, sales and other records (collectively the "Books and Records"), it being understood and agreed that Seller is required to retain the originals of all Books and Records.

(2) Excluded Assets. Notwithstanding anything to the contrary contained in Section (1) or elsewhere in this Agreement, the following assets of Seller (collectively, the "Excluded Assets") are not part of the sale and purchase contemplated hereunder, are excluded from the Assets, and shall remain the property of Seller after the Closing:

- (a) all cash, cash equivalents and investments;
- (b) accounts receivable;
- (c) all insurance policies and rights thereunder, including rights to refund of unearned premiums;
- (d) all personnel records and other records that Seller is required by law to retain in its possession and/or to not disclose to third parties;
- (e) all deposits other than the customer deposits, if any, identified in **Schedule (2)(e)**;
- (f) all claims for refund of taxes and other governmental charges of whatever nature paid by Seller prior to Closing;
- (g) all rebates;
- (h) all rights in connection with and all assets of any employee benefit plan or retirement plan maintained for the benefit of Seller's employees (it being agreed that Seller shall continue to be solely responsible for such plan(s) and its/their administration);
- (i) all property, if any, listed in **Schedule (2)(i)**;
- (j) all monitoring wells on the Land and all transmission lines, pipes, and facilities on, over, under, and across the Land that connect the wastewater treatment system of HNWS to the pond on Hole No. 7 of the golf course on the Land, which monitoring wells, transmission lines, pipes, and facilities are and will continue to be owned by HNWS;
- (k) that certain permit issued to HNWS by the Florida Department of Environmental Protection ("FDEP") for operation of its wastewater treatment facilities (Permit

Number FLA010211), which permit is and will continue to be held by HNWS; and

- (1) all rights of Seller under this Agreement and the closing documents executed pursuant to this Agreement.

In furtherance of the foregoing, at Closing, Seller and Buyer shall execute the Omnibus Bill of Sale and Assignment attached hereto as **Exhibit "B"**.

(3) **Excluded Liabilities.** Except for obligations associated with the Property or its ownership, operation, or use that first accrue on or after the Closing Date, except for the Permitted Exceptions, and except as otherwise expressly provided in this Agreement, Buyer shall not assume and shall not be responsible to pay, perform or discharge any liabilities of Seller of any kind or nature whatsoever, whether associated with the Property or otherwise.

(4) **Golf Carts and Utilities Vehicles Lease.** Buyer acknowledges that all golf carts and utility vehicles used in the operation of the golf course on the Real Property are not owned by Seller but rather are leased by Seller from Yamaha Motor Finance Corporation ("Lessor") pursuant to the leases and agreements identified in **Schedule (4)** (collectively, the "Golf Carts Lease").

(a) At or before the Closing, Buyer shall obtain and deliver to Seller Lessor's written consent to Seller's assignment of the Golf Carts Lease to Buyer and Lessor's release of Seller from all obligations under the Golf Carts Lease effective on the Closing Date in the form of the Golf Carts Lease Consent and Release Agreement attached hereto as **Exhibit "C"** duly executed by Lessor, and, provided that Lessor delivers such executed Golf Carts Lease Consent and Release Agreement to Seller at the Closing, then at the Closing Seller shall transfer and assign to Buyer all of Seller's rights under the Golf Carts Lease. Seller shall be responsible for the payment and performance of lessee's obligations under the Golf Cart Lease accruing up to midnight on the day prior to the Closing Date, and Buyer shall be responsible for the payment and performance of lessee's obligations under the Golf Carts Lease accruing after midnight on the day prior to the Closing Date. Further, to that end, at the Closing Seller and Buyer shall execute the Omnibus Bill of Sale and Assignment attached hereto as **Exhibit "B"**.

(b) Notwithstanding any contrary provision in this Agreement, the golf carts, utility vehicles and any other property subject to the Golf Carts Lease shall be delivered to and accepted by Buyer "AS IS", "WHERE IS" AND "WITH ALL FAULTS" in their condition on and as of the Closing Date, and after Closing, Seller shall have no liability to Buyer or Lessor under the Golf Carts Lease with respect to the condition of such golf carts, utility vehicles or other property.

(c) In the event that prior to the expiration of the Inspection Period (as defined in Section (7) below) Buyer has not delivered to Seller the Golf Carts Lease Consent and Release Agreement duly executed by Lessor, then Seller may terminate this Agreement by giving written notice of termination to Buyer at any time at or before the Closing, whereupon the Deposit shall be returned to Buyer.

(5) Purchase Price. The purchase price for the Property shall be \_\_\_\_\_ AND 00/100 DOLLARS (\$\_\_\_\_\_.00) (the “Purchase Price”) and shall be payable as follows:

(a) The Deposit (as defined in Section (6) below) shall be applied to the Purchase Price at Closing; and

(b) At Closing, the Purchase Price less the Deposit (subject to adjustment by the closing costs and prorations provided for elsewhere in this Agreement) shall be paid in good and immediately available U. S. dollars by certified check or, at Seller’s election in its sole discretion, by wire transfer.

The Purchase Price shall be allocated among the various categories of Property as set forth in **Schedule (5)**.

(6) Deposit. Simultaneously with Buyer’s execution of this Agreement, Buyer shall deposit with Beggs & Lane RLLP (“Closing Agent”) the sum of Twenty Thousand and 00/100 Dollars (\$20,000.00) (the “Deposit”). The Deposit shall be held in Closing Agent’s Florida Bar IOTA account. Neither Seller, Buyer, nor Escrow Agent shall receive any interest earned on the Deposit. The Deposit shall be applied to the Purchase Price at Closing or shall be otherwise disbursed as provided in this Agreement. If for any reason the Closing does not occur and either party makes a written demand upon Escrow Agent for payment of the Deposit, Escrow Agent shall give written notice to the other party of such demand. If Escrow Agent does not receive a written objection from the other party to the proposed payment within ten (10) days after the giving of such notice, Escrow Agent is hereby authorized to make such payment. If Escrow Agent does receive such written objection within such ten-day period or if for any other reason Escrow Agent in good faith shall elect not to make such payment, Escrow Agent shall continue to hold such amount until otherwise directed by written instructions signed by both Seller and Buyer or by a final judgment of a court of competent jurisdiction, or Escrow Agent may bring an appropriate action or proceeding for leave to deposit the Deposit in a court of competent jurisdiction pending such final judgment of the court. The parties acknowledge that Escrow Agent is acting solely as a holder of the Deposit at their request and for their convenience. Escrow Agent joins in the execution of this Agreement solely for the purpose of acknowledging receipt of the Deposit and its agreement to hold and disburse the same pursuant to the terms hereof. Notwithstanding the foregoing, Buyer acknowledges that Beggs & Lane, RLLP, is Seller’s counsel in this transaction and that Beggs & Lane, RLLP shall not, by reason of Beggs & Lane, RLLP’s position, duties and obligations as Escrow Agent under this paragraph, be disqualified from representing Seller in the transaction contemplated by this Agreement or from representing Seller or Escrow Agent in any litigation arising out of this Agreement or in any other related or unrelated matter, provided that nothing herein shall release Beggs & Lane, RLLP from performing its duties as Escrow Agent in accordance herewith.

(7) Investigation Period; Seller’s Deliveries. During the time period commencing upon the Effective Date and terminating on the ninetieth (90<sup>th</sup>) day after the Effective Date (the “Investigation Period”), Buyer shall have the right to conduct and complete an investigation of all matters pertaining to the Property and Buyer’s purchase thereof including, without limitation, the matters described in this Section (7).

(a) Physical and Geological Inspection. Subject to the limitations set forth in this Section (7)(a), during the Investigation Period, Buyer shall have the right, at Buyer's expense, to make inspections (including tests, surveys and other studies) of the Property and all matters relating thereto, including, but not limited to, soils and geological conditions, location of property lines, water/utility availability and use restrictions, environmental conditions, the manner or quality of the construction of the Improvements, the habitability, merchantability, marketability, profitability or fitness for a particular purpose of the Property, the effect of applicable future land use, planning, zoning, and subdivision statutes, ordinances, regulations, restrictions and permits, the character and amount of any fees or charges that must be paid to further develop, improve and/or occupy the Property, the feasibility and approval of any other improvements Buyer desires to construct on the Land, and all other matters relating to the Property. During the term of this Agreement, Buyer and its agents, contractors and subcontractors (collectively, "Buyer's Consultants") shall have the right to enter upon the Property, at reasonable times during ordinary business hours to make any and all inspections and tests as Buyer deems desirable and which may be accomplished without causing any material alteration or damage to the Property in connection with such inspections or tests. Buyer, at Buyer's sole expense, may cause an environmental consultant to prepare and deliver to Buyer a current Phase I Environmental Investigation Report covering the Real Property ("Phase I Report"). In connection with the foregoing, during the Investigation period, Buyer shall be entitled to review such Phase I Report and conduct, through its environmental consultant, one or more supplemental environmental investigations of the Real Property ("Environmental Investigation"), subject to the provisions of this Agreement and the prior written approval of Seller, such approval not to be unreasonably withheld, conditioned or delayed. All such costs, fees and expenses associated with such Environmental Investigation, shall be borne by Buyer. Buyer shall not interfere with any rights of any occupant, guest, or invitee or with the on-going operations of the Property in making any such inspections or tests, and shall promptly return and restore the Property to substantially its original condition prior to such inspections or tests. All investigations shall be performed at Buyer's risk, and Buyer agrees to indemnify, defend, and hold harmless Seller for any and all claims, damage, suits, loss or causes of action resulting from Buyer's investigation.

(b) Investigation of Permits, Intangible Property, Entitlements, Books and Records, Assumed Contracts, and Membership Agreements. During the Investigation Period, Buyer shall have the right, at Buyer's expense, to conduct and complete an investigation of all matters pertaining to the Permits, Intangible Property, Entitlements, Books and Records, Assumed Contracts, and Membership Agreements, and Buyer's acquisition thereof. In this regard, at all times prior to the Closing, Buyer shall have the right to contact appropriate governmental officials and other parties and make reasonable inquiries concerning the Permits, Intangible Property, Entitlements, Books and Records, Assumed Contracts, and Membership Agreements. Seller agrees to reasonably cooperate with Buyer in connection with its investigation of the Permits, Intangible Property, Entitlements, Books and Records, Assumed Contracts, and Membership Agreements, and all other matters pertaining thereto.

(c) Due Diligence Materials. During the Investigation Period, Buyer shall have the right to conduct and complete an investigation of all matters pertaining to the Property and

Buyer's acquisition thereof. To that end, at mutually agreeable times during the Investigation Period Seller shall make available to Buyer for Buyer's inspection and copying at Seller's office at 8574 Turkey Bluff Road, Navarre, Florida, or at The Club at Hidden Creek office at 3070 PGA Blvd., Navarre, Florida, all books, records and documents in Seller's possession or control pertaining to the Property and Buyer's acquisition thereof.

(d) UCC Search on Personal Property. Buyer may, at Buyer's sole cost and expense, cause to be conducted one or more Uniform Commercial Code Searches (collectively, the "UCC Searches"). Not later than thirty (30) days prior to the Closing Date, Buyer shall notify Seller in writing (the "Disapproved UCC Exceptions Notice") of Buyer's disapproval of any matters set forth in the UCC Searches ("Disapproved UCC Exceptions"), and at or before Closing, Seller shall cure any liens and/or cause to be terminated any UCC financing statements created by Seller.

(e) Election to Terminate. In the event Buyer disapproves or finds unacceptable, in Buyer's sole and absolute discretion, any matters reviewed by Buyer during the Investigation Period, Buyer may elect to terminate this Agreement pursuant to the provisions of this Section (7)(e). In the event Buyer so desires to terminate this Agreement, Buyer shall give Seller and Escrow Agent written notice of Buyer's election to terminate not later than 11:59 p.m., on the date of expiration of the Investigation Period ("Buyer's Election to Terminate"). Upon the timely giving of Buyer's Election to Terminate, this Agreement shall automatically terminate and Seller and Buyer shall execute such cancellation instructions as may be necessary to effectuate the cancellation of the Escrow, as may be required by Escrow Agent. Within five (5) calendar days following Escrow Agent's receipt of any such cancellation instructions, (i) Escrow Agent shall cause to be paid to Buyer the entire amount of the Deposit, and (ii) Buyer shall transfer, assign, and deliver to Seller all surveys, geotechnical reports, environmental reports, and other documents and reports prepared by or on behalf of Buyer with respect to the Property. Upon the performance by Buyer and Seller of their respective obligations pursuant to this Section (7)(e), this Agreement shall automatically terminate and neither Seller nor Buyer shall have any further rights or obligations to each other with regard to this Agreement (except that Buyer's obligations under Section (7) shall survive any termination of this Agreement and remain in full force and effect).

(8) Closing. The delivery of the deed, bill of sale, and other documents, the payment of the remainder of the Purchase Price and the consummation of the transactions contemplated by this Agreement (collectively, the "Closing") shall take place at the offices of Closing Agent at 2:00 p.m. on the thirtieth (30<sup>th</sup>) day after the expiration of the Inspection Period (the "Closing Date") or at such other time, date, and/or place as the parties shall mutually agree. A party will not be required to be present in person at Closing if such party has delivered all of the items it is required to deliver at Closing to the Closing Agent on or before the aforementioned time on the Closing Date; provided, however, if such items have been delivered to the Closing Agent with escrow instructions, such instructions must be consistent with the provisions of this Agreement. If any such instructions conflict with the provisions of this Agreement, the provisions of this Agreement shall govern. The attorneys of each party are hereby authorized to execute and deliver escrow instructions on behalf of their respective clients with the same binding effect as if executed by their client.

(9) The Club at Hidden Creek Membership Agreements. Seller shall honor and be responsible for the performance of its obligations under each Membership Agreement accruing up to midnight on the day prior to the Closing Date, and Buyer shall assume, honor, and be responsible for the performance of Seller's obligations under each Membership Agreement accruing after midnight on the day prior to the Closing Date and shall indemnify, defend, and hold harmless Seller with respect to any and all claims, damages, liabilities, lawsuits, costs, and expenses, including without limitation attorneys' fees and costs, suffered or incurred by Seller by reason of Buyer's failure to honor and perform all such Membership Agreements on and after the Closing Date. In furtherance of the foregoing, at Closing Seller and Buyer shall execute the Omnibus Bill of Sale and Assignment attached hereto as **Exhibit "B"**.

(10) Effluent Disposal Easement Agreement and Costs. At the Closing, Holley Navarre Water System, Inc. (being the sole member of Seller) and Buyer shall execute and deliver that certain Effluent Disposal Easement Agreement in the form and substance attached hereto as **Exhibit "D"** and incorporated herein by reference. Such Effluent Disposal Easement Agreement shall be recorded in the public records of Santa Rosa County, Florida, immediately following the recording of the Right of First Refusal attached hereto as Exhibit "G".

(11) Right of First Refusal in favor of HNWS. At the Closing, Buyer shall grant to HNWS, by an instrument in the form and substance attached hereto as **Exhibit "E"**, duly executed by Buyer, a right of first refusal ("ROFR") to purchase the Property upon the terms and conditions set forth in this Section and in said instrument. Buyer shall not offer to convey, enter into a contract to convey, or convey all or any portion of the Property, directly or indirectly (each of the foregoing being hereinafter referred to as a "Covered Event") without first complying with the requirements of this Section. Prior to entering into a Covered Event, Buyer shall deliver to HNWS a written notice duly executed by Buyer (the "Covered Event Notice") describing the Covered Event in detail, including all terms and conditions of the Covered Event, and offering to convey to HNWS all Property described in the Covered Event upon such terms and conditions. HNWS shall have thirty (30) days from the date of HNWS's receipt of such Covered Event Notice within which to exercise its ROFR by delivering to Buyer written notice executed by HNWS (the "ROFR Exercise Notice") stating HNWS's agreement to acquire all Property described in the Covered Event upon the terms and conditions set out in the Covered Event Notice and such other terms and conditions, if any, as Buyer and HNWS shall mutually agree. If HNWS does not so exercise its ROFR within such thirty (30) day period, Buyer shall be free to enter into and consummate the Covered Event in accordance with its terms but in any event subject to the ROFR which shall continue in full force and effect with respect to the Property that is the subject of the Covered Event with respect to any other or future Covered Event. For the avoidance of doubt, the ROFR shall not be extinguished by any conveyance of the Property or any portion thereof, whether or not HNWS exercises the ROFR with respect thereto, but rather shall continue in full force and effect as to all of the Property whether in the hands of Buyer or in the hands of any transferee or subsequent owner of all or any portion of the Property. Further, for the avoidance of doubt, any material omission of, change in, addition to, or deletion of any of the terms or conditions of the Covered Event as set forth in the Covered Event Notice shall give rise to a new Covered Event, which shall require Buyer's compliance with the requirements of this Agreement, and a new Covered Event shall arise, which shall require Buyer's compliance with the foregoing ROFR requirements, if the transactions contemplated by the Covered Event are not consummated in strict accordance with the terms and conditions set forth in the Covered

Event Notice. In addition, for the avoidance of doubt, the ROFR shall continue in full force and effect with respect to any other or future Covered Event and with respect to all portions of the Property that were the subject of the Covered Event as well as to all portions of the Property that were not the subject of the Covered Event. Any offer to convey, contract to convey, or conveyance of all or any portion of the Property made or entered into without Buyer first complying with the terms and conditions of this Agreement shall be voidable at the election of HNWS in its sole and absolute discretion. Such ROFR instrument shall be recorded in the public records of Santa Rosa County, Florida, immediately following the recording of the deed of conveyance conveying the Real Property as provided in this Agreement, and shall run with the land. As used in this paragraph and in the ROFR instrument, the term "Buyer" shall mean and include Buyer, its successors, assigns, and successors-in-interest to the Property.

(12) Golf Course Use Restriction. The Real Property shall be conveyed subject to a restrictive covenant, which shall be included in the deed of conveyance, that for a period of forty (40) years after the Closing Date the Real Property may be used only as a "Golf Course" and for no other use or purpose without the written consent of HNWS, which written consent shall not be effective unless and until it is recorded in the public records of Santa Rosa County, Florida. Such restrictive covenant shall be automatically extended for up to six (6) ten-year extensions unless HNWS or its successor or assigns records in the public records of Santa Rosa County a notice of termination of such restrictive covenant at least six (6) months prior to the then current expiration date thereof. The term "Golf Course" shall mean a regulation par-72 eighteen (18) hole golf course not less than 6,800 yards in total length from the back tees, and appurtenant facilities which may, but need not, include maintenance facilities, clubhouses, tennis courts, swimming pools, restaurants, bars, golf and/or tennis pro shops, children's playgrounds and facilities, and other social and/or recreational facilities and amenities. For the avoidance of doubt, this Golf Course Use Restriction shall not be construed to waive, modify, or amend, in whole or in part, any of the provisions of the Effluent Disposal Easement Agreement.

(13) Closing Costs. Seller shall pay: (i) the documentary stamp tax on the deed conveying the Real Property; (ii) the Clerk of Court's fees for recording all lien satisfactions, any documents required to cure any defects in title, and the Effluent Disposal Easement Agreement provided in Section 10 of this Agreement; (iii) one-half of the costs and premium for an owner's title insurance policy in the amount of the Purchase Price; and (iv) Seller's attorneys' fees. Buyer shall pay: (i) one-half of the costs and premium for an owner's title insurance policy in the amount of the Purchase Price; (ii) the cost of the Survey; (iii) the Clerk of Court's fees for recording the deed of conveyance; (iv) Buyer's attorneys' fees; and (v) all costs associated with any financing obtained by Buyer, including but not limited to mortgage intangible tax, mortgage documentary stamp tax, and mortgagee title insurance premium.

(14) Survey. Within forty-five (45) days after the Effective Date, Buyer shall, at Buyer's expense, obtain and deliver to Seller a current boundary and improvements survey of the Land (the "Survey") prepared by a licensed Florida land surveyor. The Survey shall comply with the minimum standards for Florida boundary surveys set forth in Section 5J-17.052 of the Florida Administrative Code ("Standards of Practice – Boundary Survey Requirements") and all applicable requirements of Santa Rosa County, Florida, and shall be acceptable in all respects to the Title Company to remove the standard survey exception from the owner's title insurance policy issued to Buyer pursuant to this Agreement. Further, the Survey shall show, without

limitation, the locations of all Improvements, all easements provided for in this Agreement, and all recorded easements and other matters affecting the Land, and shall be certified to Buyer, Buyer's mortgage lender (if any), Seller, the Closing Agent, and the Title Company (as defined in Section (15)(b) below). If the Survey shows any material encroachments onto the Land located outside its boundaries or material encroachments by any of the Improvements on or over any public right-of-way adjacent to the Land, recorded utility easements, required setback lines, or the property of others, or if that the Survey discloses that the Land or the use of the Land as a golf course violates existing recorded covenants, conditions, or restrictions, or if the Survey discloses any other matters that are objectionable to Buyer and that materially and adversely affect the use of the Real Property as a golf course or materially and adversely affect marketability of title to the Real Property for use as a golf course, Buyer shall notify Seller in writing to that effect specifying the defects no later than thirty (30) days prior to the expiration of the Investigation Period. Seller shall have until thirty (30) days from receipt of Buyer's notice specifying the Survey defects in which to cure such defects. If after said period Seller shall not have cured the defects, or if Seller shall not have progressed to a point where the defects are certain to be remedied at or prior to Closing, Buyer shall have the option of (i) accepting the condition of the Property as disclosed in the Survey in an "as is" condition, or (ii) terminating the Agreement, thereupon Buyer and Seller shall each be released from all further liabilities and obligations to each other with respect to all matters arising from this Agreement. Notwithstanding any contrary provision in this Agreement, in the event that Seller fails to correct any such Survey defects for any reason whatsoever, the sole remedy of Buyer and the sole liability of the Seller shall be to cause the Escrow Agent to return the Deposit to the Buyer, and upon such return this Agreement and all rights of Buyer with respect to the Property shall wholly cease. Nevertheless, Buyer may, in its sole discretion, elect to accept such title as Seller may be able to convey, subject to such Survey defects, without reduction of the Purchase Price and without any other liability on the part of the Seller.

(15) Title.

(a) At the Closing, Seller shall convey to Buyer, by special warranty deed, good and marketable fee simple title to the Real Property free and clear of all liens, claims, restrictions, encumbrances, easements and tenancies other than the Permitted Exceptions. As used in this Agreement, the term "Permitted Exceptions" shall mean and include the following:

- (i) All present and future zoning, land use, comprehensive plans, future land use, building, health, safety and environmental laws, ordinances, codes, restrictions and regulations of any municipal, state, Federal or other governmental authority, including without limitation, all boards, bureaus, commissions, departments and bodies thereof, now or hereafter having or acquiring jurisdiction over the Real Property or the use and improvement thereof;
- (ii) All covenants, restrictions, servitudes, easements, reservations, conditions, consents, agreements and other matters of record, including without limitation those matters listed in **Schedule 15(a)**;
- (iii) Road rights of way affecting the Real Property;

- (iv) Real estate ad valorem taxes, assessments, water charges, sewer rents and local government charges for the current assessment period(s) as of the Closing Date;
- (v) All matters that would be disclosed by an accurate survey and inspection of the Real Property, including but not limited to all matters disclosed by the Survey;
- (vi) All exceptions listed in the Title Commitment issued pursuant to paragraph (b) below, but subject to the provisions of paragraph (b) below;
- (vii) The Membership Agreements listed in Schedule (1)(d); and
- (viii) The Membership Agreements, Effluent Disposal Easement Agreement, ROFR, and Golf Course Use Restriction provided in Sections 9, 10, 11, and 12 above.

(b) Promptly after the Effective Date, Seller shall cause Closing Agent to order a title commitment (the "Title Commitment"), together with copies of all title documents listed as exceptions, from a nationally recognized title insurance company (the "Title Company") agreeing to issue to Buyer an Owner's ALTA Form B title insurance policy in the total amount of the Purchase Price insuring fee simple marketable title to the Real Property and upon receipt thereof Buyer shall deliver copy thereof to Seller. Buyer shall have thirty (30) days after Buyer's receipt of the Title Commitment within which to notify Seller in writing of any defects or objections to the title appearing in the Title Commitment that materially and adversely affect the use of the Real Property as a golf course or materially and adversely affect marketability of title to the Real Property for use as a golf course. If Buyer fails to give such written notice to Seller within such 30-day period Buyer shall be conclusively deemed to have waived its right to object to any matters of title other than matters shown only on the Survey and not disclosed by the Title Commitment. In the event that Buyer gives Seller timely written notice of any title defects or objections, Seller shall make good faith efforts to cure such title defects or objections and must cure liens, judgments or encumbrances evidencing or securing monetary obligations. If Seller fails to remedy such title objections or defects at or prior to Closing, Buyer may in its sole discretion either: (a) terminate this Agreement and receive a return of its Deposit; or (b) waive such title objections or defects and consummate the Closing without reduction in the Purchase Price and without any other liability on the part of Seller. Notwithstanding the foregoing and without the need on the part of the Buyer to make any objection thereto, all mortgages and other liens that can be discharged by the payment of money shall be discharged by Seller not later than Closing, and as of the Closing the Real Property shall be free of all mortgages and other monetary liens and free of all tenancies and other possessory rights except as specifically provided for herein.

(c) Notwithstanding the foregoing or any other provision in this Agreement, in the event that Seller is unable to convey title of the kind and quality required by this Agreement for any reason whatsoever, unless Buyer elects to proceed pursuant to the following sentence, Seller, may, in its sole and absolute discretion, terminate this Agreement and all rights of Buyer with respect to the Real Property and the Personal Property shall wholly cease, and thereupon the Deposit shall be returned to Buyer, as Buyer's sole and exclusive remedy. Buyer may, in its sole discretion, elect to accept such title as Seller may be able to convey, without reduction of the Purchase Price and without any other liability on the part of the Seller.

(16) PROPERTY CONVEYED "AS IS". BUYER ACKNOWLEDGES, AGREES AND UNDERSTANDS THAT AT THE CLOSING THE "PROPERTY" SHALL BE CONVEYED TO, AND ACCEPTED BY, BUYER "AS IS", "WHERE IS" AND "WITH ALL FAULTS". EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT AND IN SELLER'S INSTRUMENTS OF CONVEYANCE, SELLER MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND OR NATURE WHATSOEVER, WRITTEN OR ORAL, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY OR ANY PORTION THEREOF; THE PRESENCE OR ABSENCE OF WETLANDS OR OF HAZARDOUS SUBSTANCES IN, ON, UNDER OR ABOVE THE REAL PROPERTY; THE COMPLIANCE OR NON-COMPLIANCE OF THE PROPERTY WITH ANY APPLICABLE FEDERAL, STATE AND LOCAL LAWS, STATUTES, ORDINANCES, RULES AND REGULATIONS, INCLUDING BUT NOT LIMITED TO ENVIRONMENTAL LAWS AND REGULATIONS; THE SUITABILITY OF THE PROPERTY OR ANY PORTION THEREOF FOR BUYER'S INTENDED USE; OR ANY OTHER MATTER CONCERNING THE PROPERTY OR ANY PORTION THEREOF. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT OR IN SELLER'S INSTRUMENTS OF CONVEYANCE, SELLER HEREBY DISCLAIMS ANY AND ALL WARRANTIES OF ANY NATURE WHATSOEVER, ORAL AS WELL AS WRITTEN, EXPRESS AS WELL AS IMPLIED, WITH RESPECT TO THE PROPERTY, INCLUDING WITHOUT LIMITATION ANY AND ALL IMPLIED WARRANTIES OF HABITABILITY, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. BUYER EXPRESSLY ACKNOWLEDGES THAT BUYER AND ITS REPRESENTATIVES HAVE HAD, OR WILL HAVE PRIOR TO CLOSING, AMPLE OPPORTUNITY TO EXAMINE, INSPECT AND SATISFY ITSELF WITH RESPECT TO ALL MATTERS RELATED TO THE PROPERTY AND THAT BUYER UNDERSTANDS AND AGREES THAT NEITHER SELLER NOR ANY MEMBER, OFFICER, EMPLOYEE, AGENT, REPRESENTATIVE, ATTORNEY, BROKER OR CONSULTANT OF OR FOR SELLER HAS MADE, IS MAKING, OR WILL MAKE ANY WARRANTIES OR REPRESENTATIONS, ORAL OR WRITTEN, EXPRESS OR IMPLIED, WITH RESPECT THERETO EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT AND IN SELLER'S INSTRUMENTS OF CONVEYANCE. BUYER FURTHER ACKNOWLEDGES THAT IT IS RELYING AND SHALL RELY SOLELY UPON ITS OWN EXAMINATIONS AND INSPECTIONS AND UPON THE ADVICE OF ITS OWN ATTORNEYS, CONSULTANTS, AND EMPLOYEES (AND NOT UPON ANY STATEMENTS, WARRANTIES, REPRESENTATIONS, ADVICE OR INTERPRETATION OF LEGAL DOCUMENTS, WRITTEN OR ORAL, OF OR BY SELLER OR SELLER'S ATTORNEYS, AGENTS, OFFICERS, EMPLOYEES, CONSULTANTS OR REPRESENTATIVES) AS TO ANY MATTERS WHATSOEVER PERTAINING TO THE PROPERTY AND ALL PORTIONS THEREOF. THE PROVISIONS OF THIS SECTION SHALL SURVIVE THE CLOSING, THE TRANSFER AND CONVEYANCE OF THE PROPERTY TO BUYER, AND THE DELIVERY OF THE CLOSING DOCUMENTS.

(17) Gratuities. Seller shall not give, sell or otherwise distribute any gift certificates or other gratuities subsequent to the Effective Date. Schedule (17) constitutes a true, correct and complete list of all gift certificates or gratuitous, prepaid or reduced green fees, driving range fees, The Club at Hidden Creek access fees, complimentary passes, food and beverage discounts, rain checks, discounts, gift certificates, trade/barter arrangements, and other privileges and entitlements (collectively "Gratuities"), which Seller has disbursed by gift, sale or otherwise.

Pursuant to Section 21 of this Agreement, on or before the Closing, Seller and Buyer shall prorate the value of such Gratuities. On and after the Closing Date, Buyer shall honor all Gratuities which are prorated between Seller and Buyer pursuant to Section 21 of this Agreement, and shall indemnify, defend, and hold harmless Seller with respect to any and all claims, damages, liabilities, lawsuits, costs, and expenses, including without limitation attorneys' fees and costs, suffered or incurred by Seller by reason of Buyer's failure to honor all such Gratuities on and after the Closing Date.

(18) Employees, Wages, Salaries and Other Compensation. Seller shall terminate all of its employees presently employed by Seller exclusively with respect to the Property, effective on and as of the Closing Date. Buyer shall have the right, but not the obligation, to hire any employee presently employed by Seller exclusively with respect to the Property who is terminated by Seller. Seller shall be responsible for the compensation, benefits, and severance due to all employees at the Property up to the Closing Date. For the avoidance of doubt, Seller shall not be required to terminate, and Buyer shall not have the right to hire, any employee of Seller whose scope of employment includes both duties that are related to the Property and duties that are not related to the Property.

(19) Risk of Loss. The risk of loss or damage to the Property prior to the Closing shall be borne by the Seller.

(20) Deliveries at Closing. At the Closing, the parties shall deliver all deeds, bills of sale, assignments, documents and other things reasonably necessary to consummate the sale and purchase of the Property pursuant to the terms of this Agreement, including without limitation the items indicated below:

- (a) Seller's Deliveries. Seller shall execute and/or deliver to Buyer the following:
  - (i) Special warranty deed conveying the Real Property in the form attached hereto as Exhibit "F", duly executed and acknowledged by Seller, subject only to the Permitted Exceptions;
  - (ii) Omnibus Bill of Sale and Assignment in the form attached hereto as Exhibit "B", conveying the Personal Property, duly executed and acknowledged by Seller;
  - (iii) Effluent Disposal Easement Agreement in the form of Exhibit "D";
  - (iv) Agreement Granting Right of First Refusal in the form of Exhibit "E";
  - (v) Duly executed cancellations in recordable form cancelling all mortgages and liens (other than the liens for ad valorem real and personal property taxes for the year of Closing which shall be prorated at Closing), if any, encumbering the Real Property or the Personal Property;
  - (vi) Seller's title insurance and lien waiver affidavits in customary form and substance satisfactory to the Title Company;
  - (vii) Full possession of the Property to the Buyer;

- (viii) An affidavit, in customary form and substance stating that Seller is a “United States corporation/person”, as referred to and defined in Internal Revenue Code Sections 1445(f)(3) and 7701(g), and stating Seller’s address and United States taxpayer identification number or social security number;
  - (ix) Evidence reasonably satisfactory to the Title Company that the person(s) executing the deeds and other Closing documents on behalf of Seller has full authority to do so and to consummate, on behalf of Seller, the transactions contemplated by this Agreement;
  - (x) Closing statement; and
  - (xi) Any other documents contemplated by this Agreement or required by law to be delivered by Seller at or prior to the Closing.
- (b) Buyer’s Deliveries. Buyer shall execute and/or deliver the following:
- (i) The Purchase Price, as increased or decreased by the prorations and adjustments provided for elsewhere in this Agreement, in good and immediately available U.S. dollars paid by certified check or by wire transfer, at Seller’s election,, and to any other parties, the amounts in payment of the costs and expenses payable by Buyer incident to the Closing as required by this Agreement and set forth in the closing statement executed at the Closing;
  - (ii) Closing statement;
  - (iii) Omnibus Bill of Sale and Assignment in the form of **Exhibit “B”**;
  - (iv) Golf Carts Lease Consent and Release Agreement in the form of **Exhibit “C”** duly executed by Lessor;
  - (v) Effluent Disposal Easement Agreement in favor of HNWS in the form of **Exhibit “D”**;
  - (vi) Agreement Granting Right of First Refusal in the form of **Exhibit “E”**; and
  - (vii) Any other documents contemplated by this Agreement or required by law to be delivered by Buyer at or prior to the Closing.

(21) Prorations. The following prorations shall be made between Seller and Buyer at the Closing, computed effective as of midnight on the day immediately prior to the Closing Date. Pursuant to Section (21)(f) hereof, within sixty (60) days after Closing, Seller and Buyer shall complete and conduct the Final Accounting which shall include, without limitation, verification of the calculation of all prorations completed by Seller and Buyer pursuant to this Section (21) as of the Closing.

(a) Real Estate Ad Valorem Taxes. All real property ad valorem taxes applicable to the Real Property for years ending prior to the Closing Date shall be paid by Seller at or prior to

Closing. All real property ad valorem taxes applicable to the Real Property for the year in which the Closing occurs shall be prorated between Seller and Buyer, without taking into account any available discounts. If the Closing occurs between January 1 and November 1, such proration shall be calculated on the basis of the full tax amount for the prior year, without taking into account any available discounts, and such proration shall be final and shall not later be adjusted or re-prorated based on the actual tax amount for the year in which the Closing occurs.

(b) Personal Property Ad Valorem Taxes. All personal property ad valorem taxes applicable to the Personal Property for years ending prior to the Closing Date shall be paid by Seller at or prior to Closing. All personal property ad valorem taxes applicable to the Personal Property for the year in which the Closing occurs shall be prorated between Seller and Buyer, without taking into account any available discounts. If the Closing occurs between January 1 and November 1, such proration shall be calculated on the basis of the full tax amount for the prior year, without taking into account any available discounts, and such proration shall be final and shall not later be adjusted or re-prorated based on the actual tax amount for the year in which the Closing occurs.

(c) Sales Taxes. Buyer shall bear, be responsible for and shall pay for, all sales and use taxes arising out of the sale and transfer by Seller to Buyer of the Property. Seller shall bear, be responsible for, and shall pay for all sales and use taxes arising with respect to the operation of the Property prior to Closing.

(d) Income and Expenses. All income and expenses with respect to the Property shall be prorated at Closing, and the Seller is responsible for all expenses and entitled to all revenue for the period up to and including midnight on the day prior to the Closing Date, and Buyer is responsible for all expenses and entitled to all revenue for the period on and after the Closing Date. Buyer shall receive a credit for prorated prepaid income already received by Seller, and Seller shall receive a credit for prorated prepaid expenses already paid by Seller.

(e) Prepaid Items.

(i) Gratuities. Seller shall reimburse Buyer for the amounts of all gift certificates or other gratuities (including prepaid green fees, if any) as set forth in Schedule 17 hereof, to the extent not redeemed prior to Closing.

(ii) Utility Charges. All utility charges applicable to the Property shall be prorated between Seller and Buyer as of the Closing pursuant to the final meter readings. Seller shall be entitled to receive all utility deposits or receive a credit for same at Closing. The utility charges shall be estimated based on the prior month's utility bill, if the current bill is not prepared.

(iii) Assumed Contracts. All sums paid or owing pursuant to the Assumed Contracts shall be prorated between Seller and Buyer as of the Closing.

(iv) Other Payables and Receivables. All account payables and account receivables relating to the operation of the Property prior to the Closing and not otherwise provided for in this Section (21) shall remain the obligation and property of Seller.

(f) Final Accounting. Seller and Buyer acknowledge and agree that at the Closing, Seller and Buyer may not have sufficient information at their disposal to conduct and complete a final proration of all items subject to proration pursuant to this Section (21). Accordingly, Seller and Buyer hereby agree as follows: (a) on the Closing, Seller and Buyer shall in good faith calculate the prorations contemplated in this Section (20) effective as of the Closing, if only an estimate is available; and (b) within sixty (60) days after the Closing Date, Seller and Buyer shall conduct a final accounting of all matters and items subject to proration pursuant to this Section (21) ("Final Accounting"). In the event it is determined pursuant to the Final Accounting that any amounts are due and owing by Seller to Buyer, then Seller shall cause such amounts to be paid to Buyer within ten (10) calendar days after the date the Final Accounting is completed. In the event it is determined pursuant to the Final Accounting that any amounts are due and owing by Buyer to Seller, then Buyer shall cause such amounts to be paid to Seller within ten (10) calendar days after the date of the Final Accounting is completed. In the event Seller or Buyer fails to pay to the other Party any sums owing to such Party pursuant to the Final Accounting within such ten (10) calendar day period, all such unpaid amounts shall bear interest at the rate of eighteen percent (18%) per annum from the date of the Final Accounting until paid in full.

(g) Remedies. Notwithstanding the terms and conditions of Section (25) hereof, Seller and Buyer shall be entitled to all contractual remedies at law or in equity relating to a post-Closing breach by the other Party under Section (21) hereof.

(h) Special Assessment Liens. Special assessment liens which are certified, confirmed, and ratified as of the date of Closing are to be paid by Seller. Special assessment liens which are certified, confirmed and ratified but payable in installments post Closing shall be paid in full by Seller at Closing.

(i) Survival. The provisions of this Section (21) shall survive the Closing and the conveyance of the Property by Seller to Buyer.

(22) Brokerage. Seller represents to Buyer that Seller has not contracted with any person or entity that is entitled to a real estate, brokerage, or finder's fee or commission in connection with this sale. Buyer represents to Seller that Buyer has not contracted with any person or entity that is entitled to a real estate, brokerage, or finder's fee or commission in connection with this sale. Seller and Buyer hereby agree to indemnify, defend and hold harmless the other against any claim of any broker, finder, or other person or entity claiming a real estate brokerage, or finder's fee or commission in connection with this sale by, through or under such indemnifying party, including all costs and reasonable attorneys' fees expended by the party so indemnified in the defense of any such claim. The provisions of this Section (22) shall survive the Closing and conveyance of the Property to Buyer.

(23) Condemnation. In the event of an actual or proposed taking (by exercise of the power of eminent domain) of all or any material portion of the Property with respect to which Seller receives notice or actual knowledge prior to Closing, Seller shall give Buyer prompt written notice thereof and Buyer shall have the option by written notice given to Seller prior to Closing of: (i) terminating this Agreement, whereupon the Deposit shall be returned to Buyer, Buyer and Seller shall each be released from all further obligations to each other respecting

matters arising from this Agreement; or (ii) proceeding to purchase the Property and receiving from Seller at Closing all of its right, title and interest in and to any award to which Seller may be entitled or, if such award is received by Seller prior to Closing, a credit of same toward the Purchase Price.

(24) Notices. All notices, requests and other communications required or desired hereunder (each, a "notice") shall be in writing and shall be delivered by (i) personal delivery, (ii) "next business day" delivery by a nationally recognized overnight delivery service with evidence of delivery, or (iii) electronically or by facsimile transmission, addressed to the following addresses:

If to Buyer: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Fax: \_\_\_\_\_  
Email: \_\_\_\_\_

With copies to: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Fax: \_\_\_\_\_  
Email: \_\_\_\_\_

If to Seller: The Club at Hidden Creek, LLC  
Attn: \_\_\_\_\_  
8574 Turkey Bluff Road  
Navarre, Florida 32566  
Fax: \_\_\_\_\_  
Email: \_\_\_\_\_

With copy to: John P. Daniel  
Beggs & Lane, RLLP  
P. O. Box 12950 (32591-2950)  
501 Commendencia Street  
Pensacola, FL 32502  
Fax: 850-469-3331  
Email: [jpd@beggslane.com](mailto:jpd@beggslane.com)

or at such other address as may be designated by either of the parties in a written notice given in accordance with the provisions of this Section (24).

All notices shall be deemed to have been sufficiently given and received for all purposes, whether actually received or not, (i) on the date of delivery, if delivered prior to 4:00 p.m. local time in Navarre, Florida, on a day that is a Business Day by personal delivery, facsimile or electronic transmission, or (ii) on the next Business Day, if delivered on a day other than a Business Day or after 4:00 p.m. central time on a day that is a Business Day by personal delivery, nationally recognized overnight delivery service, facsimile or electronic transmission.

Notice shall be deemed delivered if delivery is attempted between 9:00 a.m. and 4:00 p.m. central time on a Business Day and is refused, rejected or fails due to abandonment or closure. All notices, requests and other communication may be given by counsel to the party giving such notice. "Business Day" shall mean any weekday (Monday through Friday), excluding each weekday that is a federal holiday recognized by the United States government.

(25) Default.

(a) Except as otherwise expressly provided in this Agreement, in the event of a default by Buyer, Seller may terminate this Agreement by giving Buyer written notice of termination and retain the Deposit as liquidated damages (and not as a penalty or forfeiture), as Seller's sole and exclusive remedy.

(b) If Seller shall fail or refuse to make settlement hereunder as herein required, then, except as otherwise provided in this Agreement, Buyer at its option and as its sole and exclusive remedies may: (i) waive any of Seller's requirements, conditions, covenants or agreements or any breach or failure thereof, without reduction or abatement in the Purchase Price; (ii) seek specific performance of this Agreement in accordance with its terms; or (iii) terminate this Agreement and receive a refund of the Deposit, whereupon Buyer and Seller shall each be released from all further obligations to each other respecting matters arising from this Agreement. Buyer expressly waives the right to seek or recover monetary damages from Seller other than the return of the Deposit as provided above or to exercise any other right or remedy at law or in equity except as expressly provided above.

(26) Assignment. Buyer shall not assign any of its right, title or interest in, to or under this Agreement to any person or entity without Seller's prior written consent.

(27) Miscellaneous.

(a) The recitals set forth on page one of this Agreement are true and correct and are hereby incorporated herein by reference.

(b) This Agreement constitutes the entire understanding and agreement between the parties with respect to the sale and purchase of the Property, and all prior negotiations, understandings, and agreements, whether written or verbal, between the parties with respect to the sale and purchase of the Property are hereby superseded.

(c) Except as otherwise expressly stated in this Agreement, none of the terms, covenants, representations and warranties provided in this Agreement shall survive the Closing and consummation of the transactions contemplated hereby.

(d) This Agreement shall apply to, inure to the benefit of, and be binding upon and enforceable against Seller and Buyer and their respective successors and assigns to the same extent as if specified at length throughout this Agreement.

(e) In computing any period of time prescribed by the terms of this Agreement, the day from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included unless it is a Saturday, Sunday or federal holiday

recognized by the United States government, in which event the period shall run until the end of the next day which is not a Saturday, Sunday or federal holiday. In the event any day on which any act is to be performed by Seller or Buyer under the terms of this Agreement is a Saturday, Sunday or federal holiday, the time for the performance by Seller or Buyer of any such act shall be extended to the next day which is not a Saturday, Sunday or federal holiday.

(f) This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument; and any party or signatory hereto may execute this Agreement by signing any such counterpart.

(g) This Agreement may be signed and transmitted electronically or by facsimile machine; the signature of any person on an electronically or facsimile transmitted copy hereof shall be considered an original signature; and an electronically or facsimile transmitted copy hereof shall have the same binding effect as an original signature on an original document. At the request of any party, any electronic or facsimile copy of this Agreement shall be re-executed in original form. No party may raise the use of electronic mail or a facsimile machine or the fact that any signature was transmitted through the use of electronic mail or a facsimile machine as a defense to the enforcement of this Agreement.

(h) Whenever used herein the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

(i) TIME IS OF THE ESSENCE IN COMPLYING WITH THE TERMS, CONDITIONS AND AGREEMENTS OF THIS AGREEMENT. WITHOUT LIMITING THE FOREGOING, BUYER AND SELLER AGREE THAT THE COVID-19 PANDEMIC AND REALTED OR RESULTING QUARANTINES, BUSINESS CLOSINGS, SOCIAL DISTANCING MEASURES, AND GOVERNMENTAL REGULATIONS AND RESTRICTIONS SHALL NOT CONSTITUTE CAUSE OR JUSTIFICATION FOR EXTENSION OF ANY DEADLINE IN THIS AGREEMENT, OR FOR THE NON-PERFORMANCE OR DELAY IN PERFORMANCE OF ANY OF THE PARTIES' RESPECTIVE OBLIGATIONS UNDER THIS AGREEMENT.

(j) The "Effective Date" of this Agreement, which is the date upon which this Agreement shall be deemed to be effective, is the date upon which this Agreement is executed by the last party to execute this Agreement, as shown by the respective dates set forth below the places provided for the parties' execution.

(k) This Agreement shall not be amended except by a written instrument that makes specific reference to this Agreement and is signed by the respective duly authorized representatives of Seller and Buyer.

(l) This Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

(m) Should any provision, paragraph, sentence, word or phrase contained in this Agreement be determined by a court of competent jurisdiction to be invalid, illegal, or otherwise unenforceable under any federal, state, or local law, ordinance, rule, or regulation, such provision, paragraph, sentence, word or phrase shall be deemed modified to the extent necessary

in order to conform with such law, ordinance, rule, or regulation, or if the same by its nature cannot be so modifiable, then same shall be deemed severed from this Agreement, and in either event, the remaining terms and provisions of this Agreement shall remain unmodified and in full force and effect or limitation of its use.

(n) Should either Buyer or Seller employ an attorney to enforce any of the terms and conditions hereof, or to protect any right, title or interest created or evidenced hereby, or to exercise any remedy hereunder for the other party's breach of the terms and conditions hereof, whether or not a lawsuit is filed, the defaulting party shall pay to the non-defaulting party all reasonable costs, damages and expenses, including reasonable attorneys' fees, expended or incurred by the non-defaulting party. The provisions of this paragraph shall survive any termination of this Agreement and shall survive the Closing.

(o) 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 UNIT.

(p) Unless otherwise stated, all times noted in this Agreement shall refer to prevailing local time in Navarre, Florida.

IN WITNESS WHEREOF, Buyer and Seller have executed this Agreement on the respective dates set forth below.

*REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.  
SIGNATURES ON FOLLOWING PAGES.*

**BUYER:**

Signed, sealed and delivered  
in the presence of:

\_\_\_\_\_,  
a \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_

*SIGNATURE PAGE TO PURCHASE AND SALE AGREEMENT BETWEEN  
THE CLUB AT HIDDEN CREEK, LLC AND \_\_\_\_\_*

Signed, sealed and delivered  
in the presence of:

\_\_\_\_\_  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_

**SELLER:**

**THE CLUB AT HIDDEN CREEK, LLC**  
a Florida limited liability company

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

*SIGNATURE PAGE TO PURCHASE AND SALE AGREEMENT BETWEEN  
THE CLUB AT HIDDEN CREEK, LLC AND \_\_\_\_\_*