

FILE

OPTION AGREEMENT FOR SALE AND PURCHASE

THIS OPTION AGREEMENT FOR SALE AND PURCHASE (the "Agreement" or the "Option Agreement") is made this 19th day of April, 2013 (the "Effective Date") by and between **FLAGLER CROSSROADS, INC.**, a Florida corporation, whose address is 880 Airport Road, Suite 108, Ormond Beach, Florida 32174 ("Seller"), and **FLAGLER COUNTY**, a political subdivision of the State of Florida, whose address is 1769 East Moody Blvd, Bunnell, Florida, 32110 ("Buyer"). Buyer and Seller may hereafter be referred to individually as "Party" and collectively as "Parties".

1. Grant of Option. In consideration of the mutual agreements herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller grants to Buyer an exclusive option to purchase the real property located in **Flagler County, Florida**, legally described in Exhibit "A" attached hereto and incorporated herein by reference, together with all buildings, structures, timber, transferable development rights, improvements, easements, appurtenances, hereditaments, and riparian and littoral rights, if any (the "Property"), in accordance with the provisions of this Agreement. This Option Agreement becomes legally binding upon execution hereof, but exercise of the option is subject to approval by Buyer and is effective only if Buyer gives written notice of exercise to Seller.

2. Option Period. The term of this Option Agreement (the "Option Period") shall commence beginning on the Effective Date and shall expire at 5 p.m. on May 6, 2013 unless otherwise agreed upon by the Parties in writing (the "Option Date").

3. Exercise of Option. Buyer shall exercise its option to purchase the Property by voting to approve this Agreement at a publicly noticed meeting on the Option Date. If Buyer votes to approve this Agreement at such time, Buyer shall indicate its approval by having the Chairman of the Flagler County Board of County Commissioners execute the Option Agreement Approval, as set forth in Exhibit "B" attached hereto and incorporated herein by reference ("Approval"). Upon execution of the Approval, this Agreement shall henceforth be considered a binding purchase and sale agreement pursuant and subject to the terms and conditions hereinafter set forth.

4. Automatic Termination of Agreement. Except as otherwise set forth by this Agreement, if the Approval is executed by Buyer on the Option Date, the terms and conditions of this Agreement shall be binding upon Parties until the earliest occurrence of (i) the Closing, as defined hereafter, (ii) receipt of written notice of a Party's intention to terminate the Agreement, (iii) the passage of one hundred and fifty (150) days from the Option Date, ("Option Expiration Date") or (iv) the occurrence of a "Material Adverse Change" prior to Closing, which shall mean any loss or damage to the Property that materially reduces its value in the aggregate and/or the ability to operate the utility services as operated by Seller prior to Closing.

5. Obligations Incident to Closing. At Closing, neither Party shall be prohibited by law, decree or any pending legal action or proceeding from fulfilling its respective obligations required for Closing, as more fully set forth below. A Party's inability to make or continue the warranties and representations contained herein, or its failure to perform any obligations hereunder, shall constitute grounds for the immediate termination of this Agreement.

6. Financing Condition Precedent. As a condition precedent to Closing, Buyer shall obtain financing for the Property through a loan with an annual interest rate of no greater than four percent (4.0%) and a minimum term of five (5) years. If Buyer is unable to obtain financing on such terms, Buyer may terminate the Agreement at its discretion.

7. Purchase Price. The total purchase price for the Property is ONE MILLION TWO HUNDRED THIRTY THOUSAND AND NO/100 DOLLARS (\$1,230,000.00) ("Purchase Price") which will be paid by Buyer at Closing. Seller has advised Buyer that it intends to seek an income tax deduction for a charitable contribution based on an appraisal of the Property obtained by Seller (but not disclosed to Buyer). Buyer will complete any documentation required by the U.S. Internal Revenue Service and any other applicable governmental agencies stating the Purchase Price and other applicable terms of this Agreement to assist Seller with seeking the tax deduction.

8. Inspection/Testing Rights.

(a) Buyer shall have sixty (60) days from the Effective Date ("Due Diligence Period") to conduct an investigation of the Property. During the Due Diligence Period, Buyer shall have absolute access to the Property to conduct any inspections or tests which Buyer deems necessary or desirable, including but not limited to the land and all structures thereon. Such inspections/tests shall be normal and customary, as further described in paragraph 10.

(b) No evasive or damaging inspections or tests may be conducted without the prior written consent of Seller as to the nature and scope of such inspection or test. Buyer hereby agrees to indemnify and hold Seller harmless from any loss or liability incurred by Seller as a result of any of Buyer's actions relative to such inspection and/or investigation activities. If Buyer has not terminated this Agreement, as provided herein, or defaulted hereunder, the right of entry and investigation granted in this paragraph 8 shall continue unabated through Closing or until this Agreement is otherwise terminated. During the Due Diligence Period, Buyer shall have the absolute right, in its sole discretion, to terminate the contract if it discovers or detects any structural flaw or deficiency in the land, buildings or any other improvements situated on the Property that it deems unacceptable.

(c) Within fifteen (15) days of the Effective Date, Seller shall provide to Buyer or Buyer's counsel copies of the following, to the extent such items are within Seller's possession: any plats affecting the Property, all existing title insurance policies, any boundary or topographical surveys (collectively, the "Survey"), any building or property inspection reports, any structural or engineering reports related to the buildings located on the Property, any environmental site assessment reports, any geotechnical reports, any local, state and federal government permits and approvals for the Property, and any other documents related to the condition and use of the Property and the buildings located thereon.

9. Defect Remedies. If any defects are discovered on the Property or any building located thereon, Buyer, at its sole option, may elect to conduct any necessary repairs or to terminate this Agreement. If the County Administrator's cost estimate of work necessary to repair any defects equals or exceeds Two Hundred and Fifty Thousand Dollars (\$250,000) in total, above the repairs contemplated in the initial project budget, it will be necessary for the Flagler County Board of County Commissioners to provide an additional concurrence to move forward with the Buyer's purchase of the Property and related repair of the defects. At a minimum, such defects not contemplated in the project budget shall generally be structural or environmental, but shall not preclude the County Administrator from presenting any other unanticipated defect that he believes will materially affect the initial project budget.

10. Environmental Site Assessment. Buyer may conduct normal and customary environmental site assessments of the Property, including but not limited to Phase I and II Environmental Site Assessments, to determine the existence and extent, if any, of mold, lead, radon, asbestos or any other Hazardous Materials on the Property. If further investigations, testing, monitoring or environmental

site assessments are required to determine the existence or extent of Hazardous Materials on the Property, Buyer, at its sole option, may elect to extend the Option Expiration Date by thirty (30) days to conduct such procedures. For purposes of this Agreement, "Hazardous Materials" shall mean any hazardous or toxic substance, material or waste of any kind or any other substance which is regulated by any Environmental Law as hereinafter defined in paragraph 11.

11. Hazardous Materials. If the environmental site assessment provided for in paragraph 8 confirms the presence of Hazardous Materials on the Property, Buyer, at its sole option, may elect to terminate this Agreement and neither Party shall have any further obligations under this Agreement. Should Buyer elect not to terminate this Agreement, and Seller agrees to remediate the Hazardous Materials, Seller shall, at Seller's sole cost and expense and prior to the exercise of the option and Closing, promptly commence and diligently pursue any assessment, clean up and monitoring of the Property necessary to bring the Property into full compliance with Environmental Law. "Environmental Law" shall mean all federal, state and local laws, including statutes, regulations, ordinances, codes, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements and other governmental restrictions relating to the protection of the environment or human health, welfare or safety, or to the emission, discharge, seepage, release or threatened release of any contaminant, solid waste, hazardous waste, pollutant, irritant, petroleum product, waste product, radioactive material, flammable or corrosive substance, carcinogen, explosive, polychlorinated biphenyl, asbestos, hazardous or toxic substance, material or waste of any kind into the environment, including, without limitation, ambient air, surface water, ground water or land including, but not limited to, the Federal Solid Waste Disposal Act, the Federal Clean Air Act, the Federal Clean Water Act, the Federal Resource and Conservation and Recovery Act of 1976, the Hazardous and Solid Waste Amendments of 1984, the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Federal Superfund Amendments and Reauthorization Act of 1986, Chapters 161, 253, 373, 376 and 403, Florida Statutes, Rules of the U.S. Environmental Protection Agency, Rules of the Florida Department of Environmental Protection, and the rules of the Florida water management districts now or at any time hereafter in effect. However, should the estimated cost to Seller of cleanup of Hazardous Materials exceed a sum which is equal to or greater than five percent (5%) of the Purchase Price as stated in paragraph 7, Seller may elect to terminate this Agreement, and neither party shall have any further obligations under this Agreement. If Hazardous Materials placed on the Property prior to Closing are discovered after Closing, Seller shall remain obligated hereunder, with such obligation to survive the Closing, delivery, and recording of the deed described in paragraph 18 of this Agreement and to survive Buyer's possession of the Property, and Seller shall diligently pursue and accomplish the cleanup of Hazardous Materials in a manner consistent with all applicable Environmental Laws and at Seller's sole cost and expense.

Further, if neither party elects to terminate this Agreement as provided above, Seller shall indemnify and save harmless and defend Buyer, its respective officers, servants, agents and employees from and against any and all claims, suits, actions, damages, liabilities, expenditures or causes of action of whatsoever kind arising from Hazardous Materials placed on the Property prior to Closing. Seller shall defend, at Seller's sole cost and expense, any legal action, claim or proceeding instituted by any person against Buyer as a result of any claim, suit or cause of action for injuries to body, life, limb or property for which Hazardous Materials placed on the Property prior to Closing are alleged to be a contributing legal cause. Seller shall save Buyer harmless from and against all judgments, orders, decrees, attorney's fees, costs, expenses and liabilities in and about any such claim, suit, investigation or defense thereof, which may be entered, incurred or assessed as a result of the foregoing.

The limitation herein on Seller's contractual obligation to indemnify Buyer as specified in this paragraph 11 shall not be construed to limit Seller's legal liability under any Environmental Law for Hazardous Materials located on the Property or to limit Buyer's legal and equitable remedies against Seller under any Environmental Law for Hazardous Materials located on the Property.

12. Updated Survey. Buyer shall have the right, but not the obligation at Buyer's sole cost and expense, to obtain an updated boundary survey for the Property (the "Updated Survey"). If Buyer elects to obtain an Updated Survey, and the Updated Survey shows any encroachment, hiatus or other condition that could affect the marketability of title to the Property, Buyer shall have the right to object to such condition as a Title Objection pursuant to the provisions of paragraph 13.

13. Title Evidence. Seller shall purchase and deliver to Buyer at Closing a fee title insurance policy (the "Policy") (unqualified, except as provided in this paragraph 13) with all printed standard exceptions deleted, insuring Buyer as the fee simple Seller of the Property in the full amount of the Purchase Price for the Property; such Policy to be purchased from and issued by a reputable, national title insurance company acceptable to Buyer and Seller (the "Title Company"). Within fifteen (15) calendar days after the Effective Date, a commitment for such title insurance policy shall be delivered to Buyer by Seller, including legible copies of all documents shown in exceptions (the "Title Commitment"). The Title Commitment shall be dated later than the Effective Date, shall be in the full amount of the Purchase Price, and shall have attached to it copies of all instruments described in said commitment. The Title Commitment must disclose the title to be good, marketable and insurable. If either the Survey or the Title Commitment reveals any encroachments, overlaps, easements, restrictions, covenants, conditions or other title defects (the "Title Objections"), the Buyer, within thirty (30) calendar days after the Effective Date, may notify Seller of the Title Objections. Seller shall have the later of (i) thirty (30) calendar days after receipt of notice of the Title Objections, or (ii) the Closing Date to cure any such Title Objections. Seller shall have no duty to cure any Title Objections except that Seller must cure liens or encumbrances evidencing monetary obligations of Seller at or before Closing. If any such Title Objections, other than those that will be cured or satisfied at Closing, remain uncured by Seller at the end of thirty (30) calendar days after Seller receives notice of the Title Objections, then Seller shall give Buyer written notice of Seller's failure to cure all the Title Objections and describe with specificity in that notice the Title Objections which remain uncured and those Title Objections which will be satisfied at Closing. Buyer may then do one of the following as Buyer's sole remedy:

(a) Accept the uncured Title Objections and require Seller to deliver the title to the Property at the Closing in its existing condition with no reduction in the Purchase Price; or

(b) Terminate this Agreement, whereupon all parties shall be released from further obligation hereunder.

Buyer shall give Seller written notice of Buyer's decision either to accept the uncured Title Objections or to terminate this Agreement within ten (10) business days after Buyer receives written notice from Seller of the uncured Title Objections. The failure of Buyer to give Seller notice of termination within ten (10) business days shall be deemed to constitute an acceptance by Buyer of the uncured Title Objections that then remain. Any matter disclosed by the Title Commitment or by the Survey which is not timely specified in Buyer's written notice to Seller shall be deemed a "Permitted Exception."

14. Buyer's Intended Use. Buyer intends to construct a Sheriff's Operations Center on the Property and co-locate other non-profit and government type services thereon (together, the "Intended Use"). Notwithstanding the foregoing, Buyer may use the Property for other good and lawful purposes.

15. Default.

(a) If Buyer defaults in its obligation to purchase the Property in accordance with the terms of this Agreement or otherwise defaults in its obligations hereunder that are to be performed at or before Closing, Seller's sole and only remedy against Buyer for Buyer's default shall be to retain any Option Fees as liquidated and agreed upon damages.

(b) In the event Seller breaches its covenant to convey the Property to Buyer or otherwise fails to perform its obligations under this Agreement which are to be performed at or prior to Closing, in accordance with its terms or breaches any of its representations and warranties, for any reason except for Buyer's default, Buyer shall be entitled to one of the following as Buyer's sole remedy: (i) terminate this Agreement; or (ii) seek and obtain specific performance of this Agreement.

16. Warranties Of Seller. Seller hereby warrants and represents to the Buyer, as follows, as of the date of this Agreement and as of the date of the Closing:

(a) That the Property, as presently zoned under the zoning laws of the city or county applicable to the Property, may be used by Buyer for the Intended Use.

(b) Neither Seller nor any agent or employee of Seller has received any notice of existing violation by the Property or any portion thereof of any zoning, building, fire, health, pollution, environmental protection or waste disposal ordinance, code, law or regulation, and Seller shall give prompt notice to Buyer of any such notice received by Seller, its agents or employees, prior to Closing.

(c) There is legal and practical ingress and egress for the Property over public roads or valid, recorded easements for the use and benefit of and as an appurtenance to the Property.

(d) Seller has not received notice, either oral or written, and has no reason to believe, that any governmental or quasi-governmental agency or authority intends to commence construction of any special or off-site improvements or impose any special or other assessments against the Property.

(e) There is no litigation or other legal or administrative proceedings pending or threatened against or relating to the Property, nor does Seller know or have reasonable grounds to know of the basis for any such proceedings.

(f) No assessments for public improvements have been made against the Property or any part thereof which remain unpaid, including without limitation, notice for construction of sewer, water, gas and electric lines and mains, streets, roads, sidewalks and curbs.

(g) There is no commitment of Seller which is or will be binding on Buyer to dedicate any portion of the Property for road right-of-way or other public purposes.

(h) There are no agreements or other commitments which have been contractually entered into by Seller or any other person with any governmental, administrative or quasi-governmental body or agency affecting or binding upon the Property in any manner.

(i) Seller has not received notice (either oral or written) of any default or breach by Seller under any covenants, conditions, restrictions or easements affecting the Property or any part thereof, no such default now exists, and no event has occurred and is continuing which with the passage of time would constitute default on any part thereof and Seller has no reason to believe that it is in such default or breach.

(j) Seller has not received notice of (either oral or written), and to the best of Seller's knowledge, there are no violations of any laws, statutes, ordinances, regulations or requirements of any governmental authority affecting the Property in its present use by the Seller.

(k) Seller has the full right and authority to execute this Agreement and to undertake all actions which it requires.

(l) To the best of Seller's knowledge, none of the Property was excavated, other than in connection with the standard construction practices for the construction of a building or buildings on the Property, no landfill was deposited on or taken from any part of the Property, nor was any construction debris or any other debris or contamination (such as, but not limited to rocks, stumps or concrete or Hazardous Materials) buried on any of the Property, and the Property is free from contamination by any Hazardous Materials as defined in paragraph 11.

Seller shall indemnify, defend and hold Buyer harmless from and against any and all liabilities which arise after the Effective Date of this Agreement due to a breach of any of the foregoing representations and warranties by Seller.

Seller shall not by any act or omission of Seller, alone or in conjunction with others, cause to arise any defect in or burden or cloud upon the title (other than regular ad valorem taxes) to the Property subsequent to the execution of this Agreement and prior to Closing.

Each of the warranties and representations contained in this paragraph 16 shall be deemed made as of the date of this Agreement and again as of the date of Closing. Seller shall remain fully liable to Buyer for any loss, harm, damage or expense, including reasonable attorney's fees and court costs incurred by Buyer arising out of any breach or inaccuracy of any warranty or representation given hereunder or under any other Paragraph of this Agreement and Buyer, at its option, shall be entitled to an offset and reduction of the Purchase Price for any loss sustained or payment by Seller in cash upon demand.

17. Interest Conveyed. Upon execution of this Agreement, Seller shall submit to Buyer a properly completed and executed beneficial interest affidavit and disclosure statement as required by Sections 286.23, 375.031(1) and 380.08(2), Florida Statutes. At Closing, Seller shall execute and deliver to Buyer a statutory warranty deed in accordance with the provisions of Section 689.02, Florida Statutes, conveying marketable title to the Property in fee simple free and clear of all liens, reservations, restrictions, easements, leases, tenancies and other encumbrances, except for those that are Permitted Exceptions, in the sole discretion of Buyer and do not impair the marketability of the title to the Property. The Parties shall also execute a closing statement, a title, possession and lien affidavit certified to Buyer, an assignment of development rights, an environmental affidavit and any other Closing documents required by Buyer, Seller or the Title Company. In addition, Seller shall authorize Buyer to issue funds for the Purchase Price directly to an escrow agent who is authorized by law to receive such payments and who is acceptable to Buyer, and to require the escrow agent to pay Seller's expenses of sale and real estate taxes from the funds deposited with escrow agent.

18. Preparation of Closing Documents. Prior to the Closing hereunder, Seller shall submit to Buyer a properly completed and executed beneficial interest affidavit and disclosure statement as required by Sections 286.23, 375.031(1) and 380.08(2), Florida Statutes. The Closing agent shall prepare the deed described in paragraph 17 of this Agreement, the Buyer's and Seller's Closing statements, the title, possession and lien affidavit certified to Buyer, the title insurance commitment, an assignment of development rights, an environmental affidavit and any other Closing documents required by Buyer, Seller or the Title Company.

19. Proration of Property Taxes and Assessments. Real property taxes upon the Property for the year of Closing shall be prorated as of the Closing Date on the basis of maximum discounts allowed by taxing authorities, if any. Real property taxes for all prior years shall be Seller's responsibility and shall be paid by Seller at or prior to Closing. If the amount of taxes for the current year cannot be ascertained as of the Closing, the rates, millage and assessed valuations for the preceding calendar year (with known changes) shall be used for purposes of making a tentative proration at Closing; however, said taxes shall thereafter be finally re-prorated by and between Seller and Buyer (on the basis

of maximum allowable discounts) upon receipt by Seller or Buyer of the statement or statements therefor from the proper taxing authorities. The cash payment due Seller from Buyer at Closing shall be increased or decreased as may be required by such proration of taxes. If the Property is not yet a separate tax parcel and is included in other property of Seller, Seller shall receive Buyer's credit at Closing and shall be responsible for paying the taxes for the year in which the Closing occurs.

20. Permits. Seller shall transfer and assign to Buyer all St. Johns River Water Management District, Florida Department of Environmental Protection, U.S. Army Corps of Engineer, Florida Fish and Wildlife Conservation Commission, and any and all other local, state or federal permits and approvals applicable to the Property, if any, prior to Closing. Seller shall execute any documents necessary to effectuate such permit assignments.

21. Closing Place and Date. The Closing hereunder (the "Closing") shall be on or before ninety (90) days after Buyer exercises the option granted herein; provided, however, that if a defect exists in the title to the Property, title commitment, Survey, environmental site assessment, or any documents required to be provided or completed and executed, the Closing shall occur either on the original Closing date or within thirty (30) days after receipt of documentation removing the defects, whichever is later. Buyer shall set the date, time and place of Closing. Closing may be extended beyond the conditions stated above, with authorization of Buyer, for an additional thirty (30) days to allow Seller time to comply with this paragraph.

22. Risk of Loss and Condition of Property. Seller assumes all risk of loss or damage to the Property prior to the date of Closing and warrants that the Property shall be transferred and conveyed to Buyer in the same or essentially the same condition as of the date of Seller's execution of this Agreement, ordinary wear and tear excepted. If the condition of the Property is altered, by an act of God or other natural force beyond the control of Seller, however, Buyer may elect, at its sole option, to terminate this Agreement and neither party shall have any further obligations under this Agreement. Seller represents and warrants that there are no parties other than Seller in occupancy or possession of any part of the Property. Seller warrants that there are no facts known to Seller materially affecting the value of the Property which are not readily observable by Buyer or which have not been disclosed to Buyer. Buyer acknowledges that the buildings located on the Property have been vacant for a number of years and that Buyer is purchasing the Property in "as is condition".

23. Right to Enter Property and Possession. Seller agrees that from the date this Agreement is executed by Seller, Buyer and its agents, upon reasonable notice, shall have the right to enter the Property for all lawful purposes in connection with this Agreement. Seller shall provide Buyer with keys to all buildings on the Property for such purposes. Seller shall deliver possession of the Property to Buyer at Closing.

24. Brokers. Seller warrants that no persons, firms, corporations or other entities are entitled to a real estate commission or other fees as a result of this Agreement or subsequent Closing, except as accurately disclosed on the disclosure statement required in paragraph 17. Seller shall indemnify and hold Buyer harmless from any and all such claims, whether disclosed or undisclosed.

25. Recording. Buyer may record this Agreement, or notice of it, in the Public Records of Flagler County, Florida, at its discretion and expense. If Buyer subsequently terminates this Agreement, if Buyer has recorded the Agreement or notice thereof, Buyer shall record a Notice of Termination.

26. Assignment. This Agreement may be assigned by Buyer to another government entity, in which event Buyer will provide written notice of assignment to Seller. Seller may not assign this Agreement without the prior written consent of Buyer.

27. Time. Time is of essence with regard to all dates or times set forth in this Agreement.

28. Severability. If any of the provisions of this Agreement are deemed to be unenforceable and the unenforceability of said provisions does not adversely affect the purpose and intent of this Agreement, in Buyer's sole discretion, the enforceability of the remaining provisions of this Agreement shall not be affected.

29. Successors in Interest. This Agreement shall bind and inure to the benefit of Seller and Buyer and their respective heirs, legal representatives and successors. Whenever used, the singular shall include the plural and one gender shall include all genders.

30. Entire Agreement. This Agreement contains the entire agreement between the parties pertaining to the subject matter contained in it and supersedes all prior and contemporaneous agreements, representations and understandings of the parties. No supplement, modification or amendment to this Agreement shall be binding unless executed in writing by the parties. Notwithstanding the foregoing, the parties acknowledge that the legal description contained in Exhibit "A" was prepared based upon historic chain of title information, without the benefit of a current survey of the Property. The parties agree that if, in the opinion of Buyer, it becomes necessary to amend the legal description of the Property to correct errors, to more properly describe the Property, to cut out portions of the Property affected by title defects unacceptable to Buyer or which cannot be timely cured by the Seller, or to otherwise revise the legal description of the Property, the legal description to be used in the Survey (if any) and in the Closing instruments required by this Agreement shall be revised by or at the direction of Buyer, and shall be subject to the final approval of Buyer. Anything to the contrary hereinabove notwithstanding, such a revision of the legal description of the Property shall not require a written amendment to this Agreement. In such event, the Seller's execution and delivery of the Closing instruments containing the revised legal description and Buyer's acceptance of said instruments and of the final Survey (if any) containing the revised legal description shall constitute a full and complete ratification and acceptance of the revised legal description of the Property by the parties.

31. Waiver. Failure of Buyer to insist upon strict performance of any covenant or condition of this Agreement, or to exercise any right herein contained, shall not be construed as a waiver or relinquishment for the future of any such covenant, condition or right; but the same shall remain in full force and effect.

32. Counterparts. This Agreement may be executed in one or more counterparts, but all such counterparts, when duly executed, shall constitute one and the same Agreement.

33. Addendum. Any addendum attached hereto that is signed by the parties shall be deemed a part of this Agreement.

34. Notice. Whenever either party desires or is required to give notice unto the other, it must be given by written notice, and either delivered personally, transmitted via facsimile transmission, mailed postage prepaid, certified mail, or sent by overnight courier to the appropriate address indicated on the first page of this Agreement, or such other address as is designated in writing by a party to this Agreement. A copy of any notice given to Buyer shall also be given to the following representatives of the Buyer: County Administrator, at 1769 E. Moody Blvd., Bldg. #2, Bunnell, Florida 32110, and also to

County Attorney, at 1769 E. Moody Blvd., Bldg. #2, Bunnell, Florida 32110. A copy of any notice given to Seller shall also be given to the following representatives of the Seller: Caroline McNeil, Chiumento Selis Dwyer, PL, 145 City Place, Suite 301, Palm Coast, Florida 32164. and also to Ms. Margaret Sheehan-Jones, CCIM, Broker Associate, Parkside Realty Group, Commercial Division, 210 Old Kings Road S. Suite 500. Flagler Beach 32136.

35. Survival. The covenants, warranties, representations, indemnities and undertakings of Seller set forth in this Agreement shall survive the Closing, the delivery and recording of the deed described in paragraph 18 of this Agreement and Buyer's possession of the Property.

IF THIS INSTRUMENT IS NOT EXECUTED BY THE SELLER ON OR BEFORE THE 25th DAY OF April, 2013, BUYER SHALL BE UNDER NO OBLIGATION TO ACCEPT THIS INSTRUMENT. THE EXERCISE OF THE OPTION PROVIDED FOR HEREIN IS SUBJECT TO: (1) APPROVAL BY THE FLAGLER COUNTY BOARD OF COUNTY COMMISSIONERS, (2) ADEQUATE BUYER FUNDING AS DEFINED HEREIN, AND (3) BUYER APPROVAL OF ALL DOCUMENTS TO BE FURNISHED HEREUNDER.

THIS IS INTENDED TO BE A LEGALLY BINDING AGREEMENT WHEN DULY EXECUTED.

[Signatures on Following Pages]

SELLER:

FLAGLER CROSSROADS, INC., a Florida corporation

By: James A. Newsom

Name: James A. Newsom

As Its: president

4/25/2013

Date signed by Seller

BUYER:

FLAGLER COUNTY

BY: Craig M. Coffey
Craig Coffey, County Administrator

APPROVED AS TO FORM:

Albert J. Haddad
Albert J. Haddad, County Attorney

Exhibit "A"

Legal Description of Property located at 901 MOODY BLVD E

Parcel Number 10-12-30-0850-00180-0000

TOWN OF BUNNELL BLKS 18, 33, 34 & 37 & VAC ALLEY & VAC S ORANGE STREET & THAT
PT OF BL C TR 11 & 14 LYING SW OF LEMON ST. OR 101 PG 272 OR 100 PG 668 OR 85 PG 555-
556 OR 139 PG 702 OR 397 PG 170 OR 400 PG 342 OR 894 PG 1752 OR 1329/1323-RESOL OR
1474/1350-ORD-06-23 OR 1474 PG 1356.

[To be verified by Updated Survey].

Project Name: **Bunnell Hospital Property**
Folio/Tax ID No.: 10-12-30-0850-00180-0000

Exhibit "B"

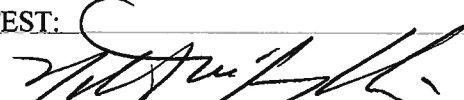
Option Agreement Approval

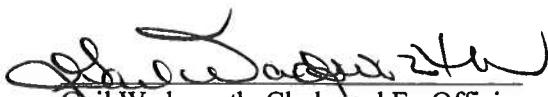
On May 6, 2013, the Board of County Commissioners voted to approve the Option granted in the Option Agreement for Sale and Purchase by and between Flagler Crossroads, Inc. and Flagler County, to which this Approval is attached as Exhibit "B" subject to additional conditions approved by the Board. Those conditions are that (i) the Due Diligence Period is extended to ninety (90) days from sixty (60) days in Section 8; (ii) the financial conditions precedent to Closing pursuant to Section 6 shall additionally include Buyer obtaining an independent appraisal of the Property and should such appraisal be less than the Purchase Price, Buyer may terminate the Agreement at its discretion; and (iii) the Closing as provided in Section 10 shall be on or before one hundred twenty (120) days instead of ninety (90) days. For Buyer's Approval of the Agreement, as amended, to be effective, Seller shall execute its approval below and hand deliver same to Buyer's County Administrator within three (3) business days hereof. The date of delivery to Buyer's County Administrator shall be the Option Date under the Agreement. All other conditions of the Agreement shall remain the same and it shall be considered a binding purchase and sale agreement pursuant to its terms and conditions as amended hereby.

FLAGLER COUNTY BOARD OF
COUNTY COMMISSIONERS

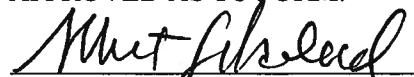
ATTEST:

BY:


Nate McLaughlin, Chair


Gail Wadsworth, Clerk, and Ex Officio
Clerk to the Board of County
Commissioners of Flagler County

APPROVED AS TO FORM:


Albert J. Hagedorn, County Attorney

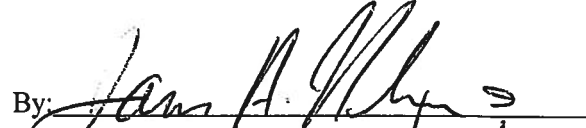
SELLER Agrees to the Foregoing Changes to the Agreement:

FLAGLER CROSSROADS, INC., a Florida
corporation

By:

Name:

As Its:


Name: James A. Newsom
As Its: President

Date signed by Seller: May 7, 2013
Date delivered to Buyer: May 7, 2013