

Key Terms and Conditions

1. **Purchase Price:** \$5,000,000
2. **Assets and property to be purchased:** All of the assets and properties used in the operation and maintenance of the Park Water utility system; all such assets and properties to be sold free from any lien. The system is comprised of a water distribution system and a single parcel of real property where the current water storage tank is located. Park Water Company, Inc. (the "Seller") has an outstanding loan from Florida Department of Environmental Protection (FDEP) secured by the utility system. Seller will fully retire the FDEP loan from proceeds of the purchase price and the system will be delivered to City ownership free of any mortgage or encumbrance.
3. **System purchase is "as-is," with Seller providing no warranties as to physical condition of the system.** The City engaged the Chastain Skillman engineering firm to assess condition of the utility system. The report prepared by Chastain Skillman describes the overall condition of the system as good. The City will have an additional 60 day period after signing the purchase agreement to conduct further due diligence. If the City is unsatisfied with the condition of the system after conducting any additional due diligence, the City may terminated the agreement. The annual report on the system conducted by FDEP found the system to be in compliance with applicable regulatory requirements.
4. **Anticipated date for execution of Agreement by both parties:** As soon as possible after July 21, 2020 public hearing on purchase of the utility system.
5. **Closing Date:** November 2, 2020, subject to extension for two additional 90 day periods if necessary to facilitate financing.
6. **Financing:** The City intends to finance the purchase with one or more loans from the FDEP state revolving fund loan program. The City has submitted an application to FDEP for financing and expects a decision on approval by mid-August. The purchase agreement provides that the City can terminate the agreement if it is unable to procure financing for the purchase which is satisfactory in the City's sole discretion.
7. **Excluded Assets:** Assets of Seller which Buyer elects not to acquire, if any, which will be identified in an attachment to the Agreement. As of July 14, Seller indicates there are no excluded assets.
8. **Excluded Liabilities:** Generally City does not assume or accept any liabilities relating to the assets and operations of Seller prior to the Closing date
9. **Payment to Seller at Closing:** Purchase Price minus amounts paid to discharge Seller's indebtedness
10. **Due Diligence:** The City has conducted substantial due diligence and reserves the right to conduct additional due diligence for a 60 day period after execution of the purchase agreement.
11. **Environmental Assessment:** City has the right to obtain a Phase I environmental assessment. If the phase I indicates presence of hazardous materials Seller's obligation to remediate is limited to bearing expense of \$50,000 and 20 days of work. The City is responsible for the cost of the Phase 1 environmental assessment. City staff received an estimate for the Phase 1 of \$2500.

12. **Survey:** City has the right to request that Seller update a recent survey and/or to have a new survey of the property performed, cost to be borne by Seller.
13. **Title Insurance:** City has the right to obtain title insurance with the cost to be borne by the City.
14. **Accounts Receivable; Unbilled Service:** Seller to receive a credit at Closing for 90% of the outstanding accounts receivable less than 60 days old and a credit of 75% of unbilled revenue