



# BOARD OF COUNTY COMMISSIONERS

THE KEYSTONE COUNTY-ESTABLISHED 1827

435 W. Walnut St., Monticello, Florida 32344

**Benjamin "Benny"  
Bishop**  
District 1

**Eugene Hall**  
District 2, Vice-Chair

**Hines F. Boyd**  
District 3

**Betsy Barfield**  
District 4

**Stephen Walker**  
District 5, Chair

**Regular Session Agenda  
June 21, 2016 at the Courthouse Annex  
435 W. Walnut St. Monticello, FL 32344**

- 1. 6:00 P.M. – Call to Order, Invocation, Pledge of Allegiance**
- 2. Public Announcements, Presentations, & Awards**
- 3. Consent Agenda**
  - a) Approval of Agenda**
  - b) Minutes of June 7, 2016 Regular Session**
- 4. Citizens Request & Input on Non-Agenda Items (3 Minute Limit)**
- 5. General Business**
  - a) Workshop Request for Game Changer Project – Chair Walker**
  - b) Game Changer Presentation/BOCC Letter of Intent Discussion/Decision – EDC Work-Group**
  - c) Piney Woods Road Bid Recommendation – Kirk Reams/Rob Davis/Debby Preble**
  - d) Park Security Camera Proposal – Chair Walker/Beth Letchworth**
  - e) Code Enf. Appeals Process/Magistrate as Hearing Officer – Comm. Barfield/Parrish Barwick**
  - f) Glen Bishop Ent. Project Lease & Bank Loan Agreement/Resolution – Barwick/Reams**
- 6. County Coordinator**
- 7. Commissioner Discussion Items**
- 8. Adjourn**

From the manual "Government in the Sunshine", page 40:

Paragraph C. Each board, commission or agency of this state or of any political subdivision thereof shall include in the notice of any meeting or hearing, if notice of meeting or hearing is required, of such board, commission, or agency, conspicuously on such notice, the advice that if a person decides to appeal any decision made by the board, agency or commission with respect to any matter considered at such meeting or hearing, he will need a record of the proceedings, and for such purpose he may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

**Kirk Reams**  
Clerk of Courts

**Parrish Barwick**  
County Coordinator

**T. Buckingham Bird**  
County Attorney  
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**ITEM 3**

**CONSENT AGENDA ITEMS**

JEFFERSON COUNTY BOARD OF COUNTY COMMISSIONERS  
REGULAR SESSION  
June 7, 2016

The Board met this date in regular session. Present were Chairman Stephen Walker, Commissioners Betsy Barfield, Benjamin “Benny” Bishop, Hines Boyd and Gene Hall. Also present were County Attorney Buck Bird, County Coordinator Parrish Barwick and Clerk of Court Kirk Reams.

1. County Coordinator Parrish Barwick led the invocation and Pledge of Allegiance.
2. Chairman Walker welcomed the Jefferson County School Board Members, the Jefferson County Superintendent of Schools and the School Board’s Attorney.
3. Leslie Ames and Tom Singleton with the Suwannee River Water Management District presented the Board with a Payment in Lieu of Taxes (PILT) check in the amount of \$9162.83. Ms. Ames and Mr. Singleton then made a presentation to the Board on Surface Water Improvement and Management (SWIM) plans.
4. Attorney Linda Bond Edwards, the County Commission’s counsel for the re-districting issue, gave a brief overview of the re-districting fees. She stated a judgment was rendered and the County Commission and School Board would be required to pay for plaintiffs’ attorney fees and costs. The costs were currently upwards of \$220,000 but Attorney Bond Edwards and School Board Attorney Cureton had spoken with plaintiffs’ counsel and the amount due was lowered to \$200,000 at this point. Both attorneys awaited direction from their respective Boards before negotiating with plaintiffs’ counsel.
5. Chairman Walker briefly adjourned the meeting to allow the School Board the opportunity to meet.
6. Chairman Walker called the meeting back to order.
7. **On motion by Commissioner Boyd, seconded by Commissioner Bishop and unanimously carried, the consent agenda—consisting of the approval of the agenda, the minutes of the May 17<sup>th</sup> Regular Session, the Appointment of Buddy Westbrook to the Planning Commission and TDC Appointments—was approved.**
8. County Engineer Rob Davis, with Preble-Rish, presented bids for the project on Big Joe Road. He stated the low bidder was Peavy and Sons at \$855,717 and recommended the Board approve low bidder with the caveat that Preble-Rish lower project down to budgeted amount of \$776,330. **On motion by Commissioner Hall, seconded by Commissioner Barfield and unanimously carried the Board approved the engineer’s recommendation as stated above.**
9. Clerk of Court Kirk Reams noted that the Piney Woods Road project would be brought before the Board at the next meeting.
10. Marcia Elder, with the Small Business Program, gave a brief update to the Board. **On motion by Commissioner Barfield, seconded by Commissioner Bishop and unanimously carried, the Board appointed Commissioner Boyd to be the Board’s representative on the Small Business Committee.** It was the consensus of the Board to renew hosting for the websites/email related to the Small Business Program for \$300.

11. Commissioner Walker introduced the net resolution and stated that Commissioner Thomas of Wakulla County had requested Jefferson County participate in the resolution to lift the ban on nets. **Commissioner Bishop made a motion to approve the resolution, to which Commission Boyd seconded for discussion.** Commissioner Barfield expressed concern at not having more information before making a decision. **The motion failed 2 to 3 (Barfield, Boyd and Hall opposed).**
12. County Coordinator Parrish Barwick introduced the Mosquito Control equipment item and stated his desire to purchase two new sprayers at approximately \$15,200 each with mosquito control funds. He also noted that the sprayers currently in use were over ten years old. **On motion by Commissioner Barfield, seconded by Commissioner Bishop and unanimously carried, the Board approved the equipment purchase.**
13. Commissioner Boyd requested an update on the GBE project at the Industrial Park. County Coordinator Barwick provided an update on the project and stated he just needed a value of the land before the project could be finalized with the bank. Commissioner Boyd recommended an appraisal. Commissioner Barfield stated that averaging two other parcels previously sold in the same area would give an accurate price. It was the consensus of the Board to move forward by averaging the price of the two parcels, which resulted in an amount of approximately \$12,500 to be added to the \$577,000.
14. Commissioner Hall requested the Board look into more decorative signs that welcome people into Jefferson County at the county line on US-19, Highway 90 and Highway 27.
15. Commissioner Barfield introduced a land issue between two property owners on Whipoorwill Road. She stated she would discuss with Planning Attorney Scott Shirley to see how to proceed.
16. Commissioner Barfield discussed the code enforcement appeals process. She suggested the Board go out for bid to find a magistrate to hear appeals and requested this item be placed on the next agenda.
17. Commissioner Barfield inquired about an evaluation for County Coordinator Parrish Barwick. Chairman Walker suggested that each commissioner complete the evaluation sheet individually and email to his attention prior to meeting with the County Coordinator.
18. Chairman Walker thanked Sheriff Hobbs for his help at the head of the Wacissa River. He inquired if PILT money could go towards a security camera system at the Wacissa River. Commissioner Barfield requested this item be placed on the next agenda.
19. The warrant register was reviewed and bills ordered paid.
20. **On motion by Commissioner Bishop, seconded by Commissioner Boyd and unanimously carried, the meeting was adjourned.**

\_\_\_\_\_  
Chairman

Attest: \_\_\_\_\_  
Clerk



**ITEM 5(b)**

**GAME CHANGER PRESENTATION  
BOCC LETTER OF INTENT  
DISCUSSION/DECISION**

**GAME CHANGER**  
**EXECUTIVE SUMMARY**

# GAME CHANGER INDOOR SPORTS & EVENTS FACILITY

## EXECUTIVE SUMMARY

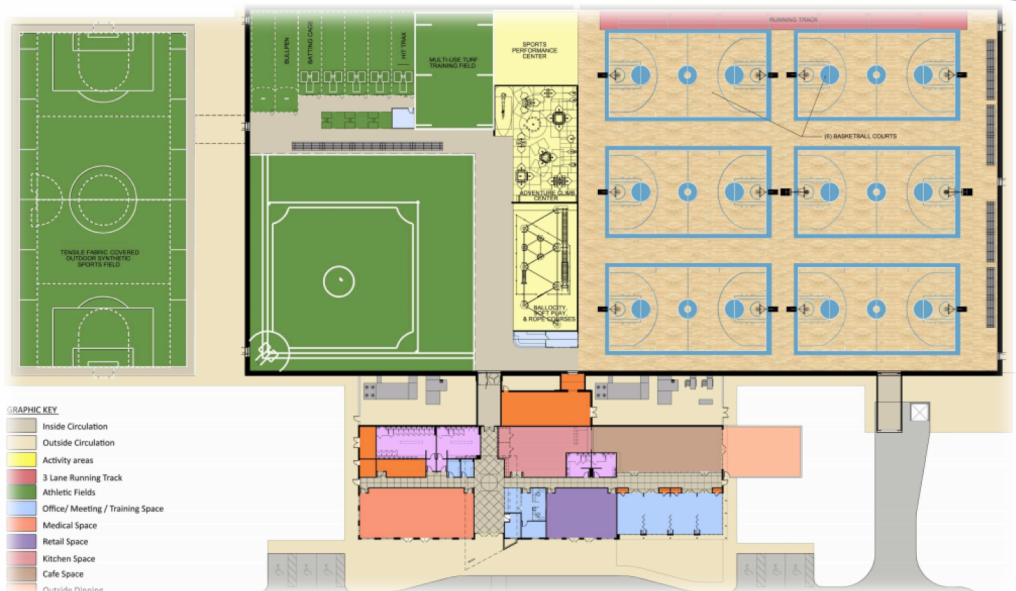
### Facility at a Glance

Game Changer is a premier indoor sports events and training facility designed to draw visitors from the regional markets to generate economic impact while also serving athletes from the local communities. SFA and the founding team worked with EMO/ Architects to develop probable construction costs. The estimated cost for this portion of the development is approximately \$\_\_\_\_\_.

#### 135,000 SF Facility Features

- ❖ Basketball/Volleyball Courts
- ❖ Turf Baseball/Softball Field
- ❖ Batting Cages/Pitching Tunnels
- ❖ Sports Performance Center
- ❖ Sprinting Track
- ❖ Multi-Use Training Turf Field
- ❖ Clip n' Climb
- ❖ Ropes Course
- ❖ Covered Outdoor Turf Multi-Purpose Field
- ❖ Support Spaces

**Jake Whitfield**  
Developer – Red Hills Sports Group



### Proposed Use and Development Concept

*Game Changer* shall be developed as a regional sports tourism destination as well as a community asset to provide first class facilities for recreation and athletic activities. The facility will be located along I-10 within close proximity to Tallahassee. This location provides the advantage to serve a large local population as well as easy access to large markets throughout the region. As part of the analysis, SFA worked with the project team to define success factors for the complex. Through that process, the team determined that the complex must meet three criteria in order to be feasible:

1. The facility must establish itself as a regional tournament and event destination and create a positive economic impact by bringing incremental revenue to Jefferson County and the surrounding communities.
2. It must create a set of assets that enhance local community's access to high-quality, year-round sports facilities.
3. It must be optimized operationally so as to limit the amount of ongoing financial support required while maximizing the opportunity to attract non-local users.

Based on research, analysis, and extensive experience in the industry, SFA and the project team has found that *Game Changer* can meet all of the criteria above. In analyzing the financial performance and economic impact of Project *Game Changer* and identifying next steps for facility optimization, SFA believes this is a viable project. Under the correct financing, development, and management terms, SFA formally endorses the project and deems it to be feasible.

As part of the analysis, SFA produced an economic impact study to demonstrate the influence *Game Changer* will have on Jefferson County and the surrounding communities. SFA's economic impact study consisted of a forecast for economic impact drivers – which are non-local days in market and total room nights generated – and the direct spending from non-local athletes and their families.

At maturity, which SFA expects to be reached in year five of operations, *Game Changer* is expected to generate over 20,000 room nights and \$9.1 million in direct spending annually. Over the course of the first ten years of operations, SFA forecasts *Game Changer* to bring over 191,000 room nights to Jefferson County and the surrounding area and generate \$83.4 million of direct spending from non-local attendees. Note: Surrounding counties not included.

As part of the economic impact study, SFA conducted an analysis of the ongoing job creation that will be generated by the *Game Changer* facility. In order to be consistent, SFA forecasted the number of permanent jobs created based on full-time equivalence. These are permanent jobs that consist of both full-time and part-time positions. In the first year of operations, the facility is forecasted to create eight full-time positions and a total of 42.8 full-time equivalent positions. By year five of operations, the facility will bring a total of 69.5 full-time equivalent positions to the area.

**GAME CHANGER**  
**FREQUENTLY ASKED QUESTIONS  
& ANSWERS**

# GAME CHANGER PROJECT

## Questions and Answers

### 1. What is Game Changer?

The Game Changer project will be a year-round sports hub consisting of a 100,000 square foot dome structure connected to a 16,000 square foot building with restrooms, meeting rooms, a restaurant, offices, storage rooms and other support space. There is also an adjacent 20,000 square foot covered turf field for soccer, lacrosse, etc. The dome will include basketball and volley ball courts, a baseball practice field, training areas, a fitness/workout area, and a state-of-the-art active entertainment area.

The programming for the complex is designed to generate revenue from both regional (sports tourism-based) events and local activities including venues for local games, sports and fitness training, and recreation activities.

The sports complex will be co-located with privately built hotels, restaurants, a large travel center, retail stores, and other businesses or offices.

### 2. Where will the project be built?

The sports complex will be built on a 10 acre site near the Leon-Jefferson County line in the northwest quadrant of the I-10 and SR 59 interchange at Lloyd. The property is owned by the Smith family.

### 3. How much will the project cost?

The budgeted cost of the sports complex project is about \$10.7 million. That cost includes the domed facility, a covered sports field, site work and parking areas, the fixtures and equipment for the facility, and startup operating capital to get the project to a breakeven cash flow. In addition, the county will apply for and expects to receive grant funding for roads and storm water to serve the complex (about \$1.5 million) and a sewer main connecting the Lloyd area to the Monticello sewage treatment plant.

### 4. How will the project be financed and paid for?

The project will be paid for using a capital lease program with a private investor (about \$9.9 million) and surplus funds from unanticipated revenues the county has received in the current fiscal year (about \$800,000). About \$3 to 4 million for roads, stormwater facilities, and sewer are anticipated to come from grant funds.

The capital lease payments will be made from multiple sources. Beginning in the second year, facility programming operations will generate net operating revenues to apply to lease payments. These net operating revenues will increase substantially during the first few years as the facility's programming and operations grow. The development springing up around the complex will also quickly add new property taxes, sales taxes, and tourist taxes to county coffers. This will enable the county to make necessary lease payments without affecting other government functions. Additionally, there will be a substantial increase in gas taxes to use for road maintenance and improvements, relieving the county of the need to fund these items from general revenue. These property, sales, and tourism taxes will also grow over time, eventually providing surplus revenues that enable tax rate reductions and additional government services.

**5. What is the business model?**

The county will own and operate the facility as an enterprise activity. The enterprise business model is commonly used by local governments. Jefferson County has three: solid waste, ambulance, and fire. All are funded by fees or customer charges. The best enterprise activities actually produce a profit for the local governments who sponsor them, helping those governments reduce the tax rates they charge their citizens. A good example is the municipal utilities (electricity and gas) owned and operated by the City of Tallahassee. Tallahassee residents pay much lower taxes than they would pay if their utilities were provided by a private company.

**6. What are the benefits of an enterprise model? Why won't a private investor own and operate the project?**

The enterprise model provides a way for the county to have the project pay for itself over time. At the same time, the county receives the benefits of all of the other revenues coming from high value commercial and residential development around an attractive project like Game Changer. While the Game Changer business is expected to produce a modest profit, sports complexes do not generally produce a rate of return that would induce a private investor to fund them. Government, on the other hand, receives not only the profits from the business enterprise, but also tax revenues from property taxes, sales taxes, gas taxes, and tourist taxes. Such revenues, of course, are not generally available to a private investor, but they dramatically increase returns for a government.

**7. How will the project be operated and who will manage it?**

To design the Game Changer project and assess its feasibility, the county contracted with Sports Facilities Advisory (SFA), a Clearwater company with a

strong national reputation in the planning and management of sports and recreation facilities. (The feasibility study was delivered in February 2016.) The county anticipates that it will contract with the company's management arm, Sport Facilities Management (SFM) to manage the complex and its programs. The 13 year old company has built a stellar reputation in the sports management field and has never had a project under its management fail.

**8. Who will oversee the financial performance and operations of the project for the county?**

The Game Changer Project Committee has proposed the formation of a seven member Sport Authority/Commission composed of members with substantial and successful business experience. Among other things, this Authority/Commission would be responsible for monitoring the financial performance of the project and the effectiveness of the contracted professional manager and reporting regularly to the Board of County Commissioners.

**9. Risk mitigation: How will the county "backstop" the project?**

All business enterprises involve risk and uncertainty and should have a plan to see the business through uncertain or difficult times. To mitigate the risk associated with the Game Changer Project, and to fund any unexpected operating deficits, especially in the first few years, the county would establish a Special Projects Fund funded with unanticipated/unbudgeted revenues that the county traditionally receives. Some of these revenues would come from BP funds the county anticipates. This "safety net" fund would be allowed to grow until it reaches a level which the BOCC determines to be comfortable, and then the funds could be used for other projects unrelated to the Game Changer Project.

**10. What will be the landowners' contribution to the project?**

The landowners will donate approximately 10 acres of their 70 acre parcel to the county for the construction of the sports complex and parking. In addition, they will donate the land for the roadways and stormwater structures needed to serve the complex.

**11. What will the development around the project look like?**

The landowners have committed to develop the balance of their 70 acre site in high value commercial development, adding substantially to the county's taxable property values. This development will include at least one hotel, a high volume travel center with a substantial retail business, restaurants, retail stores, and other businesses. Construction of a hotel, travel center, and restaurant are anticipated to begin in the initial year of the project.

**12. What are the intermediate and long term benefits of the project?**

In addition to the revenues from the operations of the sports complex, the county will receive revenues from property taxes, sales taxes, gas taxes and tourist taxes. These revenues will be modest for the first couple of years but will grow as new development comes to the interchange around the sports complex. After a few years, these revenues should grow to the point that the county could begin lowering tax rates for the entire county. A substantial increase in local gas tax collections will mean more funds for road maintenance and improvements.

The sports complex and new businesses surrounding it will be a major source of new jobs for Jefferson County residents. The sports complex alone is anticipated to create 49 jobs in its first year and 69 jobs by year 5. Meanwhile, spending by the new businesses plus the local spending of new salary dollars and spending by visitors to the sports complex will mean increased economic activity for Jefferson County. SFA estimates \$4.5 million in visitor spending in year one, growing to \$9 million by year 5. While some of this spending will, no doubt, spill over into Leon County, as local businesses and residential development grow in the county, attracted by the sports complex, an increasingly larger portion of that spending will occur in Jefferson County. Furthermore, the mid-week activities planned for the sport complex will target many Leon County residents who will spend in Jefferson County rather than at home.

**13. Can Jefferson County afford a project like Game Changer?**

The short answer is definitely yes. In fact, we cannot afford to let this project slip by. It is a good idea, carefully developed and vetted with Jefferson County's money and time and will be quickly picked up by another community who recognizes its value.

More specifically, Jefferson County is in strong financial condition. It had a reserve of about \$3 million at the beginning of this fiscal year. Tax revenues have increased for the last couple of years and that trend is expected to continue. County departments are well funded and carrying out their respective duties. So, those increased revenues are available for other uses, including possible tax rate reductions and economic development projects. The county continues to receive unanticipated and unbudgeted revenues that can shore up the Game Changer project if needed. In the near future, those revenues may include substantial funds from BP.



# **GAME CHANGER**

## **SFA/SFM FINAL FEASIBILITY REPORT**

May 2016

# FEASIBILITY REPORT

Project Game Changer  
*(Jefferson County, FL)*



*Prepared for:*  
Jefferson County &  
Red Hills Sports Group, LLC  
*Prepared by:*  
The Sports Facilities Advisory, LLC



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## INTRODUCTION

### Project Overview

In January 2015, The Sports Facilities Advisory (SFA) was selected by the Red Hill Sports Group, in conjunction with Jefferson County, to study the feasibility of developing a youth sports tourism facility in Jefferson County, FL, also known as Project Game Changer. Through this agreement, SFA was engaged to review existing data, conduct a market study, visit Jefferson County to tour the site and market, facilitate a planning and strategy, conduct meetings and interviews with various stakeholder groups, and produce a detailed five-year financial forecast.

As part of the analysis, SFA worked with the project team to define success factors for the complex. Through that process, the team determined that the complex must meet three criteria in order to be feasible:

1. The facility must establish itself as a regional tournament and event destination and create a positive economic impact by bringing incremental revenue to Jefferson County and the surrounding communities from non-local athletes and their families.
2. It must create a set of assets that enhance local residents' and local sports organizations' access to high-quality, year-round sports facilities.
3. It must be optimized operationally so as to limit the amount of ongoing financial support required while maximizing the opportunity to attract and host non-local users.

To create a comprehensive report that considers each of the factors above, SFA has analyzed the current demographics, existing service providers, and sports participation in the region, created a facility program to support sports tourism events, forecasted the financial feasibility, and projected the potential economic impact on the local area. SFA recognizes the significant amount of work that the project team conducted prior to the development of this feasibility report. As a result, there are local sports organizations that have entered into letters of intent for use of the facility and program partnerships. As the facility draws closer to operations, these agreements and negotiations will be finalized and accounted for in the financial forecasts. This report serves to summarize the work completed to date.



## ABOUT SFA | SFM

### The Sports Facilities Advisory | The Sports Facilities Management



Operated by a team of accomplished sports facility operators, business advisors, league sports experts, corporate team development professionals, and facility design professionals; SFA | SFM is a full-service consultancy firm specializing in the planning, opening, and managing of sports and recreation facilities of all sizes and scope. SFA | SFM assists clients in evaluating opportunities, developing new sport

and recreation facilities – from community centers to sports tourism destinations and professional-level training and competition facilities – and managing or optimizing existing operations. SFA | SFM’s work encompasses multisport and multipurpose centers, performance training facilities, health/fitness centers, aquatic facilities, and outdoor complexes.

SFA was founded in 2003 to respond to the demand for professional planning as well as financial and management services in the youth and amateur sports market. The SFA | SFM team has overseen the financial planning and development of a portfolio of more than \$4 billion in sports, recreation, fitness, and entertainment venues. SFA | SFM currently provides management oversight for numerous multipurpose facilities across the U.S.

A true differentiator for SFA | SFM in the sports facilities industry is the depth of its team and the breadth of its experience and expertise. SFA | SFM boasts the most recognized and esteemed staff of sports business professionals and experts in this industry. Widely regarded as innovators and leaders in youth/amateur sports planning and management, the SFA | SFM team is driven by its commitment to developing facilities that positively impact communities and families. The SFA | SFM staff includes sports commissioners, successful sports and youth development entrepreneurs, multiple MBA’s, seasoned operations and programming experts, and experienced accountants and business analysts. SFA | SFM recruits talent from top organizations. In fact, SFA | SFM consultants have been advisers to such notable clientele as Sony Pictures, Wyndham Resorts, Cornell University, George Mason University, The Ohio State University, Ritz-Carlton, Nokia, Halliburton, and USAA. SFA | SFM brings this corporate and leadership perspective to its work and in doing so SFA | SFM is having a positive impact on the level of excellence throughout the youth and amateur sports industry.

Additionally, the SFA | SFM team includes senior-level staff and GM’s who came to SFA | SFM from The House of Blues, Downtown Disney, Gaylord Entertainment, Life Time Fitness, Ford Field (Home of the Detroit Lions), the YMCA, the United States Army Special Forces, and the United States Marines, as well as the management and operations of other venues such as theater companies and wineries. SFA | SFM shares this diversity to demonstrate that while SFA | SFM have significant experience in tournaments, events, leagues, camps, and clinics; our approach grows from a well-rounded background of professional experience both inside and outside of the traditional sports industry.

Since its inception in 2003, the SFA | SFM team has consulted on more than 60 operational sport, recreation, and youth leadership centers across the country. SFA | SFM has also completed hundreds of financial forecasts and feasibility analyses for projects across the U.S. and internationally. SFA | SFM is conservative in its market research and feasibility projections. More than 70% of the projects analyzed by SFA | SFM result in a “Feasibility: No” or require significant changes to the original business model, financing structure, or facility design. Additional information can be found at [www.sportadvisory.com](http://www.sportadvisory.com).

**MARKET OVERVIEW**

**Market Demographic Characteristics**

As part of this phase of work, SFA conducted an in-depth demographic analysis. To begin the demographic study, SFA reviewed the Jefferson County market as a whole to determine the drive time distances that will encompass the primary trade area for local programming. In this market, SFA utilizes a drive time of 45 minutes to determine the number of potential participants for “standard,” local programs. This is based on the distance of existing service providers and industry findings that people will drive up to one-third of the time they will be at the facility.

A “standard” program offering will be scheduled for one hour and most patrons will arrive 15 minutes early and remain at the facility for 15 minutes after the end of the session to accommodate changing, stretching, cooling down, etc. This means that the 90-minute stay would draw people from a 30-minute drive time radius. That said, activities will range from 30 minutes (select private training session) to two or more hours (competitive team practices), so different program options will have different primary markets.

In accordance with the information above and to gain a comprehensive understanding of the market, SFA has analyzed the 10-, 15-, 30-, 45-, and 60-minute drive time demographics. The chart the below summarizes key demographic factors for the 15-, 30-, and 60-minute drive time populations to show a brief summary of the information analyzed.

<b>Key Demographic Factors</b>			
Category	15 Minutes	30 Minutes	60 Minutes
Total Population	11,888	194,361	437,889
Population Growth - 5 Year Projection	5.7%	5.2%	4.7%
Median Age	44.6	34.9	33.1
Median Household Income	\$64,750	\$54,250	\$42,763
Average Expenditure: Recreational Lessons	\$48	\$38	\$32

A full demographic report can be found in the appendix at the end of this document. It includes additional demographic and economic factors that influence participation and shows the data for critical drive time radii of 10, 15, 30, 45, and 60 minutes from the potential facility. Additionally, SFA has provided maps showing the distribution of population density and median household income.

**Existing Area Facilities**

As can be expected in an active sports tourism region, there are a significant number of existing providers. In order to determine the share of the market that Project Game Changer can expect to capture, SFA performed an in-depth analysis of the existing service providers for local programs, sports tourism facilities, and tournaments and event offerings.

Based on the vision of the project team, SFA has identified three primary categories of existing service providers: Indoor Court Tournament Facilities, Outdoor Multi-Purpose Field Tournament Facilities, and Outdoor Baseball/Softball Field Tournament Facilities. A sampling of existing facilities as well as tournaments and events in the region can be found in the appendix of this document.



The facilities researched represent a sampling of indoor court, outdoor baseball/softball field, and outdoor multi-purpose field tournament and events facilities within the region surrounding Jefferson County. In addition, SFA researched past, current, and future events that take place in the region. It is important to note that while these tournament and event facilities have been identified, there are a variety of tournaments in the market that are held at multiple smaller locations that could not host a large scale tournament at a single facility.

There are a few items to note related to existing area facilities:

- The facilities researched represent potential competitors in the market that are currently hosting programs, tournaments, or other events that may impact the operations at a new facility. As stated above, not all facilities will have an equal impact on the opportunity, and some may not impact the new facility at all.
- The comprehensive market study that SFA conducted during the pro forma development determined each existing facility's impact on a new facility's ability to achieve financial and operational success. The factors SFA uses to perform this analysis include, but are not limited to:
  - Proximity to new facility
  - Quality of physical space
  - Pricing
  - Seasonality
  - Marketing reach and capture rate
  - Program mix and service offerings
- Specifically related to tournament and event facilities, SFA researched the existing tournament and event inventory related to the factors below, which allowed SFA to quantify the opportunity for a new facility to attract existing events and create new events.
  - Existing tournament inventory
  - Locations
  - Pricing
  - Seasonality
  - Local vs. non-local participation and attendance
  - Number of teams
  - Level of competition

In summary, there are a high number of service providers in the Jefferson County regional market that could impact a new facility. This is to be expected in a region with a number of major markets. The impact of local and regional facilities as well as existing tournament and event inventory is factored into the financial and economic impact projections summarized in this report and detailed in the accompanying pro forma documents.

**STATE OF THE INDUSTRY**

As part of the vision for Project Game Changer, the facility would be capable of hosting sports tourism events, which bring teams from out of the market to play and stay in the facility destination.

In today’s youth sports landscape, the number of participants in “traditional” youth sports has declined, while the number of games in those sports has increased. The number of players is decreasing due to the fact that recreational and non-competitive participants are finding alternative extracurricular activities, ranging from non-traditional and adventure sports to technology-based activities and everything in between. Meanwhile, competitive players in traditional sports are specializing at an earlier age participating in their sport(s) of choice year-round and competing in anywhere from eight to 30 or more tournaments annually, depending on the sport.

From a venues perspective, in the past two decades there has been incredible growth in the number and availability of tournament-ready facilities. In the 1980s and 1990s, amateur tournament facilities were primarily confined to well-known destinations that possessed one-of-a-kind attractions such as the Baseball Hall of Fame and Disney World. In the late 1990s, municipalities and communities across the country began packaging their various sports assets together in an effort to host and attract large events that needed multiple – and often dozens – of fields or courts. Today, the most progressive cities and counties are developing their own facilities, creating best-in-class competition venues that often bring thousands of visitors and millions of dollars of direct spending annually.

Below are some critical pieces of information and statistics related to the sports tourism industry:

- In the United States, sports tourism is a \$200 billion per year travel industry.
- The youth and amateur segment of sports tourism is a \$9 billion industry nationwide that has experienced 20% growth over the last 3 years.
- Last year, 28.5 million visitors were hosted through youth and amateur sports events.
- 50% of sports commissions are located in cities with a population under 250,000.
- Sports tourism is the only segment of the tourism industry that did not decline in a single quarter during the recession.
- Mid-sized markets and vacation destinations dominate the youth and amateur sports tourism industry. This is because large markets are sometimes constrained by space and competing interests, while small, isolated markets are sometimes constrained by infrastructure.
- Successful sports tourism destinations, regardless of the size of the market, commit to high quality, expertly maintained facilities that professionally managed with operational excellence as a top priority.

The chart below shows general statistics for youth and amateur sports participation and supports the reason travel sports is such a significant business in today’s youth and amateur sports landscape.

Youth Sport Statistics (Ages 5-18)	Data
Number of kids who play organized sports each year	35 Million
Percent of kids who play sports outside of school	60%
Percent of boys who play organized sports	66%



Percent of girls who play organized sports	52%
Percent of coaches who are dads coaching their own kids	85%
Percent of corporation executives who played sports	73%
<b>High School Sports Statistics</b>	<b>Data</b>
Number of boys playing high school soccer	284,000
Number of girls playing high school soccer	209,000
Number of boys playing high school football	1 Million
Number of boys playing high school basketball	500,000
<b>Female Sports Statistics</b>	
Female high school athletes are 92% less likely to get involved with drugs	
Female high school athletes are 80% less likely to get pregnant	
Female high school athletes are 3 times more likely to graduate than non-athletes	
<b>Odds of Going Playing at the Next Level</b>	<b>Odds</b>
Odds of a High School football player making it to the NFL	1 in 6,000
Odds of a High School basketball player making it to the NBA	1 in 10,000
Odds of a High School soccer player receiving a full scholarship to a Division I or II School	1 in 90

## OVERVIEW OF THE BUSINESS MODEL

The business model of Project Game Changer features a flexible, year-round program offering a diverse product/service mix focused on the ability to draw visitors from the regional markets for sports and generate economic impact through sports tourism.

The facility program is detailed in the pages that follow, but at an overview level it features an indoor facility that contains courts, training, turf, and indoor entertainment/adventure center elements as well as a covered training turf field. By combining these spaces, adhering to a quality standard that is necessary to become a premier destination, and incorporating entertainment and adventure elements and performance training elements, Project Game Changer can become a hub of activity for the local and regional areas.

In order to be successful, the facility will have to capitalize on the opportunity to generate revenue in both regional (sports tourism-based) events and local programming. Those business units will use the same spaces, but are very different in the way programs are developed, their time and inventory requirements, and the way in which they generate revenue for the facility and the community.

### **Sports Tourism Model**

The goal of a sports tourism model is to attract teams, players, and spectators to the market to generate revenue for the facility and to create economic impact through direct spending in the community. Within the sports tourism model, there are two primary ways of developing tournaments: creating in-house tournaments and outsourcing tournaments to existing organizers/rights holders.

In-house tournaments require a significant amount of time, energy, and human resources to develop and execute. This type of event requires the facility to market the event, register teams, secure hotels, train staff, hire officials, manage play, etc. As such, significant revenue can be generated but the cost of doing business is high. Additionally, tournaments typically take multiple years to grow, and as a result first-year (and often second-year) events are small, marginally profitable, and create a minimal economic impact.

Outsourced tournaments require much less work on the part of the facility because inventory is rented to a tournament provider who is in charge of securing teams and running the event. Additionally, they often provide greater economic impact in the early years of operation because they are not first year events, and therefore there are more teams in attendance. However, the amount of money the facility can generate on an outsourced tournament is limited because team registration fees always go to the rights holder, as do other revenue streams (e.g. hotel rebates, gate fees, etc.).

### **Local Programming Model**

The local programming model is designed to make Project Game Changer a year-round sports hub for local residents by serving as a community asset providing sports, recreation, and youth development services. In order to accomplish this goal, the complex will develop its own in-house program options and partner with existing community organizations such as Parks & Recreation Departments, existing program providers, and coaches. By creating partnerships with groups and people who have the ability to bring existing teams/user groups to the facility, the complex will host multiple activities and serve a wide range of community pursuits.

Project Game Changer will offer instructional clinics, leagues, tournaments, classes, club teams, and other programs for any or all of the following activities:

- Soccer
- Lacrosse
- Football

- Baseball
- Softball
- Field Rentals
- Sports Performance
- Corporate and Group Events
- Youth Programming
- Birthday Parties
- Climbing

### Program Mix

In both the local and sports tourism models, SFA recommends a facility program mix that is more heavily focused on internal or in-house programs rather than rental or outside service provider programs. While SFA recognizes the value of relationships with existing service providers and local sports organizations, in-house programming presents the facility with the following growth and business development opportunities:

- **Greater Ownership of the Business:** Running in-house programs will allow the management team to dictate all aspects of the products and services being offered in the facility. This ownership provides the ability to make decisions regarding marketing, sales, and operations of all programs. Furthermore, the facility will rely less on the skills, experience, and relationships of outside people or organizations and therefore strengthen the complex's ability to offer best-in-class services to its customers.
- **Control of the Customer Experience:** All programs are a reflection of the facility and affect customer perception of the brand. With a rental model, a facility has a minimal level of control over program quality and customer experience. If a program run by an outside organization does not meet customer expectations, the facility will be directly associated with that bad experience. On the other hand, internal programs allow the facility to control the quality of customers' experiences.
- **Higher Financial Returns:** Rental programs are limited in the level of revenue they are able to generate. This relatively flat revenue restricts the ability to capitalize on growth opportunities. An internal program business model creates the opportunity for the facility to grow programs and increase the amount of revenue that can be generated per hour. With the proper investment in and development of in-house programs, the facility will be able to generate significantly higher levels of revenue.
- **Facility Database and Cross Marketing:** Internal programming presents the facility with the opportunity to build an extensive internal database of its customers. Owning and running in-house programs will allow the facility to capture and retain important customer contact information. This internal database will create a platform for the management team to cross-market appropriate programs to people who are already customers and invested in taking part in the products and services that the facility has to offer. The ability to cross-market to an internal database is substantially more effective than many traditional marketing initiatives.
- **Ability to Maximize Scheduling:** A rental-only model restricts the management team's ability to maximize program scheduling. This is a result of the desire of outside programmers and rentals to purchase only the best and prime time hours in the facility. With an in-house program model, the management team will be able to dictate the day and time that programs are run and therefore allow the facility to maximize the use of available scheduling time.

A gradual transition towards a higher level of internal programming after opening will allow the facility to maintain relationships and utilize outside programming during the maturation process. As the facility matures, shifting to an increased percentage of internal programs will allow the facility to capitalize on opportunities to grow programs and contribute to a higher level of financial sustainability.

## FACILITY OVERVIEW

### Facility Program

After an in-depth analysis and multiple discussions revolving around facility design, the final model was developed, which is meant to model the cost and performance of the facility.

The first recommendation is for Project Game Changer to develop indoor assets that are as flexible in their use as possible and create opportunities for basketball, volleyball, futsal, soccer, lacrosse, football, baseball, and softball as well as cheer, dance, wrestling, gymnastics, trade shows, conventions, etc. The indoor facility is comprised of six basketball courts with the capability of being cross-lined for ten volleyball courts, a turf infield, seven batting cages/pitching tunnels, a multi-use training turf, sports performance training area, food and beverage service areas, and administrative space. In addition to the sports spaces and support amenities, the indoor facility will feature rock/adventure climbing and ropes course elements. Adjacent to the air-supported structure is a covered training turf field that will accommodate long field sports such as soccer, lacrosse, and football. Below are the conceptual floor plans developed for the founding team by Emo Architects:

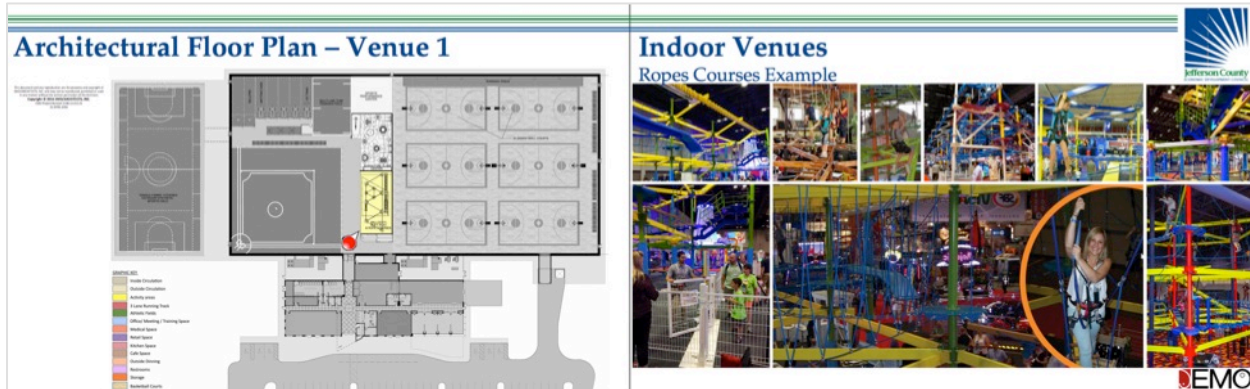




Full details on the construction and start-up cost estimates for the indoor portion of the complex can be found in the full financial forecast.

### Facility Layout & Configuration

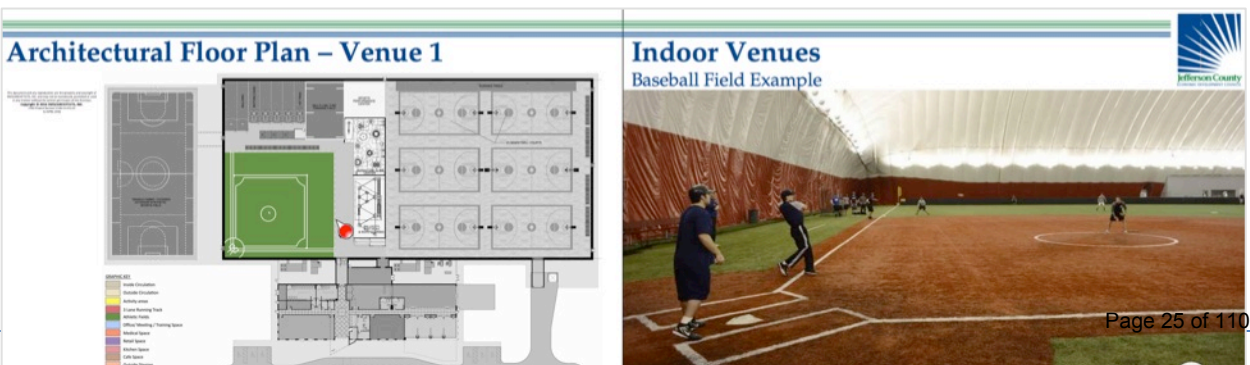
Project Game Changer will include a variety of spaces that can be configured multiple ways in order to be as flexible an asset as possible to create a sports and recreation facility that meet the needs of the local community as well as the greater region. The descriptions below are of the various spaces and configurations planned for Project Game Changer.



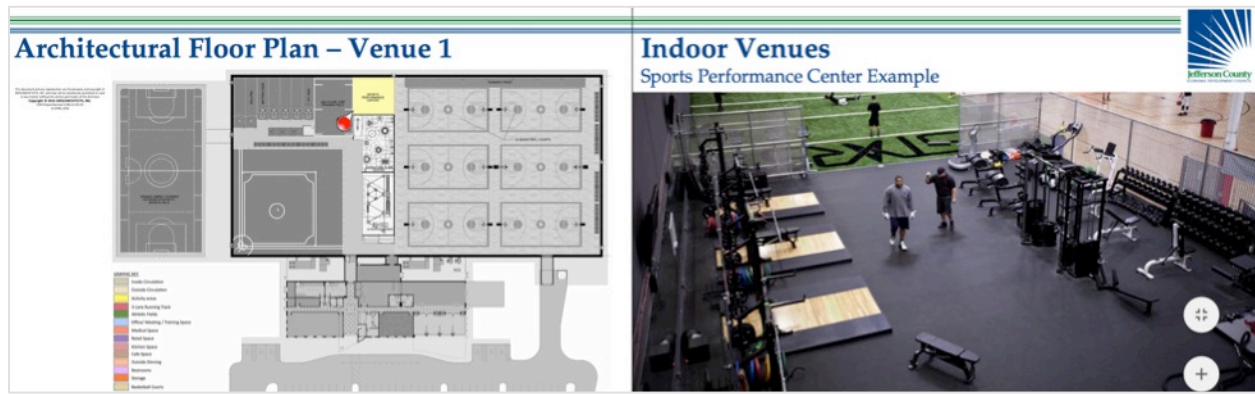
The ropes course area will be located adjacent to the rock/adventure climb amenities and in the main corridor of the dome right off the main entrance. This amenity will provide adventure and entertainment programming and drop-in for the local community as well as tournament visitors. The ropes course will improve visitor experience as well as serve as a revenue-generating asset for Project Game Changer.



Similar to the ropes course area, the rock/adventure climb space featuring Clip n' Climb elements will provide active recreation and entertainment to facility guests and create a family experience that is synergistic with the goals of Project Game Changer.



The baseball/softball infield will be programmed for leagues, training, camps, clinics, and private rentals to create a one-of-a-kind indoor playing experience. The ceiling heights featured in the dome will make the infield the best indoor playing experience in the region for baseball/softball. Additionally, the infield will be cross-lined to accommodate long field sports such as soccer, lacrosse, football, etc.

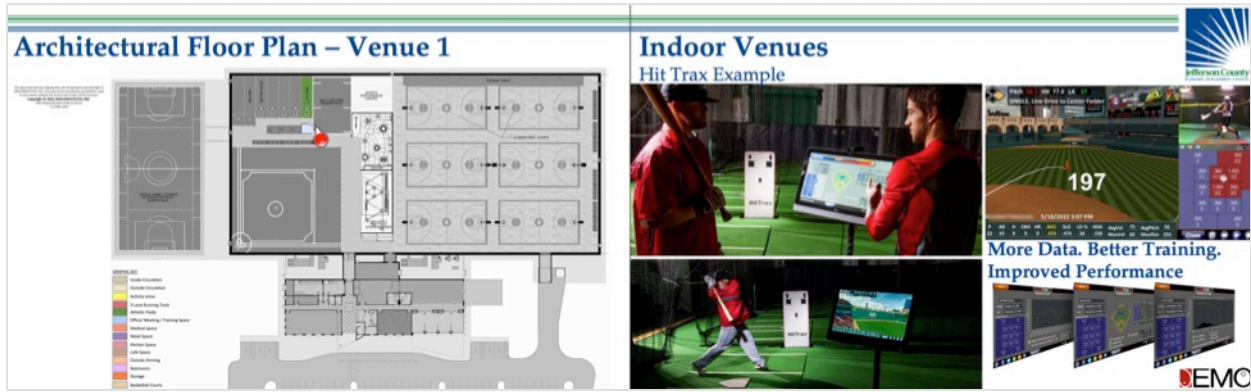


The sports performance center will consist of a rubber-floored training area adjacent to a multi-use turf field to create a dedicated, ideal environment for speed, agility, quickness, and strength training. Additionally, the facility will feature a three lane sprinting track adjacent to the court area. These spaces will mainly serve the local community by offering a space and programs for local participants to become better athletes and individuals.

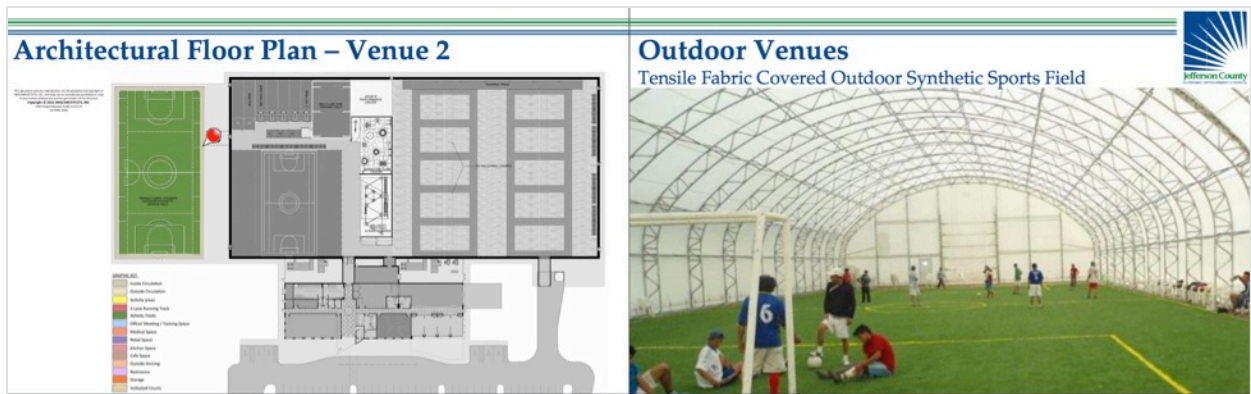


The largest portion of the indoor dome, the basketball/volleyball court area will consist of six basketball courts that can be cross-lined with ten volleyball courts. This portion of facility will serve both the local and regional markets for leagues, training, camps, clinics, and tournaments. The inventory of court space within one facility will create the regions largest court facility and will host a variety of tournaments that will draw visitors from the greater region to Jefferson County. Additionally, this clear span space will be used to host non-sport events such as trade shows, home shows, banquets, etc.





Project Game Changer will feature seven batting cages/pitching tunnels that will be equipped with pitching machines to serve the baseball/softball training needs of the local community. One of these cages will be equipped with a Hit Trax swing analysis system, which will bring state-of-art training to local athletes.



Adjacent to the air-supported structure is a tension fabric covered outdoor synthetic turf field. The turf field is 200' x 100' and provides a standard training field for long field sports such as soccer, lacrosse, football, and field hockey. This amenity will provide year-round space for youth and adult leagues, training, camps, and clinics.

**ECONOMIC IMPACT OVERVIEW**

**Economic Impact**

In addition to the financial forecasts, SFA produced an economic impact analysis to demonstrate the influence Project Game Changer will have on Jefferson County and the surrounding counties through direct spending from non-local athletes and their families. The tables below summarize the economic impact drivers – which are non-local days in market and total room nights generated – for each of the portions of the project. Additionally, they show the economic impact (in dollars) for each portion of the project, as determined by SFA’s proprietary methodology for determining per-person spending. In Jefferson County and the surrounding areas, SFA estimates that the average daily expenditure per person, including lodging, dining, entertainment, and shopping, will be approximately \$100.

Economic Impact	Year 1	Year 2	Year 3	Year 4	Year 5	5-Year Cumulative
Total Non-Local Days in Market	45,420	52,380	67,650	79,590	90,990	336,030
Total Room Nights	10,203	11,814	15,369	18,237	20,969	76,591
Economic Impact	\$4,542,000	\$5,238,000	\$6,765,000	\$7,959,000	\$9,099,000	\$33,603,000

The indoor facility is projected to bring approximately 10,203 room nights to Jefferson County and the surrounding area and generate \$4.5 million of direct spending from non-local attendees in year one. In year five, the number of room nights is expected to grow to approximately 20,969 and generate \$9.1 million of direct spending from non-local attendees.

Economic Impact	Year 6	Year 7	Year 8	Year 9	Year 10	10-Year Cumulative
Total Non-Local Days in Market	93,720	96,531	99,427	102,410	105,482	833,601
Total Room Nights	21,598	22,246	22,913	23,600	24,308	191,256
Economic Impact	\$9,371,970	\$9,653,129	\$9,942,723	\$10,241,005	\$10,548,235	\$83,360,062

In year ten of operations, the indoor portion of the facility is projected to bring 24,308 room nights to Jefferson County and the surrounding area and generate \$10.5 million of direct spending from non-local attendees.

**Job Creation**

As part of the economic impact study, SFA conducted an analysis of the ongoing job creation that will be generated by the development of Project Game Changer. These are permanent jobs that consist of both full-time and part-time positions. In order to be consistent, SFA forecasted the number of permanent jobs created based on full-time equivalence. Full-time equivalence is the number of positions that part-time compensation equals based on a full-time employee working 40 hours per week for 52 hours a year.

**Total Job Creation Indoor**

	Year 1	Year 2	Year 3	Year 4	Year 5
Staff Salaries	\$724,595	\$855,125	\$1,062,501	\$1,158,061	\$1,279,785
Hours Worked	72,460	85,513	106,250	115,806	127,979
Full-Time Equivalence	34.8	41.1	51.1	55.7	61.5
Full-Time Employees	8.0	8.0	8.0	8.0	8.0
<b>Total Job Creation</b>	<b>42.8</b>	<b>49.1</b>	<b>59.1</b>	<b>63.7</b>	<b>69.5</b>

\*Hours worked assumes an average hourly rate of \$10

\*\*Full-Time Equivalence assumes 40 hours per week for 52 weeks per year



In the first year of operations, the indoor facility is forecasted to create 8 full-time positions and a total of 42.8 full-time equivalent positions. By year five of operations, Project Game Changer will bring a total of 69.5 full-time equivalent positions to the area.

**COMPARABLE FACILITY STUDY**

Although the sports tourism industry has existed as long as travel sports have been played, the youth and amateur segment of the industry has grown and matured rapidly over the last two decades. In today’s climate, youth and amateur sports tourism is a highly competitive business that hinges on best in-class facilities managed by experienced professionals in attractive travel destinations.

The project team has requested that SFA provides an example of a sports tourism facility that is funded in full by the public and managed by a private management company. While there are a large number of facilities across the country designed to host large sports tournaments, there are only a small handful of publicly funded, privately managed sports tourism assets. That said, the industry is trending toward this type of relationship; SFA is involved in the two most significant sports tourism facilities opening in 2014 and 2015, both of which are publicly funded and managed by SFA under a long-term agreement.

As an example of a facility that was planned and is operated in a similar way to how Project Game Changer is proposed, Rocky Top Sports World in Gatlinburg, TN should be reviewed to compare the scope, projections, and opportunity for exceeding expectations set in SFA’s projections.

**Rocky Top Sports World - Gatlinburg, TN**

Rocky Top Sports World (RTSW) is an indoor/outdoor sports tourism destination located at the gateway to the Smoky Mountains in Gatlinburg, TN. Construction was completed in June of 2014, and in the first year of operations RTSW is exceeding each of the economic impact factors projected.



Facility Highlights: 86,000 square foot indoor court-based facility with 6 basketball courts and 12 volleyball courts; access to four additional basketball courts and three additional volleyball courts on the 80-acre mixed-use campus; seven outdoor long fields, six of which are synthetic turf.



Planned By: Barber McMurry Architects, The City of Gatlinburg, Severe County, and The Sports Facilities Advisory



Funded By: The City of Gatlinburg and Severe County

Managed By: The Sports Facilities Advisory

Facility Performance:

	Number of Events	Non-Local Days	Room Nights	Direct Spending
Year 1 - Projected	26	58,156	13,154	\$6,168,118
<b>Year 1 - Booked</b>	<b>36</b>	<b>98,417</b>	<b>19,000</b>	<b>\$10,438,306</b>
Year 2 - Projected	35	88,035	21,422	\$9,337,186
Year 3 - Projected	42	128,384	36,755	\$13,616,728
Year 4 - Projected	46	151,277	46,027	\$16,044,764
Year 5 - Projected	49	180,666	57,503	\$19,161,861

## CONCLUSION AND NEXT STEPS

Based on the extensive work of the project team and through SFA's facilitation of planning and strategy sessions, site visit, and stakeholder interviews, it was determined that Project Game Changer must meet three criteria in order to be feasible:

1. It must create a positive economic impact by bringing incremental revenue to Jefferson County and the surrounding communities from non-local athletes and their families.
2. It must create a set of assets that enhance local residents' and local sports organizations' access to high-quality, year-round sports facilities.
3. It must be optimized operationally so as to limit the amount of ongoing financial support required while maximizing the opportunity to attract and host non-local users.

As demonstrated in the financial forecasts and detailed in this feasibility report, Project Game Changer can meet all of the criteria above. What follows are the professional conclusions, findings, and recommendations for Project Game Changer project:

### Contributors to Project Success

For Project Game Changer, several positive factors can be found, and these "Contributors to Project Success" are listed below:

- **Site and Location:** The site is ideally situated with easy access from Interstate 10, one of the area's and country's largest highways, and state route 59 with great access to the state capital. Regionally, the facility will be accessible within an 8-hour drive from major metropolitan areas in Alabama Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee, creating an ideal location for tournaments and events. This accessibility will help the management team to attract local members and participants as well as teams from all over Southern United States.
- **Larger Development:** A private developer owns the land and plans to develop supporting businesses adjacent to Project Game Changer as part of a larger master planned complex. These additional amenities will include hotels, retail, food & beverage, and travel services among other ancillary offerings.
- **Outdoor Adventure Center:** An agreement is in place for a third party outdoor adventure center operator to develop, own, and operate a facility as part of the larger complex surrounding Project Game Changer. A proven adventure center operator is currently conducting site tours to evaluate the opportunity.
- **Creation of Complete Family Destination:** The founding team will create a one of a kind destination for entire families by developing a facility with the quality and variety of amenities of Project Game Changer. The facility will be differentiated from existing service providers by offering supporting amenities such as the indoor adventure center and ropes course for all ages and types of active people creating the convenience to satisfy the sports, recreation, and entertainment needs of local and non-local visitors.
- **Existing Area Relationships:** The founding team has cultivated a variety of relationships in the market with local businesses, organizations, groups, and public officials. These relationships can be leveraged into key strategic partnerships, sponsorship opportunities, and in-kind services that could be advantageous for the facility by enhancing the customer experience, reducing costs, or providing ancillary revenue.



Further developing and enhancing these relationships will serve to improve the operating quality and performance of the financial model and ultimately the facility.

- **Quality of Facilities, Services, and Amenities:** Project Game Changer will be developed with the founding team's desire to create the state-of-the-art facility with the highest quality facilities, services, and amenities. By combining best-in-class construction, equipment, programs, training, management, and staff, the facility will be unlike any other service provider in the Southern United States and will perform in the upper echelon of high-end sports tourism destinations in the country.
- **Opportunity to Generate Revenue:** The diversity and quality of facility amenities presents the opportunity for the management team to generate significant revenue through local programming, sports tourism events, convention events, leadership programming, and ancillary activities. The facility will offer a large inventory of sports assets combined with supporting and ancillary offerings enabling patrons to participate in any desired activities in one place. This means that all fees for these synergistic activities are collected by the facility, creating more revenue streams and higher revenue generating opportunities than other facilities.
- **Relationships with Existing Sports Organizations:** The founding team has spent significant time cultivating relationships with the most prominent sports organizations in the area. By leveraging these relationships with potential local users of the facility can ensure revenue streams from groups in the form of long-term rental agreements, facility utilization, and program registrations. The founding team has done an excellent job of securing commitments from prominent groups in every major sport offered through the facility.

Additionally, the management team will work with existing, successful tournament operators and governing bodies to build a stable of events. As the facility grows its reputation and appeal as a unique destination, Project Game Changer will run more "in-house" events that yield greater revenues to the complex. This blend of partnership, locally and regionally, in early years of operation is critical to project success.

- **Management:** The financial forecast assumes the full-time management and oversight of the complex by an established management company with significant experience operating sports, entertainment, and tourism facilities.
- **Market Demand for Select Tournaments:** Over the last several years, industry statistics demonstrate that more youth athletes are participating on "travel" or "select" teams that travel for tournaments. This increases demand for unique tournament destinations and increases the facility's target audience.

### Challenges to Project Success

Although Project Game Changer has several unique and powerful contributors to success, there are potential challenges that must be recognized and proactively addressed in order to achieve the goals for the complex. SFA has outlined these "Challenges to Project Success" below:

- **Economic Impact vs. Operational Profit:** In general, there are two philosophies for facility operation and management. In the privately operated model, there is an inherent desire to generate positive cash flow. On the other hand, the primary goal of the public model is to generate economic impact in the surrounding communities. The youth and amateur sports tourism industry is becoming increasingly competitive and as a result, venues are being rented for low to no cost in order to attract and host large-scale events. This scenario creates an environment in which facilities see limited cash flow and are subsidized but can generate significant economic impact in the local area. SFA has

outlined detailed operating and finance protocols in the pro formas to counteract these issues.

- **Available Hotel Inventory:** There is currently a limited inventory of hotel rooms in Jefferson County. This creates the opportunity to attract new hoteliers to the area however; bringing additional hotel inventory to the county is imperative to the success of the project due to black out weekends and limited inventory.
- **Existing & New Service Providers:** Project Game Changer will feature some of the highest quality sports assets with a tourism destination appeal as identified throughout this study. However, with the growing demand for tournament venues, there an increasing amount of competitors in the industry. The management team will have to work diligently to continue to cultivate relationships with programming partners, differentiate its experience, and keep rates affordable for families with travel sports players.

In order to overcome this challenge, the complex must open with the highest level of service, organization, and communication possible in order to create an environment that maximizes revenue per event and keeps teams coming back in future years with younger age groups.

- **Local Market:** Within 15- and 30-minute drive times of the complex, there is a limited population of approximately 11,888 and 194,361 residents respectively. This does not create enough of a local programming opportunity to support a development of this size; forcing the complex to draw participants from outside the market. This can be especially challenging during off-season programming when most sports tourism destinations are supported by some capacity of local programs. The area's level of sports participation, need for the facility amenities included in the complex, number of significant existing sports organizations, and ease of accessibility helps abate this challenge.
- **Project Scope:** The size of the development will require significant upfront construction and startup expenses as well as ongoing overhead expenses. In this scenario, it will be a challenge for the facility operations to generate enough net income to cover these expenses. Additionally, an operation of this size will require a robust, organized management team, financial structure, and operational structure.

### Next Steps

Based on SFA's extensive experience in planning, opening, and managing sports facilities, the following "next steps" are the high-level milestones needed to successfully launch the Project Game Changer:

- Develop a pre-opening timeline
- Organize funding
- Determine structure and engage a facility management company
- Hire and train local staff
- Develop marketing and brand strategy
- Develop detailed membership and program plan
- Pre-sell inventory
- Host grand opening events

In analyzing the financial performance and economic impact of Project Game Changer and identifying next steps for facility optimization, SFA believes this is a viable project. Under the correct financing, development, and management terms, SFA formally endorses the project and deems it to be **FEASIBLE**.

**GAME CHANGER**  
**UPDATED COST ESTIMATE**



**Capital Costs and Start-up Expenses - Indoor Facility**

	Quantity	Unit	Cost/Unit	Budgeted Cost	% of Total
<b>Building &amp; Land Cost</b>					
Real Estate Acquisition	8.75	LS	\$0	\$0	0.0%
<b>Land Cost Total</b>				<b>\$0</b>	<b>0.0%</b>
<b>Hard Costs</b>					
Hard Building & Dome Structure Cost	1	LS	\$4,587,037	\$4,587,037	42.7%
Covered Multi-Purpose Field Structure	1	LS	\$288,296	\$288,296	2.7%
Site Development	1	LS	\$905,000	\$905,000	8.4%
Contingency			4.76%	\$289,189	2.7%
<b>Hard Cost Total</b>				<b>\$6,069,522</b>	<b>56.5%</b>
<b>Field and Sport Equipment Cost</b>					
<i>Court Area</i>					
Wood Court Flooring	49,920	SF	\$5.00	\$249,600	2.3%
Basketball Net & Stanchion System	12	Ea.	\$10,000	\$120,000	1.1%
Volleyball Net System	10	Ea.	\$5,000	\$50,000	0.5%
Scoreboards	6	Ea.	\$5,000	\$30,000	0.3%
Benches (Participants)	20	Ea.	\$400	\$8,000	0.1%
Bleachers (Spectators)	20	Ea.	\$2,500	\$50,000	0.5%
Curtains (Court)	5	Ea.	\$13,500	\$67,500	0.6%
Athletic Equipment	1	LS	\$25,000	\$25,000	0.2%
<i>Training Area</i>					
Synthetic Turf Flooring	23,550	SF	\$5	\$117,750	1.1%
Scoreboards	1	Ea.	\$5,000	\$5,000	0.0%
Benches (Participants)	2	Ea.	\$500	\$1,000	0.0%
Bleachers (Spectators)	2	Ea.	\$3,500	\$7,000	0.1%
<i>Goals</i>					
Soccer	2	Ea.	\$2,000	\$4,000	0.0%
Lacrosse	2	Ea.	\$750	\$1,500	0.0%
<i>Netting (Field)</i>					
1 3/16" Perimeter Netting	1	LS	\$30,000	\$30,000	0.3%
Ceiling Netting	1	LS	\$10,000	\$10,000	0.1%
Fire Retardant treatment	1	LS	\$25,000	\$25,000	0.2%
Hardware	1	LS	\$10,000	\$10,000	0.1%
Installation	1	LS	\$5,000	\$5,000	0.0%
Batting Cages/Pitching Tunnels	7	Ea.	\$7,000	\$49,000	0.5%
Pitching Machines	3	Ea.	\$1,750	\$5,250	0.0%
Sports Performance Flooring	2,500	SF	\$9	\$22,500	0.2%
Sports Performance Equipment	2,500	SF	\$45	\$112,500	1.0%
Running Track	1,800	SF	\$13	\$23,400	0.2%
Athletic Equipment	1	LS	\$50,000	\$50,000	0.5%
<i>Indoor Adventure Center</i>					
Soft Play/Ropes Course	1	LS	\$300,000	\$300,000	2.8%
Rock/Adventure Climb	1	Ea.	\$600,000	\$600,000	5.6%
<i>Covered Multi-Purpose Field</i>					
Synthetic Turf Flooring	20,000	SF	\$5	\$100,000	0.9%
Dasher Boards	1	Ea.	\$75,000	\$75,000	0.7%
Scoreboards	1	Ea.	\$5,000	\$5,000	0.0%
Benches (Participants)	2	Ea.	\$400	\$800	0.0%
Bleachers (Spectators)	2	Ea.	\$2,500	\$5,000	0.0%
<i>Goals</i>					
Soccer	2	Ea.	\$2,000	\$4,000	0.0%
Lacrosse	2	Ea.	\$750	\$1,500	0.0%
<i>Netting (Field)</i>					
1 3/16" Perimeter Netting	1	LS	\$9,000	\$9,000	0.1%
Ceiling Netting	1	LS	\$10,000	\$10,000	0.1%
Fire Retardant treatment	1	LS	\$19,000	\$19,000	0.2%
Hardware	1	LS	\$5,000	\$5,000	0.0%
Installation	1	LS	\$10,000	\$10,000	0.1%
Curtains (Field)	1	Ea.	\$13,500	\$13,500	0.1%
<i>Miscellaneous</i>					
Inflatable(s)	2	LS	\$5,000	\$10,000	0.1%
<b>Tax and Shipping</b>			9.00%	\$202,212	1.9%
Contingency			5.00%	\$122,451	1.1%
<b>Field and Sport Equipment Cost Total</b>				<b>\$2,571,463</b>	<b>23.9%</b>
<b>Furniture, Fixtures and Equipment Cost</b>					
<b>FOOD &amp; BEVERAGE</b>					
Equipment/Finish Out	1	LS	\$150,000	\$150,000	1.4%
Finish Out	1	LS	\$75,000	\$75,000	0.7%
<b>FURNISHINGS</b>					
Furnishings	1	LS	\$75,000	\$75,000	0.7%
Hardware	1	LS	\$50,000	\$50,000	0.5%
Software	1	LS	\$25,000	\$25,000	0.2%
<b>MISCELLANEOUS</b>					
Locker Rooms/Family Changing Rooms	0	SF	\$65	\$0	0.0%
Signage & Banners	1	LS	\$75,000	\$75,000	0.7%
Sound/Video	1	LS	\$50,000	\$50,000	0.5%
Maintenance Equipment	1	LS	\$10,000	\$10,000	0.1%
<b>Tax &amp; Shipping</b>			9.00%	\$45,900	0.4%
Contingency			5.00%	\$27,795	0.3%
<b>Furniture, Fixtures and Equipment Cost Total</b>				<b>\$583,695</b>	<b>5.4%</b>
<b>Soft Costs Construction</b>					
Design-Build Fee				\$460,153	4.3%
Permits/Inspections			0.50%	\$30,348	0.3%
<b>Soft Costs Operations</b>					
Pre-Launch Professional Services				\$60,000	0.0%
Permits and Extensions				\$30,000	0.0%
Presentation Materials				\$10,000	0.0%
Interest on Construction Loan				\$0	0.0%
Facility Development Consulting Fees				\$174,000	0.0%
Consultant Travel				\$18,000	0.0%
Marketing Allowance				\$105,000	0.0%
Tournament Business Development				\$105,000	0.0%
Pre-Funded Operating Capital Account				\$192,766	0.0%
Pre-Opening Staff Budget				\$283,897	0.0%
<b>Working Capital Reserve</b>				<b>TBD</b>	<b>0.0%</b>
Contingency			5.00%	\$48,933	0.5%
<b>Soft Cost Total</b>				<b>\$1,518,097</b>	<b>14.1%</b>
<b>Total Construction &amp; Pre-opening Costs</b>				<b>\$10,742,776</b>	<b>100.0%</b>

From County Reserves \$774,398  
Municipal Acquisitions \$9,968,379



**GAME CHANGER**

**BOCC LETTER OF INTENT**

## **BOCC LETTER OF INTENT**

June 21, 2016

Dear Sir or Madam:

The following is intended to express the intent of the Board of County Commissioners of Jefferson County, Florida (the "County"), with respect to the acquisition and construction of a proposed sports facility (the "Facility") at the corner of Highway 59 and Interstate 10 within the County. This letter is subject in all respects to the final contractual documentation reflecting the terms of the transaction, and is provided as an expression of the County's intent and not as a contractual document.

1. The Facility, roads, storm water facilities and associated ancillary infrastructure will be designed (drawings and specifications) and constructed for the County through the Management Team members (Sports Facilities Management "SFM" and design/builder EMO). The Facility, roads, storm water facilities and associated ancillary infrastructure will be constructed on land donated by the Smiths. Roads and storm water facilities are expected to be funded by CDBG grant funding.
2. As a pre-condition to the County going forward with the construction of the Facility, Letters of Intent for the construction of a minimum 88-room hotel, a high activity travel/gas center, and a zip-line/adventure facility (Ancillary Facilities), must be converted to formal contracts to construct said facilities.
3. The County will procure financing via a lease-purchase agreement to construct and equip the Facility and will be responsible for any cost overruns. The roads, storm water facilities and ancillary infrastructure outside the limits of the Facility property are expected to be funded by grant funding. The County will not procure financing for or construct the Ancillary Facilities.
4. Pursuant to the lease-purchase agreement, the County will be required to make lease payments from legally available, non-Ad Valorem revenues. If the County makes all lease payments through the term of the lease, the County will receive legal title to the Facility free and clear. The lease may provide for early pre-payment provisions.
5. The County will engage the Management Team members, SFM and EMO to design and construct the Facility, roads, storm water facilities and associated ancillary infrastructure. The County will engage SFM for operation of the Facility and shall retain the right to hire and fire such entities. The County may also form a Sports Authority for the purpose of managing the Management Team and the operations of the Facility.
6. The lease-purchase financing will fund an operating reserve equivalent to one year's operating cost of the Facility. Operating deficits are expected to be covered by the operating reserve and County-accumulated surplus funds. The County will enter into a revenue sharing agreement with SFM.

**JEFFERSON COUNTY, FLORIDA**

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**Chairman, Board of County Commissioners**

**ITEM 5(c)**

**PINEY WOODS ROAD  
BID RECOMMENDATION**

**RESURFACING**

PAY ITEM NUMBER	DESCRIPTION	UNIT	QUANTITY	Capital Asphalt		CW Roberts Contracting		Peavy & Son Construction	
				UNIT PRICE	COST	UNIT PRICE	COST	UNIT PRICE	COST
<b>GENERAL COSTS</b>									
101-1	MOBILIZATION	LS	1.00	\$ 35,000.00	\$ 35,000.00	\$ 33,970.89	\$ 33,970.89	\$ 15,000.00	\$ 15,000.00
102-1	MAINTENANCE OF TRAFFIC	LS	1.00	\$ 15,000.00	\$ 15,000.00	\$ 27,103.47	\$ 27,103.47	\$ 33,000.00	\$ 33,000.00
110-1-1	CLEARING & GRUBBING	LS	1.00	\$ 5,000.00	\$ 5,000.00	\$ 6,439.22	\$ 6,439.22	\$ 15,000.00	\$ 15,000.00
908104-1	CONTRACTOR'S EROSION CONTROL	LS	1.00	\$ 3,000.00	\$ 3,000.00	\$ 2,699.36	\$ 2,699.36	\$ 5,000.00	\$ 5,000.00
<b>ROADWAY</b>									
9999-01	MILLING EXIST. ASPH. PAVT. 1.5" AVG. DEPTH	SY	310.00	\$ 5.00	\$ 1,550.00	\$ 11.70	\$ 3,627.00	\$ 15.00	\$ 4,650.00
327-70-6	SUPERPAVE ASPHALTIC CONC., TRAFFIC B	TN	2,760.00	\$ 90.00	\$ 248,400.00	\$ 87.64	\$ 241,886.40	\$ 84.00	\$ 231,840.00
334-1-12	OPTIONAL BASE GROUP 01 (TURNOUT CONSTRUCTION)	SY	1,100.00	\$ 14.00	\$ 15,400.00	\$ 12.80	\$ 14,080.00	\$ 40.00	\$ 44,000.00
285701	PERFORMANCE TURF, SOD	SY	5,230.00	\$ 2.50	\$ 13,075.00	\$ 3.49	\$ 18,252.70	\$ 2.50	\$ 13,075.00
<b>DRAINAGE</b>									
120-3	LATERAL DITCH EXCAVATION	LS	1.00	\$ 3,000.00	\$ 3,000.00	\$ 2,584.43	\$ 2,584.43	\$ 12,500.00	\$ 12,500.00
430-174-115	PIPE CULVERT, CMP MATERIAL, ROUND 15' SD	LF	130.00	\$ 45.00	\$ 5,850.00	\$ 39.79	\$ 5,172.70	\$ 45.00	\$ 5,850.00
430-174-118	PIPE CULVERT, CMP MATERIAL, ROUND 18' SD	LF	140.00	\$ 50.00	\$ 7,000.00	\$ 54.38	\$ 7,613.20	\$ 50.00	\$ 7,000.00
430-175-115	PIPE CULVERT, CMP MATERIAL, ROUND 15' CD	LF	110.00	\$ 75.00	\$ 8,250.00	\$ 74.13	\$ 8,154.30	\$ 70.00	\$ 7,700.00
430-175-118	PIPE CULVERT, CMP MATERIAL, ROUND 18' CD	LF	50.00	\$ 80.00	\$ 4,000.00	\$ 87.91	\$ 4,395.50	\$ 100.00	\$ 5,000.00
430-115-118	PIPE CULVERT, CMP MATERIAL, ROUND 18' CD	LF	90.00	\$ 85.00	\$ 7,650.00	\$ 97.68	\$ 8,791.20	\$ 100.00	\$ 9,000.00
430-982-123	MITERED END SECTION, RCP, 15" CD	EA	8.00	\$ 425.00	\$ 3,400.00	\$ 763.91	\$ 6,111.28	\$ 800.00	\$ 6,400.00
430-982-125	MITERED END SECTION, RCP, 18" CD	EA	4.00	\$ 475.00	\$ 1,900.00	\$ 786.67	\$ 3,146.68	\$ 900.00	\$ 3,600.00
430-982-125	MITERED END SECTION, CMP, 15" CD	EA	2.00	\$ 475.00	\$ 950.00	\$ 804.35	\$ 1,608.70	\$ 900.00	\$ 1,800.00
430-984-123	MITERED END SECTION, CMP, 18" SD	EA	10.00	\$ 425.00	\$ 4,250.00	\$ 656.10	\$ 6,561.00	\$ 800.00	\$ 8,000.00
430-984-125	MITERED END SECTION, CMP, 18 SD	EA	10.00	\$ 475.00	\$ 4,750.00	\$ 897.95	\$ 8,979.50	\$ 900.00	\$ 9,000.00
120-4	12" TYPE "B" STABILIZATION (FOR CD'S)	SY	80.00	\$ 10.00	\$ 800.00	\$ 27.40	\$ 2,192.00	\$ 25.00	\$ 2,000.00
285706	OPTIONAL BASE, BASE GROUP 6 (FOR CD'S)	SY	80.00	\$ 20.00	\$ 1,600.00	\$ 50.28	\$ 4,022.40	\$ 25.00	\$ 2,000.00
334-1-12	1.5" (165 LBS/SY) TYPE SP-9.5 STRUCTURAL COURSE, TRAF B (CAP OVER CROSS DRAIN)	TN	7.00	\$ 150.00	\$ 1,050.00	\$ 212.97	\$ 1,490.79	\$ 200.00	\$ 1,400.00
400-102	CONCRETE CLASS I, ENDWALLS	CY	2.01	\$ 1,000.00	\$ 2,010.00	\$ 1,597.82	\$ 3,211.62	\$ 1,000.00	\$ 2,010.00
120-2-2	BORROW EXCAVATION (FILL AROUND MES'S AND HEADWALLS)	CY	400.00	\$ 8.00	\$ 3,200.00	\$ 23.52	\$ 9,408.00	\$ 15.00	\$ 6,000.00
162-1-11	PREPARED SOIL LAYER, FINISH SOIL LAYER, 6'	SY	400.00	\$ 2.50	\$ 1,000.00	\$ 2.38	\$ 952.00	\$ 5.00	\$ 2,000.00
570-1-2	PERFORMANCE TYPE, SOD	SY	400.00	\$ 2.50	\$ 1,000.00	\$ 2.52	\$ 1,008.00	\$ 5.00	\$ 2,000.00
9999-01	DEWATERING	LS	1.00	\$ 3,000.00	\$ 3,000.00	\$ 1,802.14	\$ 1,802.14	\$ 5,000.00	\$ 5,000.00
<b>PAVEMENT MARKINGS</b>									
546-71	RUMBLE STRIPS	PS	8.00	\$ 400.00	\$ 3,200.00	\$ 335.83	\$ 2,686.64	\$ 400.00	\$ 3,200.00
*710-11-201	PAINTED PAVEMENT MARKINGS, STANDARD, YELLOW, SOLID, 6"	GM	3.56	\$ 850.00	\$ 3,026.00	\$ 1,679.15	\$ 5,977.77	\$ 1,700.00	\$ 6,052.00
710-90	PAINTED PAVEMENT MARKINGS, FINAL SURFACE	LS	1.00	\$ 7,500.00	\$ 7,500.00	\$ 10,746.55	\$ 10,746.55	\$ 11,000.00	\$ 11,000.00
711-11111	THERMOPLASTIC, STD, WHITE, SOLID, 6"	NM	3.56	\$ 3,800.00	\$ 13,528.00	\$ 4,477.73	\$ 15,940.72	\$ 4,400.00	\$ 15,664.00
711-11125	THERMOPLASTIC, STD, WHITE, SOLID, 24"	LF	80.00	\$ 7.00	\$ 560.00	\$ 7.16	\$ 572.80	\$ 9.00	\$ 720.00
711-11160	THERMOPLASTIC, STD, WHITE, MESSAGE			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	STOP	EA	2.00	\$ 200.00	\$ 400.00	\$ 212.69	\$ 425.38	\$ 250.00	\$ 500.00
711-11211	THERMOPLASTIC, STD, YELLOW, SOLID, 6"	NM	3.56	\$ 3,800.00	\$ 13,528.00	\$ 4,365.79	\$ 15,542.21	\$ 4,300.00	\$ 15,308.00
*706-3	RETRO REFLECTIVE PAVEMENT MARKERS			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	BLUE	EA	4.00	\$ 4.00	\$ 16.00	\$ 4.26	\$ 17.04	\$ 5.00	\$ 20.00
	BI-DIRECTIONAL AMBER	EA	235.00	\$ 4.00	\$ 940.00	\$ 4.25	\$ 998.75	\$ 5.00	\$ 1,175.00
700-1-11	SINGLE POST SIGN	EA	28.00	\$ 250.00	\$ 7,000.00	\$ 319.04	\$ 8,933.12	\$ 325.00	\$ 9,100.00
700-1-60	SINGLE POST SIGN REMOVE	EA	37.00	\$ 50.00	\$ 1,850.00	\$ 11.19	\$ 414.03	\$ 25.00	\$ 925.00
705-10-2	OBJECT MARKER, TYPE 2	EA	12.00	\$ 100.00	\$ 1,200.00	\$ 50.37	\$ 604.44	\$ 60.00	\$ 720.00
705-10-3	OBJECT MARKER, TYPE 3	EA	9.00	\$ 100.00	\$ 900.00	\$ 162.32	\$ 1,460.88	\$ 175.00	\$ 1,575.00
<b>TOTAL</b>					\$ 454,733.00		\$ 499,584.81		\$ 525,784.00
<b>ALTERNATE NO. 1: ADDITIONAL ASPHALT</b>									
334-1-12	0.5" (55LBS/SY) TYPE SP- 9.5 SURFACE COURSE, TRAF B	TN	550.00	\$ 80.00	\$ 44,000.00	\$ 87.64	\$ 48,202.00	\$ 90.00	\$ 49,500.00
<b>TOTAL</b>					\$ 44,000.00		\$ 48,202.00		\$ 49,500.00

Corrected Contractor Error In Areas Highlighted in Yellow

**ITEM 5(e)**

**CODE ENFORCEMENT APPEALS PROCESS-  
MAGISTRATE AS HEARING OFFICER**

## **Chapter 21 CODE ENFORCEMENT**

### **Sec. 21-1. - Generally.**

This ordinance establishes code enforcement procedures and creates the Jefferson County Code Enforcement Board and Special Magistrate, pursuant to ch. 162, F.S. The code enforcement board and special magistrate(s) would not exercise such powers concurrently, but rather the board of county commissioners would by resolution adopted from time to time, specify whether the code enforcement board or the special magistrate is authorized to exercise such powers.

### **Sec. 21-2. – Definitions.**

Code Enforcement is the prevention, detection, investigation and enforcement of violations of statutes or ordinances regulating public health, safety, and welfare, public works, business activities and consumer protection, building and fire protection standards, land-use, or municipal affairs.

Code Enforcement Board (CEB) shall mean the county code enforcement board created pursuant to ch. 162, F.S.

Code Enforcement Inspector shall mean those authorized agents or employees of the county whose duty it is to assure code compliance.

Code Enforcement Officer shall mean any authorized agent or employee of the county who possesses specialized training in code enforcement by the Florida Association of Code Enforcement and is appointed by the Board of County Commissioners to carry out the function of Code Enforcement in Jefferson County.

Special Magistrate shall mean a person authorized to hold quasi-judicial hearings and assess fines against violators of the county code of ordinances and such other authority as may be conferred by Chapter 162, Florida Statutes, or any other law and shall include any alternate special magistrate.

### **Sec. 21-3. - Creation of code enforcement board; composition, terms and removal of members; organization.**

(a) There is created a code enforcement board for the county, which shall consist of seven members appointed by the board of county commissioners. The board of county commissioners may appoint up to two alternate members to serve on the board in the absence of code enforcement board members. All members of the code enforcement board shall be residents of the county and shall serve without compensation.

(b) The membership of the code enforcement board shall, whenever possible, be made on the basis of experience or interest in the fields of zoning and building control and shall, whenever possible, include:

- (1) An architect;
- (2) A business person;
- (3) An engineer;
- (4) A general contractor;
- (5) A subcontractor;
- (6) A realtor; and
- (7) A citizen lay[man] appointee.

(c) The initial appointments to the code enforcement board shall be as follows:

- (1) Two members shall be appointed for a term of one year.
- (2) Three members shall be appointed for a term of two years.
- (3) Two members shall be appointed for a term of three years.
- (4) Alternate members, if appointed, shall be appointed for a term of one year.

Thereafter, each member shall be appointed by the board of county commissioners for a term of three years. A member may be reappointed. Appointments to fill any vacancy on the code enforcement board shall be for the remainder of the unexpired term of office.

(d) Any member of the board who fails to attend two out of three successive meetings during any calendar year shall automatically forfeit such appointment and the Board of County Commissioners shall promptly fill such vacancy.

(e) Members of the code enforcement board may be suspended and removed from office by the board of county commissioners for cause after ten days' written notice and hearing before the board of county commissioners.

(f) At the first meeting of the code enforcement board, the members shall elect a chair and a vice-chair, who shall be voting members, from among the members of the code enforcement board. The persons so elected shall function as chair and vice-chair for a one-year term. The presence of four or more members, including alternate members, shall constitute a quorum of the code enforcement board necessary to take action. Special meetings of the code enforcement board may be convened by the chair upon giving 48 hours' written notice to each member of the board.

(g) Regular meetings of the board shall occur no less frequently than once per quarter, or as necessary.

(h) Minutes and mechanical recordings shall be maintained for all meetings and hearings held by the code enforcement board; and all meetings, hearings and proceedings shall be open to the public.

(i) The board of county commissioners shall provide administrative support, including necessary supplies, to the code enforcement board as may be reasonably required for the proper performance of its duties.

**New Section:**

Sec 21-4. - Special Magistrates.

(a) Alternative proceedings. Consistent with resolution of the board of county commissioners, adopted from time to time, in lieu of having the code enforcement board hear and decide code violations, the county coordinator may appoint one or more special magistrates to hear and dispose of such matters. Special magistrates shall have the same status, jurisdiction and authority as the code enforcement board. All references to the code enforcement board in the county code of ordinances shall apply to a special magistrate, except that no legal counsel shall be appointed to advise a special magistrate.

(b) Minimum qualifications. The minimum qualifications to be eligible for service as a special magistrate are as stated below. In addition, the county coordinator may specify further required qualifications in a solicitation for special magistrates.

(1) Be an active member in good standing of the Florida Bar with a minimum of five (5) years recent experience practicing law, which experience shall include litigation and administrative hearing experience.

(2) Reside or own property in Jefferson County, Florida

(3) Not be an employee of the county or hold any office within the county government.

(4) Comply with the Code of Ethics of the State of Florida.

(c) Solicitation and appointment. Eligible candidates for special magistrate shall be sought and the selection and appointment made by the county coordinator. Terms of appointment and compensation for the special magistrates shall be established pursuant to a contract approved by the board of county commissioners. The county coordinator may select and appoint up to two alternate special magistrates to serve in the event of legal conflict of interest or in the absence of the special magistrate, with the terms of appointment and compensation for the alternate special magistrates established pursuant to a contract approved by the board of county commissioners.

(d) Additional duties. The board of county commissioners may, by ordinance, specify that the special magistrate appointed under this section shall perform additional duties as a hearing officer conducting quasi-judicial hearings on other matters concerning the county code of ordinances.

(e) Removal. The special magistrate and any alternate special magistrate shall serve at the pleasure of the county coordinator and may be removed from service at any time, with or without cause, by the county coordinator.

(f) Conflicts. In the event of a legal conflict of interest prevents the special magistrate and any alternate special magistrate from hearing a case, the county coordinator, notwithstanding the language of Sec 21-3.(b)(3) above, may contract with any current special magistrate of another



Florida jurisdiction to hear the case.

Re-number following sections...

Sec. 21-5. – Legal counsel. ~~Sec. 21-4. – Legal counsel.~~

(a) The county attorney is hereby designated by the board of county commissioners to attend meetings of the code enforcement board or special magistrate in order to assist and advise the code enforcement board in the conduct of its hearings, including the application of the procedures for hearings as set forth herein.

(b) An attorney (other than the county attorney) may be appointed by the board of county commissioners to represent the county staff during such proceedings. The appointed attorney or a member of the administrative staff of the county shall present each case before the code enforcement board or special magistrate. The board may appoint the county planning Commissioners attorney to function in this capacity.

(c) In no event may the county attorney serve in both capacities.

Sec. 21-6. - Jurisdiction. ~~Sec. 21-5. – Jurisdiction.~~

(a) The code enforcement board or special magistrate shall have the jurisdiction to hear and decide alleged violations occurring within the unincorporated county and, if approved by interlocal agreement, within the municipal limits of the City of Monticello, of the following codes and ordinances that have been, or will in the future be, adopted by the county, or if applicable, by the city:

- (1) Florida Building Code, Building.
- (2) Florida Building Code, Residential.
- (3) Florida Building Code, Existing Building.
- (4) Florida Building Code, Plumbing.
- (5) Florida Building Code, Fuel Gas.
- (6) Florida Building Code, Mechanical.
- (7) Florida Building Code, Test Protocols.
- (8) Florida Building Code, Energy.
- (9) Florida Accessibility Code.
- (10) Florida Fire Prevention Code.
- (11) Florida Life Safety Code.
- (12) Land Development Code and Comprehensive Plan.
- (13) Subdivision codes.
- (14) Licensing codes, including business tax receipts and licensing.
- (15) Mobile Home Inspection Code.
- (16) Unsafe Building Abatement Code
- (17) Code of Ordinances.

(b) The jurisdiction of the code enforcement board or special magistrate shall not be exclusive. Any alleged violation of any of the codes and ordinances referred to in subsection (a) of this section may be pursued by appropriate remedy in court, or in any other manner, or using any procedure, provided by state statute or by any local code in effect, or which in the future may be in effect, at the option of the appropriate official whose responsibility it is to enforce that respective code or ordinance.

Sec. 21-7. General enforcement authority. ~~Sec. 21-6. General enforcement authority.~~

The Code Enforcement Inspector/officer shall have the authority and powers necessary to gain compliance with the codes and ordinances enumerated in Sec. 21-6 ~~Sec. 21-5~~ above, and shall conduct an investigation upon receiving a complaint by a citizen.

Sec. 21-8. – Complaint procedure. ~~Sec. 21-7. Complaint procedure.~~

(a) A citizen of Jefferson County may make a complaint for investigation by the code enforcement officer.

(b) Complaints shall be made in writing on a form to be supplied by the code enforcement officer and shall contain the following:

- (1) Date of offense and date of filing the complaint.
- (2) General statement of facts of the offense including the location and owners name and contact information, if known.
- (3) Name, signature, and contact information of the complainant.

Sec. 21-9. - Enforcement procedure. ~~Sec. 21-8. Enforcement procedure.~~

(a) It shall be the duty of the code enforcement inspector to investigate complaints and initiate enforcement proceedings of the various codes and ordinances. No member of the code enforcement board or the special magistrate(s) may initiate enforcement proceedings. The Code Enforcement Inspector/officer may initiate enforcement proceedings according to the process set forth in this section when the inspector/officer has reason to believe that there is a violation of any the County codes and ordinances enumerated in Sec. 21-6 ~~Sec. 21-5~~ above.

- (1) A notice of violation shall be served upon the owner, agent, custodian, lessee, or occupant to terminate and abate the violation in not less than 30 days from the date such notice is received by certified mail, hand delivery, or advertised in a newspaper of general circulation in the county. Such notice of violation shall include:
  - a. a sufficient description by address and/or legal description to identify the property upon which the violation exists;

- b. a description of the violation to be terminated and abated and any additional actions, authorizations or permits required to achieve compliance; and
- c. a statement that if the described violation is not terminated and abated within a specified period of time, which shall be not less than 30 days after notice as herein provided, the code enforcement board may order the code enforcement officer to cause the violation to be terminated and abated, and to impose a lien upon the property for the actual cost of such termination and abatement.

The code enforcement inspector/officer may provide additional time in which to cure a violation if, in the discretion of the code enforcement officer, such additional time is reasonably necessary in view of the actions required to achieve compliance.

(2) If such violation has not been terminated and abated within the time specified in the notice, a second notice shall be sent notifying the offender that a code enforcement hearing has been requested. Such notice of violation shall further state the date, time and place in which the violation will be called up for hearing before the code enforcement board. The second notice as referenced herein shall be sent to the violator not less than 30 days before the hearing before the code enforcement board.

(3) If a violation presents a serious threat to the public health, safety, and welfare, the code enforcement inspector/officer shall immediately take the case before the code enforcement board, even if the violator has not been notified.

(4) If a repeat violation is found, the code inspector shall notify the violator; but is not required to give the violator a reasonable time to correct the violation. The code enforcement inspector/officer, upon notifying the violator of a repeat violation, shall notify the code enforcement board and request a hearing. The code enforcement board, through its administrative staff, shall schedule a hearing and shall provide notice pursuant to this chapter. The case may be presented to the code enforcement board even if the repeat violation has been corrected prior to the board hearing; and the notice shall so state.

Sec. 21-10. - Hearing procedure. ~~Sec. 21.9. — Hearing procedure.~~

(a) All hearings before the code enforcement board or special magistrate pertaining to this article shall be public hearings and shall be noticed by publication as provided in the Land Development Code (in addition to the notices to the violator as provided elsewhere in this Chapter) and shall be conducted in accordance with the procedures set forth in this Code.

(b) After a case is set for hearing, the secretary to the code enforcement board or special magistrate may issue subpoenas as requested by the code enforcement officer/inspector, and the alleged violator. Subpoenas may be served by the Sheriff of Jefferson County. Subject to potential cost recovery in this chapter, the county shall initially pay all costs of issuing and

serving up to and including four subpoenas requested by any party. Should a party request more than four subpoenas, that party shall pay all costs incurred in issuing and serving those in excess of four.

(c) Hearings before the code enforcement board or special magistrate shall be conducted as follows:

- (1) The code enforcement officer/inspector shall read the statement of violations and request for hearing.
- (2) The alleged violator shall be asked if he wishes to contest the charges.
- (3) The county shall present its case and alleged violator shall present his case. The county's case shall be presented by an attorney representing the county or by a member of the administrative staff of the county. The alleged violator's case may be presented by an attorney, or other representative chosen by the alleged violator.
- (4) Both parties may call witnesses and all witnesses shall be sworn. All testimony shall be under oath and shall be recorded.
- (5) Formal rules of evidence shall not apply, but fundamental due process shall be observed.
- (6) Both parties may cross-examine witnesses and present rebuttal evidence.
- (7) The code enforcement board and its attorney may call or question any witness. The special magistrate may call or question any witness.
- (8) After all evidence has been submitted, the chair shall close presentation of evidence.
- (9) The code enforcement board or special magistrate shall immediately deliberate and make a decision in open session. If a decision cannot be reached in the initial meeting, the board shall adjourn and reconsider the matter as soon as possible at a time and date certain.
- (10) A decision of the code enforcement board must be approved by simple majority, except that at least four (4) members of the board must vote. The decision shall contain findings of fact and conclusions of law and shall state the affirmative relief granted by the board or special magistrate.
- (11) The decision shall be announced as an oral order of the code enforcement board or special magistrate and shall be reduced in writing within ten days and mailed to the parties.
- (12) The code enforcement board or special magistrate may, at any hearing, order the reappearance of a party at a future hearing.

(13) Any case may be continued by the code enforcement board or special magistrate for good cause shown. If the code enforcement board's consideration of a case has already been publically noticed, the board's counsel or the special magistrate may grant a continuance prior to the meeting at which a case is to be heard, provided that the request is unopposed by all parties. The continuances shall be announced during the publicly noticed hearing. There shall be no more than two continuances granted in any case.

(d) The code enforcement board or special magistrate may issue whatever orders are necessary to bring the violation into compliance, including an order which directs the code enforcement officer/inspector to cause the violation to be terminated and abated, and which further orders that a lien be placed on the property in an amount equal to the actual cost of terminating and abating the violation. No order of the code enforcement board or special magistrate shall cause a violation to be terminated and abated before the time has run out for appealing such order.

(e) The code enforcement board or special magistrate, upon finding a violation, shall issue an order to comply, setting a date certain for compliance and a fine to be levied if the deadline for compliance is not met. The fine shall not exceed \$250.00 per day for a first violation and shall not exceed \$500.00 per day for each repeat violation, such fines to accrue daily for each day the violation continues past the specified compliance date. In addition, in each instance in which the code enforcement board or special magistrate determines that a violation has occurred, the board or magistrate shall include in its order or decision a requirement that the violator reimburse the county an amount equivalent to the reasonable costs of prosecuting the case before the board or magistrate, said amount to be specifically stated in the order or decision. If the violator fails to remit such reimbursement to the county within 60 days following the violator's receipt of the order or decision of the code enforcement board or special magistrate, such funds shall be recoverable as provided in F.S. § 162.09(3).

(f) In determining the amount of the fine, if any, the code enforcement board or special magistrate shall consider the following factors:

- (1) The gravity of the violation.
- (2) The actions taken by the violator to correct the violation.
- (3) Any previous violations committed by the violator.
- (4) Whether imposition of the fine will constitute an undue hardship on the violator considering the financial resources of the violator.

(g) The code enforcement board or special magistrate may reduce a fine imposed pursuant to this section if mitigating circumstances shall be established and recorded in the minutes of the ~~code enforcement board~~ hearing.

(h) After an order has been issued by the code enforcement board or special magistrate and a date for compliance has been set, the code enforcement officer/inspector or other designated county official shall make a reinspection to determine compliance or noncompliance with the order.

(i) The code enforcement officer/inspector or other designated county official shall file an

affidavit of compliance or noncompliance with the secretary of the code enforcement board or special magistrate, and a copy shall be sent to the violator by certified mail, return receipt requested.

(j) If the code enforcement officer/inspector files an affidavit of compliance, the secretary of the code enforcement board or special magistrate shall close the file and so report to the board or special magistrate.

(k) If the code enforcement officer/inspector files an affidavit of noncompliance with the secretary of the code enforcement board or special magistrate, the board or magistrate may order the violator to pay the fine as specified in the board's or magistrate's order.

(l) A copy of the order imposing the fine shall be mailed to the violator by certified mail, return receipt requested, or personally served upon the violator.

(m) If a fine remains unpaid for a period of 14 days, a certified copy of the order imposing the fine shall be recorded in the Official Records of Jefferson County, which shall thereafter constitute a lien against the land on which the violations exists, or upon any other real or personal property owned by the violator, and may be enforced in the same manner as a court judgment by the sheriffs of this state, including levy against personal property. If the fine or costs incurred by the county remains unpaid for a period of one year following the date the lien was filed, the board may authorize the county attorney to foreclose on the lien, which shall be collected as provided in F.S. § 162.09(3).

(n) In addition to the penalties prescribed above, the code enforcement board or special magistrate shall:

(1) Direct the building, planning, or fire safety administrator not to issue any subsequent authorizations until the violation has been corrected.

(2) Inform the violator that no further work under an existing approval may proceed until the violation has been corrected.

(o) In any instance where the violation constitutes a serious threat to the public health, safety or welfare and has not been corrected within a reasonable period of time, the code enforcement board or special magistrate may notify the board of county commissioners, which authorize entry onto the property in order to make such repairs as are necessary, or take such other actions as law may allow to cure the violation and eliminate such threat, and the cost of such repairs or other actions shall constitute a lien as provided in F.S. § 162.09(1).

Sec. 21-11. - Appeal.    ~~Sec. 21-10.~~ Appeal

(a) An aggrieved party, including the board of county commissioners, may appeal a final administrative order of the code enforcement board or special magistrate to the circuit court. Any such appeal shall be filed within 30 days of the execution of the order to be appealed.

(b) The scope of review shall be limited to the record made before the code enforcement

board or special magistrate and shall not be a trial de novo.

(c) The code enforcement board or special magistrate shall, by rule, establish reasonable charges for the preparation of the record to be paid by the appealing party if such is required by the Florida Rules of Appellate Procedure.

Sec. 21-12. - Notices. ~~Sec. 21-11—Notices.~~

(a) All notices required by this Chapter shall be provided to the alleged violator by certified mail, return receipt requested, by hand delivery by the sheriff or other law enforcement officer, code enforcement officer/inspector, or other person designated by the board of county commissioners; or by leaving the notice at the violator's usual place of residence with any person residing there who is above 15 years of age and informing such person of the contents of the notice.

(b) In addition to providing notice may also be served by publication, as follows:

(1) Such notice shall be published once during each week for four consecutive weeks (four publications being sufficient) in a newspaper of general circulation in the county. The newspaper shall meet such requirements as are prescribed under F.S. ch. 50, for legal and official advertisements.

(2) Proof of publication shall be made as provided in F.S. §§ 50.041 and 50.051.

(3) Notice by publication may run concurrently with, or may follow, an attempt or attempts to provide notice by hand delivery or by mail as required under subsection (a).

(c) In lieu of publication as described hereinabove, such notice may be posted at least ten days prior to the hearing, or prior to the expiration of any deadline contained in the notice, in at least two locations, one of which shall be the property upon which the violation is alleged to exist and the other of which shall be, in the case of the county, at the front door of the county courthouse, or, in the case of the City of Monticello, at city hall. Proof of posting shall be by affidavit of the person posting the notice, which affidavit shall include a copy of the notice posted and the date and places of its posting.

(d) Evidence that an attempt has been made to hand deliver or mail notice as provided in this section, together with proof of publication or posting, shall be sufficient to show that the notice requirements of this section have been met, without regard to whether or not the alleged violator actually received such notice.

Sec. 21-13. Abatement bid procedure. ~~Sec. 21-12. Abatement bid procedure.~~

The county shall obtain competitive bids pursuant to the county's normal bidding, purchasing and contracting requirements for services entailed in carrying out the abatement of nuisances under this Chapter. The successful bidder shall be required to provide insurance and bonding as the county deems advisable.

Sec. 21-14. Immunity.    ~~Sec. 21-13. Immunity~~

Any code enforcement officer/inspector shall be immune from prosecution, civil or criminal, for reasonable, good faith entry upon real property while in the discharge of duties imposed by this section.

Sec. 21-15. Costs.    ~~Sec. 21-14. Costs~~

Cost of enforcement shall include but not be limited to: investigative fees, court costs, attorney's fees, administrative fines, travel expenses, clean-up expenses, restoration of property damaged or payment for damages, storage expenses, tipping fees that would have normally been paid if the violator had property disposed of or caused to be disposed any junk, debris, unserviceable vehicles, litter or abandoned property.

Sec. 21-16. Citations and civil penalties.

RESERVE



**ITEM 5(f)**

**GLENN BISHOP ENTERPRISES  
PROJECT DOCUMENTS**

**GLEN BISHOP ENTERPRISES**

**DRAFT LEASE  
(TO BE UPDATED/AMENDED  
AT BOCC MEETING)**

**COMMERCIAL LEASE WITH  
CONTRACT TO PURCHASE**

THIS LEASE, made this \_\_\_\_\_ day of \_\_\_\_\_, 2015, by and between **JEFFERSON COUNTY BOARD OF COUNTY COMMISSIONERS**, hereinafter called "LANDLORD", with its principal offices at 1 Courthouse Circle, Monticello, Florida 32344, and **GLEN BISHOP ENTERPRISES, LLC**, a Florida Limited Liability Company, 180 S. Cherry Street, Monticello, Florida 32344, hereinafter called "TENANT".

**WITNESSETH:**

In consideration of the rents reserved herein and the mutual covenants, terms, conditions and agreements hereinafter set forth, LANDLORD and TENANT hereby agree as follows:

1. **DESCRIPTION OF PROPERTY**, LANDLORD leases to TENANT and TENANT lets and rents from LANDLORD that certain rental space located at (see attached Exhibit A & B). (herein referred to as "Premises"). LANDLORD shall also provide the nonexclusive right to use the roads, and other improvements, which are a part of the property upon which the Premises are located.
  
2. **TERM**. The term of this Lease shall be a period of Seven ( 7) years, commencing on the \_\_\_\_\_ day of \_\_\_\_\_, 2015, and terminating at 12:00 midnight on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.
  
3. **RENT**. TENANT agrees to pay as total initial period rental under the terms of this Lease the sum of \_\_\_\_\_/100 Dollars (\$ \_\_\_\_\_). plus sales tax or its equivalent, which may now or in the future be levied, which amount TENANT agrees to pay to LANDLORD in equal monthly installments, plus sales tax or its equivalent, which amount shall be payable to LANDLORD in advance on the first day of each and every calendar month during the term of this Lease. Rent shall be paid to the LANDLORD at the address hereinafter set forth, or at such other address, as LANDLORD from time to time shall designate. All payments due from TENANT to LANDLORD under the terms of this Lease shall be paid promptly when due without deduction or offset. If any payment is not received by LANDLORD by 12:00 midnight on the 7<sup>th</sup> calendar day following the day on which the payment is due, a late fee shall be immediately due and payable by TENANT to LANDLORD as additional rent equal to ten percent (10%) of the delinquent payment for each month rent is past due plu FIVE AND NO/100 DOLLARS (\$5.00) per day for each additional day thereafter that payment is not made. Any other amounts payable to LANDLORD under this LEASE, with the exception of monthly rental, shall be considered past due THIRTY (30) calendar days from LANDLORD'S billing date and, in addition to such payment, TENANT shall pay interest on such past due payment at the maximum interest rate allowed by Florida law. If LANDLORD receives any check from TENANT, which is returned for insufficient funds, or any other reason, TENANT shall be required to pay LANDLORD a service charge of FIFTY AND NO/100 DOLLARS (\$50.00) per returned check.

4. USE OF PREMISES. The Premises are leased to TENANT for use as a BUSINESS OFFICE, WAREHOUSE AND LIGHT MANUFACTURING, and TENANT agrees to restrict its use for such purposes and not to use or permit use of the Premises for any other purpose without first obtaining the written consent of LANDLORD, not to be unreasonably withheld. TENANT shall not use the Premises in any manner, even in its use for the purposes which the Premises are leased, that will increase risks covered by insurance on the building where the Premises are located, so as to increase the rate of insurance on the Premises or to cause cancellation of any insurance policy covering the building. TENANT further agrees not to keep in the Premises, or permit to be kept, used or sold thereon, anything prohibited by the policy of fire insurance covering the Premises. TENANT shall comply, at its own expense, with all requirements of insurers, necessary to keep in force the fire and public liability insurance covering the Premises and building.

TENANT shall not commit, or allow to be committed, any waster on the Premises, create or allow any nuisance to exist on the Premises, or use or allow the Premises to be used for any unlawful, improper, or offensive purposes, including illegal drug activity. No flammable or explosive material, or hazardous or toxic waste, material, or substance, including asbestos, petroleum and any petroleum by-products, which is or becomes regulated by any local governmental authority, any agency of the State of Florida or of the United States Government, shall be allowed or kept within the Premises unless LANDLORD'S prior written approval is obtained.

5. MAINTENANCE BY TENANT. TENANT agrees that by occupying the demised Premises, TENANT has accepted the same to be in good repair and has accepted the Premises in "as is" condition, unless otherwise provided for in this Lease. TENANT agrees that during the term of this Lease, it will, at its own expense, keep all structural and nonstructural portions of the Premises in good state of repair and condition (including repair of nail and screw holes or other damage caused by TENANT to interior walls and doors, utility sinks, and plumbing fixtures), except ordinary wear and tear excepted. All damages resulting from the misuse of the Premises and fixtures shall be borne by TENANT. TENANT shall not mark, paint, drill into, or in any way deface any part of the Premises or the building of which they are a part except as provided herein.

6. UTILITIES. TENANT agrees to pay for all charges for utilities, including heating and cooling, water, electricity (includes storm water utility fees, fire service fees, and related taxes.)

7. AD VALOREM TAXES. The LANDLORD shall pay real estate taxes assessed, if any, against the realty, of which the leased Premises are a part. TENANT agrees to pay all taxes levied against the personal property and trade fixtures of the TENANT in and about the demised Premises and any sales taxes, which are or may be levied upon any services or sales by TENANT.

8. INSURANCE. TENANT shall procure and maintain in full force and effect during the term of this Lease and any extension thereof, at TENANT'S sole expenses, policies of

public liability insurance, adequate to protect against liability for damage claims through use of or arising out of accidents in or around the leased Premises in the minimum amount of ONE MILLION DOLLARS (\$1,000,000.00) for each person injured, ONE MILLION DOLLARS (\$1,000,000.00) for any one accident, ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) for property damage caused to the Premises through the negligence of TENANTS employees, invitees, and principals, and FIVE THOUSAND DOLLARS (\$5,000.00) for medical expenses. Such insurance policies shall provide coverage for LANDLORD'S contingent or derivative liability on such claims or losses. Copies of such policy(ies) or certificates of insurance shall be delivered to LANDLORD prior to and as a condition of TENANT'S possession under this Lease, and thereafter, the renewal of replacement policy(ies) shall be delivered on or before the expiration date of such policy(ies). TENANT agrees to obtain a written obligation from the insurers to notify LANDLORD in writing at least THIRTY (30) calendar days prior to cancellation or refusal to renew any such policy(ies). TENANT agrees that if such insurance policies are not kept in force during the entire term of this Lease and any extension thereof, and proof thereof delivered to LANDLORD as herein provided, LANDLORD may procure the necessary insurance and pay the premium therefore, and that such premiums shall be repaid to LANDLORD as an additional rent installment for the month following the date on which such premiums are paid.

TENANT agrees at all times during the period of this Lease, at its expense, to keep the Building insured against fire and windstorm damage and other such casualties to the Premises, with extended "all risk" coverage with the LANDLORD as the protected party.

TENANT agrees to pay any increases in the amount of insurance premiums over and above the current rate in force that may be caused by TENANT'S use of the Premises.

TENANT shall be responsible for providing such insurance, as TENANT deems appropriate, on TENANTS trade fixtures, furniture, equipment, and other items of TENANT located on or placed in the leased Premises.

TENANT acknowledges that LANDLORD does not provide security guards, security alarm systems, or other devices on the Premises, and TENANT shall take property precautions to protect its employees, invitees, and principals from any such security risks, which TENANT might reasonably expect.

9. DESTRUCTION OF PREMISES. If the Premises are partially destroyed during the term of this Lease, LANDLORD shall repair them, when such repairs can be made in conformity with local, state and federal laws and regulations, and subject to the requirements of any mortgagee or insurer on the property, within NINETY (90) calendar days of the partial destruction. The partial destruction of the leased Premises shall not render this Lease void or voidable or terminated except as herein provided. Rent for the Premises shall be reduced during the repair and construction period in proportion to the amount of space rendered untenable in relation to the total demised Premises. If the repairs cannot be so made within the time limit, LANDLORD has the option of making them within a reasonable time and continue this Lease in effect with proportional rent rebates to TENANT as provided for herein. If the repairs cannot be

so made in NINETY (90) calendar days and if LANDLORD does not elect to make them within a reasonable time, either party hereto has the option of terminating this Lease. Notwithstanding anything herein to the contrary, in the event the leased Premises are more than fifty percent (50%) destroyed, LANDLORD or TENANT may, at its option, terminate this Lease, and LANDLORD shall rebate to TENANT any advance rent paid through the date of said termination.

10. PERSONAL PROPERTY. All made fixtures, furniture, equipment, and other items of personal property on the Premises or in the building shall be and remain at TENANT'S sole risk of loss, except for damage occasioned thereto by gross negligence or intentional wrongdoing of LANDLORD, and TENANT shall be responsible for providing its own insurance coverage for the same. LANDLORD shall not be liable for any damage to nor loss of such property arising from any acts of negligence of any other persons, except for damage occasioned thereto by gross, negligence or intentional wrongdoing of the LANDLORD; nor shall the LANDLORD be liable for any injury to employees, agents, invitees, or customers of the TENANT or other persons in or about the Premises, except for damage occasioned thereto by gross negligence or intentional wrongdoing of the LANDLORD; the TENANT expressly agrees to hold the LANDLORD harmless in all such cases.

11. INSPECTION BY LANDLORD. LANDLORD reserves the right to enter the Premises at all reasonable times, upon 24 hour prior notice (except in the case of an emergency), for the purpose of inspecting them and to perform required maintenance and repair, and TENANT agrees to permit LANDLORD to do so. LANDLORD shall attempt to make all such inspections and repairs at such times and in such a manner as to minimize interference with the operation of TENANT'S business. In any event, LANDLORD shall not be obligated to reduce TENANT'S rent for the Premises during any period of normal maintenance repair nor shall LANDLORD incur any liability to TENANT for disturbance of quiet enjoyment of the Premises when making such repairs. LANDLORD, or any of his agents, shall have the right to exhibit the Premises and advertise the same for lease at any time with NINETY (90) calendar days before the expiration of this Lease unless the parties agree to extend the term of this Lease as provided hereafter. Said right of entry shall likewise exist for the purpose of removing placards, signs, fixtures, alterations, or additions which do not conform to this Lease.

12. ALTERATIONS AND ADDITIONS. TENANT shall make no alteration in or addition to, or install any fixtures (other than normal office equipment or furnishings) in, or maintain signs advertising its business on the Premises without in each case obtaining the prior written consent of LANDLORD, not to be unreasonable withheld. To the extent LANDLORD grant its consent to any such alterations, additions, or installation of fixtures (other than normal office equipment or furnishings) or signs, the same shall be done in compliance with all building codes, ordinances and governmental regulations pertaining to such work, use or occupancy, and the same shall also be done in accordance with any restrictive covenants and/or rules and regulations applicable to the Premises. An alteration, addition, or improvement made by the TENANT after such consent shall have been given or any fixtures installed as a part thereof (other than normal office equipment or furnishings), shall become the property of the LANDLORD or be removed by the TENANT, at the LANDLORD'S option, upon expiration or earlier termination of this Lease. TENANT agrees that it will indemnify and save harmless



LANDLORD from and against any and all expenses, including attorneys' fees, liens, claims and damages to either property or person that may or might arise by reason of the making of any repairs, alterations, additions, or improvements, and TENANT specifically acknowledges that the interest of LANDLORD in the subject Premises shall not be subject to liens by any laborer or material man (mechanics' lien) for services rendered to the subject Premises, and TENANT agrees to so advise any such person providing labor, services or materials to the Premises.

13. EMINENT DOMAIN. In the event the leased Premises, or such portions thereof as will make it unusable for the purposes for which it is leased, shall be appropriated or taken pursuant to the power of eminent domain, then this Lease shall cease and terminate as of the date when possession thereof is taken by the condemning authority and the parties hereto shall be released from any further liability hereunder, and rent shall be computed between LANDLORD and TENANT as of the date possession is taken. This termination, however, shall be without prejudice to the respective rights of either LANDLORD or TENANT to recover from the condemning authority compensation and damage caused by said taking, and neither party shall have any rights in any award nor settlement so received by the other from the condemning authority. Eminent domain proceedings resulting in the condemnation of a part of the Premises leased herein that leave the remainder usable for the purposes of the business for which the Premises are leased will not terminate this Lease, unless LANDLORD at its option terminates it by giving written notice of termination to the TENANT. The effect of such condemnation, should such option not be exercised, will be to terminate the Lease as to the portion of the Premises condemned and leave it in effect as to the remainder, if in fact the remainder may be replaced or restored, thereby making the remaining portion of the Premises usable for the TENANT'S purposes as herein described within NINETY (90) calendar days after the date the condemning authority takes possession of the Premises. During the period of rebuilding or restoration, if the TENANT can operate its business during such period, the TENANT'S rent shall be reduced in the same proportion that the amount of the floor area of the leased Premises taken. Bears to the total area of the lease Premises immediately prior to such taking. Upon completion of said reconstruction to the same condition and usable space as existed prior to the condemnation, the rent as provided herein shall be paid in full to the LANDLORD. The sale by LANDLORD to any public or quasi-public body having the power of eminent domain under threat of condemnation or while condemnation proceedings are pending shall be deemed to be taking by eminent domain.

14. SUBORDINATION TO MORTGAGES. This Lease is at all times subject and subordinate to any and all present and future mortgages or encumbrances, which may be placed upon the Premises by the LANDLORD. TENANT covenants and agrees to execute upon request of LANDLORD all instruments, reasonable or necessary, to reflect of record the subordination of this Lease to the lien of any such mortgages; provided, however, notwithstanding anything contained herein to the contrary, any such mortgagee shall acknowledge the validity and continuance of this Lease in the event of a foreclosure of LANDLORD'S interest or otherwise, and shall recognize TENANT'S rights hereunder, as long as TENANT shall not be in default under the terms hereof.

15. ESTOPPEL CERTIFICATION. TENANT shall at any time and from time to time within TEN (10) calendar days after written notice from the LANDLORD, execute,

acknowledge, and deliver to the LANDLORD a statement in writing certifying that this Lease is in full force and effect, setting forth and confirming any amendments hereto, stating the amount of rental paid hereunder, the date to which rental payments have been made, and acknowledging that there are not, to the TENANT'S knowledge, any uncured defaults by the LANDLORD hereunder or specifying any defaults which may be claimed. Any such statement may be relied upon by any mortgagee or prospective purchaser of any portion or all of the Premises.

16. ATTORNMENT. TENANT shall, upon demand, in the event of the sale (including any foreclosure sale) or assignment of LANDLORD'S interest in the demised Premises, attorney to the purchaser or assignee and recognize such purchaser or assignee as LANDLORD under this Lease. Any such sale or assignment shall be subject to this Lease and shall recognize TENANT'S rights hereunder, provided TENANT is not in default under the terms hereof.

17. BANKRUPTCY OR INSOLVENCY. If any proceeding shall be instituted by or against TENANT under the bankruptcy laws or other debtor relief laws of the United State or any state, or if TENANT shall make an assignment for the benefit of creditors, or if TENANT'S interest herein shall be sold under execution or other legal process, or if a trustee in bankruptcy or a receiver is appointed for TENANT, then, in the event of any such occurrence, and at the option of LANDLORD, the same shall constitute a breach of this Lease by TENANT.

18. RULES AND REGULATIONS. TENANT covenants and agrees that it will comply with and abide by all restrictive covenants of record and rules and regulations, if any, which are applicable to the Premises, including, but not limited to, those specific rules and regulations, if any, concerning parking, delivery, trash removal, use of common areas, signs, advertising, and other such activities within the Premises, provided such rules and regulations do not materially interfere with TENANT'S business, do not increase TENANT'S monetary obligation or decrease TENANT'S rights under this Lease. As of the commencement date of this Lease, there are no applicable restrictive covenants or rules and regulations that would affect tenancy other than those contained in this Agreement. TENANT specifically covenants and agrees that it will not conduct "quitting business", "lost our lease", "bankruptcy", or other such types of sale on the Premises without LANDLORD'S prior written consent, not to be unreasonably withheld.

19 INDEMINFICATION. TENANT hereby agrees to indemnify, defend and hold the LANDLORD harmless from any and all actions, claims, losses, expenses, attorneys' fees, liability, damages, or demands arising out of the use, occupancy or operation of said Premises by TENANT, its employees, agents, guests, invitees, or principals, excepting such damage or liability as may be caused by the negligent acts of LANDLORD, or LANDLORD'S agents or contractors, while carrying out any duty or obligation required by LANDLORD under the terms of this Lease

20. DEFAULT. It shall be an event of default hereunder if TENANT shall fail to make any rental or other payment due hereunder within FIFTEEN (15) calendar days after the same shall be due, or if the TENANT shall breach or fail to perform any agreements herein other than the agreement to pay rent and shall fail to cure such breach or perform such agreement within THIRTY (30) calendar days after written notice from LANDLORD, or if the TENANT

shall vacate the demised Premises during the term hereof. In the event of default, LANDLORD shall have all rights and remedies available to him at law and in equity now or hereafter provided within the State of Florida, including termination of the Lease, repossession of the property for its own account, repossession and re let for the account of TENANT, and recovering immediately from the TENANT the balance of the rent due for the term of any options exercised, plus legal interest on amounts past due, together with any other damages occasioned by or resulting from the desertion or vacation or breach or default other than a default in payment of rent.

It is expressly agreed that in the event of default by TENANT hereunder, LANDLORD shall have a lien upon all goods, chattels, or personal property of any description belonging to TENANT, which are placed in, or become a part of, the Premises, as security for rent due and to become due for the remainder of the current lease term, which lien shall not be in lieu of or in any way affect any statutory LANDLORD'S lien given by law, but shall be cumulative thereto. The interest herein given shall not prevent the sale by TENANT of any merchandise in the ordinary course of business free of such lien to LANDLORD. In the event LANDLORD exercises the option to terminate the leasehold, and to reenter and re let the Premises as provided in the preceding paragraph, then LANDLORD may take possession of all TENANT'S property on the Premises and sell the same at public or private sale after giving TENANT reasonable notice of the time and place of any public sale or of the time after which any private sale is to be made, for cash or on credit, or for such prices and terms as LANDLORD deems best, with or without having the TENANT present at such sale. The proceeds of such sale shall be applied first to the necessary and proper expense of removing, storing, and selling such property, then to the payment of any rent due or to become due under this Lease, with the balance, if any, to be paid to TENANT.

All rights and remedies of LANDLORD under this Lease shall be cumulative, and none shall exclude any other right or remedy at law. Such rights and remedies may be exercised and enforced concurrently and whenever and as often as occasion therefore arises.

21. ASSIGNMENT AND SUBLEASE. TENANT agrees not to assign or sublease the leased Premises, any part thereof, or any right or privilege connected therewith, or to allow any other person, except TENANT'S agents and employees, to occupy the Premises or any part thereof without first obtaining LANDLORD'S written consent. LANDLORD expressly covenants that such consent shall not be unreasonably or arbitrary refused. One consent by LANDLORD shall not be deemed consent to any subsequent assignment, sublease or occupation by any other person or persons, and any consent to sublease or assign does not release TENANT from the obligations under the terms of this Lease without the express written authorization of LANDLORD to the contrary. TENANT'S unauthorized assignment, sublease, or license to occupy shall be void, and, at the option of LANDLORD, shall terminate this Lease. Upon the occurrence of any TENANT defaults, as herein defined, and if the Premises or any part thereof is then assigned or sublet, LANDLORD, in addition to any other remedies herein provided or provided by law, may at its option directly from such assignee or sublessee all rents becoming due to TENANT under such assignment or sublease and apply such rent against any sum due to it by TENANT hereunder; and no such collection shall be construed to constitute a novation or a release of TENANT from further performance of its obligations hereunder.

LANDLORD shall have the right at all times hereunder to assign its rights under this Lease. LANDLORD shall, within TEN (10) calendar days of any such assignment, provide TENANT with a copy of such assignment and the full name and address of the assignee.

22. SURRENDER OF THE PREMISES. TENANT agrees to surrender to LANDLORD at the end of the term of this Lease, or upon any cancellation of this Lease, the Premises, in as good condition and state of cleanliness as it was at the beginning of the term of this Lease and broom-clean, ordinary wear and tear excepted. TENANT agrees that if TENANT does not surrender to LANDLORD the Premises at the end of the term of this Lease, or upon any cancellation of the term of this Lease, then TENANT will pay to LANDLORD all damages the LANDLORD may suffer on account of TENANT'S failure to so surrender to LANDLORD possession of the Premises, and will indemnify LANDLORD on account of such delay. In the event TENANT holds over and fails to surrender the Premises upon expiration of the term of this Lease, the rental shall be at double the rate last specified in Rent Schedule, Exhibit "A" and acceptance of such increases of rental shall not be deemed to be consent to such continued occupancy not shall it be deemed a waiver of any rights of the LANDLORD as set forth herein.

23. WAIVER OF RIGHTS. No failure of LANDLORD or TENANT to exercise from time to time any right or privilege granted LANDLORD or TENANT hereunder or to insist upon strict and faithful compliance by LANDLORD or TENANT with all of the obligations hereunder and no custom or practice of the parties at a variance with the terms hereof shall constitute a waiver of LANDLORD'S or TENANT'S right to demand strict compliance with the terms hereof. No waiver by LANDLORD or TENANT of any breach of any covenant of the other party herein contained shall be construed as a waiver of any subsequent breach of the same or any other covenant herein contained. All rights, powers, remedies, and privileges available hereunder to the parties hereto are cumulative and are in addition to the rights granted by law.

24. NOTICES. Rent payment and notice to LANDLORD shall be mailed or delivered at the following address unless otherwise designated in writing by LANDLORD:

Jefferson County Board of County Commissioners  
1 Courthouse Circle, Room 10  
Monticello, Florida 32344

Notices to TENANT may be mailed, certified mail, return receipt requested, or delivered to the leased Premises, and proof of mailing or posting of those notice to the leased Premises shall be deemed the equivalent of personal service on TENANT. Rent shall not be deemed received by LANDLORD upon mailing but only upon actual receipt.

25. ATTORNEYS' FEES. In the event of any litigation arising out of or brought for the purpose of enforcing the terms of this Lease, the prevailing party shall be entitled to recover all reasonable costs thereof, including reasonable court costs and attorneys' fees.

TENANT acknowledges that TENANT shall not be entitled to apply the security deposit to any rent, including, specifically, the last month's rent, or monies due to LANDLORD and application of the deposit to any sums due from TENANT to LANDLORD shall be at the option of LANDLORD.

26. QUIET ENJOYMENT. So long as the TENANT pays the rent and otherwise

faithfully performs and observes all of the covenants and provisions hereof, then TENANT shall have peaceful and quiet enjoyment and possession of the leased Premises together with the use of the common area facilities, without any interference or hindrance from the LANDLORD or any persons or entities lawfully claiming through LANDLORD.

27. SIGNS. All signs are subject to LANDLORD'S prior approval and architectural control as to construction, maintenance, location, content and aesthetics, which shall not be unreasonably withheld, and are TENANT'S expense. TENANT shall be permitted to install a business sign on the building's main sign along the roadway. At the expiration or termination of this Lease, at LANDLORD'S option, TENANT shall promptly remove all signs, at TENANT'S expense, and repair the damage to any surface caused by such removal.

28. KEYS. All keys issued to TENANT hereunder shall be returned, or the replacement cost thereof paid by TENANT, upon termination of the Lease or TENANT'S vacating of the Premises.

29 BROKERAGE. LANDLORD and TENANT acknowledges that NONE, Realtor (BROKER), has disclosed that he is acting as a Transaction Broker pursuant to Florida Statutes, and \_\_\_\_\_ (BROKER), is acting as Agent for the TENANT. Brokers are being compensated by the LANDLORD, payable upon possession of the Premises by TENANT. TENANT represents and warrants that there are no other claims or rights to claims for brokerage commissions or finders' fees or similar compensation in connection with this Lease, which arises out of any act or agreement of TENANT, and TENANT agrees to indemnify LANDLORD against and hold it harmless from all liabilities arising from any such claim, including reasonable attorneys' fees.

LANDLORD and TENANT acknowledge that NONE, Realtors (BROKER) provided no legal advice, legal services or legal opinions, and shall not be held responsible for any errors, omissions, or disputes between the parties regarding this Lease. The services provided by BROKER regarding the preparation of this document were clerical only. Facts supplied herein were obtained from reliable sources and are believed to be accurate but are not guaranteed and all facts important to LANDLORD and TENANT should be verified by consultation with an appropriate professional for legal advice and for tax, property condition, environmental and other specialized advice. LANDLORD and TENANT acknowledge that TENANT has the ability and opportunity to inspect the subject property prior to the execution of this Lease and will hold LANDLORD and BROKER blameless for any misunderstanding or implied misrepresentation of any facts herein. This provision shall survive the Lease term.

30. RADON GAS. Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks or 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 the county public health unit. TENANT acknowledges receipt of this notice prior to the execution of this Lease.

The LANDLORD has not undertaken any independent study of the radon levels in this building. The above notice should not be construed or interpreted as a notice that the Premises are exposed to quantities of radon, which pose a health risk. The notice is included in this Lease simply because radon disclosures are now required in all leases pursuant to Florida law.

31. AUTHORITY OF PARTIES. Each individual executing the Lease on behalf of TENANT and LANDLORD, respectively, represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of the entity he represents in this Lease, in accordance with applicable bylaws or governing articles of said entities.

32. PERSONS BOUND. The terms of this Lease shall be binding upon and shall inure to the benefit of the parties hereto, their heirs, successors, and assigns.

33. LAW GOVERNING. This Lease shall be governed by the laws of the State of Florida, both as to interpretation and performance.

34. TERMS INCLUSIVE. As used herein, the terms "LANDLORD" and "TENANT" shall include the plural, and the masculine shall include feminine and neuter whenever the context so requires or admits.

35. TITLE. The title or captions appearing at the beginning of each numbered paragraph in this Lease are for the purposes of easy reference and shall not be considered a part of this Lease or in any way modify, amend, or affect the provisions hereof.

36. EFFECT OF TERMINATION OF LEASE. Except as otherwise provided, no termination of this Lease prior to the stated termination of it shall affect LANDLORD'S right to collect rent for the period prior to the termination thereof.

37. LANDLORD NOT A PARTNER. It is expressly understood that LANDLORD shall not be construed or held to be a partner or associate of TENANT in the conduct of the business; it being expressly understood that the relationship between the parties hereto is and shall remain at all times that of LANDLORD and TENANT.

38. PARTIAL INVALIDITY. If any provision of this Lease or application thereof to any person or circumstance shall to any extent be invalid or unenforceable, such provision shall either be modified to conform to law or be considered severable, with the remainder of this Lease, or the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

39. SUBMISSION OF LEASE. The submission of this Lease for examination does not constitute an option for the demised Premises, and this Lease shall not become effective until fully executed by both parties. This Lease is subject to withdrawal or prior lease or sale, without notice, by LANDLORD. By signing this Lease, the parties acknowledge receipt of a copy of this Agreement. If communication of execution is transmitted by facsimile (FAX), said fax shall be sufficient to evidence acceptance.

40. RECORDING. TENANT shall not record this Lease or a memorandum thereof without the written consent of LANDLORD. Upon the request of LANDLORD, TENANT shall join in the execution of a memorandum of this Lease for the purpose of recordation. Said memorandums of this Lease shall describe the parties, the demised Premises, and the Lease term, and shall incorporate this Lease by reference.



41. TIME. It is understood and agreed between the parties hereto that time is of the essence in the performance of all the terms and provisions of this Lease.

42. FLOOR LOAD. TENANT shall not overload the floor system of the Premises and shall not install any heavy business machines or any heavy equipment of any kind in the Premises without the prior written approval of the LANDLORD, which, if granted, may be conditioned upon moving by skilled licensed handlers and installation and maintenance at the TENANT'S expense of special reinforcing and settings adequate to absorb and prevent noise and vibration.

43. FORCE MAJEURE. None of the parties hereto shall be liable to the other for any failure, delay, or interruption in performing its obligations hereunder due to causes or conditions beyond its control, including, without limitation, strikes, boycotts, picketing, slowdowns, work stoppages, or labor troubles of any other type, acts of God (including, but not limited to, flood, wind, earthquake, hurricane, or other natural catastrophes), war, riots, or national or local emergencies, unless otherwise covered by the hazard or liability insurance as specified in Paragraph 9.

44. SPECIAL PROVISIONS. The parties hereby covenant and agree that the special provisions, if any, set forth in Exhibit "C", attached hereto, are hereby incorporated herein and made a part hereof.

45. OPTION TO PURCHASE. The LANDLORD/SELLER hereby gives and grants unto the TENANT/BUYER the exclusive option to purchase the above-described real property and improvements. TENANT/BUYER shall exercise the option to purchase the property on or before the expiration date of the term of this lease. The purchase price shall be \$ \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) see Exhibit C for detail of the Option Purchase Price. Simultaneous with the execution of this Agreement, the TENANT/BUYER shall deposit the sum of \$ \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) with the LANDLORD/SELLER. Said deposit shall be credited toward the total purchase price of the property upon the exercise of the option to purchase by the TENANT/BUYER, or as otherwise provided herein. If TENANT/BUYER fails to exercise the option to purchase, said deposit shall be the exclusive property of the LANDLORD/SELLER.

46. At least thirty (30) days prior to the expiration date of the term of this Agreement, TENANT/BUYER shall notify LANDLORD/SELLER of any defects that may appear in the LANDLORD/SELLER'S title to the property. If any defects are raised which cannot be cured, then the TENANT/BUYER may accept title in its existing state or else elect not to close the purchase transaction, in which event the rights and obligations of the parties hereunder shall cease and terminate and be of no further force and effect, earnest money deposit shall be returned to the TENANT/BUYER.

47. THE TENANT/BUYER shall purchase the property in "as is" condition and shall inspect the property prior to taking possession thereof under this Agreement. Any right to object to a physical defect in the property not objected to by the TENANT/BUYER prior to the TENANT/BUYER taking possession shall be considered waived by the TENANT/BUYER.

48. In the event the TENANT/BUYER exercises its option to purchase the Property and the above-referenced conditions are satisfied, the LANDLORD/SELLER shall convey the property to the TENANT/BUYER by Deed. The TENANT/BUYER shall pay all closing costs, including but not limited to, the preparation of the Deed, the requisite documentary stamps to be affixed thereto, and the costs of recording the deed. The TENANT/BUYER shall pay all costs associated with the obtainment of the purchase money financing, if any, including but not limited to: origination fees, points, credit reports, surveys, recording fees, intangible taxes and documentary stamps to be affixed to the mortgage.

49. SPECIAL TERMS AND CONDITIONS. (A). This agreement is subject to these covenants and conditions recorded on August 12, 2009 in ORB 639, Page 410, public records of Jefferson County, Florida and by reference made a part hereof. (B). TENANT/BUYER shall have the right to extend this agreement after the initial term for an additional \_\_\_\_\_ ( ) years upon the paying of \$ \_\_\_\_\_ as additional earnest money to be applied to purchase option, if exercised.

50. ENTIRE AGREEMENT. This Lease sets forth all the promises, agreements, conditions, and understandings between LANDLORD and TENANT concerning the leased Premises, and there are no other promises, agreements, conditions, or understandings, either oral or written, between them other than as set forth in this Lease. No alteration, amendment, change, or addition to this Lease shall be binding on LANDLORD or TENANT, unless reduced to writing and signed by them and by direct reference made a part hereof. No surrender of the demised Premises or of the remainder of the term of this Lease shall be valid unless accepted by LANDLORD in writing.

IN WITNESS WHEREOF, LANDLORD and TENANT have executed this Lease Agreement this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

Signed, sealed and delivered  
in our presence as witnesses:

**JEFFERSON COUNTY BOARD OF  
COUNTY COMMISSIONERS**

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
LANDLORD

\_\_\_\_\_  
Type or Print Witness Signature

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
Type or Print Witness Signature

Signed, sealed and delivered  
in our presence as witnesses:

**GLEN BISHOP ENTERPRISES, LLC**

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
TENANT

\_\_\_\_\_  
Type or Print Witness Signature

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
Type or Print Witness Signature

**GLEN BISHOP ENTERPRISES**  
**JEFFERSON COUNTY LOAN AGREEMENT**

**SUPPLEMENTAL LOAN AGREEMENT**

**BY AND BETWEEN**

**JEFFERSON COUNTY BOARD OF COUNTY COMMISSIONERS**

**AND**

**FARMERS AND MERCHANTS BANK**

**DATED AS OF \_\_\_\_\_ 1, 2016**

*Relating to  
\$610,000  
Jefferson County, Florida  
Taxable Note, Series 2016*

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## SUPPLEMENTAL LOAN AGREEMENT

**THIS SUPPLEMENTAL LOAN AGREEMENT** (the "Supplemental Loan Agreement") is made and entered into as of \_\_\_\_\_ 1, 2016, by and between **JEFFERSON COUNTY, FLORIDA**, a public body corporate and a political subdivision of the State of Florida, and its successors and assigns (the "County"), and **FARMERS AND MERCHANTS BANK**, a Florida banking corporation, and its successors and assigns, as holder(s) of the hereinafter defined Series 2016 Taxable Note (the "Bank").

**WHEREAS**, the Board of County Commissioners of the County (the "Board") operates pursuant to Chapter 125, Florida Statutes, as amended and other applicable law; and

**WHEREAS**, the Board, on behalf of the County, is a public body corporate and political subdivision created for the purpose of acquiring, owning, improving, operating, and maintaining, the operations of the County; and

**WHEREAS**, the Bank is willing to make available to the Board a term loan, and is willing to enter into an arrangement pursuant to the terms and provisions of this Supplemental Loan Agreement; and

**WHEREAS**, Regions Bank previously entered into a Loan Agreement (the "Loan Agreement") with the County for the purposes of (1) refunding the entire aggregate principal amount, accrued interest, and premium of the outstanding Promissory Note (Public Improvement Revenue Bond Anticipation Note), Series 1998 (the "Series 1998 Note"), (2) funding required contingencies and/or additional capital improvements, and (3) funding other authorized purposes as to any funds which are in excess of the refinancing needs; and

**WHEREAS**, the County previously issued its Promissory Note, Series 2014 (the "Series 2014 Note"); and

**WHEREAS**, the Board did, at its meeting held on June \_\_, 2016, approve the loan commitment received from the Bank (the "Loan Commitment") authorizing, among other things, the borrowing by the County of the principal amount of \$610,000 to be evidenced by the County's Taxable Note, Series 2016 (the "Series 2016 Taxable Note") for the purpose of (i) providing additional funds to finance the construction of a building in the industrial park (the "2016 Project") and (ii) paying certain costs of issuance of the Series 2016 Note; and

**WHEREAS**, the Board hereby determines that it is desirable and in the best interest of the County to enter into this Supplemental Loan Agreement whereby the County will borrow funds from the Bank (the "Loan") for the purposes described above and to evidence the obligation of the County to repay such Loan by the issuance and delivery of the Series 2016 Taxable Note to the Bank in the aggregate principal amount of the Loan; and



**WHEREAS**, the Series 2016 Taxable Note shall be issued pursuant to the terms and provisions of the Ordinance, the Resolution, the Loan Commitment and this Supplemental Loan Agreement; and

**WHEREAS**, the Series 2016 Taxable Note shall be secured on a parity with the Series 2014 Note by the Pledged Revenues (as defined herein) of the County and this Supplemental Loan Agreement shall be supplemental to the Loan Agreement; and

**WHEREAS**, in accordance with the Loan Agreement, the Board received the prior written consent from Regions Bank to issue the Series 2016 Taxable Note; and

**WHEREAS**, the execution and delivery of this Supplemental Loan Agreement has been duly authorized by the Board.

**NOW, THEREFORE**, the parties hereto, intending to be legally bound hereby and in consideration of the mutual covenants hereinafter contained, **DO HEREBY AGREE** as follows:

## **ARTICLE I**

### **DEFINITION OF TERMS**

**SECTION 1.01 DEFINITIONS.** The words and terms used in this Supplemental Loan Agreement shall have the meanings as set forth in the recitals above, and in the following definitions:

**"Act"** means, Chapter 125, Florida Statutes, Chapter 212, Florida Statutes, Chapter 218, Florida Statutes, each as amended, and other applicable provisions of law.

**"Additional Debt"** means obligations issued at any time under the provisions of Section 7.02 hereof on parity with the Series 2016 Taxable Note and the Series 2014 Note.

**"Annual Debt Service"** means the amount of principal of, and interest on, all debt obligations of the County due in any fiscal year.

**"Bank"** means Farmers and Merchants Bank, and its successors and assigns.

**"Board"** means the Board of County Commissioners of the County and any successors thereto.

**"Business Day"** means any day except any Saturday or Sunday or day on which the Bank is lawfully closed.

**"Clerk"** means Clerk of Courts of Jefferson County, Florida.

**"Costs"** means, (1) all interest due to be paid on the Series 2016 Taxable Note and other obligations of the Series 2016 Taxable Note; (2) legal and other consultant fees and expenses; (3) costs and expenses of the financing, including audits, fees and expenses of any paying agent, trustee or depository; (4) payments, when due (whether at the maturity of the principal or the due date of interest or upon redemption) on any indebtedness incurred for the Series 2016 Taxable Note; and, (5) any other costs properly attributable to the issuance of indebtedness which financed the Series 2016 Taxable Note, as determined by generally accepted accounting principles applicable to the Series 2016 Project and shall include reimbursement to the County for any such items of Cost heretofore paid by the County.

**"Default Rate"** shall mean the per annum rate applicable to the Series 2016 Taxable Note upon the occurrence and continuance of an Event of Default under this Agreement, which rate shall be a fixed interest rate equal to the lesser of 18% or the maximum interest rate permitted by law per annum on the Series 2016 Taxable Note.

**"Event of Default"** shall mean an event of default specified in Article VI of this Supplemental Loan Agreement.

**"Fiscal Year"** shall mean the fiscal year of the County.

**"Loan"** shall mean the outstanding principal amount of the Series 2016 Taxable Note issued hereunder.

**"Loan Commitment"** means the Loan Commitment delivered by the Bank to the County, which has been accepted by the County and is attached hereto as Exhibit A.

**"Loan Documents"** means this Supplemental Loan Agreement, the Ordinance, the Resolution, the Series 2016 Taxable Note and any other documents, certificates and opinions delivered in connection with the issuance of the Series 2016 Taxable Note.

**"Maximum Annual Debt Service"** means the largest aggregate amount of annual debt service becoming due in which the Series 2016 Taxable Note remains outstanding.

**"Non-Ad Valorem Revenues"** means all revenues of the Board not derived from ad valorem taxation, and which are lawfully available to be used to pay debt service on the Series 2016 Taxable Note.

**"Outstanding Debt"** means all debt obligations, including the Series 2016 Taxable Note, of the County which remains outstanding.

**"Owner"** or **"Owners"** means the Person or Persons in whose name the Series 2016 Taxable Note shall be registered on the books of the Clerk kept for that purpose in accordance with provisions of this Loan Agreement.

**"Pari-Mutuel Revenues"** means, to the extent permitted by law, the amount of the revenues distributed to the County pursuant to Section 212.20(6)(d)6.a., Florida Statutes, as a replacement for moneys previously distributed pursuant to Section 550.135, Florida Statutes, and Chapter 25448, Laws of Florida (1949), each as amended.

**"Person"** means natural persons, firms, trusts, estates, associations, corporations, partnerships and public bodies.

**"Pledged Revenues"** shall mean all revenues received by the County and deposited into the County's Revenue Fund, as to the (i) Pari-Mutuel Revenues and (ii) Sales Tax Revenues.

**"Resolution"** means Resolution No. 2015-081815-03 of the Board of County Commissioners of the County duly adopted on August 18, 2015 authorizing the execution of this Supplemental Loan Agreement and the issuance and execution of the Series 2016 Taxable Note.

**"Sales Tax Revenues"** shall mean the amount of the local government half-cent sales tax distributed by the State from the Local Government Half-Cent Sales Tax Clearing Trust Fund to the County pursuant to the provisions of Chapter 218, Part VI, Florida Statutes.

**"Series 2016 Taxable Note"** means the County's Taxable Note, Series 2016, in the original aggregate principal amount of \$610,000, a form of which is attached hereto as Exhibit A.

**"Series 2014 Note"** means the County's Promissory Note, Series 2014, in the original aggregate principal amount of \$1,800,000.

**"Sinking Fund"** means the Sinking Fund created pursuant to Section 5.04 hereof.

**"State"** means the State of Florida.

**"Supplemental Loan Agreement"** means this Supplemental Loan Agreement and any and all modifications, alterations, amendments and supplements hereto made in accordance with the provisions hereof.

**SECTION 1.02 INTERPRETATION.** Unless the context clearly requires otherwise, words of masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa. This Supplemental Loan Agreement and

all the terms and provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

**SECTION 1.03 TITLES AND HEADINGS.** The titles and headings of the articles and sections of this Supplemental Loan Agreement have been inserted for convenience of reference only and are not to be considered a part hereof, shall not in any way modify or restrict any of the terms and provisions hereof, and shall not be considered or given any effect in construing this Supplemental Loan Agreement or any provision hereof or in ascertaining intent, if any question of intent should arise.

## ARTICLE II

### REPRESENTATIONS OF BOARD

The Board represents and warrants to the Bank that:

**SECTION 2.01 POWERS OF BOARD.** The Board is a public body corporate and political subdivision created for the purpose of acquiring, owning, improving, operating and maintaining facilities in the County, including the 2016 Project, and is duly organized and validly existing under the laws of the State. The Board has the power to borrow the amount provided for in this Supplemental Loan Agreement, to execute and deliver the Loan Documents, to secure the Series 2016 Taxable Note in the manner contemplated hereby and to perform and observe all the terms and conditions of the Series 2016 Taxable Note and this Supplemental Loan Agreement on its part to be performed and observed. The Board may lawfully issue the Series 2016 Taxable Note.

**SECTION 2.02 AUTHORIZATION OF LOAN.** The Board has, had or will have, as the case may be, full legal right, power, and authority to execute and deliver this Supplemental Loan Agreement, to issue, sell, and deliver the Series 2016 Taxable Note to the Bank, and to carry out and consummate all other transactions contemplated hereby, and the Board has complied and will comply with all provisions of applicable law in all material matters relating to such transactions. The Board, by the Ordinance and the Resolution, has duly authorized the borrowing of the amount provided for in this Supplemental Loan Agreement, the execution and delivery of this Supplemental Loan Agreement, and the making and delivery of the Series 2016 Taxable Note to the Bank provided for in this Supplemental Loan Agreement and to that end the Board warrants that it will take all action and will do all things which it is authorized by law to take and to do in order to fulfill all covenants on its part to be performed and to provide for and to assure payment of the Series 2016 Taxable Note. The Board has duly authorized the execution, delivery, and performance of the Series 2016 Taxable Note and this Supplemental Loan Agreement and the taking of any and all other such action as may be required on the part of the Board to carry out, give effect to and consummate the transactions contemplated by this Supplemental Loan Agreement. The Series 2016 Taxable Note has been duly authorized,

executed, issued and delivered to the Bank and constitutes a legal, valid and binding obligation of the Board enforceable in accordance with its terms and the terms hereof, and is entitled to the benefits and security of this Supplemental Loan Agreement. All approvals, consents, and orders of and filings with any governmental authority or agency which would constitute a condition precedent to the issuance of the Series 2016 Taxable Note or the execution and delivery of or the performance by the Board of its obligations under this Supplemental Loan Agreement and the Series 2016 Taxable Note have been obtained or made and any consents, approvals, and orders to be received or filings so made are in full force and effect.

**SECTION 2.03 AGREEMENTS.** The making and performing by the Board of this Supplemental Loan Agreement will not violate any provision of the Act, or any bond or resolution of the Board or County, or any regulation, order or decree of any court, and will not result in a breach of any of the terms of any agreement or instrument to which the Board or County is a party or by which the Board or County is bound.

**SECTION 2.04 LITIGATION, ETC.** There are no legal, regulatory or other actions or proceedings pending against the Board or County, or affecting the Board or County, or to the knowledge of the Board, threatened, which, either in any case or in the aggregate, might result in any material adverse change in the financial condition of the County, or which questions the validity of this Supplemental Loan Agreement or the Series 2016 Taxable Note or of any action taken or to be taken in connection with the transactions contemplated hereby or thereby. The Board or County is not in default in any material respect under any agreement or other instrument to which it is a party or by which it may be bound.

**SECTION 2.05 FINANCIAL INFORMATION.** The financial information regarding the County furnished to the Bank by the Clerk in connection with the Loan is complete and accurate, and there has been no material and adverse change in the financial condition of the County from that presented in such information.

### ARTICLE III

#### COVENANTS OF THE BOARD

**SECTION 3.01 AFFIRMATIVE COVENANTS.** The Board covenants, for so long as any of the principal amount of or interest on the Series 2016 Taxable Note is outstanding and unpaid or any duty or obligation of the Board hereunder or under the Series 2016 Taxable Note remains unpaid or unperformed, as follows:

(a) The Board shall duly and punctually pay the principal of the Series 2016 Taxable Note and the interest thereon at the dates and place and in the manner (and subject to the limitations) provided herein and in the Series 2016 Taxable Note according to the true intent and meaning thereof and on a parity with the Series 2014 Note.

(b) The Clerk shall within ten (10) days after it acquires knowledge thereof, notify the Bank in writing upon the happening, occurrence, or existence of any Event of Default, and any event or condition which with the passage of time or giving of notice, or both, would constitute an Event of Default, and shall provide the Bank with such written notice, a detailed statement by a responsible officer of the Clerk of all relevant facts and the action being taken or proposed to be taken by the Board with respect thereto.

(c) The Board will take all reasonable legal action within its control in order to maintain its existence until all amounts due and owing from the County to the Bank under the Loan Documents have been paid in full.

(d) The Clerk and Board agree that any and all records of the Clerk or Board with respect to the Series 2016 Taxable Note and/or the Loan Documents shall be open to inspection by the Bank or its representatives at all reasonable times at the offices the Clerk.

**SECTION 3.02 NEGATIVE COVENANTS.** The County covenants, for so long as any of the principal amount of or interest on the Series 2016 Taxable Note is outstanding and unpaid or any obligations of the County under any of the Loan Documents remain unpaid or unperformed, that the Board shall not alter, amend or repeal the Ordinance, the Resolution, or take any action impairing the authority thereby or hereby given with respect to the issuance and payment of the Series 2016 Taxable Note, without prior written approval of the Owner of the Series 2016 Taxable Note.

**SECTION 3.03 MISCELLANEOUS COVENANTS & REPRESENTATIONS.** The Board covenants, for so long as any of the principal amount of or interest on the Series 2016 Taxable Note is outstanding and unpaid or any duty or obligation of the Board hereunder or under the Series 2016 Taxable Note remains unpaid or unperformed, as follows:

(a) The Clerk shall promptly inform the Bank of any actual or potential contingent liabilities or pending or threatened litigation of any amount that could reasonably be expected to have a material and adverse effect upon the financial condition of the County.

(b) The County is, to the best of its knowledge, in compliance with, and the Clerk and Board shall continue to comply with all applicable federal, state and local laws and regulatory requirements the violation of which could reasonably be expected to have a material and adverse effect upon the financial condition of the County or its ability to comply with the terms and conditions of this Agreement and the Series 2016 Taxable Note.

(c) In the event the Series 2016 Taxable Note or this Supplemental Loan Agreement should be subject to the excise tax on documents or the intangible personal property tax of the State, the Clerk shall pay such taxes or reimburse the Bank for any such taxes paid by it.

(d) The County shall not permit the sum of its liquid assets to fall below \$500,000. Liquid assets include the County's cash, marketable securities, and cash value of life insurance.

(e) The County shall maintain a depository relationship with the Bank.

**SECTION 3.04 REGISTRATION AND EXCHANGE OF SERIES 2016 TAXABLE NOTE; PERSONS TREATED AS OWNERS.**

(a) So long as the Series 2016 Taxable Note shall remain unpaid, the Clerk will keep books for the registration and transfer of the Series 2016 Taxable Note. The Series 2016 Taxable Note shall be transferable only upon such registration books. The Clerk will transfer the registration of a Series 2016 Taxable Note upon written request of the Owner specifying the name, address and taxpayer identification number of the transferee.

(b) The Person in whose name the Series 2016 Taxable Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of principal and interest on the Series 2016 Taxable Note shall be made only to or upon the written order of the Owner. All such payments shall be valid and effectual to satisfy and discharge the liability upon the Series 2016 Taxable Note to the extent of the sum or sums so paid.

(c) Notwithstanding anything herein to the contrary, the Series 2016 Taxable Note may only be transferred in whole to any bank, trust company, savings institution or insurance company that is engaged as a regular part of its business in making loans in the State.

**SECTION 3.05 PAYMENT OF PRINCIPAL AND INTEREST; LIMITED OBLIGATION; COVENANT TO BUDGET AND APPROPRIATE.**

(a) The Board promises that it will promptly pay the principal of and interest on the Series 2016 Taxable Note at the place, on the dates and in the manner provided therein according to the true intent and meaning hereof and thereof, provided that the principal of and interest on the Series 2016 Taxable Note is payable solely from the Pledged Revenues and nothing in the Series 2016 Taxable Note or this Supplemental Loan Agreement shall be construed as pledging any other funds or assets of the County to such payment or as authorizing such payment to be made from any other source. The Clerk or Board is not and shall not be liable for the payment of the principal of and interest on the Series 2016 Taxable Note or for the performance of any pledge, obligation or agreement for payment undertaken by the Clerk or Board hereunder or under the Series 2016 Taxable Note from any property other than the Pledged Revenues. No Owner of any of the Series 2016 Taxable Note shall have any right to resort to legal or equitable action to require or compel the Clerk or Board to make any payment required by the Series 2016 Taxable Note or this Supplemental Loan Agreement from any source other than the Pledged Revenues.

(b) The payments of principal of and interest on the Series 2016 Taxable Note shall be secured by an irrevocable first lien on the Pledged Revenues on a parity with the Series 2014 Note, and the Board does hereby irrevocably pledge such Pledged Revenues to the payment of the principal of and interest on the Series 2016 Taxable Note.

(c) Subject to the next paragraph, and only to the extent that Pledged Revenues are not sufficient to pay principal of and interest on the Series 2016 Taxable Note, the Board covenants and agrees to appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues, amounts sufficient to pay principal of and interest on the Series 2016 Taxable Note not being paid from other amounts as the same shall become due. Such covenant and agreement on the part of the Board to budget and appropriate such amounts of Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until such Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to make all such required payments shall have been budgeted, appropriated and actually paid. No lien upon or pledge of such budgeted Non-Ad Valorem Revenues other than Pledged Revenues shall be in effect until such monies are budgeted and appropriated. The Board further acknowledges and agrees that the obligation of the Board to include the amount of any deficiency in payments in each of its annual budgets and to pay such deficiencies from Non-Ad Valorem Revenues other than Pledged Revenues may be enforced in a court of competent jurisdiction in accordance with the remedies set forth herein.

Such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues other than Pledged Revenues, nor does it preclude the Board from pledging in the future its Non-Ad Valorem Revenues, nor does it require the Board to levy and collect any particular Non-Ad Valorem Revenues, nor does it give any holder of the Series 2016 Taxable Note a prior claim on the Non-Ad Valorem Revenues other than Pledged Revenues as opposed to claims of general creditors of the County. Such covenant to budget and appropriate Non-Ad Valorem Revenues is subject in all respects to the prior payment of obligations secured by a pledge of such Non-Ad Valorem Revenues heretofore or hereafter entered into (including the payment of debt service on bonds and other debt instruments). Anything in this Supplemental Loan Agreement to the contrary notwithstanding, it is understood and agreed that any obligation of the County hereunder shall be payable from the portion of Non-Ad Valorem Revenues budgeted and appropriated as provided for hereunder and nothing herein shall be deemed to pledge ad valorem tax revenues or to permit or constitute a mortgage or lien upon any assets owned by the County. Notwithstanding any provisions of this Supplemental Loan Agreement or the Series 2016 Taxable Note to the contrary, the Board shall never be obligated to maintain or continue any of the activities of the County which generate user service charges, regulatory fees or any Non-Ad Valorem Revenues. Neither this Supplemental Loan Agreement nor the obligation of the County hereunder shall be construed as a pledge of or a lien on all or any legally available Non-Ad Valorem Revenues of the County, but shall be payable solely as provided herein and is subject in all respects to the provisions of section 166.241, Florida Statutes, and is subject, further, to the payment of services



and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the County.

**SECTION 3.06 BUSINESS DAYS.** In any case where the due date of interest on or principal of the Series 2016 Taxable Note is not a Business Day, then payment of such principal or interest need not be made on such date but may be made on the next succeeding Business Day, provided that credit for payments made shall not be given until the payment is actually received by the Owner.

**SECTION 3.07 LIMITED LIABILITY OF CLERK OR COUNTY.** It is hereby expressly made a condition of this Supplemental Loan Agreement and of the Series 2016 Taxable Note that any agreements or representations herein or therein contained or contained in the documents and instruments executed in connection therewith do not and shall never constitute or give rise to any personal or pecuniary liability or charge against the general credit of the County and in the event of a breach of any agreement, covenant or representation, no personal or pecuniary liability or charge payable directly or indirectly from any funds of the County other than those pledged hereunder shall arise therefrom. Nothing contained in this Section 3.07, however, shall relieve the Clerk or Board from the observance and performance of the several covenants and agreements on its part herein contained.

**SECTION 3.08 OFFICERS AND EMPLOYEES OF THE CLERK OR BOARD EXEMPT FROM PERSONAL LIABILITY.** No recourse under or upon any obligation, covenant or agreement of this Supplemental Loan Agreement or the Series 2016 Taxable Note or for any claim based hereon or thereon or otherwise in respect thereof, shall be had against any member of the Board, or any officer, agent or employee, as such, of the Board past, present or future, it being expressly understood (a) that the obligation of the Board under this Loan Agreement and under the Series 2016 Taxable Note is solely a corporate one, limited as provided in the preceding Section 3.07, (b) that no personal liability whatsoever shall attach to, or is or shall be incurred by, the member of the Board, or the officers, agents, or employees, as such, of the Board, the Clerk, or any of them, under or by reason of the obligations, covenants or agreements contained in this Agreement or implied therefrom, and (c) that any and all such personal liability of, and any and all such rights and claims against, every such member of the Board of Commissioners, and every officer, agent, or employee, as such, of the Board under or by reason of the obligations, covenants or agreements contained in this Loan Agreement and under the Series 2016 Taxable Note, or implied therefrom, are waived and released as a condition of, and as a consideration for, the execution of this Loan Agreement and the issuance of the Series 2016 Taxable Note on the part of the Board.

**SECTION 3.09 NOTE MUTILATED, DESTROYED, STOLEN OR LOST.** In case the Series 2016 Taxable Note shall become mutilated, or be destroyed, stolen or lost, the Clerk shall issue and deliver a new Series 2016 Taxable Note of like tenor as the Series 2016 Taxable Note so mutilated, destroyed, stolen or lost, in exchange and in substitution for such mutilated Note, or in lieu of and in substitution for the Series 2016 Taxable Note destroyed, stolen or lost and upon

the Owner furnishing the Clerk proof of ownership thereof and indemnity reasonably satisfactory to the Clerk and complying with such other reasonable regulations and conditions as the Clerk may prescribe and paying such expenses as the Clerk may incur. The Series 2016 Taxable Note so surrendered shall be canceled.

**SECTION 3.10 REMEDIES OF OWNERS OF SERIES 2016 TAXABLE NOTE.** Should the County default in any obligation created by this Loan Agreement or the Series 2016 Taxable Note, the Owner of the Series 2016 Taxable Note may, in addition to any other remedies set forth in this Loan Agreement or the Series 2016 Taxable Note, either at law or in equity, by suit, action, mandamus or other proceeding in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State, or granted or contained in this Loan Agreement, and may enforce and compel the performance of all duties required by this Loan Agreement, or by any applicable statutes to be performed by the Clerk or Board, or by any officer thereof.

**SECTION 3.11 [RESERVED].**

**SECTION 3.12 REPORTING REQUIREMENTS.** So long as the Series 2016 Taxable Note is outstanding, the Clerk shall submit to the Owner of the Series 2016 Taxable Note the following:

(a) Annually, within One hundred twenty (120) days following its adoption, the annual budget.

(b) Annually, within two hundred seventy (270) days following the end of the Board's Fiscal Year, the Board's audited financial statements; provided, however, if not already contained in such audited financial statements, the Clerk shall also provide, (i) a consolidated and consolidating balance sheet and income statement for the Board prepared in accordance with general accepted accounting principles on an audited basis by an independent certified public accountant, including statement of financial conditions, income, cash flows and changes in net assets, and (ii) a management letter from the certified public accountant and the Board's response (if any), and (iii) such statements shall specify the revenue from the Pledged Revenues.

(c) Upon written request, any other information the Bank may reasonably request.

## ARTICLE IV

### CONDITIONS OF LENDING

The obligations of the Bank to lend hereunder are subject to the following conditions precedent:

**SECTION 4.01 REPRESENTATIONS AND WARRANTIES.** The representations and warranties set forth in the Loan Documents are and shall be true and correct to the best of the Clerk and Board's knowledge on and as of the date hereof.

**SECTION 4.02 NO DEFAULT.** On the date hereof, the County shall be in compliance with all the terms and provisions set forth in the Loan Documents on its part to be observed or performed, and no Event of Default nor any event that, upon notice or lapse of time or both, would constitute such an Event of Default, shall have occurred and be continuing at such time.

**SECTION 4.03 DOCUMENTATION.** On or prior to the date hereof, the Bank shall have received the following supporting documents, all of which shall be satisfactory in form and substance to the Bank (such satisfaction to be evidenced by the purchase of the Series 2016 Taxable Note by the Bank):

(a) A legal opinion of the County's legal counsel in form reasonably satisfactory to the Bank and its counsel; and

(b) Such additional supporting documents as the Bank may reasonably request, and in form reasonably satisfactory to the Bank and its counsel.

## ARTICLE V

### THE LOAN; CLERK /BOARD'S OBLIGATION; DESCRIPTION AND PAYMENT TERMS

**SECTION 5.01 THE LOAN.** The Bank hereby agrees to loan to the County the cumulative aggregate amount of \$610,000 to be evidenced by the Series 2016 Taxable Note, to provide funds for the purposes of financing the 2016 Project. The County agrees to repay the principal amount borrowed plus interest thereon, upon the terms and conditions set forth in the Loan Documents.

**SECTION 5.02 SERIES 2016 TAXABLE NOTE NOT TO BE INDEBTEDNESS OF THE CLERK/BOARD OR STATE.** The Series 2016 Taxable Note, when delivered by the Clerk pursuant to the terms of this Supplemental Loan Agreement, shall not be or constitute a general obligation or indebtedness of the Clerk or Board, or the State, or any political subdivision of the State, within the meaning of any Constitutional, statutory or other limitation of indebtedness, but shall be a special obligation payable solely as herein provided. No Owner of the Series 2016 Taxable Note shall ever have the right to compel the exercise of the ad valorem taxing power, if any, of the County to pay the Series 2016 Taxable Note or the interest thereon. Any agreements or representations herein or contained in any Loan Document do not and shall never constitute or give rise to any personal or pecuniary liability or charge against the general credit of the County, and in the event of a breach of any agreement, covenant, or representation, no personal

or pecuniary liability or charge payable directly or indirectly from any revenues of the County other than the Pledged Revenues shall arise therefrom.

**SECTION 5.03 DESCRIPTION AND PAYMENT TERMS OF THE SERIES 2016 TAXABLE NOTE.** To evidence the Loan, the Clerk shall issue and deliver to the Bank the Series 2016 Taxable Note in the form attached hereto as Exhibit A. The parties agree to the terms of the Series 2016 Taxable Note as provided in Exhibit A hereto.

**SECTION 5.04 CREATION AND USE OF FUNDS.** The County hereby creates and establishes a Series 2016 Project Account which shall be maintained on the books of the County as a separate account (but need not be maintained as a separate bank or deposit account). The proceeds of the Series 2016 Taxable Note that are deposited into the Series 2016 Project Account shall be used by the County for the purposes of constructing the 2016 Project.

## ARTICLE VI

### EVENTS OF DEFAULT

**SECTION 6.01 GENERAL.** An "Event of Default" shall be deemed to have occurred under this Loan Agreement if:

(a) The Clerk shall fail to make any payment of the principal of or interest on the Series 2016 Taxable Note or the Series 2014 Note when the same shall become due and payable, whether by maturity, by acceleration at the discretion of the Bank as provided for in Section 6.02 hereof, or otherwise; or

(b) The County shall default in the performance of or compliance with any term or covenant contained in the Loan Documents, other than a term or covenant default in the performance of which or noncompliance with which is elsewhere specifically dealt with, which default or non-compliance shall continue and not be cured within thirty (30) days after (i) notice thereof to the Clerk by the Bank; or (ii) the Bank is notified of such noncompliance or should have been so notified pursuant to the provisions of Section 3.01(c) of this Supplemental Loan Agreement, whichever is earlier; or

(c) Any representation or warranty made in writing by or on behalf of the Clerk in any Loan Document shall prove to have been false or incorrect in any material adverse respect on the date made or reaffirmed; or

(d) The Clerk or Board admits in writing its inability to pay its debts generally as they become due or files a petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of a receiver or trustee for itself; or

(e) The County is adjudged insolvent by a court of competent jurisdiction, or it is adjudged a bankrupt on a petition in bankruptcy filed by or against the County, or an order, judgment or decree Board, a receiver or trustee of the County or of the whole or any part of its property, and if the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within ninety (90) days from the date of entry thereof; or

(f) The County shall file a petition or answer seeking reorganization or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or the State; or

(g) The County shall default in the due and punctual payment or performance of covenants under any obligation for the payment of money to the Bank or any other subsidiary or affiliate of Farmers and Merchants Bank or a subsidiary or affiliate of the Bank's parent company; or

(h) A judgment or order shall be rendered against the County for the payment of money and such judgment or order shall continue unsatisfied or un-stayed for a period of more than thirty (30) days if the same could reasonably be expected to have a material and adverse impact on the ability of the County to satisfy its obligations hereunder.

**SECTION 6.02 EFFECT OF EVENT OF DEFAULT.** Except as otherwise provided in the Series 2016 Taxable Note, upon the occurrence of any Event of Default, the Bank may declare all obligations of the County under the Loan Documents to be due and payable without further action of any kind and, upon such declaration, the Series 2016 Taxable Note and the Series 2014 Note and the interest accrued thereon shall become due and payable. In addition, and regardless whether such declaration is or is not made, the Bank may also seek enforcement of and exercise all remedies available to it under any applicable law. Prior to acceleration of the Series 2016 Taxable Note or the Series 2014 Note, the Bank shall send written notice to the Clerk, but failure to send such notice shall not preclude the effective acceleration of the Series 2016 Taxable Note or the Series 2014 Note. Upon the occurrence and continuance of an Event of Default under this Agreement, the Series 2016 Taxable Note and the Series 2014 Note shall bear interest at the Default Rate; provided, however, in no event shall the Series 2016 Taxable Note and the Series 2014 Note bear interest at a rate in excess of the maximum rate permitted by law.

## ARTICLE VII

### SUBORDINATED INDEBTEDNESS AND ADDITIONAL BONDS

**SECTION 7.01 SUBORDINATED INDEBTEDNESS.** The Board will not issue any other obligations, except under the conditions and in the manner provided herein, payable from the Pledged Revenues or voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge having priority to or being on a parity with the lien

thereon in favor of the Series 2014 Note and the Series 2016 Note and the interest thereon. The Board may at any time or from time to time issue evidences of indebtedness payable in whole or in part out of Pledged Revenues and which may be secured by a pledge of Pledged Revenues; provided, however, that such pledge shall be, and shall be expressed to be, subordinated in all respects to the pledge of the Pledged Revenues created by the Ordinance, the Resolution and this Supplemental Loan Agreement and provided further that the issuance of such subordinated indebtedness shall be subject to any provisions contained in financing documents securing outstanding subordinated indebtedness to the extent such provisions impact on the ability of the County to issue subordinated indebtedness. The Board shall have the right to covenant with the holders from time to time of any subordinated indebtedness to add to the conditions, limitations and restrictions under which any Additional Debt may be issued under the provisions of Section 7.02 hereof. The Board agrees to pay promptly any subordinated indebtedness as the same shall become due.

**SECTION 7.02 ISSUANCE OF ADDITIONAL DEBT.** No Additional Debt, payable on a parity with the Series 2014 Note and the Series 2016 Note shall be issued except upon the conditions and in the manner herein provided. No such Additional Debt shall be issued unless the Bank shall, prior to the issuance of such Additional Debt, consent in writing to the issuance of such Additional Debt. Such consent may be subject to such additional requirements or conditions that the Bank may reasonably request.

**SECTION 7.03 PARITY WITH SERIES 2014 NOTE.** The Series 2016 Taxable Note shall be in parity with the Series 2014 Note.

## ARTICLE VIII

### MISCELLANEOUS

**SECTION 8.01 NO WAIVER; CUMULATIVE REMEDIES.** No failure or delay on the part of the Bank in exercising any right, power, remedy hereunder, or under the Series 2016 Taxable Note shall operate as a waiver of the Bank's rights, powers, and remedies hereunder, nor shall any single or partial exercise of any such right, power, or remedy preclude any other or further exercise thereof, or the exercise of any other right, power, or remedy hereunder or thereunder. The remedies herein and therein provided are cumulative and not exclusive of any remedies provided by law or in equity.

**SECTION 8.02 AMENDMENTS, CHANGES OR MODIFICATIONS TO THE SUPPLEMENTAL LOAN AGREEMENT.** This Supplemental Loan Agreement shall not be amended, changed, or modified without the prior written consent of the Owner of the Series 2016 Taxable Note and the Clerk. The Clerk agrees to pay all of the Bank's costs and reasonable attorneys' fees incurred in modifying and/or amending this Supplemental Loan Agreement at the Clerk's request or behest.

**SECTION 8.03 COUNTERPARTS.** This Supplemental Loan Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same Supplemental Loan Agreement, and, in making proof of this Supplemental Loan Agreement, it shall not be necessary to produce or account for more than one such counterpart.

**SECTION 8.04 SEVERABILITY.** If any clause, provision or section of this Supplemental Loan Agreement shall be held illegal or invalid by any court, the invalidity of such clause, provision or section shall not affect any other provisions or sections hereof, and this Supplemental Loan Agreement shall be construed and enforced to the end that the transactions contemplated hereby be effected and the obligations contemplated hereby be enforced, as if such illegal or invalid clause, provision or section had not been contained herein.

**SECTION 8.05 TERM OF SUPPLEMENTAL LOAN AGREEMENT.** Except as otherwise specified in this Supplemental Loan Agreement, this Supplemental Loan Agreement and all representations, warranties, covenants and agreements contained herein or made in writing by the Clerk connection herewith shall be in full force and effect from the date hereof and shall continue in effect until as long as the Series 2016 Taxable Note is outstanding.

**SECTION 8.06 NOTICES.** All notices, requests, demands and other communications which are required or may be given under this Supplemental Loan Agreement shall be in writing and shall be deemed to have been duly given when received if personally delivered; the day after it is sent, if sent by overnight common carrier service; and five (5) days after it is sent, if mailed, certified mail, return receipt requested, postage prepaid. In each case notice shall be sent to:

If to the Clerk/Board:                   Jefferson County Clerk /Board  
1 Courthouse Circle  
Monticello, Florida 32344  
Attn: Clerk

If to the Bank:                           Farmers and Merchants Bank  
2000 Apalachee Parkway  
Tallahassee, Florida 32301  
Attn: Darrell Fowler

With copy to:                           Bryant Miller Olive P.A.  
101 North Monroe Street, Suite 900  
Tallahassee, Florida 32301  
Attn: Randy Hanna

or to such other address as either party may have specified in writing to the other using the procedures specified above in this Section 8.06.

**SECTION 8.07 APPLICABLE LAW.** This Supplemental Loan Agreement shall be construed pursuant to and governed by the substantive laws of the State.

**SECTION 8.08 BINDING EFFECT; ASSIGNMENT.** This Supplemental Loan Agreement shall be binding upon and inure to the benefit of the successors in interest and permitted assigns of the parties. The County shall have no rights to assign any of their rights or obligations hereunder without the prior written consent of the Bank.

**SECTION 8.09 NO THIRD PARTY BENEFICIARIES.** It is the intent and agreement of the parties hereto that this Supplemental Loan Agreement is solely for the benefit of the parties hereto and no person not a party hereto shall have any rights or privileges hereunder.

**SECTION 8.10 ATTORNEYS FEES.** To the extent legally permissible, the Clerk/Board and the Bank agree that in any suit, action, or proceeding brought in connection with this Supplemental Loan Agreement, the Series 2016 Taxable Note, or the Resolution (including any appeal(s)), the prevailing party shall be entitled to recover costs and attorneys' fees from the other party.

**SECTION 8.11 ENTIRE LOAN AGREEMENT.** Except as otherwise expressly provided, this Loan Agreement and the other Loan Documents embody the entire agreement and understanding between the parties hereto and supersede all prior agreements and understandings relating to the subject matter hereof.

**SECTION 8.12 FURTHER ASSURANCES.** The parties to this Supplemental Loan Agreement will execute and deliver, or cause to be executed and delivered, such additional or further documents, agreements, or instruments and shall cooperate with one another in all respects for the purpose of carrying out the transactions contemplated by this Supplemental Loan Agreement.

**SECTION 8.13 JURY WAIVER.** The parties irrevocably and voluntarily waive any right they may have to a trial by jury in respect of any claim. This provision is a material inducement for the parties entering into this Supplemental Loan Agreement.



IN WITNESS WHEREOF, the parties have executed this Supplemental Loan Agreement to be effective between them as of the date of first set forth above.

**JEFFERSON COUNTY BOARD OF COUNTY COMMISSIONERS**

By: \_\_\_\_\_  
Stephen Walker, Chairman

[SEAL]

**JEFFERSON COUNTY CLERK OF COURTS**

By: \_\_\_\_\_  
Kirk Reams, Clerk

**FARMERS AND MERCHANTS BANK**

By: \_\_\_\_\_  
Darrell Fowler, Vice President

**EXHIBIT A**

**FORM OF THE SERIES 2016 TAXABLE NOTE**

ANY OWNER SHALL, PRIOR TO BECOMING AN OWNER, EXECUTE A PURCHASER'S CERTIFICATE IN THE FORM ATTACHED TO THE SUPPLEMENTAL RESOLUTION (HEREIN DEFINED) CERTIFYING, AMONG OTHER THINGS, THAT SUCH OWNER IS AN "ACCREDITED INVESTOR" AS SUCH TERM IS DEFINED IN THE SECURITIES ACT OF 1933, AS AMENDED, AND REGULATION D THEREUNDER.

\_\_\_\_\_, 2016

\$610,000

JEFFERSON COUNTY, FLORIDA  
TAXABLE NOTE, SERIES 2016

Maturity Date: \_\_\_\_\_, 2031

KNOW ALL MEN BY THESE PRESENTS that Jefferson County, Florida (the "Issuer"), for value received, promises to pay from the sources hereinafter provided, to the order of Farmers and Merchants Bank, or registered assigns (hereinafter, the "Owner"), the principal sum of \$610,000, in the amounts and on the dates described below, together with interest on the principal balance at a fixed rate of 3.92% for the first seven years, adjusting annual thereafter to the one-year Treasury rate, plus 3.25%; provided, however, such interest rate shall not exceed the maximum rate permitted by law. Interest shall be calculated on the basis of actual number of days elapsed over a 360-day year. Principal and interest on this Note is payable in lawful money of the United States of America at such place as the Owner may designate to the Issuer in writing pursuant to the schedule attached hereto as Schedule I, provided such Schedule I may be amended by the Owner to reflect the interest rate adjustments to occur after the first seven years of this Note.

This Note may be prepaid, in whole or in part, on any day, by the Issuer with five (5) days prior written notice to the Owner by payment in an amount equal to the principal amount to be prepaid plus accrued interest thereon to the date of prepayment without a prepayment premium.

If any date for the payment of principal and interest hereon or the taking of any action hereunder shall fall on a day which is not a Business Day, the payment due or action to be taken on such date shall be due on the next succeeding day which is a Business Day, but the Issuer shall not receive credit for the payment until it is actually received by the Owner.

All payments by the Issuer pursuant to this Note shall apply first to accrued interest, then to other charges due the Owner, and the balance thereof shall apply to principal.

This Note is issued to finance the costs of the 2016 Project, under the authority of and in full compliance with the Constitution and Statutes of the State of Florida, including particularly Chapter 125, Florida Statutes, Chapter 212, Florida Statutes, Chapter 218, Florida Statutes, each as amended, the Ordinance and other applicable provisions of law (the "Act"), and Resolution No. 2016-\_\_\_\_\_, duly adopted by the Board of County Commissioners of the Issuer on August 18, 2015 (the "Supplemental Resolution"), and pursuant to a Supplemental Loan Agreement between Farmers and Merchants Bank and the Issuer, dated as of \_\_\_\_\_, 2016 (the "Supplemental Loan Agreement"), to which reference should be made to ascertain those terms and conditions. All undefined terms used herein shall have the meanings ascribed thereto in the Supplemental Resolution and the Supplemental Loan Agreement.

THIS NOTE SHALL NOT BE OR CONSTITUTE A GENERAL OBLIGATION OR INDEBTEDNESS OF THE ISSUER AS "BONDS" WITHIN THE MEANING OF ARTICLE VII, SECTION 12 OF THE FLORIDA CONSTITUTION, BUT SHALL BE PAYABLE SOLELY FROM THE ASSESSMENTS IN ACCORDANCE WITH THE TERMS OF THE RESOLUTION. NO HOLDER OF THIS NOTE SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER TO PAY SUCH NOTE, OR BE ENTITLED TO PAYMENT OF SUCH NOTE FROM ANY FUNDS OF THE ISSUER EXCEPT FROM THE PLEDGED REVENUES.

This Note and other payments required by the Supplemental Resolution and the Supplemental Loan Agreement are payable from and secured solely by a lien upon and pledge of the Pledged Revenues, and a covenant to budget and appropriate Non-Ad Valorem Revenues to the extent any deficiencies exist, each as defined and described in the Supplemental Loan Agreement, all in the manner provided in, and subject to the terms and conditions of, the Supplemental Resolution and the Supplemental Loan Agreement.

Upon an Event of Default, this Note shall bear interest at a default rate equal to a fixed interest rate of 18% per annum on the Series 2016 Taxable Note; provided, however, in no event shall this Note bear interest at a rate in excess of the maximum rate permitted by law.

This Note may be exchanged or transferred by the Owner hereof but only upon the registration books maintained by the Issuer and in the manner provided in the Loan Agreement.

This Note does not constitute a general indebtedness of the Issuer within the meaning of any constitutional, statutory or charter provision or limitation, and it is expressly agreed by the holder of this Note that such holder shall never have the right to require or compel the exercise of the ad valorem taxing power of the Issuer or taxation of any real or personal property therein for the payment of the principal of and interest on this Note or the making of any debt service fund, reserve or other payments provided for in the Supplemental Resolution.

The Issuer has entered into certain further covenants with the holder of this Note, for the

terms of which reference is made to the Supplemental Loan Agreement.

It is hereby certified and recited that all acts, conditions and things required by the Act to be performed, to exist and to happen precedent to and in connection with the issuance of this Note, have been performed, exist and have happened in regular and due form and time as so required.

IN WITNESS WHEREOF, Jefferson County, Florida, has issued this Note and has caused the same to be signed by the Chairman and countersigned and attested to by the Clerk, all as of the \_\_\_\_ day of \_\_\_\_\_, 2016.

BOARD OF COUNTY COMMISSIONERS  
JEFFERSON COUNTY

By: \_\_\_\_\_  
Stephen Walker  
Chairman

[SEAL]

CLERK OF COURTS  
JEFFERSON COUNTY, FLORIDA

By: \_\_\_\_\_  
Kirk Reams  
Clerk

CERTIFICATE OF AUTHENTICATION

Dated: \_\_\_\_\_, 2016

This is the Note described in the within defined Loan Agreement duly hereby authenticated and registered.

CLERK OF COURTS  
JEFFERSON COUNTY, FLORIDA

By: \_\_\_\_\_  
Kirk Reams  
Clerk

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto \_\_\_\_\_

\_\_\_\_\_ the within-mentioned registered Note and hereby irrevocably constitute(s) and appoint(s) attorney, to transfer the same on the books of the Registrar with full power of substitution in the premises.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature guaranteed:

\_\_\_\_\_

**SCHEDULE I\***

<u>Payment Date</u>	<u>Principal Amount</u>	<u>Interest Amount</u>
8/1/2016	2,446.18	2,059.09
9/1/2016	2,454.44	2,050.83
10/1/2016	2,528.61	1,976.66
11/1/2016	2,471.26	2,034.01
12/1/2016	2,544.94	1,960.33
1/1/2017	2,488.19	2,017.08
2/1/2017	2,496.59	2,008.68
3/1/2017	2,698.59	1,806.68
4/1/2017	2,514.13	1,991.14
5/1/2017	2,586.57	1,918.70
6/1/2017	2,531.34	1,973.93
7/1/2017	2,603.29	1,901.98
8/1/2017	2,548.68	1,956.59
9/1/2017	2,557.28	1,947.99
10/1/2017	2,628.47	1,876.80
11/1/2017	2,574.78	1,930.49
12/1/2017	2,645.47	1,859.80
1/1/2018	2,592.41	1,912.86
2/1/2018	2,601.16	1,904.11
3/1/2018	2,793.36	1,711.91
4/1/2018	2,619.37	1,885.90
5/1/2018	2,688.76	1,816.51
6/1/2018	2,637.28	1,867.99
7/1/2018	2,706.16	1,799.11
8/1/2018	2,655.32	1,849.95
9/1/2018	2,664.28	1,840.99
10/1/2018	2,732.37	1,772.90
11/1/2018	2,682.50	1,822.77
12/1/2018	2,750.06	1,755.21
1/1/2019	2,700.84	1,804.43
2/1/2019	2,709.96	1,795.31
3/1/2019	2,891.96	1,613.31
4/1/2019	2,728.87	1,776.40
5/1/2019	2,795.08	1,710.19
6/1/2019	2,747.51	1,757.76

7/1/2019	2,813.19	1,692.08
8/1/2019	2,766.28	1,738.99
9/1/2019	2,775.62	1,729.65
10/1/2019	2,840.48	1,664.79
11/1/2019	2,794.58	1,710.69
12/1/2019	2,858.89	1,646.38
1/1/2020	2,813.66	1,691.61
2/1/2020	2,823.16	1,682.11
3/1/2020	2,940.60	1,564.67
4/1/2020	2,842.61	1,662.66
5/1/2020	2,905.53	1,599.74
6/1/2020	2,862.02	1,643.25
7/1/2020	2,924.38	1,580.89
8/1/2020	2,881.55	1,623.72
9/1/2020	2,891.28	1,613.99
10/1/2020	2,952.79	1,552.48
11/1/2020	2,911.00	1,594.27
12/1/2020	2,971.94	1,533.33
1/1/2021	2,930.86	1,574.41
2/1/2021	2,940.76	1,564.51
3/1/2021	3,101.13	1,404.14
4/1/2021	2,961.15	1,544.12
5/1/2021	3,020.63	1,484.64
6/1/2021	2,981.34	1,523.93
7/1/2021	3,040.24	1,465.03
8/1/2021	3,001.67	1,503.60
9/1/2021	3,011.80	1,493.47
10/1/2021	3,069.82	1,435.45
11/1/2021	3,032.33	1,472.94
12/1/2021	3,089.75	1,415.52
1/1/2022	3,052.99	1,452.28
2/1/2022	3,063.30	1,441.97
3/1/2022	3,212.19	1,293.08
4/1/2022	3,084.48	1,420.79
5/1/2022	3,140.39	1,364.88
6/1/2022	3,105.50	1,399.77
7/1/2022	3,160.79	1,344.48
8/1/2022	3,126.65	1,378.62
9/1/2022	3,137.20	1,368.07

10/1/2022	3,191.58	1,313.69
11/1/2022	3,158.57	1,346.70
12/1/2022	3,212.33	1,292.94
1/1/2023	3,180.07	1,325.20
2/1/2023	3,190.81	1,314.46
3/1/2023	3,327.74	1,177.53
4/1/2023	3,212.81	1,292.46
5/1/2023	3,265.00	1,240.27
6/1/2023	3,234.68	1,270.59
7/1/2023	3,286.23	1,219.04
8/1/2023	3,256.69	1,248.58
9/1/2023	3,267.68	1,237.59
10/1/2023	3,318.28	1,186.99
11/1/2023	3,289.91	1,215.36
12/1/2023	3,339.86	1,165.41
1/1/2024	3,312.29	1,192.98
2/1/2024	3,323.47	1,181.80
3/1/2024	3,410.21	1,095.06
4/1/2024	3,346.20	1,159.07
5/1/2024	3,394.52	1,110.75
6/1/2024	3,368.96	1,136.31
7/1/2024	3,416.62	1,088.65
8/1/2024	3,391.86	1,113.41
9/1/2024	3,403.31	1,101.96
10/1/2024	3,449.97	1,055.30
11/1/2024	3,426.44	1,078.83
12/1/2024	3,472.44	1,032.83
1/1/2025	3,449.73	1,055.54
2/1/2025	3,461.38	1,043.89
3/1/2025	3,572.95	932.32
4/1/2025	3,485.12	1,020.15
5/1/2025	3,529.41	975.86
6/1/2025	3,508.80	996.47
7/1/2025	3,552.40	952.87
8/1/2025	3,532.63	972.64
9/1/2025	3,544.56	960.71
10/1/2025	3,587.13	918.14
11/1/2025	3,568.63	936.64
12/1/2025	3,610.50	894.77



1/1/2026	3,592.87	912.40
2/1/2026	3,604.99	900.28
3/1/2026	3,703.11	802.16
4/1/2026	3,629.66	875.61
5/1/2026	3,669.76	835.51
6/1/2026	3,654.30	850.97
7/1/2026	3,693.69	811.58
8/1/2026	3,679.11	826.16
9/1/2026	3,691.52	813.75
10/1/2026	3,729.83	775.44
11/1/2026	3,716.58	788.69
12/1/2026	3,754.16	751.11
1/1/2027	3,741.79	763.48
2/1/2027	3,754.42	750.85
3/1/2027	3,838.53	666.74
4/1/2027	3,780.05	725.22
5/1/2027	3,815.80	689.47
6/1/2027	3,805.69	699.58
7/1/2027	3,840.69	664.58
8/1/2027	3,831.51	673.76
9/1/2027	3,844.44	660.83
10/1/2027	3,878.31	626.96
11/1/2027	3,870.51	634.76
12/1/2027	3,903.63	601.64
1/1/2028	3,896.75	608.52
2/1/2028	3,909.90	595.37
3/1/2028	3,960.66	544.61
4/1/2028	3,936.47	568.80
5/1/2028	3,967.68	537.59
6/1/2028	3,963.15	542.12
7/1/2028	3,993.59	511.68
8/1/2028	3,990.01	515.26
9/1/2028	4,003.48	501.79
10/1/2028	4,032.74	472.53
11/1/2028	4,030.61	474.66
12/1/2028	4,059.08	446.19
1/1/2029	4,057.91	447.36
2/1/2029	4,071.61	433.66
3/1/2029	4,125.99	379.28

4/1/2029	4,099.28	405.99
5/1/2029	4,125.77	379.50
6/1/2029	4,127.05	378.22
7/1/2029	4,152.73	352.54
8/1/2029	4,154.99	350.28
9/1/2029	4,169.02	336.25
10/1/2029	4,193.49	311.78
11/1/2029	4,197.25	308.02
12/1/2029	4,220.90	284.37
1/1/2030	4,225.66	279.61
2/1/2030	4,239.93	265.34
3/1/2030	4,278.53	226.74
4/1/2030	4,268.68	236.59
5/1/2030	4,290.26	215.01
6/1/2030	4,297.57	207.70
7/1/2030	4,318.31	186.96
8/1/2030	4,326.66	178.61
9/1/2030	4,341.26	164.01
10/1/2030	4,360.73	144.54
11/1/2030	4,370.64	134.63
12/1/2030	4,389.26	116.01
1/1/2031	4,400.21	105.06
2/1/2031	4,415.06	90.21
3/1/2031	4,437.25	68.02
4/1/2031	4,444.94	60.33
5/1/2031	4,461.41	43.86
6/1/2031	4,475.00	30.27
7/1/2031	4,490.60	14.67

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\* This Schedule I assumes a fixed interest rate of 3.92% through the life of this Note. The interest rate is subject adjustment as described in this Note. Upon such adjustment, this Schedule I will be amended by the Owner to reflect such interest rate adjustments.

**GLEN BISHOP ENTERPRISES**

**JEFFERSON COUNTY RESOLUTION**

**RESOLUTION NO. 2016—062116-01**

A RESOLUTION OF THE JEFFERSON COUNTY BOARD OF COUNTY COMMISSIONERS, AUTHORIZING THE BORROWING FROM FARMERS AND MERCHANTS BANK OF NOT TO EXCEED \$610,000 IN AGGREGATE PRINCIPAL AMOUNT IN ORDER TO FINANCE THE CONSTRUCTION OF A BUILDING IN THE INDUSTRIAL PARK; AUTHORIZING THE EXECUTION OF A SUPPLEMENTAL LOAN AGREEMENT AND A SERIES 2016 TAXABLE NOTE; PLEDGING CERTAIN REVENUES AND MONEYS OF THE ASSIGNMENT OF LOCAL GOVERNMENT HALF-CENT SALES TAX REVENUES, HALF-CENT SUPPLEMENT/INMA SALES TAX, AND PARI-MUTUAL TAX REVENUES, AS SECURITY FOR THE BORROWING; MAKING CERTAIN COVENANTS AND AGREEMENTS FOR THE BENEFIT OF THE HOLDER OF THE SERIES 2016 TAXABLE NOTE; AND PROVIDING FOR AN EFFECTIVE DATE.

**BE IT RESOLVED** by the Board of County Commissioners of Jefferson County, Florida, that:

**SECTION 1. AUTHORITY FOR THIS SUPPLEMENTAL RESOLUTION.** This Supplemental Resolution is adopted pursuant to the provisions of chapter 125, Florida Statutes, chapter 212, Florida Statutes, chapter 218, Florida Statutes, and other applicable provisions of law (collectively, the "Act").

**SECTION 2. FINDINGS.** The Board of County Commissioners (the "Board") of Jefferson County (the "County") hereby finds and determines that:

(a) On February 3, 2014, the Board entered into a Loan Agreement (the "Loan Agreement") with Regions Bank (the "Prior Bank") to borrow funds from the Prior Bank (the "2014 Loan") for the purposes of (1) refunding the entire aggregate principal amount, accrued interest, and premium of the outstanding Promissory Note (Public Improvement Revenue Bond Anticipation Note), Series 1998 (the "Series 1998 Note"), (2) funding required contingencies and/or additional capital improvements, or (3) funding other authorized purposes as to any funds which are in excess of the refinancing needs.

(b) To evidence the obligation of the County to repay the 2014 Loan, the County issued and delivered to the Prior Bank its \$1,800,000 Promissory Note, Series 2014 (the "Series 2014 Note").

(c) The Board finds, determines, and declares that it is necessary for the continued preservation of health, welfare, convenience, and safety the County and its inhabitants to complete the 2016 Project (as herein defined).

(d) The Board is without adequate, currently available funds to pay the costs of the 2016 Project, and it is necessary and desirable and in the best interests of the County and its inhabitants to issue the County's Taxable Note, Series 2016 (the "Series 2016 Taxable Note") to accomplish financing the costs of the 2016 Project. The Board is authorized pursuant to the provisions of the Act to borrow moneys necessary to pay the costs of financing the 2016 Project.

(e) The issuance of the Series 2016 Taxable Note to finance the completion of the 2016 Project satisfies a paramount public purpose.

(f) The Board enacted Ordinance No. 2015-081815-02 on August 18, 2015, authorizing the issuance of the Series 2016 Taxable Note for the purpose of financing the costs of the 2016 Project.

(g) The Board desires to authorize the issuance of Series 2016 Taxable Note for the purposes of: (i) financing and/or refinancing all or a portion of the costs of the 2016 Project, (ii) funding any required reserves, if necessary, and (iii) paying costs and expenses of issuing the Series 2016 Taxable Note. The Clerk of the Courts for Jefferson County, (the "Clerk"), is authorized pursuant to the Board to pledge the Pledged Revenues (as defined in the Supplemental Loan Agreement) to the repayment of the Series 2016 Taxable Note and will take all steps necessary to continue the receipt of such Pledged Revenues.

(h) The Pledged Revenues (as defined in the hereinafter described Supplemental Loan Agreement) are not pledged or encumbered in any manner except for the prior payment from the Pledged Revenues of the principal of and interest on the Series 2014 Notes, which pledge and encumbrance shall be on equal and parity basis with the Series 2016 Taxable Note.

(i) The principal of and interest on the Notes and all other required payments under this Supplemental Resolution shall be payable solely from the Pledged Revenues, and a covenant to budget and appropriate Non-Ad Valorem Revenues (as defined in the Supplemental Loan Agreement) to the extent any deficiencies exist, as described in the Supplemental Loan Agreement. Neither the Board, nor the State of Florida or any political subdivision thereof or governmental authority or body therein, shall ever be required to levy ad valorem taxes to pay the principal of and interest on Notes, or to make any payments required by this Supplemental Resolution or the Notes, and the Notes shall not constitute a lien upon any properties owned by or situated within the Board, except as provided herein with respect to the Pledged Revenues.

(j) The Pledged Revenues and the Non-Ad Valorem Revenues are estimated to be sufficient to pay as the same become due and payable, the debt service requirements on the

Series 2014 Notes and the Series 2016 Taxable Note (collectively, the "Notes") and to make all other payments required to be made by the provisions of this Supplemental Resolution and the Supplemental Loan Agreement.

(k) The Loan Agreement provides for the issuance of additional parity notes upon receipt of the prior written consent of the Prior Bank, which receipt of such consent shall be a condition precedent to the issuance of the Series 2016 Taxable Notes.

(l) The Board has received a commitment from the Farmers and Merchants Bank (the "Bank") to purchase the Series 2016 Taxable Note, a copy of which is attached hereto as Exhibit A.

(m) Because of the characteristics and the size of the Series 2016 Taxable Note, prevailing market conditions and the need for an expeditious sale of the Series 2016 Taxable Note, it is in the best interest of the Board to accept the Bank's offer and to sell the Series 2016 Taxable Note at a negotiated sale to the Bank. Prior to the issuance of the Series 2016 Taxable Note, the Board shall receive from the Bank a Purchaser's Certificate, the form of which is attached hereto as Exhibit C, and a Disclosure Letter containing the information required by section 218.385, Florida Statutes, the form of which is attached hereto as Exhibit D.

(n) In consideration of the purchase and acceptance of the Series 2016 Taxable Note authorized to be issued hereunder by those who shall be the Registered Owner thereof from time to time, this Resolution shall constitute a contract between the Board and the Registered Owner.

**SECTION 3. AUTHORIZATION OF THE FINANCING OF THE 2016 PROJECT.** The Board hereby authorizes the financing of the construction of a building at the industrial park (the "2016 Project").

**SECTION 4. LOAN COMMITMENT.** Reference is hereby made to that certain loan commitment from the Bank, attached hereto as Exhibit A (the "Loan Commitment"). The terms of the Loan Commitment are hereby incorporated by reference into this Resolution as if set forth fully herein. The execution of the Loan Commitment by the Clerk is hereby ratified, confirmed, and approved. To the extent of any conflict between the provisions of this Supplemental Resolution or the Supplemental Loan Agreement and the Loan Commitment, the provisions of this Supplemental Resolution and the Supplemental Loan Agreement shall prevail.

**SECTION 5. ISSUANCE OF SERIES 2016 TAXABLE NOTE.** A Series 2016 Taxable Note is hereby authorized to be issued in accordance with the terms of this Supplemental Resolution, the Loan Commitment and the Supplemental Loan Agreement in an amount not to exceed \$610,000. The maturity of the Series 2016 Taxable Note shall be as set forth in the Supplemental Loan Agreement. The Series 2016 Taxable Note shall be issued for the purpose of

funding the 2016 Project. The principal of and interest on the Series 2016 Taxable Note shall be payable from, and secured by, the Pledged Revenues on parity with the Series 2014 Note, and a covenant to budget and appropriate Non-Ad Valorem Revenues to the extent any deficiencies exist, each as described in the Supplemental Loan Agreement.

The Series 2016 Taxable Note shall be dated such date, shall bear such interest, shall mature at such time and in such amount as set forth in the Supplemental Loan Agreement and the form of Series 2016 Taxable Note attached to the Supplemental Loan Agreement as Exhibit A, provided the amount, interest, and maturity thereof shall be consistent with the terms hereof and of the Loan Commitment. Prior to issuing the Series 2016 Taxable Note, a certificate evidencing compliance with section 218.385, Florida Statutes, shall be executed and delivered by the Bank.

The Chairman and Clerk are hereby authorized to enter into a Supplemental Loan Agreement in form and substance similar to Exhibit B hereto and to execute and authenticate, as the case may be, the above referenced Series 2016 Taxable Note to secure the loan, provided, that such agreement shall reflect the terms provided herein and in the Loan Commitment, or said other terms and changes approved by the county attorney. In case any one or more of the officers who shall have signed or sealed the Series 2016 Taxable Note shall cease to be such officer of the County before the Series 2016 Taxable Note so signed and sealed has been actually sold and delivered, the Series 2016 Taxable Note may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed the Series 2016 Taxable Note had not ceased to hold such office. The Series 2016 Taxable Note may be signed and sealed by such person who at the actual time of the execution of the Series 2016 Taxable Note shall hold the proper office of the County, although, at the date of the Series 2016 Taxable Note, such person may not have held such office or may not have been so authorized. Each of the terms of the Supplemental Loan Agreement shall be incorporated herein as if set forth fully in this Supplemental Resolution. Prior to entering into any such agreement, (i) any findings required by section 218.385, Florida Statutes, shall be made, and (ii) the Board shall have received from the Prior Bank its written consent to issue the Series 2016 Taxable Note.

The Series 2016 Taxable Note may be issued without any other proceedings or the happening of any other conditions or other things other than those proceedings, conditions or things which are specifically required by this Supplemental Resolution.

Due to the potential instability in the market for revenue obligations, the complex nature of the contemplated financing and taking into consideration the considerable experience of the Bank in the purchasing of revenue obligations of a similar type, it is hereby determined that it is in the best interests of the public and the Board to sell the Series 2016 Taxable Note to the Bank pursuant to a negotiated private placement. The sale of the Series 2016 Taxable Note in the manner described herein is hereby authorized and approved. The Series 2016 Taxable Note is hereby authorized to be sold to the Bank based upon the provisions set forth in this Supplemental Resolution, the Loan Commitment, and the Supplemental Loan Agreement.

**SECTION 6. AUTHORIZATION OF EXECUTION OF OTHER CERTIFICATES AND OTHER INSTRUMENTS.** The Chairman, Vice-Chairman, and the Secretary/Treasurer or any other officers of the Board, or more specifically the Clerk, are hereby authorized and directed to execute any and all certifications or other instruments or documents required by this Supplemental Resolution, the Supplemental Loan Agreement, the Loan Commitment, or any other document required as a prerequisite or precondition to the issuance of the Series 2016 Taxable Note and any such representation made therein shall be deemed to be made on behalf of the Board. All action taken to date by the officers of the Board in furtherance of the issuance of the Series 2016 Taxable Note is hereby approved, confirmed, and ratified. The Chairman is hereby authorized to approve a change in the dates of any document authorized hereby.

**SECTION 7. REMEDIES OF SERIES 2016 TAXABLE NOTEHOLDER.** The holder of the Series 2016 Taxable Note may, whether at law or in equity, by suit, action, mandamus, or other proceeding, protect and enforce and compel the performance of all duties required hereby, or by the Supplemental Loan Agreement which secures such Series 2016 Taxable Note, to be performed by the Clerk, Board, or County.

**SECTION 8. NO PERSONAL LIABILITY.** No representation, statement, covenant, warranty, stipulation, obligation, or agreement herein contained, or contained in the Series 2016 Taxable Note, Supplemental Loan Agreement, or any other certificate or other instrument to be executed on behalf of the Board in connection with the Series 2016 Taxable Note, shall be deemed to be a representation, statement, covenant, warranty, stipulation, obligation, or agreement of any member, officer, employee, or agent of the Board in his or her individual capacity, and none of the foregoing persons nor any member or officer of the Clerk executing the Series 2016 Taxable Note, Supplemental Loan Agreement, or any certificate or other instrument to be executed in connection with the issuance of the Series 2016 Taxable Note shall be liable personally thereon or be subject to any personal liability of or accountability by reason of the execution or delivery thereof.

**SECTION 9. OPEN MEETINGS.** It is hereby found and determined that all official acts of the members of the Board concerning and relating to the issuance, sale and delivery of the Series 2016 Taxable Note, including, but not limited to adoption of this Supplemental Resolution, were taken in open meetings of the Board and all deliberations of the members of the Board that resulted in such official acts were in meetings open to the public, in compliance with all legal requirements, including, but not limited to, the requirements of section 286.011, Florida Statutes.

**SECTION 10. PREREQUISITES PERFORMED.** All acts, conditions, and things relating to the passage of this Resolution required by the Constitution, the Act, or the laws of the State of Florida to happen, exist, and be performed precedent to and in the passage hereof have happened, exist, and have been performed as so required.



**SECTION 11. SEVERABILITY.** If any provision of this Supplemental Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable in any context, the same shall not affect any other provision herein or render any other provision (or such provision in any other context) invalid, inoperative or unenforceable to any extent whatever.

**SECTION 12. REPEALER.** Resolution No. 2015-081815-03, and all other resolutions or parts thereof in conflict herewith are hereby repealed.

**SECTION 13. EFFECTIVE DATE.** This Supplemental Resolution shall take effect immediately upon its adoption.

**ADOPTED** at a meeting of the Jefferson County Board of County Commissioners, on behalf of the Jefferson County Clerk of Court on the \_\_\_\_ day of June, 2016.

JEFFERSON COUNTY BOARD OF COUNTY COMMISSIONERS

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

[SEAL]

JEFFERSON COUNTY CLERK OF COURTS

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

**EXHIBIT A**  
**LOAN COMMITMENT**

**EXHIBIT B**  
**SUPPLEMENTAL LOAN AGREEMENT**

## EXHIBIT C

### PURCHASER'S CERTIFICATE

This is to certify that Farmers and Merchants Bank (the "Bank") has not required Jefferson County, Florida (the "Issuer") to deliver any offering document and has conducted its own investigation, to the extent it deems satisfactory or sufficient, into matters relating to business affairs or conditions (either financial or otherwise) of the Issuer in connection with the issuance of the \$610,000 Jefferson County, Florida, Taxable Note, Series 2016 dated \_\_\_\_\_, 2016 (the "Series 2016 Taxable Note") and no inference should be drawn that the Bank, in the acceptance of the Series 2016 Taxable Note, is relying on [Bird Leinback & Sparkman], County Attorney as to any such matters other than the legal opinions rendered by the County Attorney. Any capitalized undefined terms used herein not otherwise defined shall have the meaning set forth in Resolution No. 2016-\_\_\_\_\_ duly adopted by the Board of County Commissioners of the Issuer on June \_\_, 2016, (the "Supplemental Resolution") or the Supplemental Loan Agreement dated \_\_\_\_\_ 1, 2016, by and between the Bank and the Issuer (the "Supplemental Loan Agreement").

We are aware that the loan evidenced by the Bank's purchase of the Series 2016 Taxable Note involves various risks, and that the payment of the Series 2016 Taxable Note is secured solely from the sources described in the Supplemental Resolution and the Supplemental Loan Agreement (the "Bond Security").

We have made such independent investigation of the Bond Security as we, in the exercise of sound business judgment, consider to be appropriate under the circumstances. In making our lending decision, we have relied upon the accuracy of information which has been provided to us by or on behalf of the Issuer.

We have knowledge and experience in financial and business matters and are capable of evaluating the merits and risks of the Series 2016 Taxable Note and can bear the economic risk of the Series 2016 Taxable Note.

We acknowledge and understand that the Supplemental Resolution or the Supplemental Loan Agreement are not being qualified under the Trust Indenture Act of 1939, as amended (the "1939 Act"), and are not being registered in reliance upon the exemption from registration under Section 3(a)(2) of the Securities Act of 1933 (the "33 Act"), Section 517.051(1), Florida Statutes, and/or Section 517.061(7), Florida Statutes, and that neither the Issuer nor the County Attorney shall have any obligation to effect any such registration or qualification.

We are not acting as a broker or other intermediary, and are purchasing the Series 2016 Taxable Note, as evidence of a privately placed loan, for our own account and not with a

present view to a resale or other distribution to the public. We understand that the Series 2016 Taxable Note may only be transferred in whole.

We are a bank, trust company, savings institution, insurance company, dealer, investment company, pension or profit-sharing trust, or qualified institutional buyer as contemplated by Section 517.061(7), Florida Statutes. We are not purchasing the Series 2016 Taxable Note for the direct or indirect promotion of any scheme or enterprise with the intent of violating or evading any provision of Chapter 517, Florida Statutes.

We are an "accredited investor" within the meaning of Regulation D promulgated under the 33 Act and/or a "qualified institutional buyer" within the meaning of Rule 144A promulgated under the 33 Act.

DATED \_\_\_\_\_, 2016.

FARMERS AND MERCHANTS BANK

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

## EXHIBIT D

### FORM OF DISCLOSURE LETTER

The undersigned, as purchaser, proposes to negotiate with Jefferson County, Florida (the "Issuer") for the private purchase of its \$610,000 Jefferson County, Florida, Taxable Note, Series 2016 (the "Series 2016 Taxable Note"). Prior to the award of the Series 2016 Taxable Note, the following information is hereby furnished to the Issuer:

1. Set forth is an itemized list of the nature and estimated amounts of expenses to be incurred for services rendered to us (the "Bank") in connection with the issuance of the Bond (such fees and expenses to be paid by the Issuer):

Legal Fees:  
Bryant Miller Olive P.A.  
\$5,000.00

2. (a) No other fee, bonus or other compensation is estimated to be paid by the Bank in connection with the issuance of the Series 2016 Taxable Note to any person not regularly employed or retained by the Bank (including any "finder" as defined in Section 218.386(1)(a), Florida Statutes), except as specifically enumerated as expenses to be incurred by the Bank, as set forth in paragraph (1) above.

(b) No person has entered into an understanding with the Bank, or to the knowledge of the Bank, with the Issuer, for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the Issuer and the Bank or to exercise or attempt to exercise any influence to effect any transaction in the purchase of the Series 2016 Taxable Note.

3. The amount of the underwriting spread expected to be realized by the Bank is \$0.

4. The management fee to be charged by the Bank is \$0.

5. Truth-in-Bonding Statement:

It is our understanding that the Series 2016 Taxable Note is being issued to finance all or a portion of the costs of construction of a building at the industrial park. The Series 2016 Taxable Note is expected to be repaid no later than \_\_\_\_\_ 1, 20\_\_\_. Total interest paid over the life of the Series 2016 Taxable Note is estimated to be \$\_\_\_\_\_ calculated based on a fixed interest rate of \_\_\_\_%. The Series 2016 Taxable Note will be payable solely from sources described in Resolution No. 2016-\_\_\_\_\_ duly adopted by the Board of County Commissioners of the Issuer on June \_\_, 2016, (the "Supplemental Resolution") and the

Supplemental Loan Agreement dated \_\_\_\_\_ 1, 2016, by and between the Issuer and the Bank (the "Supplemental Loan Agreement"), in the manner and to the extent described therein. Issuance of the Series 2016 Taxable Note is estimated to result in a maximum annual of approximately \$\_\_\_\_\_ of revenues of the Issuer not being available to finance the services of the Issuer during the life of the Series 2016 Taxable Note.

6. The name and address of the Bank is as follows:

Farmers and Merchants Bank  
P. O. Box 340,  
Monticello, Florida 32345

IN WITNESS WHEREOF, the undersigned has executed this Disclosure Statement on behalf of the Bank on the \_\_\_\_ of \_\_\_\_\_, 2016.

FARMERS AND MERCHANTS BANK

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