AGENDA FOR REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF INVERNESS, FLORIDA, CITY HALL, 212 WEST MAIN STREET
December 16, 2014 - 5:30 PM

NOTICE TO THE PUBLIC

Any person who decides to appeal any decision of the Governing Body with respect to any matter considered at this meeting will need a record of the proceedings and, for such purpose, may need to provide that a verbatim record of the proceeding is made, which record includes testimony and evidence upon which the appeal is to be based (Section 286.0105, Florida Statutes).

Accommodation for the disabled (hearing or visually impaired, etc.) may be arranged with advance notice of seven (7) days before the scheduled meeting, by dialing (352) 726-2611 weekdays from 8 AM to 4 PM.

ENCLOSURES*

1) INVOCATION, PLEDGE OF ALLEGIANCE AND ROLL CALL

2) PLEASE SILENCE ELECTRONIC DEVICES

3) ACCEPTANCE OF AGENDA

4) PUBLIC HEARINGS
None

5) OPEN PUBLIC MEETING
The public is invited to express opinion on any item for this meeting or pending action at a future meeting of City Council.

6) PRE-SCHEDULED PUBLIC APPEARANCES
a) Waste Management - Check Presentation

7) MAYOR'S LOCAL ACHIEVEMENT AWARDS

8) CITY ATTORNEY REPORT

9) CONSENT AGENDA

4 a) Bill Listing *

Recommendation - Approval

5 - 13 b) Council Minutes - *

Recommendation - Approval

10) CITY MANAGER'S REPORT Correspondence/Reports/Recommendations

14 - 23 a) Bid Award - Landscape Management*

24 - 45 b) FDOT Landscape Improvement Grant*
a) Agreement
b) Resolution

46 - 114 c) 209 Courthouse Square - Tentative Purchase Agreement*

115 - 138 d) Citrus County Community Charitable Foundation, Inc.*

139 - 141 e) e) Budget Schedule for 2015-16*

142 - 143 f) Senator Dean - Delegation Meeting*

g) State of the City Address (Verbal)
h) Other

11) COUNCIL/MAYOR SUBJECTS

12) NON-SCHEDULED PUBLIC COMMENT

13) ADJOURNMENT

a)

DATES TO REMEMBER

Friday Night Thunder
Friday, December 19, 2014 from 5:00pm - 7:00pm
Courthouse Square & Downtown Inverness

Inverness Farmers Market
Saturday, December 20, 2014 & Saturday, January 3, 2015 from 9:00am - 1:00pm
Inverness Government Center City Square

Christmas Holiday Observance
Wednesday, December 24th , 2014, and Thursday, December 25th, 2014
City Administrative Offices Closed
(Sanitation Service; Satellite Parks, Utilities & Police Operate)

New Year's Day Observance
Thursday, January 1, 2015
City Administrative Offices Closed
(Sanitation Service; Parks, Police, Utilities Fully Operate)

Inverness City Council Regular Meeting
Tuesday, January 6, 2015 at 5:30pm
Inverness Government Center Council Chambers

VENDOR DOCUMENT	INVOICE	VOUCHER	DESCRIPTION	DUE DATE	DUE 12/17/14
	TOTALS FOR CDW GOVERMENT				6,093.40
	TOTALS FOR EMBARQ FLORIDA, INC				690.54
	TOTALS FOR CITRUS COUNTY CHRONICLE				2,367.26
	TOTALS FOR CLANCY & THEYS CONSTRUCTION COMPANY				432,057.40
	TOTALS FOR DUKE ENERGY				25.41
	TOTALS FOR FEDERAL EXPRESS CORPORATION				30.08
	TOTALS FOR A.C.M.S., INC				6,904.19
	TOTALS FOR CATHERINE HORTON				500.00
	TOTALS FOR JANUSZEWSKI, CINDY				43.50
	TOTALS FOR LLOYD M. MCMULLEN JR.				75.00
	TOTALS FOR MT CAUSLEY, INC				4,371.25
	TOTALS FOR NAPA OF INVERNESS				92.15
	TOTALS FOR ONLINE IMPLEMENTATION SERVICES, INC				154.20
	TOTALS FOR PRICE FAMILY ENTERTAINMENT INC				450.00
	TOTALS FOR SAND/LAND OF FL ENTERPRISE INC				160.00
	TOTALS FOR JOB SITE SERVICES INC				820.00
	TOTALS FOR SUMTER ELECTRIC COOPERATIVE INC				106.58
	TOTALS FOR UNIFIRST CORPORATION				15.84
	TOTALS FOR XTREME FUN PARTY RENTALS				130.00
			REPORT TOTALS		455,086.80

** END OF REPORT - Generated by Esther Kirkland **

December 2nd , 2014
5:30 PM

The City Council of the City of Inverness met on the above date in Regular Session at 212 W. Main Street with the following members present:

President Hinkle
Vice President Hepfer
Councilwoman Bega
Councilman McBride
Councilman Ryan
Mayor Plaisted

Also present were City Manager DiGiovanni, City Attorney Haag, Asst. City Manager Williams, Community Development Director Malm, Finance Director Chiodo, Betty Pleacher, Woodard & Curran Director Regina and City Clerk Davis.

The Invocation was given by Mayor Plaisted and the Pledge of Allegiance was led by the City Council.

Prior to the beginning of the meeting City Clerk Davis swore in Mayor Bob Plaisted, Council President Hinkle, Councilwoman Bega, and Councilman Davd Ryan, who were all unopposed in the November Election.

ACCEPTANCE OF AGENDA

Councilwoman Hepfer motioned to accept the Agenda as presented. Seconded by Councilwoman Bega. The motioned carried.

PUBLIC HEARINGS
None

OPEN PUBLIC MEETING
None

SCHEDULED APPEARANCES
None

MAYOR'S LOCAL ACHIEVEMENT AWARDS
None

CITY ATTORNEY REPORT
None

CONSENT AGENDA

Councilwoman Bega motioned to accept the Consent Agenda. Seconded by Councilwoman Hepfer. The motion carried.

a) Bill Listing*
   - Recommendation – Approval
b) Council Minutes – 11/18/14*
   - Recommendation - Approval
c) Repurchase of Cemetery Lot 316,Blk C, 64th Addition*
   - Recommendation - Approval

CITY MANAGER'S REPORT

11) a) CBA Ratification was addressed by City Manager DiGiovanni, and spoke to the Collective Bargaining Agreement with the Public Employees Unit, and that we received confirmation by the Union to indicate the employees ratified the Agreement. The CBA has a 3 year duration that covers from October 1, 2014 through September 30th, 2017. We are pleased to be able to process pay raises for all employees for distribution to include the Union employees.

Councilwoman Bega motioned to accept the negotiated and recently ratified CBA between the City of Inverness and Public Employees Unit, and authorize the City Manager and Council President to execute the document. Seconded by Councilwoman Hepfer. The motioned carried unanimously.

11) b) Valerie Theatre/Duke Energy Easement was addressed. City Manager DiGiovanni advised that the attached Easement Agreement involves underground electric service, has been reviewed by City Legal Counsel and found acceptable for Council action. This easement is to protect Duke in the event we decide to relocate the transformer. Changes are always possible, but the options to make a change are extremely limited, yet, we must be prepared if a change becomes necessary.

Councilwoman Bega questioned where the transformer will be located, and it was noted to be on one end of the plaza property.

Councilman Ryan motioned to accept the Duke Energy Easement that covers work to install and if necessary, relocate the ground level transformer that serves the Valerie Theatre, and authorize the Council President execute the document. Seconded by Councilwoman Hepfer. The motion carried unanimously.

11) c) State of Florida Cultural Facility Grant Contract – Valerie Theatre was addressed by City Manager DiGiovanni, who advised that with the assistance from the special counsel of Avatar Grant Consultants, and with the support from the Office of Senator Charles Dean, the City of Inverness was awarded a Cultural Facilities Grant in May, 2013, with funds to be applied to the Valerie Theatre project in the amount of $500,000. The current project budget included off-setting grant revenue of $500,000 and the project budget allocated $3,106,045 for the Valerie Theatre renovation, plaza development, and audio/visual acquisition and installation. The Cultural Facilities Grant Agreement is a standard instrument used by the State for these appropriations.

In packet is the 1st official step that puts us on pathway to begin receiving these funds. The accounting, use, match, etc. and must be met going forward, and noted all the requirements.
Councilman McBride expressed appreciation with administration and working with Senator Dean to accomplish this. This is a great thing for our City.
President Hinkle stated how great it was to have the support of Senator Dean
Councilman McBride motioned to accept the Grant Agreement between the State of Florida Department of State, Division of Cultural Affairs and the City of Inverness for the Valerie Theatre Cultural Center Renovation and Plaza Development Project, in the amount of $500,000 as submitted, and authorize the Council President to execute the documents and for the City Manager to execute any change orders to the grant agreement as necessary. Seconded by Councilwoman Bega. The motion carried unanimously.

11) d) WRPC – Representative Appointment - City Manager DiGiovanni explained that the Withlacoochee Regional Planning Council (WRPC) requires that municipal officials of Citrus County appoint one elected official to represent the two municipalities. The appointment has traditionally rotated with the City of Crystal River. At their request, the City of Crystal River would like the City of Inverness to continue as the representatives and we will address this again next year. Hinkle expressed how much he enjoys serving and meeting with people from the rest of the region.
Councilman McBride motioned to appoint Council President Hinkle as Municipal Representative on the Withlacoochee Regional Planning Council for a term beginning December 11th, 2014 and ending December 10th 2015. Seconded by Councilwoman Hepfer. The motion carried unanimously.

11) e) Whispering Pines Park Fee Updates – Pool & Rentals - City Manager DiGiovanni, spoke to the well received, respected park facility which returns a high value to the public, and affects real and perceived property values of the area, and the community. He spoke to the park's heavy use, maintenance of the equipment, pool, facilities, etc. and the efforts put forth to keep the park functioning. The enclosed Resolution, addresses an adjustment to entrance fees for aquatics, individual and annual family passes, and furthers pricing differential for residents of the City and beyond. This helps keep us in the direction we need to go. We will be coming forward with policy changes and other modifications, as we move to the future.
Councilman Ryan noted the increase is nominal and we beat several other cities in all our fees, to include events.
Councilman McBride spoke of the increase across the board for daily admissions, and questioned the rational. City Manager stated the city residents are the ones that maintain the lion's share of the Park costs and that ought to reasonably be reflected.
Mayor Plaisted noted the amount under water fitness/contractual fee of 70/30%. City Manager explained the instructor reaps the 70% and the City 30%. This is an incentive for the instructors to bring more participants into the park to the program.
Councilman Ryan motioned to have the City Clerk read the Resolution by title only. Seconded by Councilwoman Hepfer. The motion carried.

RESOLUTION NO. 2014 – 30

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INVERNESS, AMENDING FEES AND CHARGES FOR THE USE OF THE CITY'S FACILITIES; AMENDING FEES AND CHARGES FOR THE POOL ADMISSION, POOL MEMBERSHIP AND ESTABLISHING NEW FEES FOR USE OF THE CITY'S FACILITIES AT WHISPERING PINES PARK AND LIBERTY PARK.

City Clerk Davis noted that Resolution was renumbered from 2014-29 to 2014-30.

Councilwoman Hepfer motioned to adopt Resolution 2014-30 by roll call vote. Seconded by Councilman McBride. Roll call vote was as follows: Councilman Ryan, yes; Councilwoman Bega, yes; Councilman McBride, yes; Councilwoman Hepfer, yes; President Hinkle, yes. The motion carried.

11) f) Economic Development Council (EDC) Correspondence was addressed. City Manager DiGiovanni advised that EDC has restructured and going private, and the City of Inverness is no longer represented. He stated that this was brought to City Council to advise of the change and no formal action is request. He stated that if Council finds it desirable to continue on the Board of the Economic Development Council, a financial appropriation will be necessary. Entry level categories are indicated at $1,000 and $2,500 per annum, but require an elective process to be on the Board. The categories titled corporate or leadership come at a cost of $5,000 and $10,000 per year, and seems to guarantee board placement.
Mayor Plaisted questioned their reasoning as to why they wish to privatize, and City Manager noted that it may have to do with getting away from the Sunshine Law, but wasn't really sure.
Councilman McBride wished Mr. Taylor, Executive Director was here to get more information. As we stand right now there is no interest in us getting involved.
Councilwoman Hepfer stated we've done well on our own and the fee to sit on the board is way too much.
Councilwoman Bega agrees with prior statements and it appears that we would be buying our seat. Not sure how they would operate this.
City Attorney Haag noted the EDC received $440,000 of funding through Duke Energy.
Councilman Ryan asked what EDC has done for the City of Inverness throughout the years.
City Manager DiGiovanni stated he was the voice that tried to control sprawl, noting the Port, the Medical Corridor, which are harmful to existing businesses, and spoke against the sprawl elements of planning. Designing zones of influences are needed to have sustainable economic development. Sprawling areas are very hard to sustain. The same thing holds true for housing, transportation networks, infrastructure, water and sewer. To maintain the course of doing what we know is working and investing in that, the people served will be better for it.
Councilwoman Hepfer questioned how we as city should approach, and noted that we should see where they are going before we decide how we will interact.

Councilman McBride questioned how the EDC has benefited our city throughout the years. Based on his knowledge, City Manager doesn't see a direct benefit.
City Manager DiGiovanni stated we need to wait and see how the new EDC reaches out to Inverness. He suggested setting up a meeting in February.
Mayor Plaisted spoke of a few years ago that Ocala hired a "tsar" and was so successful bringing businesses to the city and Marion County.

City Manager DiGiovanni additionally reported on the following:

- He noted that he had met with the County Commission this afternoon and spoke to the 9-point agreement that Commissioner Kitchen went through point by point. Whispering Pines Park was approached by the Commissioners stating $400,000/yr. should be paid, with many other opinions expressed. The BOCC voted on Commissioner Kitchen's motion of the $400,000, plus agreement on everything else. But there was a greater understanding of responsibility. We made it clear the City's goal is to work with the County and our approach as a city is to put the people first. Councilman McBride took from meeting that he clearly sees leadership on the Commission and spoke to Commissioner Kitchen wanting to get things done. We are valued once again. Commissioner Carnahan stated something distinctive regarding taxes being paid to parks by county residents. Looking forward to working with the county, which everyone will benefit. Smart Growth principles needs to be stressed.

- City Manager spoke to Light Up Inverness Event last week and hopes to do more of a light show next year.

- The State of the City will be addressed at the next meeting of City Council.

COUNCIL/MAYOR SUBJECTS

Mayor Plaisted spoke to a letter from Sweetwater Point Homeowners Association commending Asst. City Manager Williams, and City Manager DiGiovanni.

Councilwoman Hepfer was looking forward to next meeting, and was excited about the Valerie Theatre and spoke of the tour today.

Councilwoman Bega enjoyed the tour of the Valerie theatre today, and was so impressed and excited. The meeting with the county today was a step forward.

Councilman Ryan congratulated the other elected officials for the past election and it is an honor to serve and live here. Going through the Valerie today was great and spoke of the plaza that will be a jewel within a jewel.

Councilman McBride congratulated the recently elected Councilmembers and Mayor. He was looking forward to the Christmas parade.

Council President Hinkle stated this is a great city to live in. He was away to Myrtle Beach for the holiday and missed the Light Up Inverness event. Spoke to Conway, NC a city incorporated in the 1780's, and they had a theatre they renovated. Spoke to our Theatre and how state of the art it will be. He is looking forward to 2015.

CITIZENS NOT ON AGENDA

Karen Esty, Inverness, spoke to the BOCC and her reservations regarding impact fees, and wasn't sure how it will affect the City of Inverness' budget. This needs to be watched on the county level. She spoke to EDC going private and suggested the mayors from both cities should be put on the board without a fee. The question of the park's money Commissioner Carnahan spoke to and will follow till we find out where the money is going. Spoke positively about the Grand Prix. County & City has done a great job with tourism. Outside sports is something to market and thanked everyone in the City for their efforts. MPO/CAC meeting spoke of the need of a north/south corridor and need to hammer FDOT to keep 41 going.

Council President Hinkle commended HCA for taking over the hospital operation and it would be nice to have them come speak to us.

Meeting adjourned @ 6:53pm

_____ _____

City Clerk **Council President**

December 4, 2014
5:01pm

The City Council of the City of Inverness met on the above date for a second Public Hearing Session for FY 2014/15 Final Budget at 212 W. Main Street with the following members present:
President Hinkle
Vice President Hepfer
Councilman McBride
Councilwoman Bega
Councilman Ryan
Mayor Plaisted (Not Present)

Also present were City Manager DiGiovanni, Asst. City Manager Williams, Finance Director Chiodo, City Clerk Davis.

The following Notice was served to all Council, Mayor, Media, publicly posted, and TRIM'S were mailed to each City of Inverness property owner by the Property Appraiser's Office.

CITY OF INVERNESS
PUBLIC NOTICE

DATE: November 21st, 2014

PLEASE BE ADVISED A **PUBLIC HEARING** IS CALLED FOR THE CITY COUNCIL OF THE CITY OF INVERNESS, FOR **THURSDAY, DECEMBER 4TH, 2014, @ 5:01PM** , AT 212 W. MAIN STREET, INVERNESS, FLORIDA, AS FOLLOWS:

Final Mill Levy and Budget Adoption Public Hearing

/s/ Ken Hinkle_____
President of City Council

The Public Hearing was called to order.

Council President Hinkle announced that the purpose of this hearing is to adopt a final property tax rate (or millage) and re-adopt the budget for the 2014-2015 fiscal year for the City of Inverness.

He stated that the Department of Revenue has determined that portions of the property tax levy in the Notice of proposed Tax Increase advertisement s. 200.065 (3)(a), F.S., requires, were incorrect. The notice overstated last year's actual property tax levy and incorrectly stated the tax reductions because of value adjustment board and other assessment changes. The city has been provided the opportunity to re-advertise the notice with the corrections to the prior year property tax levy and re-conduct the Final

Budget Hearing for the current fiscal year. Specifically, the "last year's actual property tax levy" was overstated by $29,726 due to changes in the City's property valuation in April, 2014, reducing the City's prior year property valuations by $4,576,208.

A proposed property tax rate was advertised on the TRIM notices and in the Citrus County Chronicle of 6.9949 mills. The City of Inverness Budget has been finalize using the rate 6.9949 mills. The final millage rate is greater than the rolled back rage of 6.4949 mills by 7.7%.

President Hinkle asked if there was anyone present that wished to address the Council as to any item within the Budget or millage levy?
There was no speaking to the Budget.

Be advised that the proposed budget was developed using the rate of 6.9949 mills. The next motion must be to adopt the final millage rate. Any budget amendments may be made after adoption of the final millage rate.

Councilwoman Hepfer motioned to read the Final Mill Levy Resolution by title only. Seconded by Councilman McBride. The motion carried.

RESOLUTION 2014 - 28

A RESOLUTION OF THE CITY OF INVERNESS OF CITRUS COUNTY, FLORIDA, ADOPTING THE FINAL LEVYING OF AD VALOREM TAXES FOR THE CITY OF INVERNESS FOR FISCAL YEAR COMMENCING ON OCTOBER 1, 2014 AND ENDING ON SEPTEMBER 30, 2015; AND PROVIDING FOR AN EFFECTIVE DATE.

Councilwoman Bega motioned to adopt the Final Mill Levy Resolution 2014-28, adopting the final millage rate of 6.9949 mills for the 2014-2015 fiscal year by roll call vote. Seconded by Councilwoman Hepfer. Roll call vote was as follows:, Councilman Ryan, yes; Councilwoman Bega, yes; Councilman McBride, yes; Councilwoman Hepfer, yes; President Hinkle, yes. The motion carried.

Council President Hinkle asked if there was a motion to read the Budget Resolution by title only.
Councilwoman Hepfer motion to read the Budget Resolution 2014-29 by title only. Seconded by Councilman Ryan. The motion carried.

RESOLUTION 2014 - 29

A RESOLUTION OF THE CITY OF INVERNESS OF CITRUS COUNTY, FLORIDA, ADOPTING ORDINANCE NO. 2014-706, AN ORDINANCE OF THE CITY OF INVERNESS ADOPTING A FINAL BUDGET COMMENCING 1, 2014 AND ENDING SEPTEMBER 30, 2015; PROVIDING TAXABLE VALUES; PROVIDING FOR OPERATIVE FISCAL YEAR; PROVIDING FOR EXPENDITURES DURING FISCAL YEAR AND SUBSEQUENT HOLD OVER

FUNDS; PROVIDING FOR AMENDMENTS TO BUDGET; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

Councilman Ryan motioned to adopt the Budget Resolution, 2014-29, re-adopting the final budget for the 2014-15 fiscal year as proposed, on final vote, by roll call vote. Seconded by Councilwoman Hepfer. Roll call vote was as follows: Councilman Ryan, yes; Councilwoman Bega, yes, to include the typographical error corrected in the Resolution, to include the word October; Councilman McBride, yes; Councilwoman Hepfer, yes; President Hinkle, yes. The motion carried.

City Manager DiGiovanni suggested that the Resolution 2014-29 be re-read and motioned on with corrections just suggested.
Councilman McBride motion to read the corrected Budget Resolution 2014-29 by title only. Seconded by Council Ryan . The motion carried.

RESOLUTION 2014 - 29

A RESOLUTION OF THE CITY OF INVERNESS OF CITRUS COUNTY, FLORIDA, ADOPTING ORDINANCE NO. 2014-706, AN ORDINANCE OF THE CITY OF INVERNESS ADOPTING A FINAL BUDGET COMMENCING OCTOBER 1, 2014 AND ENDING SEPTEMBER 30, 2015; PROVIDING TAXABLE VALUES; PROVIDING FOR OPERATIVE FISCAL YEAR; PROVIDING FOR EXPENDITURES DURING FISCAL YEAR AND SUBSEQUENT HOLD OVER FUNDS; PROVIDING FOR AMENDMENTS TO BUDGET; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

Councilwoman Bega motioned to adopt the Budget Resolution, 2014-29, re-adopting the final budget for the 2014-15 fiscal year as proposed, on final vote, by roll call vote. Seconded by Councilwoman Hepfer. Roll call vote was as follows:, Councilman Ryan, yes; Councilwoman Bega, yes; Councilman McBride, yes; Councilwoman Hepfer, yes; President Hinkle, yes. The motion carried.

The meeting adjourned at 5:09pm.

_____ _____
City Clerk Council President

Agenda Memorandum – *City of Inverness*

December 11, 2014

TO: **Elected Officials**

FROM: **City Manager (Prepared by Eric Williams)**

SUBJECT: **RFP for Landscape Management Contract (DPW 2014-04)**

CC: **City Clerk & Finance Director**

Enclosure: **Bid Summation**
Agreement for Landscape Management

Public Private Partnerships (3P's) are used to increase efficiencies and maintain cost. A significant amount of turf and landscaped locations are maintained by City Staff; however, certain areas (Oak Ridge Cemetery, Inverness Government Center, Downtown Business District, and Highway 44 Medians) have been maintained using a 3P with positive outcome.

Current contracts are individually administered by area, and up for renewal. Competitive proposals were sought using the Request for Proposal (RFP) process. Four firms responded by responding to the RFP. (See Attached Bid Summary.) Proposals were evaluated based on the principles of four criteria:

- Comprehensiveness of proposal (submittal)
- Readiness/fitness of firm
- Dependability based upon reference
- Pricing as correlated to market reasonability

Based on the aforementioned criteria respondents were evaluated and ranked. To achieve economy of scale and secure the best price and performance package, it would not be reasonable to award areas individually, and instead locations were combined to achieve the lowest and best, most cost effective price.

Three of four firms submitted proposals that included a price to maintain all proposed areas. Readiness/fitness of a firm was based upon the number of employees and cadre of equipment listed in the individual response. Applying the metric of what the city has experienced to perform maintenance at a satisfactory level, only one of three remaining firms, Mann-icure, has shown to demonstrate the desired readiness/fitness in their response to accomplish the best outcome for a comprehensive award. It should be noted that Top Hat demonstrates equal readiness/fitness in their response; however they did not submit a comprehensive bid for all the areas.

References were checked from each firm's submittal. None provided negative or neutral references, and all responses effectuated positive favor of service and interactions with respective firms. Two firms, Mann-icure and Top Hat, currently perform landscape

management services for the city at areas being considered for a comprehensive award. The experience and gauge of dependability of both was taken into account.

With respect to price, three firms submitted a comprehensive bid for all areas included. Two comprehensive submittals proposed pricing that is well below the current cost being charged to the city, and we do not find the submitted price point a reasonable amount based upon market conditions. Additionally, these two firms also did not demonstrate desirable staffing and equipment levels.

Factoring evaluation of the aforementioned criteria, it is our conclusion that the response from Mann-icure at $58,900 per year represents an overall ability to offer the desired level of service at an acceptable cost. The price point reasonably relates to market conditions, current city contractual costs, and brings forward the desired readiness/fitness level in a comprehensive approach.

Recommended Action –
It is recommended that Council to motion, second and vote to award the agreement for the city's contract for Landscape Management to Mann-icure Lawn Service and Landscaping Company as lowest and best, in the amount of $58,900 per year, for all four areas indicated in the RFP, commencing January 1, 2015, and authorize that the Council President execute the agreement.

If you wish to discuss this further, please contact me at your convenience.

Frank DiGiovanni

Respondent	Cemetery	IGC	Downtown	HWY	Discount	Total	Staffing (ranked 1-10)	Equipment (ranked 1-10)	References (ranked 1-10)
American Irrigation	$31,200	$8,940	$6,600	$2,940	0%	$49,680.00	2	3	7
Conner Home Solutio	$21,600	$7,560	$6,480	$2,652	2%	$37,526.16	3	5	9
TopHat	No Bid	$14,000	$6,000	$4,800	0%		10	10	8
Mann-icure	$36,000	$14,400	$8,000	$5,000	5% / 10%	$58,860.00	10	10	9
Current Contract Cost	*$32,400*	*$9,000*	*$6,975*	*$2,880*		*$51,255.00*			

LANDSCAPE MANAGEMENT
SECTION 00500 - AGREEMENT

THIS AGREEMENT is dated as of the 25th day of November in the year 2014 by and between the **City of Inverness** (hereinafter called OWNER) and Mann-Icore Lawn Service and Landscaping Co. doing business as a corporation (hereinafter called CONTRACTOR).

OWNER and CONTRACTOR, in all consideration of the mutual covenants hereinafter set forth, agree as follows:

ARTICLE 1. – WORK

CITY OF INVERNESS LANDSCAPE MANAGEMENT PROJECTS

This project consists of annual contractual landscape management for four different areas. Potential bidders may submit proposals for one area, or for any combination of areas. Contracts may be awarded separately, as one single contract, or in any combination, depending on the bids received and at the complete discretion of the OWNER. The areas for Landscape Management include:

- Oak Ridge Cemetery
- The Inverness Government Center Grounds, 212 West Main Street
- Portions of the Downtown Central Business District
- HWY44 East Landscaped Medians between HWY41 and Washington Street

ARTICLE 2. –SCHEDULE OF WORK

CONTRACTOR shall create and maintain a schedule of all work to be performed under this contract. No work shall commence until OWNER has approved work schedule. Work schedule may be changed only by pre-approval of OWNER.

ARTICLE 3. - CONTRACT TIMES

3.1 The CONTRACTOR shall commence the work to be performed under this Agreement within ten (10) calendar days after receiving the Notice to Proceed and shall complete all work hereafter as follows:

3.2 Unless sooner terminated or extended as herein-before and/or herein provided, the terms of this agreement shall commence upon issuance of a Purchase Order and extend for one year. CONTRACTOR, upon completion and faithful performance of the terms of this agreement will be given the option of renewing this agreement for two (2) successive renewable one (1) year terms, with mutual consent, under the same terms and conditions of this agreement, except for negotiation of yearly costs. CONTRACTOR agrees that ninety days prior to the termination of this agreement, it shall give written notice to the City of Inverness stating its intention with respect to renewal of this agreement. The OWNER has the right to terminate this contract with a 60 day written notice with or without cause.

ARTICLE 4. - CONTRACT PRICE

4.1 The CONTRACTOR shall furnish all of the material, supplies, tools, equipment, labor, and other services necessary for construction and completion of the work described in the Contract Documents and comply with the terms therein for the sum of $ 58,900.00 - Total price after Discount.

4.2 **Contract Price. This contract price shall not be increased unless approved in advance, in writing, by the City of Inverness.**

ARTICLE 5. - PAYMENT PROCEDURES

5.1 The OWNER will pay to the CONTRACTOR in the manner and at such times as set forth in the General Conditions such amounts as required by the Contract Documents.

5.2 The CONTRACTOR shall submit invoices to the OWNER in the amount due for all work performed to date in connection with authorized work, as certified by the CONTRACTOR and approved by the OWNER.

5.3 Subject to the OWNER's right to withhold any amounts reasonably necessary to complete or correct defective or sub-standard work, the OWNER may make partial payments to CONTRACTOR for all authorized work performed. Payment will be made upon completion and acceptance of the Work in accordance with the General Conditions.

ARTICLE 6. - CONTRACTOR'S REPRESENTATIONS.

In order to induce OWNER to enter into this Agreement CONTRACTOR makes the following representations:

6.1 CONTRACTOR has studied the particular conditions involved in this project, the full extent of the Contract Documents, work site, locality, and all local conditions and Laws and Regulations that in any manner may affect cost, progress, performance or furnishing of the Work.

6.2 CONTRACTOR has given OWNER written notice of all conflicts, errors or discrepancies that he has discovered in the Contract Documents and the written resolution thereof by OWNER is acceptable to CONTRACTOR.

6.3 CONTRACTOR agrees to immediately notify the OWNER if CONTRACTOR is adjudged as bankrupt or insolvent, or makes a general assignment for the benefit of its creditors.

6.4 CONTRACTOR is required to and agrees to comply with all appropriate Federal, State, and Local regulations.

6.5 CONTRACTOR agrees that all materials, techniques, methods and safety are exclusively the responsibility of the CONTRACTOR and not the City.

ARTICLE 7. - CONTRACT DOCUMENTS

The Contract Documents, which comprise the entire agreement between OWNER and CONTRACTOR concerning the Work, consist of the following, which are hereby incorporated by reference and made a binding part hereto:

7.1 Invitation to Bid

7.2 CONTRACTOR's Entire Bid Submittal (pages ___1___ to ___6___, inclusive)

7.3 Bid Bond, Performance and Payment Bonds as required in Specifications

7.4 Notice of Intent to Award, and Notice to Proceed

7.5 General Conditions

7.6 Certificates of Insurance

7.7 Specifications bearing the title **CITY OF INVERNESS LANDSCPE MANAGEMENT**, as listed in table of contents thereof

7.8 Addenda numbers ___1#___ to ___4#___, inclusive.

7.9 The following which may be delivered or issued after the Effective Date of the Agreement and are not attached hereto: All Written Amendments, change orders, field orders, and other documents amending, modifying, or supplementing the Contract Documents pursuant to the General Conditions.

There are no Contract Documents other than those listed above in this Article 7. The Contract Documents may only be amended, modified or supplemented as provided in the General Conditions.

ARTICLE 8. - MISCELLANEOUS

8.1 Terms used in this Agreement which are defined in the General Conditions will have the meanings indicated in the General Conditions.

8.2 No assignment by a party hereto of any rights under or interests in the Contract Documents will be binding on another party hereto without written consent of the party sought to be bound; and specifically but without limitation moneys that may become due and moneys that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

8.3 OWNER and CONTRACTOR each binds itself, its partners, successors, assigns and legal representatives to the other party hereto, its partners, successors, assigns, legal representatives in respect of all covenants, agreements and obligations contained in the Contract Documents.

8.4 CONTRACTOR, including its employees or agents, shall serve as an independent CONTRACTOR and shall not be considered an agent or employee of the City of Inverness.

8.5 CONTRACTOR shall not subcontract, assign or transfer any work under the agreement without the written approval of the OWNER.

8.6 INSURANCE: The CITY shall be named as coinsured on all insurance policies. CONTRACTOR shall purchase and maintain insurance coverage with limits of liability not less than the following amounts or greater where required by Laws and Regulations:

1. Workers compensation and related coverage:

a. State		Statutory
b. Applicable Federal (e.g., Longshoreman's)		Statutory
c. Employer's Liability	Each Employee	$1,000,000
	Each Accident	$1,000,000
	Disease Policy Limit	$1,000,000
	Disease Each Employee	$1,000,000

2. CONTRACTOR's General Liability shall also include completed operations and product liability coverages and eliminate the exclusion with respect to property under the care, custody and control of the CONTRACTOR:

a. General Aggregate (Except Products – Completed Operations)	$1,000,000
b. Products – Completed Operations Aggregate	$1,000,000
c. Each Occurrence (Bodily Injury and Property Damage)	$1,000,000
d. Property Damage	$1,000,000

3. Excess or Umbrella Liability

General Aggregate	$2,000,000
Each Occurrence	$1,000,000

4. Automobile Liability:

Combined Single Limit	$500,000

8.7 INDEMNIFICATION: CONTRACTOR shall at all times hereafter indemnify, hold harmless and, at the CITY Attorney's option, defend or pay for an attorney selected by the CITY Attorney to defend CITY, its officers, agents, servants, and employees from and against any and all causes of action, demands, claims, losses, liabilities, and expenditures of any kind, including attorney fees, court costs, and expenses, caused or alleged to be caused by intentional or negligent act of, or omission of, CONTRACTOR, its employees, agents, servants, or officers, or accruing, resulting from, or related to the subject matter of this Contract including, without limitation, any and all claims, losses, liabilities, expenditures, demands or causes of action of any nature whatsoever

resulting from injuries or damages sustained by any person or property. In the event any lawsuit or other proceeding is brought against CITY by reason of any such claim, cause of action or demand, CONTRACTOR shall, upon written notice from CITY, resist and defend such lawsuit or proceeding by counsel satisfactory to CITY or, at CITY's option, pay for an attorney selected by CITY Attorney to defend CITY. The provisions and obligations of this section shall survive the expiration or earlier termination of this Contract. To the extent considered necessary by the Contract Administrator and the CITY Attorney, any sums due to CONTRACTOR under this Contract may be retained by CITY until all of CITY's claims for indemnification pursuant to this Contract have been settled or otherwise resolved; and any amount withheld shall not be subject to payment of interest by CITY. Nothing herein shall be deemed a waiver or limitation on CITY's sovereign immunity or any limitations on CITY liability in any state statute or as otherwise provided by law.

8.8 AUDIT RIGHT AND RETENTION OF RECORDS: CITY shall have the right to audit the books, records, and accounts of CONTRACTOR and its subcontractors that are related to this Project. CONTRACTOR and its subcontractors shall keep such books, records, and accounts as may be necessary in order to record complete and correct entries related to the Project. All books, records, and accounts of CONTRACTOR or its subcontractors shall be kept in written form or in a form capable of conversion into written form within a reasonable time, and upon request to do so, CONTRACTOR or its subcontractor, as applicable, shall make same available at no cost to CITY in written form.

CONTRACTOR and its subcontractors shall preserve and make available, at reasonable times for examination and audit by CITY, all financial records, supporting documents, statistical records, and any other documents pertinent to this Contract for the required retention period of the Florida Public Records Act, Chapter 119, Florida Statutes, as may be amended from time to time, if applicable, or, if the Florida Public Records Act is not applicable, for a minimum period of three (3) years after termination of this Contract. If any audit has been initiated and audit findings have not been resolved at the end of the retention period or three (3) years, whichever is longer, the books, records, and accounts shall be retained until resolution of the audit findings. If the Florida Public Records Act is determined by CITY to be applicable to CONTRACTOR's and its subcontractors' records, CONTRACTOR and its subcontractors shall comply with all requirements thereof; however, no confidentiality or non-disclosure requirement of either federal or state law shall be violated by CONTRACTOR or its subcontractors. Any incomplete or incorrect entry in such books, records, and accounts shall be a basis for CITY's disallowance and recovery of any payment upon such entry.

CONTRACTOR shall comply with all public records laws in accordance with Chapter 119, Fla. Stat. In accordance with state law, CONTRACTOR agrees to:

- Keep and maintain all records that ordinarily and necessarily would be required by the City to perform the service.
- Provide the public with access to public records on the same terms and conditioned that the City would provide for the records and at a cost that does not exceed the cost provided in Chapter 119, Fla. Stat. or as otherwise provided by law.
- Ensure the public records that are exempt or confidential and exempt from public records disclosure are not disclosed except as authorized by law.
- Meet all requirements for retaining public records and transfer, at no cost, to the City all records in possession of the Contractor at the termination of the contract exempt from public records disclosure requirements. All records stored electronically must be provided to the City in a format that is compatible with the information technology systems to the City. All records shall be transferred to the City prior to final payment being made to the CONTRACTOR.
- If CONTRACTOR does not comply with this section, the City shall enforce the contract in accordance with the contract and may unilaterally cancel this contract in accordance with state law.

CONTRACTOR shall, by written contract, require its subcontractors to agree to the requirements and obligations of this Section 8.8.

ARTICLE 9. - OTHER PROVISIONS

The rights of the parties hereto shall be construed and be subject to the jurisdiction of the courts in accordance with the laws of the State of Florida. Venue for any litigation arising out of this Agreement shall be in Citrus

County, Florida. The court of jurisdiction shall be the Circuit Court of the 5th Judicial Circuit in and for Citrus County, Florida.

LANDSCAPE MANAGEMENT
SECTION 00500 - AGREEMENT

IN WITNESS WHEREOF, the parties thereto have executed, or caused to be executed by their duly authorized officials, this Agreement in triplicate, each of which shall be deemed an original on the date first written above.

This Agreement will be effective on January 1st, 2015.

OWNER	Mann-icure Lawn Service and Landscaping Co. CONTRACTOR
By	Jerry L Mann Jr By
Typed/Printed Name & Title	Jerry L Mann Jr. Typed/Printed Name & Title
[CORPORATE SEAL]	[CORPORATE SEAL]
Attest - Title	Jerry L Mann Jr. - President Attest - Title
Approved as to form and legality:	
Attorney	November 25th, 2014 Date
OWNER Address for giving notices	CONTRACTOR Address for giving notices
	5740 S. Dede Terrace
	Inverness, Fl 34452
(If OWNER is a public body, attach evidence of authority to sign and resolution or other documents authorizing execution of Agreement.)	License No. P04000112387
	Agent for service of process: Jerry L Mann Jr.

(If CONTRACTOR is a corporation, attach evidence of authority to sign.)

END OF SECTION

Electronic Articles of Incorporation For

P04000112387
FILED
July 30, 2004
Sec. Of State
jshivers

MANN-ICURE LAWN SERVICE AND LANDSCAPING, CO

The undersigned incorporator, for the purpose of forming a Florida profit corporation, hereby adopts the following Articles of Incorporation:

Article I

The name of the corporation is:

MANN-ICURE LAWN SERVICE AND LANDSCAPING, CO

Article II

The principal place of business address:

5740 S DEDE TERR
INVERNESS, FL. US 34452

The mailing address of the corporation is:

5740 S DEDE TERR
INVERNESS, FL. US 34452

Article III

The purpose for which this corporation is organized is:

ANY AND ALL LAWFUL BUSINESS.

Article IV

The number of shares the corporation is authorized to issue is:

1000

Article V

The name and Florida street address of the registered agent is:

JERRY L MANN JR
5740 S DEDE TERR
INVERNESS, FL. 34452

Agenda Memorandum – ***City of Inverness***

December 11, 2014

TO: **Elected Officials**

FROM: **City Manager (by Eric Williams)**

SUBJECT: **FDOT Landscape Enhancement Grant**
City Budget Resolution

CC: **City Clerk & Finance Director**

Enclosure: **Landscape Reimbursement Agreement**
Memo by Sheri Chiodo
Resolution

The City engages several cooperative agreements with FDOT to enhance the visual appeal of the state highway system within our community. As part of this effort FDOT has award the city with a $20,500 Landscape Enhancement Grant for the island at the intersection of Highway 44 and 41 North.

This grant requires no matching funds and is predicated on the city to maintain the landscaped area in perpetuity. We engaged Kimley Horn to provide pre-award diligence to ensure that the project can be completed within the confines of the awarded grant. The goal is to have a landscaped façade at this highly visible intersection using plantings that require minimal maintenance.

This project will greatly improve unappealing area of concrete and asphalt. This grant has been sought in the past, but not been awarded. Maintenance costs will be imbedded as part of the annual landscape program.

The second part of this process is for City Council to adopt the (enclosed) enabling Resolution to recognize the unanticipated revenue of the grant award ($21,000) and direct such funds to an expenditure side of the budget to complete the project.

Recommended Action –

1. Motion, second and vote to read the Resolution by title
2. Clerk reads Resolution title
3. Deliberate the program
4. To proceed, motion and second to adopt the Resolution by roll-call

Following adoption of the Resolution, please motion, second and vote to approve the FDOT Landscape Reimbursement Agreement and authorize that the Council President execute the agreement.

If you wish to discuss this further, please contact me at your convenience.

Frank DiGiovanni

DISTRICT SEVEN HIGHWAY LANDSCAPE REIMBURSEMENT AND MAINTENANCE MEMORANDUM OF AGREEMENT

THIS AGREEMENT, made and entered into as of the _____ day of _____ , 201_, by and between the STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION, a component agency of the State of Florida, (the "Department") and the City of Inverness, ("City").

W I T N E S S E T H

WHEREAS, the Department owns State Road 45 (US 41/W. Main Street) right-of-way between South Bound US 41 at Main Street (Section 02010-000, M.P. 12.215) and North Bound US 41 at Main Street (Section 02010-000, M.P. 12.215) in Citrus County, Florida and

WHEREAS, the City seeks to beautify the Project by the installation of landscape improvements which would enhance its aesthetic quality; and

WHEREAS, under F.P.I.D.436629-1-58-01 the Department has allocated funds for such improvements and is authorized pursuant to Section 334.044(26), Florida Statutes, to reimburse the City for eligible expenditures; and

WHEREAS, upon installation of such improvements, the City has agreed to maintain those improvements in accordance with the provisions below; and

WHEREAS, the Department is authorized pursuant to Section 334.044(7), Florida Statutes to enter into contracts and agreements with counties/municipalities for maintenance of roadside landscape improvements on the State Highway System; and

WHEREAS, the City has authorized its officers to execute this Agreement on its behalf,

NOW THEREFORE, for and in consideration of the mutual benefits that flow each to the other, the parties covenant and agree as follows:

1. SUBMITTALS

a. The City shall produce plans for and install landscape improvements on those areas of the Project Highway as depicted in the Landscape Plans and Specifications to be attached and incorporated as Exhibit "A". All work conducted in connection with plans production and installation of improvements shall be referred to as the "Project".

b. Within one hundred twenty calendar days after execution of this Agreement, the City shall submit to the Department four copies of the landscape plans and specifications. This shall include:

- A Project Maintenance Plan.
- Maintenance of Traffic plan sheets.
- Two (2) copies of the following attachments:
- The Project schedule.
- Letters of no conflict from all utilities within the Project limits.
- Project cost estimate.

Within three weeks of the receipt of review comments by the Department, the City shall revise all documents required herein in accordance with the Department's comments and submit two

copies of the revised documents for the Department's written approval. Within one week of receipt of Department approval, the City shall submit four copies of the approved Plans and Specifications to the Department. Failure to submit any of the required documents within the time periods specified may result in termination by the Department of this Agreement.

c. If any of the submittals of the City pursuant to Paragraph 1.b. are rejected by the Department and returned to the City for revisions, such documents must be approved and resubmitted to the Department not later than one hundred eighty calendar days following the execution of this Agreement. If such documents are not resubmitted as approved, the Department may terminate this Agreement, including its obligation to reimburse any monies expended for the Project except for those approved expenditures for design of the Project.

d. All notices, demands, requests or other instruments shall be given by depositing the same in the U.S. Mail, postage prepaid, registered or certified with return receipt requested.

(1) If to the Department, address to District Landscape Architect, at Florida Department of Transportation, MS 7-1200, 11201 N. McKinley Drive, Tampa, Florida 33612-6456 or at such other address as the Department may from time to time designate by written notice to the City; and

(2) If to the City address to_____
_____ or at such other address as the City from time to time designates by written notice to the Department.

All time limits provided hereunder shall run from the date of receipt of all such notices, demands, requests and other instruments.

2. INSTALLATION

a. The City shall not commence Project installation until the Department has issued a Notice to Proceed with Construction. Said Notice shall contain the Project completion date. The City shall notify the District Landscape Architect (DLA) and the Area FDOT Representative forty-eight hours prior to commencing work on the Project site.

b. The City agrees to install or cause to be installed landscaping within the Project area as specified in the Landscape Plans and Specifications included as Exhibit "A", and in accordance with Section 11.00, "Plans and Specifications", of Exhibit "C" attached. The City shall not change or deviate from the plan(s) without the Department's prior written approval.

c. If the City desires to position vehicles, equipment, or personnel, or to perform maintenance activities closer than fifteen feet to the edge of pavement, or to close a traffic lane, Maintenance of Traffic shall be in accordance with the Project plans and the Department's Maintenance of Traffic Regulations. The City shall have a Worksite Traffic Supervisor certified in Advanced Maintenance of Traffic supervise the set up and operation of Maintenance of Traffic devices at the site of the construction or maintenance activity. Prior to proceeding with construction, the City shall provide the Department with the Worksite Traffic Supervisor's certification.

d. In the event that any portion of the Project is at any time determined by the Department to not be in conformance with all applicable laws, rules, procedures and guidelines of the Department, or is determined to be interfering with the safe and efficient operation of any

transportation facility, or is otherwise determined to present a danger to public health, safety, or welfare, said portion shall be immediately brought into departmental compliance at the sole cost and expense of the City.

e. If the City fails to substantially complete Project installation by the completion date in the Notice to Proceed, the Department shall provide the City with written notice of its intent to terminate this Agreement. If the City fails to respond or take corrective action within the prescribed time period set forth in the notice, the Department may terminate the Agreement as provided for in Paragraph 6.b., including its obligation to reimburse any monies expended for the Project except for those portions of the Project already completed by the City and accepted by the Department.

f. Upon certification of completion by the City, inspection, and approval of the Project as substantially complete in writing by the Department's Landscape Architect, the Project shall be subject to a ninety calendar-day establishment period. Work performed and costs incurred after substantial approval are not eligible for reimbursement.

3. BILLING and PAYMENT

a. Upon completion of the ninety calendar-day establishment period and approval of the Project installation by the Department, the City shall, within one hundred eighty calendar days, furnish the Department with three signed originals of its final and complete billing of all eligible costs incurred in connection with the Project. Bills for fees or other compensation for services or expenses shall be submitted in detail sufficient for a proper pre-audit and post-audit thereof. The invoice shall show the description and site of the Project; the date on which the first work was performed or the date on which the earliest billed expense was incurred; the date on which the last work was performed or the last item of billed expense was incurred; and the location where records and accounts billed can be audited.

b. The Department shall reimburse the City in an amount not to exceed $20,500 Dollars and No Cents per state fiscal year for all eligible expenditures for the professional design, inspection, and enforcement of the material and installation standards; and the purchase, installation, and establishment of plant material as identified in Exhibit "A". Reimbursement for administrative expenditures shall not exceed twenty percent of the total reimbursement amount.

c. Payment shall be made to the City by the Department under the following conditions.

- This Agreement has not been terminated pursuant to Paragraph 6. b., and in accordance with Section 6.00, "Termination and Suspension of Project" of Exhibit "C" attached.

- The Highway Landscape Reimbursement has not lapsed in accordance with Section 14.00, "Expiration of the Highway Landscape Reimbursement" of Exhibit "C" attached.

- Written certification of the completion of the installation and acceptance by the City is provided to the Department, and in accordance with Section 12.00 "Project Completion, Agency Certification", of Exhibit "C" attached.

- The District Landscape Architect has inspected the work and has issued a letter of final completion to the City noting that it has fully met with the terms and conditions of this Agreement.

- After Department issuance of the Substantial Completion letter, the City shall provide the Department with four (4) sets of 11" x 17" folded As-Built drawings.

4. AUDIT REPORTS

a. The administration of resources awarded by the Department to the City may be subject to audits and/or monitoring by the Department, as described in Sections 4.00 and 7.00 of the attached Exhibit "C".

5. MAINTENANCE

a. At such time as the Department issues a Notice to Proceed with Project installation and until such time as the Project is removed pursuant to Paragraph 6, the City shall maintain the Project in a reasonable manner and with due care in accordance with Project standards. Specifically, the City agrees to:

(1) remove litter from all landscaped areas of the Project Highway;
(2) water and fertilize all plants;
(3) mulch all plants beds;
(4) keep plants as free as practicable from disease and harmful insects;
(5) weed the Project premises routinely;
(6) mow and/or cut grass within the areas delineated by the landscape plans;
(7) prune all plants, specifically remove all dead or diseased parts of plants and prune of all parts of plants that present a visibility hazard to those using the roadway;
(8) replace, or at the City's option, remove all dead or diseased plants or other parts of the Project that have fallen below Project standards. Replace with plants of substantially the same grade, size and specification as originally provided for in the plans and specifications, unless otherwise authorized by the Department; and
(9) perform routine maintenance as prescribed by the manufacturer of any Project irrigation system.

b. Maintenance of the Project shall be subject to periodic inspections by the Department. In the event that any of the aforementioned responsibilities are not carried out or are otherwise determined by the Department not to be in conformance with the applicable Project standards, the Department may terminate the agreement in accordance with Paragraph 6.b.

c. The Area FDOT Representative shall be notified forty-eight hours in advance of commencing any scheduled construction or maintenance activities. Emergency repairs shall be performed without delay and the Area FDOT Representative notified immediately.
The Area FDOT Representative with responsibility for the roadway within this Project is located at 16411 Spring Hill Drive, Brooksville, FL. 34609, telephone 352-848-2600.

d. Prior to any major Project construction or reconstruction activity, the City shall submit plans of the proposed work to all utilities with facilities within the limits of work for their review and comment. The City shall resolve any conflicts and/or concerns raised by the utilities prior to

commencement of such activities. Prior to commencing any field activity on this Project, the City shall notify all the utilities of their work schedule enabling facilities to be field located and marked to avoid damage.

e. The Department will require the City to cease operations and remove all personnel and equipment from the Department's right-of-way if any actions on the part of the City or representatives of the City violate the conditions or intent of this agreement as determined by the Department.

f. It is understood between the parties hereto that any or all of the Project may be removed, relocated, or adjusted at any time in the future as determined to be necessary by the Department in order that the adjacent state road be widened, altered, or otherwise changed to meet with the future criteria or planning of the Department. The City shall be given notice regarding such removal, relocation, or adjustment and shall be allowed sixty (60) calendar days to remove all or part of the Project at its own cost. The City will own that part of the Project it removes. After the sixty (60) calendar days removal period, the Department may remove, relocate, or adjust the Project as it deems best. Wherever the City removes improvements pursuant to this agreement, the City shall restore the surface of the affected portion of the Project premises to the same safe and trafficable condition as it was before installation of such improvements.

g. The City covenants to appropriate in its annual budget, for each Fiscal Year, non ad valorem funds lawfully available to satisfy its maintenance responsibilities under this Agreement. This covenant does not create any lien upon, or pledge of, such non-ad valorem funds, nor does it preclude the City from pledging such funds in the future, or from levying and collecting any particular non-ad valorem funds.

6. TERMINATION

a. The term of this Agreement shall be for a period of ten years commencing on the date of execution of the Agreement, with ten year renewal options. The Department shall send the City an expiration notice six months prior to each ten year expiration date. Any renewal must be agreed upon by both parties in writing ninety calendar days prior to the expiration of the existing agreement

In the event that the City elects to not renew the Agreement, then the City shall, at its sole expense, be responsible for the removal of the Project and shall restore the Project Highway to a safe and trafficable condition prior to expiration of the Agreement.

b. The Agreement may be terminated by the Department if the City, following fifteen calendar days' written notice, fails to perform its duties under this agreement.

c. The Department reserves the right to unilaterally cancel the Agreement for refusal by the contractor or City to allow public access to all documents, papers, letters or other material subject to the provisions of Chapter 119, F.S. and made or received in conjunction with this Agreement.

d. Within sixty (60) calendar days following a notice to terminate pursuant to Paragraph 6.b., if the Department requests, the City shall remove the Project and restore the Project premises to the same safe condition existing prior to installation of the Project. If the Department does not

request such restoration or terminates this Agreement pursuant to Paragraph 6.b., the Department may complete, remove, relocate or adjust the Project as it deems best.

7. CLAIMS

a. When the Department receives notice of a claim for damages that may have been caused by the City in the performance of services required under this Agreement, the Department will immediately forward the claim to the City as described in Section 10.17 of Exhibit "C".

8. GENERAL

a. The Department's District Secretary or his designee shall decide all questions, difficulties, and disputes of any nature whatsoever that may arise under or by reason of this Agreement the prosecution, or fulfillment of the service hereunder and the character, quality, amount, and value thereof; and his decision upon all claims, questions, and disputes shall be final and conclusive upon the parties hereto.

b. Vendors/Contractors:

The City shall utilize the U.S. Department of Homeland Security's E-Verify system, in accordance with Section 21.00 "E-Verify", of Exhibit "C" attached.

c. This Agreement embodies the entire Agreement and understanding between the parties hereto and there are no other agreements or understandings, oral or written, with reference to the subject matter hereof that are not merged herein and superseded hereby. This Agreement may not be assigned or transferred by the City in whole or in part without written consent of the Department.

d. If any provision of the Agreement is held invalid, the remainder of this Agreement shall not be affected thereby if such remainder would then continue to conform to the terms and requirements of applicable law.

e. This Agreement, regardless of where executed, shall be governed by and construed according to the Laws of the State of Florida.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

City of Inverness
a municipal corporation
of the State of Florida

By: _____
Name: _____
Title: _____

Attest: _____
Title: _____ (SEAL)

Legal Review:

_____
Title: _____

STATE OF FLORIDA
DEPARTMENT OF TRANSPORTATION

By: _____
Brian McKishnie, P.E.
Director of Transportation Operations,
District Seven

Attest:_____
Executive Secretary (SEAL)

Legal Review:

_____
Office of the General Counsel, District 7

Exhibit "A" – Landscape Plans and Specifications
Exhibit "B" – Resolution
Exhibit "C" – Agreement Addendum

EXHIBIT "C"

AGREEMENT ADDENDUM

1.00 Accomplishment of the Project:

1.10 Funds of the City: The City shall initiate and prosecute to completion all proceedings necessary including federal aid requirements to enable the City to provide the necessary funds for completion of the project.

1.20 Submission of Proceedings, Contracts and Other Documents: The City shall submit to the Department such data, reports, records, contracts and other documents relating to the project as the Department may require as listed in this Exhibit. The Department has the option to require an activity report on a quarterly basis. This activity report will include details of the progress of the project towards completion.

2.00 Project Cost Eligibility:

2.10 Project costs eligible for State participation: Will be allowed only from the effective date of the District Seven Highway Landscape Reimbursement and Maintenance Memorandum of Agreement (hereinafter referred to as "Agreement") of which this Exhibit is a part thereof. It is understood that State participation in eligible project costs is subject to:

(a) Legislative approval of the Department's appropriation request in the adopted work program year that the project is scheduled to be committed;

(b) Availability of funds as stated in Section 13.00 of this Exhibit, of all plans, specifications, contracts or other obligating documents as required by the Department, and all other terms of the Agreement;

(c) Department approval of costs in excess of the approved funding or attributable to actions which have not received the required approval of the Department and all other terms of the Agreement;

(d) Department approval of the project scope and budget at the time appropriation authority becomes available.

2.20 Front End Funding: Front end funding is not applicable. If applicable, the Department may initially pay 100% of the total allowable incurred project costs up to an amount equal to its total share of participation.

3.00 Project Budget and Payment Provisions:

3.10 The Project Budget: A project budget shall be prepared by the City and approved by the Department. The City shall maintain said budget, carry out the project and shall incur obligations against project funds only in conformity with the latest approved budget for the project. No budget increase or decrease shall be effective unless it complies with

Section 2.00 of this Exhibit, or Amendment thereto, and is approved by the Department Comptroller.

3.20 **Payment Provisions:** Unless otherwise allowed, payment will begin in the year of the project or project phase is scheduled in the work program as of the date of the Agreement. Payment will be made for actual costs incurred as of the date the invoice is submitted with the final payment due upon receipt of a final invoice.

4:00 **Accounting Records:**

4.10 **Establishment and Maintenance of Accounting Records:** The City shall establish for the project, in conformity with requirements established by Department's program guidelines/procedures and "Principles for State and Local Governments", separate accounts to be maintained within its existing accounting system or establish independent accounts. Such accounts are referred to herein collectively as the "project account". Records of costs incurred under terms of the Agreement shall be maintained in the project account and made available upon request to the Department at all times during the periods of the Agreement and for five (5) years after final payment is made. Copies of these documents and records shall be furnished to the Department upon request. Records of costs incurred include the City's/County's general accounting records and the Project records, together with supporting documents and records, of the City and all sub-consultants performing work on the Project and all other records of the City and sub-consultants considered necessary by the Department for a proper audit of costs. If any litigation, claim, or audit is started before the expiration of the five (5) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

4.20 **Costs Incurred for the Project:** The City shall charge to the project account all eligible costs of the project. Costs in excess of the latest approved budget or attributable to actions which have not received the required approval of the Department shall not be considered eligible costs.

4.30 **Documentation of Project Costs:** All costs charged to the project, including any approved services contributed by the City or others, shall be supported by properly executed payrolls, time records, invoices, contracts, or vouchers evidencing in proper detail the nature and propriety of the charges.

4.40 **Checks, Orders, and Vouchers:** Any check or order drawn by the City with respect to any item which is or will be chargeable against the project account will be drawn only in accordance with a properly signed voucher then on file in the office of the City stating in proper detail the purpose for which such check or order is drawn. All checks, payrolls, invoices, contracts, vouchers, orders, or other accounting documents pertaining in whole or in part to the project shall be clearly identified, readily accessible, and, to the extent feasible, kept separate and apart from all other such documents.

4.50 Audit Authority: In addition to the requirements below, the City agrees to comply and cooperate with any inspections, reviews, investigations, or audits deemed necessary by the Department, Florida's Chief Financial Officer or Auditor General. The City shall retain sufficient records demonstrating its compliance with the terms of the Agreement for a period of five (5) years from the date the audit report is issued, and shall allow the Department to access to such records and working papers upon request. The following requirements do not limit the authority of the Department to conduct or arrange for the conduct of additional audits or evaluations of state financial assistance or limit the authority of any state agency inspector general, the Auditor General, or any other state official.

The City shall comply with all audit and audit reporting requirements as specified in this Exhibit: attached hereto and by this reference made a part of the Agreement.

5.00 <u>Request for Payments:</u>

5.10: Action by the City: In order to obtain any Department funds, the City shall submit to the Department, project invoices after the Department's final completion letter has been received by the City.

5.11: The City shall provide quantifiable, measurable and verifiable units of deliverables.

5.12: Invoices for fees or other compensation for services or expenses shall be submitted in detail sufficient for a proper pre-audit and post-audit thereof, based on quantifiable, measurable and verifiable units of deliverables. Deliverables must be received and accepted in writing by the Department's Project Manager prior to payments.

5.13: Supporting documentation must establish that the deliverables were received and accepted in writing by the Department and that the required minimum level of service be performed based on the criteria for evaluating successful completion as specified in Section 1.00 has been met.

5.14: Invoices for any travel expenses by the City shall be submitted in accordance with Chapter 112.061, F.S., and shall be submitted on the Department's ***Travel Form No. 300-000-01.*** The Department may establish rates lower than the maximum provided in Chapter 112.061, F.S.

5.15: The Department's Obligations: Subject to the provisions hereof, the Department will honor such requisitions in amounts and at times deemed by the Department to be proper to ensure the carrying out of the project and payment of the eligible costs. However, notwithstanding any other provision of the Agreement, the Department may elect by notice in writing not to make a payment of the project if:

5.16: Misrepresentation: The City shall have made misrepresentation of a material nature in its application, or any supplement thereto or amended thereof, or in or with respect to any document or data furnished therewith or pursuant hereto;

5.17: Litigation: There is then pending litigation with respect to the performance by the City of any of its duties or obligations which may jeopardize or adversely affect the project, the Agreement, or payments to the project;

5:18: Approval by Department: The City shall have taken any action pertaining to the project which, under the Agreement, requires the approval of the Department or has made related expenditures or incurred related obligations without having been advised by the Department that same are approved;

5.19: Conflict of Interest: There has been any violation of the conflict of interest provisions contained herein;

5.20: Default: The City has been determined by the Department to be in default under any of the provisions of the Agreement; or

5.21: Federal Participation (If Applicable): Any federal agency providing federal financial assistance to the project suspends or terminates federal financial assistance to the project. In the event of suspension or termination of federal financial assistance, the City will reimburse the Department for disallowed costs, including any and all federal financial assistance.

5.22: Disallowed Costs: In determining the amount of the payment, the Department will exclude all project costs incurred by the City prior to the effective date of the Agreement, after the expiration date of this Agreement, costs which are not provided for in the latest approved scope and budget for the project, costs attributable to goods or services received under a contract or other arrangements which have not been approved by the Department, and costs invoiced prior to receipt of annual notification of fund availability.

5.23: Payment Offset: If, after project completion, any claim is made by the Department resulting from an audit or for work or services performed pursuant to the Agreement, the Department may offset such amount from payments due for work or services done under any public transportation joint participation agreement which it has with the City owing such amount if, upon demand, payment of the amount is not made within sixty (60) days to the Department. Offsetting amounts shall not be considered a breach of contract by the Department.

5.24: Financial Consequences: Payment shall be made only after receipt and approval of goods and services unless advance payments are authorized by the Chief Financial Officer of the State of Florida under Chapters 215 and 216, Florida Statutes. If the Department determines that the performance of the Participant is unsatisfactory, the Department shall notify the Participant of the deficiency to be corrected, which correction shall be made within a time-frame to be specified by the Department. The Participant shall, within five days after notice from the Department, provide the Department with a corrective action plan describing how the Participant will address all issues of contract non-performance, unacceptable performance, failure to meet the minimum performance levels, deliverable deficiencies, or contract non-compliance. If the corrective action plan is unacceptable to the Department, the Participant shall be assessed a non-performance retainage equivalent to 10% of the total invoice amount. The retainage shall be applied to the invoice for the then-current billing period. The retainage shall be withheld until the Participant resolves the deficiency. If the deficiency is subsequently resolved, the Participant may bill the Department for the retained amount during the next billing period. If the Participant is unable to resolve the deficiency, the funds may be forfeited at the end of the Agreement's term. ***(Section 287.058 (1) (h), F.S.)***

6.00 Termination or Suspension of Project:

6.10: Termination or Suspension Generally: If the City abandons or, before completion, finally discontinues the project; or if by reason of any of the events or conditions set forth in Sections 5.16 to 5.20 inclusive, or for any other reason, the commencement, prosecution, or timely completion of the project by the City is rendered improbable, infeasible, impossible or illegal, the Department will, by written notice to the City, suspend any or all of its obligations under the Agreement until such time as the event or condition resulting in such suspension has ceased or been corrected, or the Department may terminate any or all of its obligations under the Agreement.

6.11: Action Subsequent to Notice of Termination or Suspension: Upon receipt of any final termination or suspension notice under this paragraph, the City shall proceed promptly to carry out the actions required therein which may include any or all of the following: (1) necessary action to terminate or suspend, as the case may be, project activities and contracts and other such action as may be required or desirable to keep to the minimum the costs upon the basis of which the financing can be computed; (2) furnish a statement of the project activities and contracts, and other undertakings the cost of which are otherwise included as project costs; and (3) remit to the Department such portion of the financing and any advance payment previously received as determined by the Department to be due under the provisions of the Agreement. The termination or suspension shall be carried out in conformity with the latest schedule, plan, and budget as approved by the Department or upon the basis of terms and conditions imposed by the Department upon the failure of the City to furnish the schedule, plan, and budget within a reasonable time. The approval of a remittance by the City or the closing out of a federal financial participation in the project shall not constitute a waiver of any claim which the Department may otherwise have arising out of the Agreement.

7.00 Audit and Inspection: The City shall permit, and shall require its contractors to permit, the Department's authorized representatives to inspect all work, materials, payrolls, records; and to audit the books, records and accounts pertaining to the financing and development of the project.

8.00 Contracts of the City:

8.10: Third Party Agreements: The Department specifically reserves the right to review and approve any and all third party contracts with respect to the project before the City executes or obligates itself in any manner requiring the disbursement of Department funds, including consultant, purchase of commodities contracts or amendments thereto, if the Department chooses to review and approve third party contracts for this project and the City fails to obtain such approval, that shall be sufficient cause for nonpayment by the Department as provided in Section 5.18. The Department specifically reserves unto itself the right to review the qualifications of any consultant or contractor and to approve or disapprove the employment of the same. If Federal Transit Administration (FTA) funds are used in the project the Department must exercise the right to third party contract review.

8.11: Procurement of Personal Property and Services:

8.12: Compliance with Consultant's Competitive Negotiation Act: It is understood and agreed by the parties hereto that the participation by the Department in a project with a City, where said project involves a consultant contract for engineering, architecture or surveying services, is contingent on the City complying in full with provisions of Chapter 287.055 F.S., Consultant's Competitive Negotiation Act. At the discretion of the Department, the City will involve the Department in the Consultant Selection Process for all contracts. In all cases, the City's/County's Attorney shall certify to the Department that selection has been accomplished in compliance with Chapter 287.055 F.S., the Consultant's Competitive Negotiation Act.

8.13: Procurement of Commodities or Contractual Services: It is understood and agreed by the parties hereto that participation by the Department in a project with a City, where said project involves the purchase of commodities or contractual services or the purchasing of capital equipment or the contracting and equipping of facilities, which includes engineering, design, and/or construction activities, where purchases or costs exceed the Threshold Amount for CATEGORY TWO per Chapter 287.017, F.S., is contingent on the City complying with the provisions of Chapter 287.057 F.S. The City's/County's Attorney shall certify to the Department that the purchase of commodities or contractual services has been accomplished in compliance with Chapter 287.057 F.S. It shall be the sole responsibility of the City to ensure that any obligations made in accordance with this Section comply with the current Threshold Limits. Contracts, purchase orders, task orders, construction change orders, or any other agreement that would result in exceeding the current budget contained in the Agreement must be approved by the Department prior to City execution. Failure to obtain such approval, and subsequent execution of an amendment to the Agreement, if required, shall be sufficient cause for nonpayment by the Department as provided in Section 5.18.

8.20: Disadvantaged Business Enterprise (DBE) Policy:

8.21: DBE Policy: The contractor, sub recipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate. The recipient shall not discriminate on the basis of race, color, national origin, or sex, in the award and performance of any DOT-assisted contracts. The recipient's DBE program, as required by 49 CFR Part 26 and as approved by the Department, isincorporated by reference in the Agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of the Agreement. Upon notification to the recipient of its failure to carry out its approved program, the Department may impose sanctions as provided for under Part 26 and may, in appropriate cases, refer to the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 *et seq.).*

8.30: The City agrees to report any reasonable cause notice of noncompliance based on 49 CFR Part 26 filed under this Section to the Department within thirty (30) days of receipt by the City.

9:00 <u>Restrictions, Prohibitions, Controls, and Labor Provisions:</u>

9.10: Equal Employment Opportunity: In connection with the carrying out of any project, the City shall not discriminate against any employee or applicant for employment because of race, age, creed, color, sex or national origin.

The City will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, with regard to their race, age, creed, color, sex or national origin. Such action shall include, but not be limited to, the following: Employment upgrading, demolition, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The City shall insert the foregoing provision modified only to show the particular contractual relationship in all its contracts in connection, with the development or operation of the project, except contracts for standard commercial supplies or raw materials, and shall require all such contractors to insert a similar provision in all subcontracts, except subcontracts for site improvement, or similar work, the City shall post, in conspicuous places available to employees and applicants for the project work, notices to be provided by the Department setting forth the provisions of the nondiscrimination clauses.

9.11: Title VI – Civil Rights Act of 1964: Execution of this Agreement constitutes a certification that the City will comply with all the requirements imposed by Title VI – Civil Rights Act of 1964 (42 U.S.C. 2000d, *et. seq.*), the regulations of the Federal Department of Transportation issued there under, and the assurance by the City pursuant thereto.

9.12: Title VI – Civil Rights Act of 1968: Execution of the Agreement constitutes a certification that the City will comply with all the requirements imposed by Title VI – Civil Rights Act of 1968 (42 U.S.C. 3601, *et. seq.*), which among other things, prohibits discrimination in employment on the basis of race, color, national origin, creed, sex, and age.

9.13: Americans with Disabilities Act of 1990 (ADA): Execution of the Agreement constitutes a certification that the City will comply with all the requirements imposed by the ADA (42 U.S.C. 12101, *et. seq.*), the regulations of the federal government issued there under, and assurance of the City pursuant thereto.

9.14: Prohibited Interests: The City shall not enter into a contract or arrangement in connection with the project or any property included or planned to be included in the project, with any officer, director or employee of the City, or any business entity of which the officer, director or employee or the officer's, director's or employee's spouse or child is an officer, partner, director, or proprietor or in which such officer, director or employee or the officer's, director's or employee's spouse or child, or any combination of them, has a material interest.

"Material Interest" means direct or indirect ownership of more than five percent (5%) of the total assets or capital stock of any business entity. The City shall not enter into any contract or arrangement in connection with the project or any property included in or planned to be included

in the project, with any person or entity who has represented before the City by any person who at any time during the immediately preceding two (2) years was an officer, director or employee of the City. The provisions of this subsection shall not be applicable to any agreement between the City and its fiscal depositories, any agreement for utility services the rates for which are fixed or controlled by the government, or any agreement between the City and an agency of state government.

9.15: Interest of Members of, or Delegates to, Congress: No member or delegate to the Congress of the United States, or from the State of Florida legislature, shall be admitted to any share or part of the Agreement or any benefit arising there from.

10.00 Miscellaneous Provisions:

10.10: Environmental Regulations: Execution of the Agreement constitutes a certification by the City that the project will be carried out in conformance with all applicable environmental regulations including the securing of any applicable permits. The City will be solely responsible for any liability in the event of non-compliance with applicable environmental regulations, including the securing of any applicable permits, and will reimburse the Department for any loss incurred in connection therewith.

10.11: Department Not Obligated to Third Parties: The Department shall not be obligated or liable hereunder to any party other than the City.

10.12: When Rights and Remedies Not Waived: In no event shall the making by the Department of any payment to the City constitute or be construed as a waiver by the Department of any breach of covenant or any default which may then exist, on the part of the City, and the making of such payment by the Department while any such breach or default shall exist shall in no way impair or prejudice any right or remedy available to the Department with respect to such breach or default.

10.13: How Agreement Is Affected by Provisions Being Held Invalid: If any provision of the Agreement is held invalid, the remainder of the Agreement shall not be affected. In such an instance the remainder would then continue to conform to the terms and requirements of applicable law.

10.14: Bonus or Commission: By execution of the Agreement, the City represents that it has not paid and, also agrees not to pay, any bonus or commission for the purpose of obtaining approval of its application for the financing hereunder.

10.15: State or Territorial Law: Nothing in the Agreement shall require the City to observe or enforce compliance with any provisions thereof, perform any other act or do any other thing in contravention of any applicable State law: Provided , that if any of the provisions of the Agreement violate any applicable State law, the City will at once notify the Department in writing in order that appropriate changes and modifications may be made by the Department and the City to the end that the City may proceed as soon as possible with the project.

10.16: Disposal of Project Facilities or Equipment: If the City disposes of any project facility or equipment during its useful life for any purpose except its replacement with like facility or equipment for public transportation use, the City will comply with the terms of 49 CFR Part 18 relating to property management standards. The City agrees to remit to the Department a proportional amount of the proceeds from the disposal of the facility or equipment. Said proportional amount shall be determined on the basis of the ration of the Department financing of the facility or equipment as provided in the Agreement.

10.17: Contractual Indemnity: To the extent provided by law, the City shall indemnify, defend, and hold harmless the Department and all of its officers, agents, and employees from any claim, loss, damage, cost, charge, or expense arising out of any act, error, omission, or negligent act by the City, its agents, or employees, during the performance of the Agreement, except that neither the City, its agents, or its employees will be liable under this paragraph for any claim, loss, damage, cost, charge, or expense arising out of any act, error, omission, or negligent act by the Department or any of its officers, agents, or employees during the performance of the Agreement.

When the Department receives a notice of claim for damages that may have been caused by the City in the performance of services required under the Agreement, the Department will immediately forward the claim to the City. The City and the Department will evaluate the claim and report their findings to each other within fourteen (14) working days and will jointly discuss options in defending the claim. After reviewing the claim, the Department will determine whether to require the participation of the City in defense of the claim or to require that the City defend the Department in such claim as described in this section. The Department's failure to promptly notify the Agency of a claim shall not act as a waiver of any right herein to require the participation in or defense of the claim by the City. The Department and the City will each pay its own expenses for the evaluation, settlement negotiations, and trial, if any. However, if only one party participates in the defense of the claim at trial, that party is responsible for all expenses at trial.

11.00 <u>Plans and Specifications:</u> In the event that the Agreement involves the purchasing of capital equipment or the constructing and equipping of facilities, where plans and specifications have been developed, the City shall provide an Engineer's Certification that certifies project compliance as listed below, or in Exhibit "A" if applicable. For the plans, specifications, construction contract documents, and any and all other engineering, construction, and contractual documents produced by the Engineer, hereinafter collectively referred to as "plans", the City will certify that:

a. All plans comply with federal, state and professional standards as well as minimum standards established by the Department as applicable;

b. The plans were developed in accordance with sound engineering and design principles, and with generally accepted professional standards;

c. The plans comply with all applicable laws, ordinances, zoning and permitting requirements, public notice requirements and other similar regulations. Notwithstanding the provisions of this

paragraph, the City, upon request of the Department, shall provide plans and specifications to the Department for review and approvals.

12.00 Project Completion, Agency Certification: The City will certify in writing, that the project was completed in accordance with applicable plans and specifications, in accordance with paragraph 3. c. of the Agreement, and that the project is accepted by the City as suitable for the intended purpose.

13.00 Appropriation of Funds:

13.10: The State of Florida's performance and obligation to pay under the Agreement is contingent upon an annual appropriation by the Legislature.

13.11: Multi-Year Commitment: In the event this Agreement is in excess of $25,000 and has a term for a period of more than one (1) year, the provisions of Chapter 339.135(6)(a), F.S. are hereby incorporated: "(a) The Department, during any fiscal year, shall not expend money, incur any liability, or enter into any contract which, by its terms involves the expenditure of money in excess of the amounts budgeted as available for expenditure during such fiscal year. Any contract, verbal or written, made in violation of this subsection is null and void, and no money may be paid on such contract. The Department shall require a statement from the comptroller of the Department that funds are available prior to entering into any such contract or other binding commitment of funds. Nothing herein contained shall prevent the making of contracts for periods exceeding one (1) year, but any contract so made shall be executor only for the value of the services to be rendered or agreed to be paid for in succeeding fiscal years; and this paragraph shall be incorporated verbatim in all contracts of the Department which are for an amount in excess of $25,000 dollars and which have a term for a period of more than one (1) year."

14.00 Expiration of the Highway Landscape Reimbursement: The City agrees to complete the project on or before two (2) years from the date of the Agreement. If the City does not complete the project within this time period, this Highway Landscape Reimbursement awarded as a part of the Agreement will expire unless an extension of the time period is requested by the City and granted in writing by the Department.

14.10 Final Invoice: The City must submit its final invoice to the Department within 180 days after the expiration of this Agreement.

15.00 Agreement Format: All words used herein in the singular form shall extend to and include the plural. All words used in the plural form shall extend to and include the singular. All words used in any gender shall extend to and include all genders.

16.00 Execution of Agreement: The Agreement may be simultaneously executed in a minimum of two counterparts, each of which so executed shall be deemed as an original, and such counterparts together shall constitute one in the same instrument.

17.00 Restrictions on Lobbying:

17.10: Federal: The City agrees that no federal appropriated funds have been paid or will be paid by or on behalf of the City, to any person for influencing or attempting to influence any

officer or employee of any federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with awarding any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any federal contract, grant, loan or cooperative agreement.

If any funds other than federal appropriated funds have been paid by the City to any person for influencing or attempting to influence an officer or employee of any federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the Agreement, the City shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

The City shall require that the language of this section be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

17.11: State: No funds received pursuant to this contract may be expended for lobbying the Legislature or a state agency.

18.00 Vendors Rights: Vendors (in this document identified as City) providing goods and services to the Department should be aware of the following time frames, upon receipt, the Department has five (5) working days to inspect and approve the goods and services unless the bid specifications, purchase order or contract specifies otherwise. The Department has twenty (20) days to deliver a request for payment (voucher) to the Department of Financial Services. The twenty (20) days are measured from the latter of the date the invoice is received or the goods are received, inspected and approved.

If a payment is not available within forty (40) days after receipt of the invoice and receipt, inspection and approval of goods and services, a separate interest penalty in accordance with Section 215.422(3)(b), F.S. will be due and payable, in addition to the invoice amount to the City. The interest penalty provision applies after a thirty-five (35) day time period to health care providers, as defined by rule. Interest penalties of less than one (1) dollar will not be enforced unless the City requests payment. Invoices which have to be returned to the City because of vendor preparation errors will result in a delay in the payment. The invoice payment requirements do not start until a properly completed invoice is provided to the Department.

A Vendor Ombudsman has been established within the Department of Financial Services. The duties of this individual include acting as an advocate for Participants who may be experiencing problems in obtaining timely payment(s) from the Department. The Vendor Ombudsman may be contacted at (850) 413-5516 or by calling the Division of Consumer Services at 1-877-693-5236.

19.00 Public Entity Crime: A person or affiliate who has been placed on the convicted vendor list following a convention for a public entity crime may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not be awarded or perform work as a contractor,

supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in s. 287.017, F.S. for CATEGORY TWO for a period of 36 months from the date of being placed on the convicted vendor list.

20.00 Discrimination: An entity of affiliate who has been placed on the discriminatory vendor list may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or a public work, may not submit bids on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity.

21.00 E-Verify:

Vendors/Contractors:

1. shall utilize the U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility of all new employees hired by the Vendor/Contractor during the term of the contract; and
2. Shall expressly require any subcontractors performing work or providing services pursuant to the state contract to likewise utilize the U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility of all new employees hired by the subcontractor during the contract term.

FINANCE DEPARTMENT

212 W. Main Street
Inverness, FL 34450
(352) 726-5016 Phone
(352) 726-5534 Fax

Memorandum

To: Frank DiGiovanni, City Manager

From: Sheri Chiodo, Director of Finance

CC: Debbie Davis, City Clerk
Paula Carnevale, Assistant Finance Director

Date: December 9, 2014

Reference: Florida Department of Transportation Highway Landscape Reimbursement and Maintenance – Budget Resolution

SUMMARY/BACKGROUND

The City was awarded a Highway Landscape Reimbursement and Maintenance Grant from the State of Florida Department of Transportation in the amount of $20,500 for landscape improvements on the right-of-way between south bound US 41 at Main Street and north bound US 41 at Main Street.

FISCAL IMPACT

The FDOT grant award was not appropriated in Fiscal Year 2015 and was not foreseen at the time of budget development. Florida Statute and City Ordinance 2014-706 (budget ordinance) provides for the amendment of the City's budget for unforeseen revenues received within a single fiscal year by resolution.

By adoption of the budget amendment resolution, an appropriation of $20,500 will be made in Fiscal Year 2015 to fund the right-of-way improvements pursuant to the agreement with the State of Florida Department of Transportation.

RECOMMENDATION

Recommendation is to adopt the Resolution to recognizing the $20,500 proceeds from the Department of Transportation and appropriating said revenues to the Capital Improvement Projects Fund for the purpose of highway right-of-way improvements at Hwy 41/W Main Street.

RESOLUTION 2014-31

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INVERNESS, FLORIDA AMENDING THE ADOPTED BUDGET FOR THE FISCAL YEAR COMMENCING OCTOBER 1, 2014 AND ENDING SEPTEMBER 30, 2015, AMENDING THE CAPITAL IMPROVEMENT PROJECTS FUND REVENUES AND EXPENDITURES AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Inverness desires to amend the Fiscal Year 2015 budget to provide for the recognition of unforeseen State of Florida Department of Transportation landscape reimbursement and maintenance revenue for Fiscal Year 2015 in the Capital Improvements Project Fund; and

WHEREAS, the City Council desires to appropriate the revenue for landscape improvements at the intersection of HWY 41 and Main Street; and

WHEREAS, Ordinance Number 2014-706, Section 5, authorizes amendments to the final adopted budget by resolution approved by the City Council of the City of Inverness, Florida.

NOW, THEREFORE, BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF INVERNESS AS FOLLOWS:

Section 1. That revenue accounts in the Capital Improvement Projects Fund shall be amended as follows:

Revenue Source	**Current Budget**	**Revised Budget**	**Adjustment**
State Grant-FDOT	$ -0-	$ 20,500	$ 20,500

Section 2. That expenditure accounts in the Capital Improvement Projects Fund shall be amended as follows:

Expenditures	**Original Budget**	**Revised Budget**	**Adjustment**
Hwy Right-of-way Landscape Improvement	$ -0-	$20,500	$ 20,500

Section 3. That this resolution shall be effective on the 16th day of December, 2014.

PASSED AND ADOPTED this 16th day of December, 2014.

CITY OF INVERNESS

By: _____
Ken Hinkle
President of City Council

ATTEST:

_____
Debbie Davis
City Clerk

Agenda Memorandum – ***City of Inverness***

December 12, 2014

TO: **Elected Officials**

FROM: **City Manager**

SUBJECT: **Land Acquisition – 209 Courthouse Sq.**

CC: **City Clerk & Finance Director**

Enclosure: **Letter by City to Property Owners of 209 Courthouse Square**
Appraisal Report
Purchase Agreement
Aerial View of Buildings and Property

The Valerie Theatre project is riddled with complexity. Conversion of a 1926 era building to modern times, with future amenities, is challenging. The theatre shares wall space with structures on both sides. The project has been on track. On or about, December 2, 2014, the project halted where it joined the building and land located at 209 Courthouse Square.

This is composed to illustrate facts and conditions of the project and ability to achieve resolution.

The City sought an easement from the property owners of 209 Courthouse Square. We did not expect any such easement to be fee simple, but that would be wonderful. Plans for the building include a service door and concrete platform. The platform (approximate 5'x8') would be on the property of 209 Courthouse Square; hence the discussion to secure a portion of property via an easement or purchase. The service door and related access would not be primary to the theatre building, but would add to functionality.

Conversation for an easement – purchase or otherwise – stalled and moved to the point the owners wanting the City to buy the building and property. This represented a significant departure from our original outlook; however, we were seeking ways to make this work for the community and commenced to perform diligence that Council would need to consider a purchase.

Why did work cease on one side? We reached a point of readiness to seal the exterior wall and finish the roof. (The roof material needs to be flashed into the new exterior wall treatment.) Work required trespass on the adjoining property, simply because with a zero lot-line there is no alternative. It was at this point, workers were ordered off the property until an agreement was reached. Ideally, we seek an easement; however, property owners are taking the position they want the City to make a full purchase of building and property. (See enclosed letter)

The enclosed diligence includes information produced by the Property Appraiser, an appraisal, and high level photo view of the buildings and property. The asking price is

$300,000 net (City pays closing costs). The property appraised for $235,000. We are not able to advance the conversation with property owners until City Council makes a determination; rendering the matter before you.

In closing, there are always options and, at some point, we need to reach a reasonable position that is mutual.

Recommended Action –
We will help guide City Council based on and factoring the discussion

If you wish to discuss this further, please contact me at your convenience.

Frank DiGiovanni

City of Inverness

Administration Office
212 W. Main Street
Inverness, Florida 34450-4149
Administration@Inverness-FL.gov

(352) 726-2611 — Fax (352) 726-0607

December 12, 2014

Mr. Michael Mountjoy, Esq.
Honorable Judge Patricia Thomas
209 Courthouse Square
Inverness, Fl. 34450

Dear Honorable Judge Patricia Thomas and Michael Mountjoy, Esq.:

Thank you for the opportunity to meet and discuss the remedy for the Valerie Theatre project to continue to completion. With reference to the meeting at your office, 209 Courthouse Square that took place with Judge Thomas, Michael Mountjoy, Eric Williams and me, this letter is intended to serve as a formal request for your respective proposal to remedy the stoppage of work upon the city's project that occurred on or about December 2, 2014. The understanding from our recent meeting is that you desire a purchase of your property in its entirety versus other viable options. Our goal is to bring this beneficial public project to materialization for the greater good of the community. As you request, a purchase agreement for your property in full will be presented to the Inverness City Council on December 16, 2014, but that alone may not resolve the fact the project has been stopped.

During our meeting we requested that you please provide what you proffer as a proposed solution, inclusive of details surrounding potential purchase, as well as any considerable and amenable alternative should purchase not be confirmed following Council's consideration.

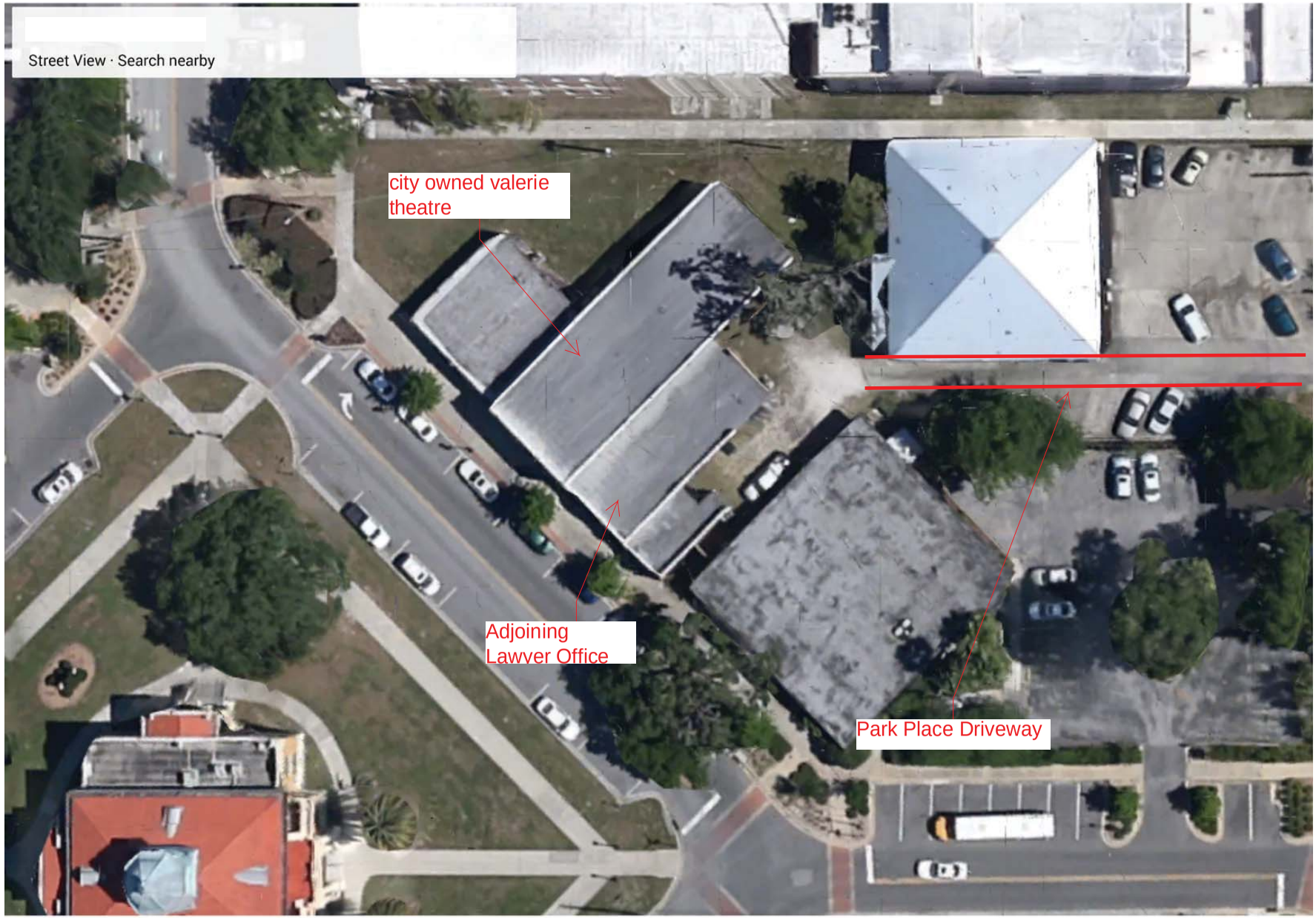
The City is committed to deliver projects and services in the best interest of the community, seeking only to further this theology in the solution and consideration of your concerns. Work stoppage has put the project's critical path in jeopardy. With interest to advance the situation, a response is requested by this Tuesday.

Thanking you in advance for your attention to this matter.

Sincerely,

Frank DiGiovanni
City Manager

XC: Eric Williams



Building on left of Valerie Theatre is privately owned. Building on right is lawyer office. Grass area from rear of Valerie Building to behind building on right to sidewalks is City Property.

Imagery ©2014 Google, Map data ©2014 Google 20 ft

Commercial Contract
FLORIDA ASSOCIATION OF REALTORS®

1. PARTIES AND PROPERTY: CITY OF INVERNESS, a municipal corporation ("Buyer") agrees to buy and MICHAEL MOUNTJOY & PATRICIA B. THOMAS, Trustee (formerly Patricia B. Vitter) ("Seller") agrees to sell the property described as: Street Address: 209 Courthouse Square, Inverness, FL 34450

Legal Description: See Exhibit A attached hereto.

and the following Personal Property: None.

(all collectively referred to as the "Property") on the terms and conditions set forth below.

2. PURCHASE PRICE: $ (net) 300,000.00

(a) Deposit held in escrow by American Title Services of Citrus County, Inc. ("Escrow Agent") (checks are subject to actual and final collection) $ 100,000.00

Escrow Agent's address: 2230 Hwy. 44 W, Inverness, FL Phone: 352-637-4411

(b) Additional deposit to be made to Escrow Agent within _____ days after Effective Date $ 0.00

(c) Additional deposit to be made to Escrow Agent within _____ days after Effective Date $ 0.00

(d) Total financing (see Paragraph 5) $ 0.00

(e) Other _____ $ _____

(f) All deposits will be credited to the purchase price at closing. Balance to close, subject to adjustments and prorations, to be paid with locally drawn cashier's or official bank check(s) or wire transfer. $ 200,000.00

3. TIME FOR ACCEPTANCE; EFFECTIVE DATE; COMPUTATION OF TIME: Unless this offer is signed by **Seller** and **Buyer** and an executed copy delivered to all parties on or before _____, this offer will be withdrawn and the **Buyer's** deposit, if any, will be returned. The time for acceptance of any counter offer will be 3 days from the date the counter offer is delivered. **The "Effective Date" of this Contract is the date on which the last one of the Seller and Buyer has signed or initialed and delivered this offer or the final counter offer.** Calendar days will be used when computing time periods, except time periods of 5 days or less. Time periods of 5 days or less will be computed without including Saturday, Sunday, or national legal holidays. Any time period ending on a Saturday, Sunday, or national legal holiday will extend until 5:00 p.m. of the next business day. **Time is of the essence in this Contract.**

4. CLOSING DATE AND LOCATION:

(a) Closing Date: This transaction will be closed on within one year of effective date (Closing Date), unless specifically extended by other provisions of this Contract. The Closing Date will prevail over all other time periods including, but not limited to, Financing and Due Diligence periods. In the event insurance underwriting is suspended on Closing Date and **Buyer** is unable to obtain property insurance, **Buyer** may postpone closing up to 5 days after the insurance underwriting suspension is lifted.

(b) Location: Closing will take place in Inverness, Citrus County, Florida. (If left blank, closing will take place in the county where the Property is located.) Closing may be conducted by mail or electronic means.

Buyer (_____) (_____) and **Seller** (_____) (_____) acknowledge receipt of a copy of this page, which is Page 1 of 7 Pages.

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5. THIRD PARTY FINANCING:

BUYER'S OBLIGATION: Within _____ days (5 days if left blank) after Effective Date, **Buyer** will apply for third party financing in an amount not to exceed _____% of the purchase price or $ _____, with a fixed interest rate not to exceed _____% per year or with an initial variable interest rate not to exceed _____%, with points or commitment or loan fees not to exceed _____% of the principal amount, for a term of _____ years, and amortized over _____ years, with additional terms as follows: _____ _____.

Buyer will timely provide any and all credit, employment, financial and other information reasonably required by any lender. **Buyer** will use good faith and reasonable diligence to (i) obtain Loan Approval within _____ days (45 days if left blank) from Effective Date (Loan Approval Date), (ii) satisfy terms and conditions of the Loan Approval, and (iii) close the loan. **Buyer** will keep **Seller** and Broker fully informed about loan application status and authorizes the mortgage broker and lender to disclose all such information to **Seller** and Broker. **Buyer** will notify **Seller** immediately upon obtaining financing or being rejected by a lender.

CANCELATION: If **Buyer**, after using good faith and reasonable diligence, fails to obtain Loan Approval by Loan Approval Date, **Buyer** may within _____ days (3 days if left blank) deliver written notice to **Seller** stating **Buyer** either waives this financing contingency or cancels this Contract. If **Buyer** does neither, then **Seller** may cancel this Contract by delivering written notice to **Buyer** at any time thereafter. Unless this financing contingency has been waived, this Contract shall remain subject to the satisfaction, by closing, of those conditions of Loan Approval related to the Property.

DEPOSIT(S) (for purposes of Paragraph 5 only): If **Buyer** has used good faith and reasonable diligence but does not obtain Loan Approval by Loan Approval Date and thereafter either party elects to cancel this Contract as set forth above or the lender fails or refuses to close on or before the Closing Date without fault on **Buyer's** part, the Deposit(s) shall be returned to **Buyer**, whereupon both parties will be released from all further obligations under this Contract, except for obligations stated herein as surviving the termination of this Contract. If neither party elects to terminate this Contract as set forth above or **Buyer** fails to use good faith or reasonable diligence as set forth above, **Seller** will be entitled to retain the Deposit(s) if the transaction does not close.

6. TITLE: **Seller** has the legal capacity to and will convey marketable title to the Property by ❑ statutory warranty deed ❑ other _____, free of liens, easements and encumbrances of record or known to **Seller**, but subject to property taxes for the year of closing; covenants, restrictions and public utility easements of record; existing zoning and governmental regulations; and (list any other matters to which title will be subject) _____ _____ _____; provided there exists at closing no violation of the foregoing and none of them prevents **Buyer's** intended use of the Property as **commercial building**.

(a) Evidence of Title: The party who pays the premium for the title insurance policy will select the closing agent and pay for the title search and closing services. **Seller** will, at (check one) ❑ **Seller's** ☒ **Buyer's** expense and within _____ days ❑ after Effective Date ☒ or at least **60** days before Closing Date deliver to **Buyer** (check one)

☒ (i.) a title insurance commitment by a Florida licensed title insurer and, upon **Buyer** recording the deed, an owner's policy in the amount of the purchase price for fee simple title subject only to exceptions stated above. If **Buyer** is paying for the evidence of title and **Seller** has an owner's policy, **Seller** will deliver a copy to **Buyer** within 15 days after Effective Date.

❑ (ii.) an abstract of title, prepared or brought current by an existing abstract firm or certified as correct by an existing firm. However, if such an abstract is not available to **Seller**, then a prior owner's title policy acceptable to the proposed insurer as a base for reissuance of coverage may be used. The prior policy will include copies of all policy exceptions and an update in a format acceptable to **Buyer** from the policy effective date and certified to **Buyer** or **Buyer's** closing agent together with copies of all documents recited in the prior policy and in the update. If such an abstract or prior policy is not available to **Seller** then (i.) above will be the evidence of title.

(b) Title Examination: **Buyer** will, within 15 days from receipt of the evidence of title deliver written notice to **Seller** of title defects. Title will be deemed acceptable to **Buyer** if (1) **Buyer** fails to deliver proper notice of defects or (2) **Buyer** delivers proper written notice and **Seller** cures the defects within **60** days from receipt of the notice ("Curative Period"). If the defects are cured within the Curative Period, closing will occur within 10 days from receipt by **Buyer** of notice of such curing. **Seller** may elect not to cure defects if **Seller** reasonably believes any defect cannot be cured within the Curative Period. If the defects are not cured within the Curative Period, **Buyer** will have 10 days from receipt of notice of **Seller's** inability to cure the defects to elect whether to terminate this Contract or accept title subject to existing defects and close the transaction without reduction in purchase price.

(c) Survey: (check applicable provisions below)

❑ **Seller** will, within **15** days from Effective Date, deliver to **Buyer** copies of prior surveys, plans, specifications, and engineering documents, if any, and the following documents relevant to this transaction: _____ _____, prepared for **Seller** or in **Seller's**

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possession, which show all currently existing structures. In the event this transaction does not close, all documents provided by **Seller** will be returned to **Seller** within 10 days from the date this Contract is terminated.

☒ **Buyer** will, at ❑ **Seller's** ☒ **Buyer's** expense and within the time period allowed to deliver and examine title evidence, obtain a current certified survey of the Property from a registered surveyor. If the survey reveals encroachments on the Property or that the improvements encroach on the lands of another, ☒ **Buyer** will accept the Property with existing encroachments ❑ such encroachments will constitute a title defect to be cured within the Curative Period.

(d) Ingress and Egress: Seller warrants that the Property presently has ingress and egress.

7. PROPERTY CONDITION: Seller will deliver the Property to **Buyer** at the time agreed in its present "as is" condition, ordinary wear and tear excepted, and will maintain the landscaping and grounds in a comparable condition. **Seller** makes no warranties other than marketability of title. By accepting the Property "as is," **Buyer** waives all claims against **Seller** for any defects in the Property. (Check **(a)** or **(b)**)

☒ **(a) As Is: Buyer** has inspected the Property or waives any right to inspect and accepts the Property in its "as is" condition.

❑ **(b) Due Diligence Period: Buyer** will, at **Buyer's** expense and within _____ days from Effective Date ("Due Diligence Period"), determine whether the Property is suitable, in **Buyer's** sole and absolute discretion, for **Buyer's** intended use and development of the Property as specified in Paragraph 6. During the Due Diligence Period, **Buyer** may conduct any tests, analyses, surveys and investigations ("Inspections") which **Buyer** deems necessary to determine to **Buyer's** satisfaction the Property's engineering, architectural, environmental properties; zoning and zoning restrictions; flood zone designation and restrictions; subdivision regulations; soil and grade; availability of access to public roads, water, and other utilities; consistency with local, state and regional growth management and comprehensive land use plans; availability of permits, government approvals and licenses; compliance with American with Disabilities Act; absence of asbestos, soil and ground water contamination; and other inspections that **Buyer** deems appropriate to determine the suitability of the Property for **Buyer's** intended use and development. **Buyer** will deliver written notice to **Seller** prior to the expiration of the Due Diligence Period of **Buyer's** determination of whether or not the Property is acceptable. **Buyer's** failure to comply with this notice requirement will constitute acceptance of the Property in its present "as is" condition. **Seller** grants to **Buyer**, its agents, contractors and assigns, the right to enter the Property at any time during the Due Diligence Period for the purpose of conducting Inspections; provided, however, that **Buyer**, its agents, contractors and assigns enter the Property and conduct Inspections at their own risk. **Buyer** will indemnify and hold **Seller** harmless from losses, damages, costs, claims and expenses of any nature, including attorneys' fees at all levels, and from liability to any person, arising from the conduct of any and all inspections or any work authorized by **Buyer**. **Buyer** will not engage in any activity that could result in a mechanic's lien being filed against the Property without **Seller's** prior written consent. In the event this transaction does not close, (1) **Buyer** will repair all damages to the Property resulting from the Inspections and return the Property to the condition it was in prior to conduct of the Inspections, and (2) **Buyer** will, at **Buyer's** expense, release to **Seller** all reports and other work generated as a result of the Inspections. Should **Buyer** deliver timely notice that the Property is not acceptable, **Seller** agrees that **Buyer's** deposit will be immediately returned to **Buyer** and the Contract terminated.

(c) Walk-through Inspection: Buyer may, on the day prior to closing or any other time mutually agreeable to the parties, conduct a final "walk-through" inspection of the Property to determine compliance with this paragraph and to ensure that all Property is on the premises.

8. OPERATION OF PROPERTY DURING CONTRACT PERIOD: Seller will continue to operate the Property and any business conducted on the Property in the manner operated prior to Contract and will take no action that would adversely impact the Property, tenants, lenders or business, if any. Any changes, such as renting vacant space, that materially affect the Property or **Buyer's** intended use of the Property will be permitted ☒ only with **Buyer's** consent ❑ without **Buyer's** consent.

9. CLOSING PROCEDURE:

(a) Possession and Occupancy: Seller will deliver possession and occupancy of the Property to **Buyer** at closing. **Seller** will provide keys, remote controls, and any security/access codes necessary to operate all locks, mailboxes, and security systems.

(b) Costs: Buyer will pay buyer's attorneys' fees, taxes and recording fees on notes, mortgages and financing statements and recording fees for the deed. **Seller** will pay seller's attorneys' fees, ~~taxes on the deed~~ and recording fees for documents needed to cure title defects. If **Seller** is obligated to discharge any encumbrance at or prior to closing and fails to do so, **Buyer** may use purchase proceeds to satisfy the encumbrances.

(c) Documents: Seller will provide the deed; bill of sale; mechanic's lien affidavit; originals of those assignable service and maintenance contracts that will be assumed by **Buyer** after the Closing Date and letters to each service contractor from **Seller**

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advising each of them of the sale of the Property and, if applicable, the transfer of its contract, and any assignable warranties or guarantees received or held by **Seller** from any manufacturer, contractor, subcontractor, or material supplier in connection with the Property; current copies of the condominium documents, if applicable; assignments of leases, updated rent roll; tenant and lender estoppel letters; assignments of permits and licenses; corrective instruments; and letters notifying tenants of the change in ownership/rental agent. If any tenant refuses to execute an estoppel letter, **Seller** will certify that information regarding the tenant's lease is correct. If **Seller** is a corporation, **Seller** will deliver a resolution of its Board of Directors authorizing the sale and delivery of the deed and certification by the corporate Secretary certifying the resolution and setting forth facts showing the conveyance conforms to the requirements of local law. **Seller** will transfer security deposits to **Buyer**. **Buyer** will provide the closing statement, mortgages and notes, security agreements, and financing statements.

(d) Taxes and Prorations: Real estates taxes, personal property taxes on any tangible personal property, bond payments assumed by **Buyer**, interest, rents, association dues, insurance premiums acceptable to **Buyer**, and operating expenses will be prorated through the day before closing. If the amount of taxes for the current year cannot be ascertained, rates for the previous year will be used with due allowance being made for improvements and exemptions. Any tax proration based on an estimate will, at request of either party, be readjusted upon receipt of current year's tax bill; this provision will survive closing.

(e) Special Assessment Liens: Certified, confirmed, and ratified special assessment liens as of the Closing Date will be paid by **Seller**. If a certified, confirmed, or ratified special assessment is payable in installments, **Seller** will pay all installments due and payable on or before the Closing Date, with any installment for any period extending beyond the Closing Date prorated, and **Buyer** will assume all installments that become due and payable after the Closing Date. **Buyer** will be responsible for all assessments of any kind which become due and owing after Closing Date, unless an improvement is substantially completed as of Closing Date. If an improvement is substantially completed as of the Closing Date but has not resulted in a lien before closing, **Seller** will pay the amount of the last estimate of the assessment.

(f) Foreign Investment In Real Property Tax Act (FIRPTA): If **Seller** is a "foreign person" as defined by FIRPTA, **Seller** and **Buyer** agree to comply with Section 1445 of the Internal Revenue Code. **Seller** and **Buyer** will complete, execute, and deliver as directed any instrument, affidavit, or statement reasonably necessary to comply with the FIRPTA requirements, including delivery of their respective federal taxpayer identification numbers or Social Security Numbers to the closing agent. If **Buyer** does not pay sufficient cash at closing to meet the withholding requirement, **Seller** will deliver to **Buyer** at closing the additional cash necessary to satisfy the requirement.

10. ESCROW AGENT: **Seller** and **Buyer** authorize Escrow Agent (Agent) to receive, deposit, and hold funds and other property in escrow and, subject to collection, disburse them in accordance with the terms of this Contract. The parties agree that Agent will not be liable to any person for misdelivery of escrowed items to **Seller** or **Buyer**, unless the misdelivery is due to Agent's willful breach of this Contract or gross negligence. If Agent has doubt as to Agent's duties or obligations under this Contract, Agent may, at Agent's option, (a) hold the escrowed items until the parties mutually agree to its disbursement or until a court of competent jurisdiction or arbitrator determines the rights of the parties or (b) deposit the escrowed items with the clerk of the court having jurisdiction over the matter and file an action in interpleader. Upon notifying the parties of such action, Agent will be released from all liability except for the duty to account for items previously delivered out of escrow. If Agent is a licensed real estate broker, Agent will comply with Chapter 475, Florida Statutes. In any suit in which Agent interpleads the escrowed items or is made a party because of acting as Agent hereunder, Agent will recover reasonable attorney's fees and costs incurred, with these amounts to be paid from and out of the escrowed items and charged and awarded as court costs in favor of the prevailing party.

11. CURE PERIOD: Prior to any claim for default being made, a party will have an opportunity to cure any alleged default. If a party fails to comply with any provision of this Contract, the other party will deliver written notice to the non-complying party specifying the non-compliance. The non-complying party will have **30** days (5 days if left blank) after delivery of such notice to cure the non-compliance.

12. RETURN OF DEPOSIT: Unless otherwise specified in the Contract, in the event any condition of this Contract is not met and **Buyer** has timely given any required notice regarding the condition having not been met, **Buyer's** deposit will be returned in accordance with applicable Florida laws and regulations.

13. DEFAULT:

(a) In the event the sale is not closed due to any default or failure on the part of **Seller** other than failure to make the title marketable after diligent effort, **Buyer** may either (1) receive a refund of **Buyer's** deposit(s) or (2) seek specific performance. If **Buyer** elects a deposit refund, **Seller** will be liable to Broker for the full amount of the brokerage fee.

(b) In the event the sale is not closed due to any default or failure on the part of **Buyer**, **Seller** may either (1) retain all deposit(s) paid or agreed to be paid by **Buyer** as agreed upon liquidated damages, consideration for the execution of this Contract, and

Buyer (_____) (_____) and **Seller** (_____) (_____) acknowledge receipt of a copy of this page, which is Page 4 of 7 Pages.

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in full settlement of any claims, upon which this Contract will terminate or (2) seek specific performance. If **Seller** retains the deposit, **Seller** will pay the Brokers named in Paragraph 20 fifty percent of all forfeited deposits retained by **Seller** (to be split equally among the Brokers) up to the full amount of the brokerage fee.

14. ATTORNEY'S FEES AND COSTS: In any claim or controversy arising out of or relating to this Contract, the prevailing party, which for purposes of this provision will include **Buyer**, **Seller** and **Broker**, will be awarded reasonable attorneys' fees, costs, and expenses.

15. NOTICES: All notices will be in writing and may be delivered by mail, personal delivery, or electronic means. Parties agree to send all notices to addresses specified on the signature page(s). Any notice, document, or item given by or delivered to an attorney or real estate licensee (including a transaction broker) representing a party will be as effective as if given by or delivered to that party.

16. DISCLOSURES:

(a) Commercial Real Estate Sales Commission Lien Act: The Florida Commercial Real Estate Sales Commission Lien Act provides that when a broker has earned a commission by performing licensed services under a brokerage agreement with you, the broker may claim a lien against your net sales proceeds for the broker's commission. The broker's lien rights under the act cannot be waived before the commission is earned.

(b) Special Assessment Liens Imposed by Public Body: The Property may be subject to unpaid special assessment lien(s) imposed by a public body. (A public body includes a Community Development District.) Such liens, if any, shall be paid as set forth in Paragraph 9.(e).

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

(d) Energy-Efficiency Rating Information: Buyer acknowledges receipt of the information brochure required by Section 553.996, Florida Statutes.

17. RISK OF LOSS:

(a) If, after the Effective Date and before closing, the Property is damaged by fire or other casualty, **Seller** will bear the risk of loss and **Buyer** may cancel this Contract without liability and the deposit(s) will be returned to **Buyer**. Alternatively, **Buyer** will have the option of purchasing the Property at the agreed upon purchase price and **Seller** will transfer to **Buyer** at closing any insurance proceeds, or **Seller's** claim to any insurance proceeds payable for the damage. **Seller** will cooperate with and assist **Buyer** in collecting any such proceeds.

(b) If, after the Effective Date and before closing, any part of the Property is taken in condemnation or under the right of eminent domain, or proceedings for such taking will be pending or threatened, **Buyer** may cancel this Contract without liability and the deposit(s) will be returned to **Buyer**. Alternatively, **Buyer** will have the option of purchasing what is left of the Property at the agreed upon purchase price and **Seller** will transfer to the **Buyer** at closing the proceeds of any award, or **Seller's** claim to any award payable for the taking. **Seller** will cooperate with and assist **Buyer** in collecting any such award.

18. ASSIGNABILITY; PERSONS BOUND: This Contract may be assigned to a related entity, and otherwise ☒ is not assignable ❑ is assignable. The terms "**Buyer**," "**Seller**" and "Broker" may be singular or plural. This Contract is binding upon **Buyer**, **Seller** and their heirs, personal representatives, successors and assigns (if assignment is permitted).

19. MISCELLANEOUS: The terms of this Contract constitute the entire agreement between **Buyer** and **Seller**. Modifications of this Contract will not be binding unless in writing, signed and delivered by the party to be bound. Signatures, initials, documents referenced in this Contract, counterparts and written modifications communicated electronically or on paper will be acceptable for all purposes, including delivery, and will be binding. Handwritten or typewritten terms inserted in or attached to this Contract prevail over preprinted terms. If any provision of this Contract is or becomes invalid or unenforceable, all remaining provisions will continue to be fully effective. This Contract will be construed under Florida law and will not be recorded in any public records.

Buyer (_____) (_____) and **Seller** (_____) (_____) acknowledge receipt of a copy of this page, which is Page 5 of 7 Pages.

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20. BROKERS: Neither **Seller** nor **Buyer** has used the services of, or for any other reason owes compensation to, a licensed real estate Broker other than:

(a) Seller's Broker: _____,
(Company Name) (Licensee)

_____,
(Address, Telephone, Fax, E-mail)

who ❑ is a single agent ❑ is a transaction broker ❑ has no brokerage relationship and who will be compensated by ❑ **Seller** ❑ **Buyer** ❑ both parties pursuant to ❑ a listing agreement ❑ other (specify) _____

_____

(b) Buyer's Broker: _____,
(Company Name) (Licensee)

_____,
(Address, Telephone, Fax, E-mail)

who ❑ is a single agent ❑ is a transaction broker ❑ has no brokerage relationship and who will be compensated by ❑ **Seller's Broker** ❑ **Seller** ❑ **Buyer** ❑ both parties pursuant to ❑ an MLS offer of compensation ❑ other (specify)

_____

(collectively referred to as "Broker") in connection with any act relating to the Property, including but not limited to inquiries, introductions, consultations, and negotiations resulting in this transaction. **Seller** and **Buyer** agree to indemnify and hold Broker harmless from and against losses, damages, costs and expenses of any kind, including reasonable attorneys' fees at all levels, and from liability to any person, arising from (1) compensation claimed which is inconsistent with the representation in this Paragraph, (2) enforcement action to collect a brokerage fee pursuant to Paragraph 10, (3) any duty accepted by Broker at the request of **Seller** or **Buyer**, which is beyond the scope of services regulated by Chapter 475, Florida Statutes, as amended, or (4) recommendations of or services provided and expenses incurred by any third party whom Broker refers, recommends, or retains for or on behalf of **Seller** or **Buyer**.

21. OPTIONAL CLAUSES: (Check if any of the following clauses are applicable and are attached as an addendum to this Contract):

❑ Arbitration	❑ Seller Warranty	❑ Existing Mortgage
❑ Section 1031 Exchange	❑ Coastal Construction Control Line	❑ Buyer's Attorney Approval
❑ Property Inspection and Repair	❑ Flood Area Hazard Zone	❑ Seller's Attorney Approval
❑ Seller Representations	❑ Seller Financing	❑ Other _____

22. ADDITIONAL TERMS:

Delete paragraphs 5 and 20.

Paragraph 9 (a) is modified by adding the following language: "Buyer shall be entitled to an easement, possession and use of the vacant lands behind the building from the "effective date" until closing in order to renovate the Valerie Theatre owned by Buyer." Buyer shall not block access to Sellers' building and prevent the use and enjoyment of the area utilized by Sellers for parking.

Deposit shall be non-refundable unless title has defects or building is destroyed by fire or other casualty loss.

THIS IS INTENDED TO BE A LEGALLY BINDING CONTRACT. IF NOT FULLY UNDERSTOOD, SEEK THE ADVICE OF AN ATTORNEY PRIOR TO SIGNING. BROKER ADVISES BUYER AND SELLER TO VERIFY ALL FACTS AND REPRESENTATIONS THAT ARE IMPORTANT TO THEM AND TO CONSULT AN APPROPRIATE PROFESSIONAL FOR LEGAL ADVICE (FOR EXAMPLE, INTERPRETING CONTRACTS, DETERMINING THE EFFECT OF LAWS ON THE PROPERTY AND TRANSACTION, STATUS OF TITLE, FOREIGN INVESTOR REPORTING REQUIREMENTS, ETC.) AND FOR TAX, PROPERTY CONDITION, ENVIRONMENTAL AND OTHER ADVICE. BUYER ACKNOWLEDGES THAT BROKER DOES NOT OCCUPY THE PROPERTY AND THAT ALL REPRESENTATIONS (ORAL, WRITTEN OR OTHERWISE) BY BROKER ARE BASED ON SELLER REPRESENTATIONS OR PUBLIC RECORDS UNLESS BROKER INDICATES PERSONAL VERIFICATION OF THE REPRESENTATION. BUYER AGREES TO RELY SOLELY ON SELLER, PROFESSIONAL INSPECTORS AND GOVERNMENTAL AGENCIES FOR VERIFICATION OF THE PROPERTY CONDITION, SQUARE FOOTAGE AND FACTS THAT MATERIALLY AFFECT PROPERTY VALUE.

Buyer (_____) (_____) and **Seller** (_____) (_____) acknowledge receipt of a copy of this page, which is Page 6 of 7 Pages.

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Each person signing this Contract on behalf of a party that is a business entity represents and warrants to the other party that such signatory has full power and authority to enter into and perform this Contract in accordance with its terms and each person executing this Contract and other documents on behalf of such party has been duly authorized to do so.

_____ Date: _____
(Signature of **Buyer**)

_____ Tax ID No.: _____
(Typed or Printed Name of **Buyer**)

Title: _____ Telephone: _____

_____ Date: _____
(Signature of **Buyer**)

_____ Tax ID No.: _____
(Typed or Printed Name of **Buyer**)

Title: _____ Telephone: _____

Buyer's Address for purpose of notice: _____

Facsimile: _____ E-mail: _____

_____ Date: _____
(Signature of **Seller**)

_____ Tax ID No.: _____
(Typed or Printed Name of **Seller**)

Title: _____ Telephone: _____

_____ Date: _____
(Signature of **Seller**)

_____ Tax ID No.: _____
(Typed or Printed Name of **Seller**)

Title: _____ Telephone: _____

Seller's Address for purpose of notice: _____

Facsimile: _____ E-mail: _____

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Buyer (_____) (_____) and **Seller** (_____) (_____) acknowledge receipt of a copy of this page, which is Page 7 of 7 Pages.

Exhibit A

Commence at the SE Corner of Block 110, of CITY OF INVERNESS, according to the map or plat thereof recorded in Plat Book 1, page 36, public records of Citrus County, Florida, thence N. 89° 56' 50" W. along the South line of said Block 110, a distance of 166.03 feet to a point on the Northeasterly right-of-way line of Courthouse Square, said point being 37.50 feet from, measured at a right angle to the centerline of said Courthouse Square, thence N. 44° 43' 18" W. along said Northeasterly right-of-way line a distnace of 73.40 feet to the POINT OF BEGINNING, said point being 5.79 feet Northwesterly from, and measured at right angles to the Southwesterly projection on the Northwesterly exterior building line of Citrus Title Company building, thence N. 45° 04' 26" E. along a line parallel to said Southwesterly projection and said Northwesterly exterior building line and the Northeasterly projection of said Northwesterly building line, a distance of 96.18 feet to a point on the Northeasterly line of lands described in Official Record, Book 299, page 641, public records of Citrus County, Florida, thence N. 45° W. along said Northeasterly line a distance of 15.11 feet to the most Northerly corner of said lands, said point being on the West line of Lot 18, of said Block 110, as shown on said Plat, thence N. 8° 35' 04" W. along said West line a distance of 15.63 feet, thence continue along said West line and along the West line of Lot 19, of said Block 110, North 20.00 feet to the most Northerly Corner of Lot 12, of said Block 110, thence continue along said West line of Lot 19, and along the East line of Parcel 1, Exhibit "A", of lands described in Official Record, Book 142, page 45, of said records, 4.85 feet to the most Northerly Corner of said lands described as Parcel 1, Exhibit "A", said point being on the Northeasterly projection of the centerline of a 12 inch brick wall as described as Parcel 1, Exhibit "A", thence S. 46° 45' 08" W. along said Northeasterly projection and along said Northwesterly line and along said centerline of a 12 inch brick wall a distance of 100.36 feet to the most Southerly corner of lands described as Parcel 1, Exhibit "A", thence continue S. 46° 45' 08" W. along the Southeasterly line of Parcel 2, Exhibit "A", of lands described in said Official Record, Book 142, page 45, of said records, and along said centerline of a 12 inch brick wall, a distance of 22.50 feet to the most Southerly Corner of said Parcel 2, Exhibit "A", of lands described in Official Record, Book 142, page 45, of said records, said point being on the aforesaid Northeasterly right-of-way line of Courthouse Square, being 37.50 feet from, measured at right angles to the aforesaid centerline of Courthouse Square, thence S. 44° 43' 18" E. along said Northeasterly right-of-way line, a distance of 48.98 feet to the Point of Beginning.

and

Parcel 1: That portion of Lot 11, Block 110, TOWN OF INVERNESS, described as follows: Beginning at the intersection of the line dividing Lots 11 & 12, Block 110, of the CITY OF INVERNESS, Florida, and the center line of a 12 inch brick wall, said beginning point being located 18.94 feet Northeasterly from the intersection of the line dividing said Lots 11 and 12, and the Northeasterly line of the Street on the Northeasterly side of the Court House Square, thence Northeasterly 99.20 feet along the center line of said brick wall and a prolongation thereof to the West line of Lot 19 in said Block 110, thence South 4.85 feet along the West line of said Lot 19 to the intersection of the West line of said Lot 19 and the line dividing said lots 11 and 12, thence Southwesterly 96.74 feet along the line dividing said Lots 11 and 12 to the POINT OF BEGINNING.

LES COOK, C F A
CITRUS COUNTY PROPERTY APPRAISER

Commitment ~ Innovation ~ Respect ~ Integrity ~ Service

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Citrus County Property Appraiser - Current Taxroll In Work As Of: 01-AUG-14

Owner & Property Information

Altkey 1756618
Owner Name MOUNTJOY MICHAEL & PATRICIA B VITTER TRUSTEE
Mailing Address 209 COURTHOUSE SQ
INVERNESS FL 344504840
Site Address 00209 COURTHOUSE SQ INVERNESS

Print Property Card (Pdf)
GIS Map Viewer
2013 TRIM (Original as mailed)
Tax Estimator
Download Section Map (pdf)
Oblique View (Pictometry)

click photo to enlarge:

1756618 03/27/2010

Parcel Identification	Neighborhood Code	PC Code / Desc.	Millage Code / Desc.	Map Sec	Map Twp	Map Rng
20E19S170050 01100 0130	0644	(19) PROFESSIONAL SERVICES BLDGS	(000T) INVERNESS	17	19	20

Tax History

Year	Pc Code	Market / Just	Assessed	Exemptions	Taxable	Tax Levy	Land Value	Improvements	Cost	Direct Sales Est.
2013	19	$235,990	$235,990	$0	$235,990	$5,588.35	$57,880	$219,760	$277,640	$0
2012	19	$234,660	$234,660	$0	$234,660	$5,216.72	$57,880	$218,190	$276,070	$0
2011	19	$228,104	$228,104	$0	$228,104	$5,021.77	$50,077	$218,281	$268,358	$0
2010	19	$232,522	$232,522	$0	$232,522	$4,993.34	$50,077	$223,478	$273,555	$0
2009	19	$234,731	$234,731	$0	$234,731	$5,074.53	$50,077	$226,077	$276,154	$0
2008	19	$235,040	$235,040	$0	$235,040	$4,958.30	$51,900	$224,618	$276,518	$0
2007	19	$230,900	$230,900	$0	$230,900	$4,654.29	$51,900	$219,846	$271,746	$0
2006	19	$148,100	$148,100	$0	$148,100	$3,141.80	$51,900	$118,339	$170,239	$0

Sales and Transfer History

Book	Page	Month	Year	Instr. Code	Transfer Code	Vac. / Imp.	Sale Price
0769	0339	02	1988	CORRECTIVE/QC/TD/COT	NONE	V	$100
0676	1106	08	1985	WARRANTY DEED	NONE	I	$75,000
0100	0529	01	1951	WARRANTY DEED	NONE	I	$63,500

Full Legal Description

TOWN OF INVERNESS PT OF SEC 17-19-20 KNOWN AS PCL 5-110-13 ON CITRUS CO ASSESS MENT MAP 595D-2 FURTHER DESC IN OR BK 6 76 PG 1106, OR BK 769 PG 339 & OR BK 925 PG 772(P VITTER TR UST 1/2 INT)

Planning and Building Permits

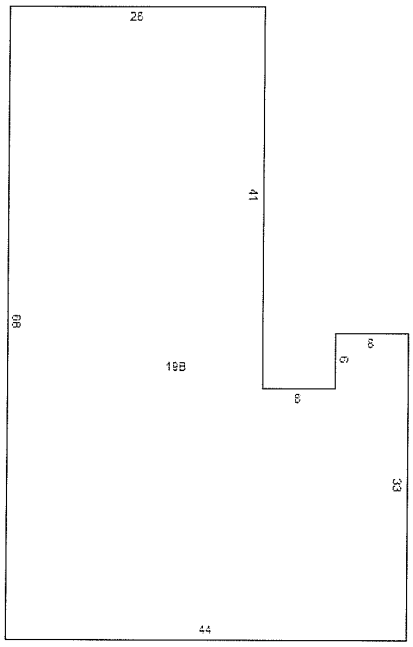
Bldg #	Permit #	Amount	Issue Date	Occ. #	Occ. Date	Description
00	7117MC	$2,900	25-OCT-07			NO
00	3025BP	$2,396	17-JUL-03			Commercial Canopy
00	2001049RF	$6,795	01-JUL-01			REPAIR/REROOF
00	5449	$25,000	01-SEP-85	5449	01-DEC-85	ALTERATIONS

Land Value Summary

Land Line	Land Use	Zoning	Front Actual/Std/Eff	Depth Actual/Std	Unit Type / Description		Units
001	COMMERCIAL OFF HWY	CBD	60/0/0	130/0	SF	SQ. FOOT	4658

Building Characteristics

Building #	Bldg Type	Beds	2 Fixture Baths	3 Fixture Baths	4 Fixture Baths	Year Built	FLA Area
01	COMMERCIAL BUILDING	0	0	2	0	1950	2,384



Commercial Building Section Details

Building #	Section #	Year Built	Area	Floors	Total Area		Type
01	01	1949	2,384	1	2,384	19B	OFF BLDG PROF NON MED AVG

release 1.0

Appraisal of:

Mountjoy & Vitter Office Property
Inverness, Florida

Appraisal Report

Location of Subject Property:

209 Courthouse Square, Inverness, Fla.

Prepared for:

Frank DiGiovanni, City Mgr.
City of Inverness
212 W. Main Street
Inverness, Florida 34450

Prepared by:

Hugh E. Tolle, SRA
Cert Gen RZ 1679
Tolle Appraisal Service, Inc.
835 NE Hwy 19; P.O. Box 485
Crystal River, Florida 34429

Effective Date of Valuation:

As-Is - Sept. 9, 2014

Report Date: Sept. 29, 2014

TRANSMITTAL LETTER

Sept. 29, 2014

Frank DiGiovanni, City Mgr.
City of Inverness
212 W. Main Street
Inverness, Florida 34450

Re: **Appraisal File #14-605**
Mountjoy & Vitter Office Property
209 Courthouse Square, Inverness, Fla.

Dear Mr. DiGiovanni:

As requested, I have prepared an **Appraisal Report** (summary narrative) for the subject property which will be identified as the Mountjoy & Vitter office property located at 209 Courthouse Square, Inverness, Citrus County, Florida. The subject, As-Is, includes a 2,219 SF GBA office building and associated site improvements on a .11 Acre non-corner site within the Inverness city limits.

The Market Value conclusion presented in this report acknowledges the fee simple interest in the subject property As-Is, as of Sept. 9, 2014.

This appraisal report includes studies of relevant factual data necessary to arrive at the market value estimate of the fee simple interest of the subject property as of the effective dates shown herein. The following report provides the legal description and narrative discussions of the subject's neighborhood, site, and existing improvements as well as market analyses required for the conclusion of market value.

The subject property was last inspected and photographed on Sept. 9, 2014, the As-Is effective date of valuation. The purpose of the inspection was to study physical characteristics of the subject and its inter-relationship with surrounding economic influences.

This appraisal report and its contents (including all market studies, analyses, opinions, projections and conclusions) was prepared according to my interpretation of appraisal standards and reporting guidelines provided by the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Standards Board of the Appraisal Foundation and Title XI of FIRREA (Federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989). As well, the report complies with reporting guidelines which are required by the Appraisal Institute and which are recommended by member institutions of the Office of Thrift Supervision (OTS) and the Office of Comptroller of the Currency (OCC).

The market value estimate of this appraisal is subject to the Certification of Value and Statement of Assumptions and Limiting Conditions as noted on the following pages. As well, the value findings of this report are predicated upon all contingencies and special conditions stated within the report.

Based upon the market analyses presented within this appraisal report as well as my investigations and studies, it is my opinion that the estimate of market value of the fee simple interest in the subject property is:

ESTIMATE OF MARKET VALUE, as of Sept. 9, 2014 $ 235,000
As-Is

The following report presents all of the relevant factual data which resulted in the estimate of market value for the subject property.

Respectfully submitted,

TOLLE APPRAISAL SERVICE, INC.

Hugh E. Tolle, SRA
Cert Gen RZ 1679

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APPRAISAL OVERVIEW

Identification of Subject

Mountjoy and Vitter office property and various associated site improvements on a .11 Acre non-corner commercial site located at 209 Courthouse Square, Inverness, Citrus County, Fla.

Property Rights Appraised

Fee simple interest

Intended Use of Appraisal

City of Inverness internal valuation analysis purposes.

Effective Date of Valuation

As-Is: Sept. 9, 2014

Site Data

Size:	4,658 SF; .11 Acre (per tax records)
Zoning/Land Use:	CBD - Central Business District
Characteristics:	Rectangular shaped non-corner site; 49 FF on Courthouse Square; downtown redevelopment area.

Bldg Improvement Data, As-Is

Type: CBlk & Wd Frm/Stucco-Brk Office (Avg/Good Cond & Qual Const)
Size: 2,219 SF GBA (2,219 SF A/C Office GLA)
Age: Blt 1950; Remodel 1986; 25 Yr Eff Age; 25 Yr Rem Eco Life

Site Improvement Data, As-Is

Central water/sewer, concrete pads, on-street parking, etc.

Highest and Best Use
Commercial Office, as improved

Market Value Indicators	**As-Is**
Sales Comparison Approach	**$ 255,000**
Income Capitalization Approach	**$ 216,000**

Market Value Estimate, As-Is **$ 235,000**

PHOTOGRAPHS

FRONT OF SUBJECT PROPERTY AS SEEN FROM THE WEST

REAR OF SUBJECT PROPERTY AS SEEN FROM THE EAST

PHOTOGRAPHS

INTERIOR VIEW OF SUBJECT LOBBY/RECEPTION AREA

INTERIOR VIEW OF SUBJECT OPEN WORKROOM AREA

PHOTOGRAPHS

INTERIOR VIEW OF SUBJECT CONFERENCE ROOM

VIEW OF COURTHOUSE SQUARE LOOKING NORTH

SUBJECT PROPERTY IDENTIFICATION

The subject is identified as the Mountjoy & Vitter professional office property which includes a 2,219 SF GBA office building, and various associated site improvements situated on a .11 Acre non-corner site located at 209 Courthouse Square, Inverness, Fla.

EFFECTIVE VALUATION DATE

The effective valuation date is: **As-Is** - Sept. 9, 2014. The report date is Sept. 29, 2014.

OBJECTIVE & USE OF APPRAISAL

The objective of this appraisal is to estimate market value of the subject property as of the valuation effective date. According to the client and intended user, City of Inverness, the appraisal will be used for internal valuation analysis purposes.

SCOPE OF APPRAISAL

Frank DiGiovanni, City Mgr., City of Inverness, has employed Hugh E. Tolle of **Tolle Appraisal Service, Inc.**, to appraise the subject property in an Appraisal Report (summary narrative) format identified herein to facilitate an internal valuation analysis. The scope of this assignment includes physical inspection of the subject property and surrounding influences of the neighborhood; research the market for comparable improved sales and/or rentals for comparison to the subject; analyze the data as it relates to the subject; conclude an estimate of market value utilizing the Sales Comparison Approach and Income Capitalization Approach, and finally, prepare an appraisal report which explains and documents the analyses and conclusions of the appraiser.

PROPERTY RIGHTS APPRAISED

Fee Simple Interest is defined as absolute ownership unencumbered by any other interest or estate. A person who owns all property rights is said to have fee simple title, subject only to the limitations of eminent domain, escheat, police power, and taxation.

DEFINITIONS OF VALUE

The following definitions of value were compiled from The Appraisal of Real Estate, Fourteenth Edition, 2013, and The Dictionary of Real Estate Appraisal, Fifth Edition, 2010.

Assessed Value

Assessed value applies in ad valorem taxation and refers to the value of a property according to the property assessment rolls. The assessed value schedule may not conform to market value, but it usually is calculated in relation to a market value base.

Market Value

Market value is defined as the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and passing of title from seller to buyer under conditions whereby:

- buyer and seller are typically motivated;
- both parties are well informed or well advised, and acting in what they consider their best interests;
- a reasonable time is allowed for exposure in open market;
- payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto;
- the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Market Value, As-Is: Value of the subject as a commercial property in its current condition. The **As-Is Market Value** presented herein **excludes** the value of personal property including furnishings, trade fixtures, and equipment (F,F&E), and/or business inventory.

SUBJECT LEGAL DESCRIPTION

TOWN OF INVERNESS PT OF SEC 17-19-20 KNOWN AS PCL 5-110-13 ON CITRUS CO ASSESSMENT MAP 595D-2 FURTHER DESC IN OR BK 6 76 PG 1106, OR BK 769 PG 339 & OR BK 925 PG 772(P VITTER TRUST 1/2 INT); PUBLIC RECORDS OF CITRUS COUNTY, FLA.

SUBJECT PROPERTY OWNERSHIP

Michael Mountjoy and Patricia B. Vitter, Trustee
209 Courthouse Square
Inverness, Florida 34450

SUBJECT OWNERSHIP HISTORY

The subject property has been under the same ownership for more than five years. The subject property is not currently MLS broker listed for sale.

SUBJECT TAX ASSESSMENT

The subject is included in the 2013 Citrus County Property Assessment Roll as Tax Parcel 17/19S/20E-0050-01100-0130 (AK 1756618) assessed at $235,990 ($57,880 Land + $178,110 Improvements) being at $106.35/SF GLA and being near market value (As-Is). The proposed 2014 assessed value is $234,100, and is also near market value. The 2013 taxes were $5,588.35. **According to Citrus County Tax Collector records, the 2013 taxes of $5,364.82 were paid current on 11/6/13 (discounted).**

INDICATION OF MARKET ANALYSIS & CRITERIA

The market identified for analysis purposes and ultimate conclusion of value herein includes the current and competitive open market, using comparable sales similarly influenced as the subject as well as economic rent and expenses. The Sales Comparison Approach and Income Capitalization Approach will be utilized in this report. The Cost Approach was not utilized due to the older actual age of the subject building bone structure. The **As-Is Market Value** presented herein **excludes** the value of personal property including furnishings, fixtures, and equipment (F,F&E) as well as business inventory. As well, this valuation process excludes goodwill of the business, intangible and/or going concern value. This conclusion is limited strictly to real estate; that is, land and improvements which are identified within this report.

HAZARDOUS WASTE CONDITIONS

The appraiser is not an expert in determining the presence of hazardous substances defined as all hazardous or toxic wastes, pollutants, or contaminants either used in construction or stored on the property. The appraiser has not been provided with certification from the client or current property owner that no hazardous substances are present which would adversely affect market value. From visual inspection of the above ground features, no apparent hazardous waste conditions appear to exist. The client is urged to obtain an environmental site assessment if complete assurance of no hazardous waste conditions is required. The market value estimate within this report assumes that there are no hazardous waste conditions within the subject property.

MARKETING & EXPOSURE TIME

Marketing Time & Exposure Time: Based on MLS sales data and discussions with area market participants, the marketing time is, and the exposure time has been between 12 to 18 months for well located improved commercial office properties in the Inverness area of Citrus County if competitively priced.

NEIGHBORHOOD ANALYSIS

The neighborhood which has the greatest influence upon the highest and best use of the subject property is best described as the land area lying within and adjacent to the City of Inverness, Citrus County, Florida. Inverness is the county seat of Citrus County which is within the northwest central portion of Florida.

This neighborhood includes a variety of uses with commercial, public/semi-public, and residential development impacting the subject to a large extent. Commercial uses within the area provide needed services for the residential base of the neighborhood within the Inverness area. The subject property lies on Courthouse Square within the downtown central business district of Inverness near the Citrus County Courthouse and City Government Building. Also, the large Citrus Memorial Hospital campus is within the city limits.

The residential and commercial land uses of the neighborhood provide the greatest impact upon the subject. The area immediately within the downtown city limits of Inverness has stabilized in new development. Subdivisions within the neighborhood range in age from new to 50+ years with homes spanning a price range from $30,000 to $500,000+. The proximity to shopping, schools, medical facilities, water recreation, government offices, and employment are the primary influences which make the subject neighborhood popular for residential purposes.

The road system within the neighborhood is good with the primary east/west thoroughfare being SR 44/W. Main Street which connects Inverness to Crystal River, and north/south roadway being US Hwy 41 which connects Inverness to Marion County. As well, the numerous City subdivisions have a network of interior streets which provide good access throughout the area. The City of Inverness provides ample parking lot facilities (240 +/- spaces) and on-street parking for downtown merchants to utilize for their customers/employees. This is considered to be a benefit to properties like the subject which have limited on-site parking due to site configuration.

Summary - The general Inverness subject neighborhood is heavily impacted by the commercial, public/semi-public, and residential uses of the area, and the recreational amenities provided with access to the Tsala Apopka lake chain and Rails-to-Trails. This area of east central Citrus County has become more of a "prime" area for retiree residential, and commercial development, due to proximity to shopping, medical services, and recreational activities. The location of the subject within this market, and particularly within the downtown central business district of Inverness, is good for potential future commercial growth as economic conditions continue to strengthen.

LEVEL "B" MARKET ANALYSIS

Citrus County had been in a declining market for most general commercial properties (vacant and improved) for over four years as a result of the past national economic recession, but appears to have reached stabilization. It has been found that sale prices have declined as much as 30% to 50%, or more for certain property types over the past few years.

A search of the current Realtors Association of Citrus County MLS data has shown an increase in vacant commercial land and improved listings in Citrus County. The vacant commercial land market is reflecting approximately 11 current properties (ranging in size from .05 acre to 1 acre) for sale on MLS with an average of 300+ DOM (days on market) within the Inverness area. Several of these listings are still overpriced whereby a few have over 600+ DOM without any price change. There continues to be an oversupply of vacant commercial land for sale in the general market area. This is also true for listings of improved commercial office properties within the Inverness area with approximately 14 properties (ranging in size from 800 SF to 11,191 SF GLA) available for sale in Inverness that are somewhat similar to the subject with an average of 400+ DOM. As well, occupancy and rental rates have declined for properties suitable for leasing like the subject.

Since early 2008, there has been a noticeable decline in sales activity when compared to the market run-up between 2003 and 2005. Also, improved commercial rental tenant demand has noticeably declined since early 2008 with a resultant increase in market vacancy. This is a result of the soft real estate market and the past general national recession.

Upon further analysis of current market trends, there continues to be a definite shift in purchasing power from sellers to buyers relative to commercial properties. The imbalance between sales and offerings has pushed sale prices downward which continues to favor buyers.

Conclusion - It would appear that pricing stability has been reached particularly with vacant and improved commercial properties that have Inverness locational characteristics like the subject, but there continues to be a slightly diminished demand for properties similar to the subject. More time is necessary to positively identify the supply and demand factors due to the past recessionary market conditions. If priced competitively, many of the vacant commercial land and improved commercial office property listings available for sale should be absorbed by the market within 12 to 18 months.

SUBJECT SITE ANALYSIS

Total Size

.11 Acre (4,658 SF); this estimate of size is estimated from the Citrus County Property Appraiser tax records. This estimate of size is assumed to be accurate, but is not warranted as such by the appraiser.

Road Frontage/Improvements

Approximately 49 FF along the east R/W of Courthouse Square, a two-lane asphalt paved public street which includes on-street parking, stormwater system, landscaped areas, and sidewalks.

Shape/Dimensions

Overall Rectangular; as it follows the boundaries of the street and adjacent lots.

Topography/Vegetation

Flat terrain with lowest levels noted in the southeast corner; sand and grassy characteristics.

Flood Zone

Zone C, Panel #120348-0002 B; Flood Insurance Rate Map dated 5/17/82 (a current survey is required to confirm).

Land Use/Zoning

The subject property lies within the CBD - Central Business District zoning/land use area which allows neighborhood commercial, office, service and/or other retail uses, and allows for some residential uses. The current office use of the property is legally allowed with the City of Inverness.

Adjacent Land Uses

North: Old Valerie Theatre/City Owned
South: Improved Commercial
East: Improved Commercial
West: Courthouse Square & Old Courthouse

Excess Land

Excess land, as defined by The Appraisal of Real Estate, Fourteenth Edition, Appraisal Institute, is: "The surplus land not needed to serve or support the existing improvement. In regard to a vacant site or a site considered as though vacant, excess land is the land not needed to accommodate the site's primary highest and best use." The subject site includes about .11 acres, of which is improved with an office building (2,219 SF GBA), rear parking area, and other site improvements. No excess or surplus land that can be subdivided will be estimated for this analysis. The City allows up to 70% building site coverage within the CBD.

Other Influences/Features

The location of the site along Courthouse Square is a positive influence as it has good visibility and access from this street. The subject property is in close proximity to the Citrus County Courthouse property. It is also beneficial to the community as it provides a commercially oriented site which typically commands higher prices in the downtown redevelopment area.

Easements/Encroachments

No current boundary survey was provided to the appraiser for review. The property appears to have no direct legal access via easement to the rear street of Dr Martin Luther King Jr Drive. The current owners are utilizing physical access from this street over private property to gain access to the rear of the subject building. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes the subject has clear and marketable title.

Conclusion

The subject site includes .11 Acres/4,658 SF (one parcel) which is currently improved with an office building. This non-corner CBD site is rectangular in shape as it conforms to the shape of the adjacent lots and street, and has a flat mostly road grade elevation. There is no apparent low-lying wetland area on this site, and the CBD zoning allows for no on-site parking requirements. The location of the subject within the downtown redevelopment area of Inverness would appear to command some type of commercial utilization.

SUBJECT IMPROVEMENT ANALYSIS

Subject Building – The subject is improved with a 2,219 SF GBA CBlk & Wd Frm/Stucco-Brick one-story (2,219 SF air-conditioned GLA) building with a flat deck built-up/membraned roof system over wood trusses, insulation, gutters, monolithic concrete slab foundation, exterior lighting, decorative glass entry door, and steel rear door. The building includes a common wall with the old Valerie Theatre that is currently being remodeled. The front entry area includes canvas canopies. The building was built in 1950 and was then significantly remodeled/upgraded in 1986. It has three offices, two bathrooms, lobby/reception, conference room, kitchen/ break room, open work room, and file storage rooms. The interior has carpet/vinyl/tile floor coverings, interior drywall partition walls, volume drywall and accoustic 2X4 tile ceilings, good wood doors/trim, a glass block wall, two HVAC systems, built-in cabinetry, florescent/incandescent lighting, Avg electrical & plumbing services, wood & aluminum framed windows, alarm system, and wallpaper wall coverings.

Site Improvements - Includes central water/sewer utilities, concrete pads, and access to on-street parking.

Rental Information – According to the owner, the subject is being leased by Bradshaw & Mountjoy, PA, for $1,100/Mth (+/-). This would not be considered an arms-length lease due to one of the subject property owners being a tenant.

Effective Age/Economic Life – The building is of Avg/Good quality construction and condition, with a 25 year estimated effective age due to the remodeling/upgrading, and an estimated remaining economic life of 25 years.

Deferred Maintenance – No significant deferred maintenance was noted at inspection.

Summary: The subject improvements are adequately designed, shows overall Avg/Good condition and quality of construction, and is functional in utility as an office property. It is assumed that all mechanical, plumbing and electrical systems are in good working order, and that all structural elements are in average condition. According to tax records and City of Inverness, the subject was designated as a historical structure by the City of Inverness in Feb. 1994. Apparently, it is not registered with the National Historic Registry. The building can be demolished and rebuilt to current footprint if the structure is not economically feasible to restore.

HIGHEST AND BEST USE SUMMARY

The basis of an appropriate conclusion of market value is the identification of the most profitable and competitive use to which a property can be placed. This is accomplished through an analysis of the property's highest and best use. The highest and best use of a property is shaped by the competitive market forces within its physical and economic neighborhood. Therefore, the study and conclusion of highest and best use is an economic analysis of market interaction which impacts the subject property. This conclusion is the foundation of the market value estimate.

The Appraisal of Real Estate, Fourteenth Edition, Appraisal Institute, defines highest and best use as, "the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value." Highest and best use considers the subject as though vacant and as improved. Highest and best use conclusion must meet four tests:

- **Physically Possible**
- **Legally Permissible**
- **Financially Feasible**
- **Maximally Productive**

The criteria of highest and best use are considered sequentially as they build upon each other in the analysis process.

The .11 acre size of the subject site and non-corner road frontage in downtown Inverness would allow many potential uses. Visibility of and access to the site from Courthouse Square is good. Location within the Inverness city limits redevelopment area is a positive influence. A variety of commercial uses would be allowed if vacant. The 2,219 SF GBA building is large enough to accomodate a variety of uses. The CBD land use would allow various commercial uses of the site with no on-site parking requirement. The current use provides maximum productivity of the site with a 48% FAR (Floor Area Ratio) due to building placement. This suggests the potential for no excess or surplus land. The office utility is physically possible upon the site. Financial feasibility as a potential rental unit would appear to be acceptable in the immediate market area due to the 2,219 SF of GLA. The current improved use would meet all four criteria for highest and best use.

Conclusion - The current office use represents the highest and best use of the subject site (legal conforming), if vacant, with no potential for surplus or excess land. The most likely buyer of the subject property would be a localized owner occupant.

SALES COMPARISON APPROACH

The Sales Comparison Approach of this appraisal will compare sales of similarly influenced properties with the subject. The reliability of this approach rests in the validity of the sales presented in terms of sale price, location, date of sale, physical characteristics, and so forth. This is accomplished by the verification process in which parties to the transactions are interviewed to verify information concerning the sales. This approach is based on the Principle of Substitution as noted earlier. In essence, this principle holds that buyers and sellers go through a process similar to the comparison process herein when selecting a property based upon personal preferences, taste, opinions and desires. Adjustments are made to the sales when differences are found after comparison to the subject.

The procedures of the Sales Comparison Approach include the investigation of the market for comparable sales based upon the best verification available. These sales are then compared to the subject and adjustments are applied (as needed) to account for differences noted. Examination and analysis of the sales and the resulting adjusted sale prices results in the best reflection of value for the subject property via the Sales Comparison Approach.

The immediate subject neighborhood and other areas of similar economic influence within the general Inverness area were researched for sales of improved properties considered comparable to the subject in terms of size, age, location and/or other physical characteristics. Five improved sales were located within the general Inverness area that had sold within the last few years and were considered for this analysis.

The sales selected and presented on the following pages provide the best reflection of value for the subject property. The sale prices provide a range of value from which an indication of the market value of the subject can be concluded. The price/gross leasable area (GLA) unit of comparison is presented herein. This comparison is appropriate for the valuation of office buildings like the subject. Because no two properties are identical, the bracketing process will be employed to account for differences between the sales and the subject with nominal percentage adjustments applied within a market adjustment grid as an equalizer.

Improved Market Sales
Subject: 2,219 SF GLA

Sale #	ID	Size (SF)	Sale Date	Adj Sale Price	Price /SF GLA
Sale 1	Gaffney	764	4/11	$ 110,000	$143.98
Sale 2	McCully	2,520	11/12	$ 295,000	$117.06
Sale 3	Davidson	2,575	7/11	$ 400,000	$155.34
Sale 4	Citrus REO	1,696	3/14	$ 159,900	$ 94.28
Sale 5	Drywell	3,740	2/12	$ 350,000	$ 93.58

Improved Sale 1 is a Wood Frm/Stucco office building (Blt 1958/ Remodel 2006) located about 2 blocks northwest of subject with 764 SF GLA. It is located on a .17 acre non-corner site with parking/drive area, central water/sewer, shed, and 112 FF on W. Dampier St. The older 4/11 sale date would require a downward time adjustment due to current market conditions (transactional). The average/good quality of construction and age/condition were similar to subject. The location, commercial land use, and general office design are similar to subject. The inferior roadway site/view requires an upward adjustment. The slightly superior site improvements requires a downward adjustment. The smaller building size requires a downward adjustment (economies of scale).

Improved Sale 2 is a 2,520 SF GLA CBlk/Stucco office (built 1994; remodeled later) building located .50 mile southwest of subject on a .37 acre corner site in the south downtown area of Inverness. This property includes a paved driveway/parking area, landscaping/ irrigation, central water/sewer, and ID signage. The location, Avg/Good quality construction, building size, commercial land use, and office design would be somewhat similar to the subject. The inferior Avg condition requires an upward adjustment. The inferior roadway site/view requires an upward adjustment. The superior site improvements requires a downward adjustment.

Improved Sale 3 is a 2,575 SF GLA CBlk/Stucco general office building (built 1996) located .25 miles west of subject on US Hwy 41 in the downtown area of Inverness. This property includes central water/sewer and paved parking lot. It is located within Inverness on a .75 acre corner site with 140 FF on US Hwy 41. The 7/11 sale date requires a downward time adjustment (transactional) due to current market conditions. The inferior Average quality construction and condition require upward adjustments. The location, building size, and commercial land use would be somewhat similar to the subject. The superior site improvements and downtown US Hwy 41 corner roadway site/view would require downward adjustments. The superior rear surplus land (.32 acres) requires a downward adjustment.

Improved Sale 4 is a CBlk/Stucco 1,696 SF GLA general office building (built 1973, later remodeled) located about one mile south of subject on the east side of US Hwy 41 on a one acre site. This property includes central water/sewer, ID sign, rear grass parking lot, and front asphalt paved parking lot. This inferior US Hwy 41 roadway site/view requires a slight upward adjustment. The inferior Low/Avg quality construction and older effective age/condition requires upward adjustments. The superior site improvements requires a downward adjustment. The Inverness location, commercial land use and office design would be somewhat similar to subject. The smaller building GLA size requires a downward adjustment (economies of scale). This larger site includes no surplus land due to the rear low-lying topography adjacent to Rails-to-Trails.

Improved Sale 5 is a one-story CBlk/Stucco three unit office building with 3,740 SF GLA built 1985 and located about one block northwest of subject on N. Pine Avenue. This Average condition and cost quality building is inferior to subject requiring upward adjustments. The location and commercial land use are similar to subject. The superior multi-unit office building design and site improvements requires downward adjustments. The inferior roadway site/view requires an upward adjustment. The larger building size would require an upward adjustment due to economies of scale.

IMPROVED SALES ADJUSTMENT GRID:

SALE #	#1	#2	#3	#4	#5
I.D.	GAFFNEY	MCCULLY	DAVIDSON	CITRUS	DRYWELL
SALE DATE	4/11	11/12	7/11	3/14	2/12
IND SALE PRC	$110,000	$295,000	$400,000	$159,900	$350,000
PROPERTY RTS	0.00	0.00	0.00	0.00	0.00
FINANCING	0.00	0.00	0.00	0.00	0.00
SALE CONDTNS	0.00	0.00	0.00	0.00	0.00
TIME (MKT COND)	-0.05	0.00	-0.05	0.00	0.00
ADJ SALE PRICE	$104,500	$295,000	$380,000	$159,900	$350,000
IMP SIZE/GLA	764	2,520	2,575	1,696	3,740
PRICE/SQ FT	$ 136.78	$ 117.06	$ 147.57	$ 94.28	$ 93.58
LOCATION	0.00	0.00	0.00	0.00	0.00
SITE/VIEW	0.05	0.05	-0.05	0.05	0.05
QUALITY CONST	0.00	0.00	0.05	0.10	0.05
AGE/CONDITION	0.00	0.05	0.05	0.10	0.05
DESIGN/UTILITY	0.00	0.00	0.00	0.00	-0.05
LAND USE	0.00	0.00	0.00	0.00	0.00
SIZE (ECO SCLE)	-0.10	0.00	0.00	-0.05	0.10
SITE IMPRVMNTS	-0.05	-0.10	-0.10	-0.05	-0.10
SURPLUS LAND	0.00	0.00	-0.05	0.00	0.00
NET % ADJ	-0.10	0.00	-0.10	0.15	0.10
ADJ $/SQ FT	$ 123.10	$ 117.06	$ 132.81	$ 108.42	$ 102.94

Value Conclusion -

Range: $102.94/SF to $132.81/SF GLA
Mean: $116.87/SF GLA
Median: $117.06/SF GLA

After accounting for all superior and inferior features of each improved sale, value emphasis will be given to above $108.42/SF (highest unit value of Improved Sale's 4 & 5), and below $117.06/SF (lowest unit value of Improved Sale's 1, 2, & 3).

Therefore, giving emphasis to below the mean of all five adjusted sales ($116.87/SF) being weighted towards Improved Sale's 2, 4, & 5 due to their most recent sale dates, the subject's price/SF (As-Is) is estimated to be $115.00/SF GLA, or:

2,219 SF GLA X $115.00/SF	$ 255,185
INDICATION OF MARKET VALUE VIA SALES COMPARISON APPROACH (rnd) As-Is	**$ 255,000**

IMPROVED SALE 1

COUNTY:	Citrus
RECORDING:	2418/1634
LOCATION:	205 W. Dampier St. Inverness, Citrus County, Fla.
SALE DATE:	4/2011
IND. SALE PRICE:	$ 110,000
UNIT PRICE INDICATOR:	764 SF $143.98/SF, GLA
FINANCING:	Cash & Bank Mtg @ Mkt Terms at closing
GRANTOR:	Emerald Hills Properties, Inc.
GRANTEE:	Karen Gaffney Trustee
LEGAL DESCRIPTION:	Lengthy metes & bounds in 17/19/20; CC
ZONING:	C - Commercial
USE AT SALE DATE:	Unoccupied General Office

SITE DESCRIPTION:	.17 AC (7,458 SF); non-corner 112 FF on W. Dampier St; mulched driveway/parking; no excess Land; 100% upland; includes central water and sewer; storage shed.
BLDG DESCRIPTION:	Wd Frm/Stucco office, built 1958 as SFR & Remodel to Office in 2006; 764 SF GLA & 25 SF cov entry; 2 offices, lobby/reception, bathroom, kitchenette & conference room. Avg/Good condition & Qual of construction.
RENTAL INFORMATION:	Owner Occupied at sale date
COMMENTS:	Avg general office with good downtown Non-corner location in Inverness.
VERIFIED WITH:	Grantee; 4/2011 (appraised by Hugh Tolle)
VERIFIED BY:	Hugh E. Tolle, SRA
TAX PARCEL:	17/19/20-0050-01120-0011

IMPROVED SALE 2

COUNTY:	Citrus
RECORDING:	2516/572
LOCATION:	102 E. Highland Blvd. Inverness, Citrus County, Fla.
SALE DATE:	11/2012
SALE PRICE:	$295,000
ADJ SALE PRICE:	$295,000
UNIT PRICE INDICATOR:	Per 2,520 SF $ 117.06/SF, GLA
FINANCING:	Cash & Bank Mtg with typical market terms
GRANTOR:	Invermed Properties, LLC
GRANTEE:	McCully Snyder Pharmacy, Inc.
LEGAL DESCRIPTION:	Town of Inverness, Blk 91, Lot 6; CC
ZONING:	C - Commercial
USE AT SALE DATE:	Pharmacy Office

SITE DESCRIPTION:	.37 AC (16,250 SF); at road grade with corner site/view; central water/sewer; ID Sign; landscaping; concrete paving.
BLDG DESCRIPTION:	CBlk/Stucco Office building, Blt 1994; 2,520 SF GLA A/C office area; Avg/Good quality & Avg condition at purchase.
RENTAL INFORMATION: at sale date	Leased at $12/SF, NNN, at sale date (100% occupied) per previous office manager. Est 5% Operating Expense Ratio.
COMMENTS:	Good location in Inverness on Highlands Blvd in area of medical offices, bank branch & Citrus Memorial Hospital campus.
VERIFIED WITH:	Grantee’s Ofc Mgr; 12/2012
VERIFIED BY:	Hugh E. Tolle, SRA
TAX ID:	17/19/20-0050-00910-0060

IMPROVED SALE 3

COUNTY:	Citrus
RECORDING:	2430/687
LOCATION:	1101 N. US Hwy 41 Inverness, Citrus County, Fla.
SALE DATE:	7/2011
IND. SALE PRICE:	$ 400,000
UNIT PRICE INDICATOR:	2,575 SF $ 155.34/SF, GLA
FINANCING:	Cash & Bank Mtg @ typical market terms
GRANTOR:	Byron Costley
GRANTEE:	Davidson 41, LLC
LEGAL DESCRIPTION:	Multiple lots in Pine Hill Addtn Inverness Subdivision, Less road R/W; CC

ZONING:	C - Commercial
USE AT SALE DATE:	General Office Bldg (unoccupied)
SITE DESCRIPTION:	.75 AC (32,813 SF); at road grade with 140' on south side of US Hwy 44; corner site; small paved parking/driveway; .32 Acre Excess Land; central water/sewer.
BLDG DESCRIPTION:	2,575 SF GLA CBlk/Stc Bldg; Built 1996; Average Qual construction and Avg Cond. General Office with 2 bathrooms, lobby/ reception, conference room, break room, Offices, etc. One-story office building design.
RENTAL INFORMATION:	Unoccupied at sale date.
COMMENTS:	Building was primarily owner-occupied as insurance office, and located across from the Bank of America office. Excess land contributed $50,000 to sales price.
VERIFIED WITH:	Grantor's Agent; 8/2011
VERIFIED BY:	Hugh E. Tolle, SRA
TAX PARCEL:	18/19/20-0030-000E0-0250 & -0210

IMPROVED SALE 4

COUNTY:	Citrus
RECORDING:	2612/1896
LOCATION:	625 S. Highway 41 Inverness, Fla.
SALE DATE:	3/2014
IND. SALE PRICE:	$ 159,900
ADJ. SALE PRICE:	$ 159,900
UNIT PRICE INDICATOR:	1,696 SF $ 94.28/SF, GLA
FINANCING:	Cash & PMM @ typical market terms
GRANTOR:	John Brudnock
GRANTEE:	Citrus REO Services
LEGAL DESCRIPTION:	Lengthy metes & bounds in 21/20/19; CC
ZONING:	C (Commercial)

USE AT SALE DATE:	General Office Bldg (non-occupied)
SITE DESCRIPTION:	1 AC (44,171 SF); front at road grade with 100' on east side of US 41; non-corner site; paved parking/driveway; no surplus land (rear low); central water/sewer.
BLDG DESCRIPTION:	1,696 SF GLA CBlk/Stucco Bldg with 265 SF covered front canopy; Built 1973; Low/Avg Qual construction and Avg Condition; has several offices, lobby, 2 bathrooms, and two large open work rooms.
RENTAL INFORMATION: At Sale Date	None Available
COMMENTS:	Good US Hwy 41 location general office building in south Inverness. This was a previous engineering company, but will be converted to a real estate office use.
VERIFIED WITH:	MLS/Donnie Bass & Public Records; 8/2014
VERIFIED BY:	Hugh E. Tolle, SRA
TAX PARCEL:	21/20/19-44310-0030

IMPROVED SALE 5

COUNTY:	Citrus
RECORDING:	2461/1642
LOCATION:	112 N. Pine Ave., Inverness, Fla.
SALE DATE:	2/2012
IND. SALE PRICE:	$ 350,000 $ 93.58/SF, GLA
FINANCING:	Cash & Bank Mtg @ typical market terms
GRANTOR:	HL Sibernagel, LLC
GRANTEE:	Drywell Group, LLC
LEGAL DESCRIPTION:	Town of Inverness, Blk 111, Lt's 4,5,6; CC
ZONING:	CBD - Central Business District
USE AT SALE DATE:	Three Unit Office Center

SITE DESCRIPTION:	.56 AC (24,375 SF); at road grade with 150' on east side of Pine Ave; non-corner site; paved parking/driveway; no excess land; central water/sewer; ID Sign.
BLDG DESCRIPTION:	3,740 SF GLA CBlk/Stc Bldg with 135 SF covered entry porches; Blt 1985; Avg quality construction; 3 rental units.
RENTAL INFORMATION: at sale date	100% Occupied; 30% Op Expense Ratio; $12.50 SF Avg Mkt Rental Rate; 9.35% Ro; (Est.)
COMMENTS:	Avg Quality/Condition 3 unit Office Ctr on N. Pine Ave in downtown Inverness.
VERIFIED WITH:	Grantee’s Agent; 5/2012
VERIFIED BY:	Hugh E. Tolle, SRA
TAX PARCEL:	17/19/20-0050-01110-0040

INCOME CAPITALIZATION APPROACH

The Income Capitalization Approach provides an appropriate indication of value when the property being appraised evidences income-producing capabilities. Actual income production from properties considered similarly influenced as the subject are analyzed and compared to the subject for income stream quality and durability, vacancy allocations, and expense performance, resulting in an estimate of net operating income (NOI). The estimate of NOI is then converted to property value by direct capitalization.

The methodology of estimating net operating income and the capitalization process includes the following steps:

- Estimate the potential income (PI; net or gross) of the subject from all sources available to the property based upon the property type.

- Estimate the most probable allocation of vacancy and collection loss from available market evidence such as current and historical performance of the subject and from comparable rental properties; this estimate is deducted from PI resulting in effective gross income (EGI) attributable to the subject.

- Forecast the expenses of the subject that are the responsibility of the lessor which are typical to the property and supported by rental comparables; the expenses are deducted from EI resulting in the expected NOI.

- The conversion of NOI to property value can be accomplished by two methods of direct capitalization: mortgage-equity analysis and/or market extraction.

I. POTENTIAL GROSS INCOME ESTIMATE

The subject property could be an income-producing property with rent as the primary income source. The following rent study is based upon the subject with 2,219 SF GLA. The general economic neighborhood was searched for office rental properties which were considered comparable to the subject with respect to location, quality construction, age/condition, or other characteristics. The unit of comparison utilized was based on an annual gross rent per SF of GLA. Due primarily to the past economic recession, tenant demand has been down and market rental rates are down. This has placed downward pressure on the market rental rates utilized for this analysis.

Office Market Rent:

Due to the subject's above average quality of construction, we estimate office market rent above the mean ($15.21/SF) of similar office rentals at **$16.00/SF**, **Gross**, giving most emphasis to the local *Citrus County office market rentals.

ID:	Office	Location	SF Area	Term	Avg Rent/SF
1	Gentiva Health	*Lecanto	2,000 SF	Shrt	$19.99/SF
2	Heritage Square	*Crystal R	6,000 SF	Shrt	$13.20/SF
3	210 Tompkins Str	*Inverness	4,400 SF	Shrt	$12.00/SF
4	Colonial Plaza	*Inverness	2,400 SF	Shrt	$11.25/SF
5	Parkside Plaza	*Inverness	1,200 SF	Shrt	$17.00/SF
6	15427 Cortez Blvd	Brooksville	2,500 SF	Shrt	$13.44/SF
7	Meadowbrook Prof.	Ocala	8,535 SF	Shrt	$16.00/SF
8	Reed Prof. Plaza	Ocala	2,400 SF	Shrt	$16.00/SF
9	Shady Road Prof.	Ocala	10,144 SF	Shrt	$18.00/SF
			Range	$11.25 - $19.99	
			Mean	$15.21	

Potential Gross Income (PGI) Conclusion –

The rentals utilized are located in the general northwest central Florida market area and are considered the best available for comparison to subject at time of this analysis. Therefore, we have concluded Potential Gross Income of:

Potential Gross Income Estimate

Office Rental 2,219 SF @ $16.00/SF **$ 35,504**

II. **SUSTAINED VACANCY AND COLLECTION LOSS**

The conclusion of sustained vacancy and collection loss applicable to the subject property is based upon occupancy information provided by area property managers and rental comparables similarly influenced within the subject's market area. Vacancy has increased due to less tenant demand. Based on this information, we have concluded an estimate of annual sustained vacancy and collection loss for the subject at **15% of Potential Gross Income, or $5,326.**

III. **OPERATING EXPENSES**

Property expenses include payments required for periodic maintenance of the subject as well as continued production of income. Property operating expenses are typically divided into fixed expenses such as real estate taxes and insurance, as well as maintenance (Bldg/Grounds), reserve for replacement, and management expenses. The forecast effective gross income conclusion of $30,178, annually, acknowledges lessor paying all operating expenses. We requested, but were not provided with detailed

operating expense data for the subject. The expenses below were *estimated from similar market rental properties.

Real Estate Taxes (2013 Actual)	$ 5,365
*Insurance (Property @ $.75/SF GLA)	1,664
*Maintenance (Bldg & Grnds @ $200/Month)	2,400
*Management (2.5% of EGI)	754
*Replacement Reserve ($.25/SF GLA)	555
Total Expenses	**$ 10,738**
35.58% of EGI	

IV. **NET OPERATING INCOME**

The following is an illustration of the concluded potential gross income estimate from which the estimate of vacancy and collection loss, and expenses applicable to the subject is then subtracted resulting in the net operating income (NOI) of the subject.

Gross Income Estimate (PGI)	$ 35,504
LESS: Vacancy & Collection Loss (15%)	(5,326)
Effective Gross Income (EGI)	$ 30,178
LESS: Expenses 35.58% of EGI	(10,738)
Net Operating Income (NOI)	**$ 19,440**

V. **OVERALL RATE SELECTION**

The final step in the Income Capitalization Approach is the conversion of net operating income into property value. In this report, the method which will be presented is capitalization. This technique includes capitalizing NOI by an appropriate overall rate (Ro) which is expressed as a ratio between sale price and NOI. The two procedures typically employed to conclude an appropriate Ro include mortgage-equity analysis (Band of Investment) and market extraction. Also, investor surveys can be utilized.

Mortgage-Equity Analysis

Most real estate is purchased with a combination of mortgage and equity funds. The mortgage-equity analysis acknowledges the influences of both the mortgage and equity positions upon the value of a property. The unique feature of the mortgage-equity procedure is the consideration of mortgage terms and equity yields as factors which influence the Ro. The mortgage-equity analysis recognizes that the typical investor will seek the best mortgage terms

available in the market which will yield the greatest return to the equity position. From the investors view, the Ro is the percentage of the total investment which is required to satisfy debt service and provide the required yield on the equity position. In this appraisal, the calculation of Ro is accomplished via the Band of Investment form of mortgage-equity analysis.

Band of Investment

Deriving an Ro via the Band of Investment procedure includes the calculation of the mortgage ratio times the mortgage constant added to the equity ratio times the equity dividend rate. The mortgage ratio is expressed as a percentage of the amount of mortgaged funds compared to the total value of the property. The mortgage constant is a factor which acknowledges the amortized payment of the mortgage including principal and interest. The equity ratio is also known as the downpayment while the equity dividend rate (synonymous with cash on cash return or cash flow rate) is the ratio of NOI after debt service to the original downpayment.

Of the four elements required for the calculation of Ro via the Band of Investment, the mortgage ratio, mortgage constant, and equity ratio are easily obtained from the market. However, the equity dividend rate must be extracted from sales of properties considered similarly influenced as the subject to properly account for the most reliable indication of equity dividend for the subject. Investor surveys were reviewed, and the market area was researched for sales considered similar to subject which led to an **11.5% equity dividend rate** conclusion.

Band of Investment

.70 (mtg. ratio) x .080243 (mtg. constant)♦	= .0562
.30 (equity ratio) x .1150 (equity div.)	= .0345
Indicated Ro:	**.0907**

♦ 20-year term, 5.0% Int fixed, monthly pmts

Market Extraction

The appraiser need not be satisfied with an artificial or manufactured Ro. Capitalization rates are most meaningful when they are extracted from the market of sales considered similar to the subject. The market extraction procedure includes the analysis of sales of improved properties which were leased at the time of sale which include overall similar characteristics as the subject. This procedure of deriving an Ro can be extremely reliable when there is sufficient verified data available to the appraiser. Information concerning NOI and sale price from the following sales provide a range of Ro via market extraction.

Market Extraction

Sale ID	Location	SF GLA Size	Sale Date	Sale Price	NOI	Ind Ro
A 810 Medical	Inverness	6,920	5/12	$ 922,500	$ 90,029	9.76%
B 102 E Hghlnd	Inverness	2,520	11/12	$ 295,000	$ 28,728	9.74%
C 132 10th Ave	Safety Hr	6,271	2/13	$ 669,000	$ 58,530	8.75%
D 141 Waterman	Mt Dora	4,284	7/14	$ 321,100	$ 27,645	8.61%
E 2337 Forest	Inverness	5,250	12/10	$ 480,000	$ 39,036	8.13%
F 7989 S Sunc	Homosassa	7,560	10/10	$ 800,000	$ 71,820	8.98%

Market Extraction Conclusion -

Range: 8.13% to 9.76%
Mean: 9.00%
Median: 8.87%

All sales were medical and/or office rental properties with basic overall comparability with the subject. Therefore, with most emphasis given to the mean of all sales weighted towards the most recent sales, I have concluded an appropriate Ro via market extraction of **9.00%**.

Investor Surveys

The results of the recently published Korpacz investor survey, by Price Waterhouse Coopers, and a RealtyRates. Com survey, reflects 3rd Qtr 2014 Overall Capitalization Rates at:

	Price Waterhouse SE Fla Office	RealtyRates.Com Suburban Office	Average
Range	5.00% to 10.50%	4.80% to 11.99%	
Average	7.74%	9.17%	8.46%
Prev Qtr Change	.02		

Since the subject property is located in a somewhat rural market, and being that the surveys were taken from primarily institutional investors of office properties in larger markets, these surveys will be given least emphasis.

Overall Rate Conclusion -

Band of Investment: 9.07%
Market Extraction: 9.00%
Investor Surveys: 8.46%

The market extraction method provides the a good indication of Ro as the sales presented include similarity with the subject. The band of investment procedure also provides an appropriate indicator as it reflects current financial data as it pertains to the

subject. The published surveys will be given least emphasis. As a result, I have concluded an Ro to be used in the capitalization procedure which gives most weight towards the market extraction method at **9.00%**.

VI. CAPITALIZATION

The following capitalization summary combines each of the steps outlined previously resulting in the indicated value of the subject via the Income Capitalization Approach.

Gross Income Estimate (PGI)	$ 35,504
LESS: Vacancy & Collection Loss (15%)	(5,326)
Effective Gross Income (EGI)	$ 30,178
LESS: Expenses 35.58% of EGI	(10,738)
Net Operating Income (NOI)	**$ 19,440**
Capitalization $ 19,440 [NOI] ÷ 9.00% [Ro] =	$ 216,000
Indication of Value	$ 216,000
INDICATION OF MARKET VALUE VIA INCOME CAPITALIZATION APPROACH (rnd) **As-Is**	**$ 216,000**

FINAL RECONCILIATION

The approaches to value presented herein have produced the following indications of market value for the subject property.

	AS-IS
COST APPROACH:	**$ N/A**
SALES COMPARISON APPROACH:	**$ 255,000**
INCOME CAPITALIZATION APPROACH:	**$ 216,000**

The Cost Approach is typically utilized to estimate the value of a subject property by adding the reproduction cost of the improvements to the contributory value of the site improvements, and land value. Care must be utilized when emphasizing this approach due to the degree of subjectivity involved in estimating depreciation. Due to the older age of the subject building bone structure, a lesser degree of reliability would have been given to this approach. The Cost Approach was not considered applicable for use.

The Sales Comparison Approach presented five sales of similar improved properties for comparison to the subject which were located within the Inverness area. Each comparable included individual components of similarity with the subject which provided enough comparability to make this study a reasonably strong approach to value. The inherent strength of the Sales Comparison Approach is that it mirrors, to a large extent, the actions of buyers and sellers in the marketplace.

The market was procedurally inspected for income revenue from comparable office rentals, expense allocations, and overall rates for utilization in direct capitalization. Generally, the strength of the Income Capitalization Approach lies in the data which is extracted directly from the market and applied to the subject. In this appraisal, the comparability of rental data for office properties within the Citrus County area was utilized. The conclusions made are supported by market occurrences for similar type properties, and therefore are appropriately applied.

The Income Capitalization Approach mirrors, to a large extent, the investor searching for the anticipated benefits of future cash flow commensurate with the risk involved in the operation of a rental property. The subject property is occupied by one of the owners. The indicator from the Income Capitalization Approach is considered to be a reasonable reflection of the market value estimate for the subject property and appropriately sets the lower end of the value range.

In this appraisal, the Sales Comparison Approach provides the most reliable indication of value and will be given most weight. This is due to the subject property being an above average quality office property which is most likely to be owner-occupied.

Therefore, based on investigations and studies as presented within this Appraisal Report, it is my opinion that the market value estimate of the fee simple interest in the subject is:

ESTIMATE OF MARKET VALUE, As-Is **$ 235,000**
as of Sept. 9, 2014

CERTIFICATION OF VALUE

I certify, to the best of my knowledge and belief, that:

- The statements of fact contained within this appraisal report are believed to be true and correct and we have not knowingly withheld any information concerning the subject property.

- The analyses, opinions, and conclusions of this appraisal are limited only by the reported Statement of Assumptions and Limiting Conditions as noted within this report, and are my personal, unbiased professional analyses, opinions and conclusions.

- I have no specified present or prospective interest in the property that is the subject of this appraisal, and we furthermore, have no specified personal interest or bias with respect to the parties involved; the value findings of this report are not based in whole or in part upon the race, color or national origin of the parties involved or on the present owners or occupants of the properties in the vicinity of the subject property.

- Employment of and compensation for appraising the subject property is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

- The analyses, opinions, and conclusions of this appraisal report have been prepared in conformity with the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Standards Board of the Appraisal Foundation.

- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

- I have personally inspected the subject property and have made a visual inspection of all comparable sales and/or all rentals which are presented within the report.

- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

- No one other than the undersigned provided significant professional assistance in the assemblage of data, formulation of analyses, opinions, and conclusions, and preparation of the appraisal report. No change of any item in the appraisal report shall be made by anyone other than ourselves, and we shall not be responsible for any such unauthorized change(s).

- As of the date of this report, I have completed the continuing education program of the Appraisal Institute.

- This appraisal assignment was not made, nor was the appraisal rendered on the basis of a requested minimum valuation, specific valuation, or the amount which would result in approval of loan.

- Hugh E. Tolle has performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three year period immediately preceding acceptance of this assignment.

- I have extensive experience in the appraisal of office type properties in the northwest central Florida area.

Market Value: $ 235,000
As-Is

Report Date: Sept. 29, 2014

Hugh E. Tolle, SRA
Cert Gen RZ 1679

STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS

The value estimates which result from the analyses, opinions, and conclusions of this appraisal report are subject to the following assumptions and limiting conditions:

1. The contents of this appraisal report are **confidential** and no one other than the client shall use or rely upon this report or a copy thereof, in whole or in part, including conclusions as to the property value, the identity of the appraiser, professional designations, reference to any professional appraisal organizations, or the firm with which I am connected, for any purposes. Exceptions to this include a third party as specified in writing by the client. The expressed written consent of the appraiser must be obtained by all other parties before the representations of the appraisal report, expressed or implied, shall inure to the benefit of the third party.

2. Information, opinions, and estimates provided by sources other than myself which are included within this report are believed to be reliable and accurate. However, I assume no responsibility or liability for inaccurate representations made by others.

3. The content of this appraisal report is to be utilized in total with no portions or fractions thereof being used separately or taken out of context. Redistribution of this report in any other form than in total could be misleading to the reader and misrepresent the conclusions of value presented within the report. I assume no liability for such actions by others.

4. The value conclusions presented within this report are contingent upon competent management of the subject property and business. Knowledgeable management of the property is critical to the success of the operation; it is therefore assumed to be an extension of the highest and best use of the property.

5. I have made a diligent effort to verify each comparable sale presented within the report. However, because some parties to the transaction may reside outside of the region or were unavailable for interviewing, certain sales may have been verified through public records only.

6. No opinion within this report is intended to be expressed for legal matters or that which would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers; although, such matters may be discussed within the report.

7. I have rendered no opinion of title. Data on ownership and the legal description were obtained from sources generally considered reliable. Title is assumed to be marketable and free and clear of all liens and encumbrances, easements, and restrictions except those specifically discussed within the report.

8. The value findings of this appraisal are contingent upon the conclusions of a qualified survey of the subject property in terms of size, dimensions of the land and/or improvements, and the location of those improvements on-site. Significant differences between the survey and the representations made by the client and reported herein may result in the need for re-evaluation of the appraisal process as it relates to the subject. Any sketches of the subject (land and/or improvements) presented within the report are for visualization purposes only.

9. Although the flood hazard status for the subject has been stated within the report, it is recommended that more in-depth information be obtained prior to development upon the site.

10. I assume no responsibility for hidden or unapparent conditions of the property, soil structure, or improvements, which would impact the value of the subject. It is incumbent upon the owner of the subject to employ experts for appropriate testing (soil borings, hydrology, seismographic) if such conditions exist. No opinion is expressed as to the value of subsurface oil, gas, or mineral rights and the property is not subject to surface entry for the exploration or removal of such materials except as it is expressly stated.

11. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did I become aware of such during the property inspection. I have no knowledge of the existence of such materials on or in the property unless otherwise stated. I am, however, not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde, foam insulation, radon gas, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicted on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in the field of environmental impacts upon real estate if so desired.

12. The conclusions presented within this report are warranted as accurate representations of value, subject to the Certification of Value and Statement of Assumptions and Limiting Conditions specified herein, as of the effective date of valuation. I assume no responsibility for economic or physical factors occurring at some later date which may affect the opinions of value herein stated.

13. The conclusions of value presented within the report are opinions and estimates of the appraiser. There is no guarantee, written or implied, that the subject property will sell for the precise estimate(s) of value contained herein.

14. Forecasted projections presented within this report are utilized to assist in the valuation process and are based on current market conditions, anticipated short term supply and demand factors, and a continued stable economy. Therefore, the projections are subject to changes in future conditions that cannot be accurately predicted by the appraiser and could affect the future income or value projections.

15. The distribution of value between land and improvements as noted within the Cost Approach of this appraisal is applicable only within the confines of the conclusion of highest and best use. The separate value conclusions for land and improvements cannot be used in conjunction with any other appraisal and are invalid if so used. If value conclusions are made herein which represent different programs of utilization for the same property, these value conclusions are made separately from each other and cannot be combined as there would be a "doubling" effect upon the final value conclusion.

16. If the value conclusions presented herein are subject to proposed construction, repairs and/or remodeling, timely completion in a workmanlike manner according to the plans and specifications is a contingency of this report. Unforseen adverse conditions that may influence such timely completion, including (but not limited to) weather, labor, materials availability and the like are considered to be non-existent for valuation purposes.

17. Plans and specifications furnished by the client for proposed construction, and upon which value conclusions of this report have been predicated, are assumed to show the intent of the builder. I assume no responsibility for their accuracy or for undisclosed modifications. A copy of the plans and specifications have been retained in the file memorandum when possible.

18. The market value estimate(s) concluded herein for proposed properties assume full, complete, and timely development in accordance with plans, specifications, and representations made to the appraiser and described within the report. I assume no responsibility when this does not occur or when there are significant variances from the norm in terms of timely completion in accordance with plans and specifications provided to the appraiser. As well, I assume no liability for loss in value of the subject property, or its proposed development, when the developer's practices vary from the representations made to the appraiser and described within the report.

19. If this appraisal is to be used for mortgage loan purposes, the applicable lending procedures must be consistent with acceptable lending practices as promulgated by the Office of Thrift Supervision (formerly the Federal Home Loan Bank Board), The Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation, and the Savings Association Insurance Fund (formerly the Federal Savings and Loan Insurance Corporation). I assume no liability for a loss in value applicable to the subject, or its proposed development, which occurs as a result of lending practices which vary from generally accepted mortgage underwriting guidelines as established by institutions such as the OTM, OCC, FDIC and the SAIF, or when the loan proceeds are diverted to other parties, uses or properties.

20. Expert witness testimony or attendance in court or at any other hearing by Hugh E. Tolle, SRA, is not required by reason of rendering this appraisal unless such arrangements are made a reasonable time in advance.

21. The Americans with Disabilities Act (ADA) became effective January 26, 1992. I have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since I have no direct evidence relating to this issue, I did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

22. Disclosure of the contents of the appraisal report is governed by the bylaws and regulations of the Appraisal Institute.

24. This appraisal report, including the format style, spreadsheet data and addenda, is the property of the appraisal firm of **Tolle Appraisal Service, Inc., and City of Inverness**, and no portion of the report is to be reproduced without the expressed written permission of **Tolle Appraisal Service, Inc., and City of Inverness**.

25. The value conclusions of this report are subject to these assumptions and limiting conditions as well as others stated or implied within the report.

ENGAGEMENT LETTER

TOLLE APPRAISAL SERVICE, INC.

Real Estate Appraisers & Consultants

Hugh E. Tolle, SRA
State-Certified General Real Estate Appraiser

www.TolleAppraisalService.com
HughTolle@ TolleAppraisalService.com

APPRAISAL ENGAGEMENT

Aug. 15, 2014

Frank DiGiovanni, City Mgr.
City of Inverness
212 W. Main Street
Inverness, Florida 34450

Re: **Appraisal Report (Summary Narrative)**
209 Courthouse Square, Inverness, Fla.

Dear Mr. DiGiovanni:

This letter is confirming your request for a real estate Appraisal Report on the above referenced property to determine current Market Value of the fee simple interest, As-Is.

The total fee will be $2,000.00 for the appraisal report which is due at time of report delivery payable to Tolle Appraisal Service, Inc. The report will comply with USPAP, and will be completed within approximately three weeks of the engagement date.

It is our understanding the report should be certified to: _____ City of Inverness _____ with a effective valuation date as of __current date of inspection__.

If available, please forward a copy of most recent boundary survey, and any other data you feel pertinent to the appraisal process.

If acceptable, please have signed/dated this engagement letter below and return to our office. Thank you for allowing us to service your appraisal needs. If you have any questions, please don't hesitate to call at (352) 563-0222.

Sincerely,

Tolle Appraisal Service, Inc.

Hugh E. Tolle, SRA
Cert. Gen. RZ 1679

8/18/14
Acceptance Date:

Accepted By:

835 NE Hwy 19. P.O. Box 485 • Crystal River, Florida 34429 • 352-563-0222 • Fax 352-795-0722

QUALIFICATIONS - HUGH E. TOLLE, SRA, REAL ESTATE APPRAISER

United States Air Force, 1974-78
Bachelor of Science Degree, Florida Southern College, 1980
AVP, Operations, Citizens 1st Nat'l Bank Citrus County, 1982-84
MBA Post-Baccalaureate Studies, Florida Southern College, 1987
Appraiser, Tolle Appraisal Service, Inc., 1987 To Present

PROFESSIONAL DESIGNATIONS AND ORGANIZATIONS

Florida State Certified General Appraiser, License #RZ0001679
SRA Member, Appraisal Institute, Mbr #50901
General Associate Member of the Appraisal Institute (MAI Associate)
FHA Appraiser, License #FLRZ1679
VA Appraiser, #5000533
Florida Real Estate Broker, License #BK452046
Citrus County Board of Realtors
Citrus County Chamber of Commerce

REAL ESTATE EDUCATION AND EXPERIENCE

Florida Licensed Real Estate Broker, 1987 To Present
Special Master, Citrus County Value Adjustment Board, 2003
City of Crystal River Planning Commissioner, 2005 to 2008

APPRAISAL COURSES AND EDUCATION

National Association of Master Appraisers:
Principles of Real Estate Appraisal, Course 627, 7/89
Practice of Real Estate Appraisal, Course 636, 7/89
Writing the Narrative Appraisal, Course 660, 7/89

Society of Real Estate Appraisers:
Introduction to Appraising Real Property, Course 101, 12/87
Applied Residential Property Valuation, Course 102, 10/88
Introduction to Income Capitalization, 12/87
Appraisal Regulations of the Federal Banking Agencies, 11/90

Appraisal Institute:
Standards of Professional Practice, Part C, 6/2000
Accrued Depreciation, 1/87
Report Writing & Valuation Analysis, 2-2, 11/91
Market Extraction - Income Properties, 8/93
Basic Income Capitalization, Course 310, 9/93
Residential Demonstration Appraisal Report Writing, 12/93
Business Enterprise Valuation, 6/99
Private Mortgage Insurance, 6/99
FHA and the Appraisal Process, 11/99
Partial Interest Valuation - Divided, 9/2000
Like Kind Exchange, 2/2001
Highest & Best Use, Course 520, 4/2001
Advanced Sales Comparison & Cost Approach, Course 530, 9/2001
Advanced Applications, Course 550, 10/2003
Professionals Guide to URAR, 10/2005

Subdivision Valuation, 2/2006
Advanced Income Capitalization, 4/2006
USPAP & Florida Law, 10/2006
Advanced Residential App. & Case Studies, Pt. 1, 10/07
Advanced Residential Report Writing, Pt. 2, 10/07
USPAP & Florida Law, 6/08
Residential Market Conditions, 3/09
Condemnation Appraising, 5/09
Appraiser as Expert Witness, 6/09
Litigation Specialized Topics, 4/10
Discounted Cash Flow Model, 2/11
Fundamentals of Separating Real Property, Personal Property, and Intangible Business Assets, 3/12
Business Practice & Ethics, 12/12
Marketability Studies, 6 Step Process, 3/13
Spreadsheet Programs in RE Appraisals, 9/14

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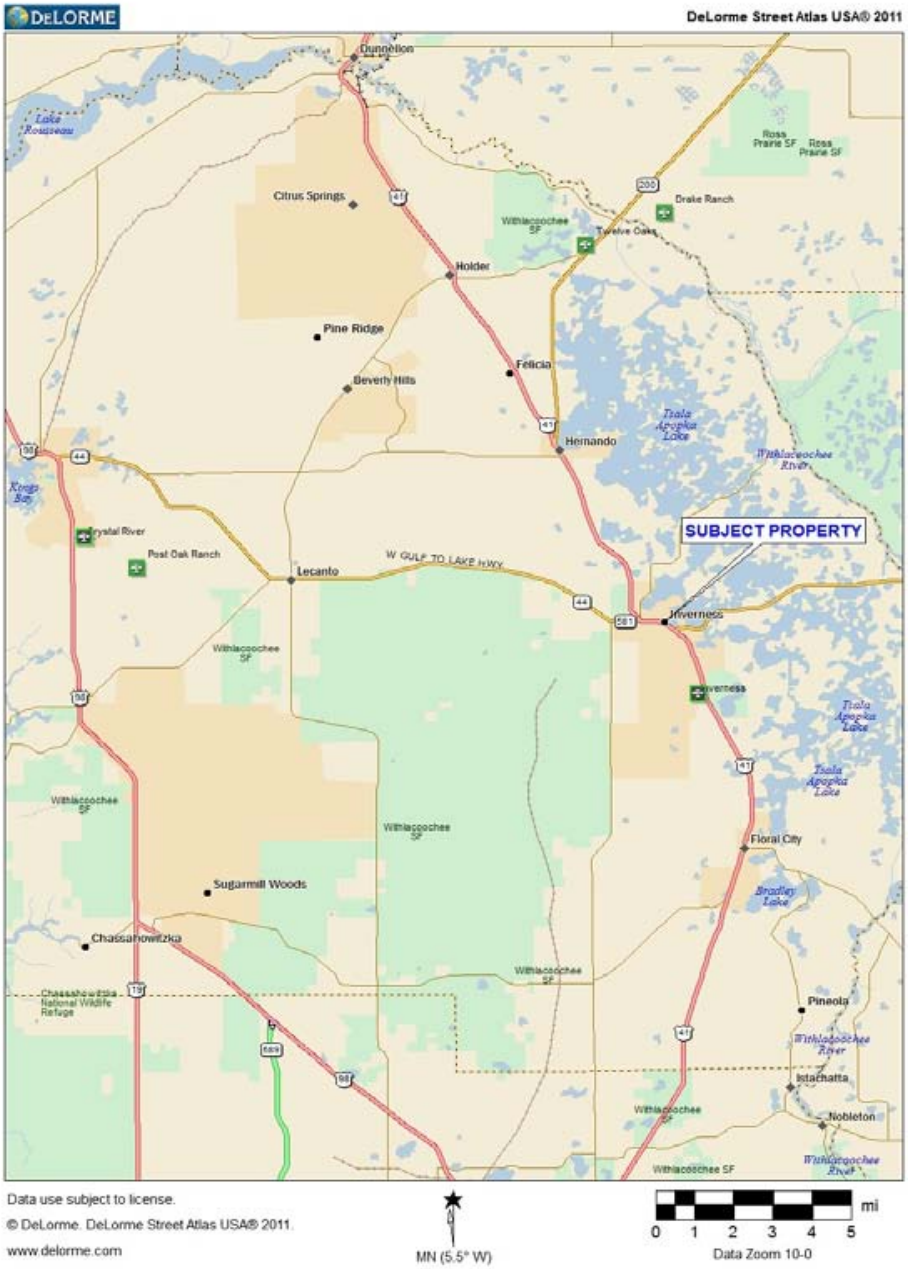
Reviewers Checklist, 7/14
Applications of Appraisal Analysis, 7/14
Uniform Standards of Professional Appraisal Practice, 7/14
Florida Appraisal Law Update, 7/14

Partial Listing of Clients (others at request) -
Regions Bank
Bank of America
TD Bank, N.A.
Orange Bank of Florida
Capital City Bank
CenterState Bank of Florida, N.A.
Old Florida National Bank
SunTrust Bank
First American Title Company, Inc.
Bradshaw and Mountjoy, Attorneys, P.A.
Hernando County Board of County Commission
Citrus County Board of County Commission
Citrus County School Board
City of Crystal River
City of Inverness
Florida Communities Trust
Florida Dept. of Environmental Protection
Southwest Florida Water Management District
Progress Energy of Florida

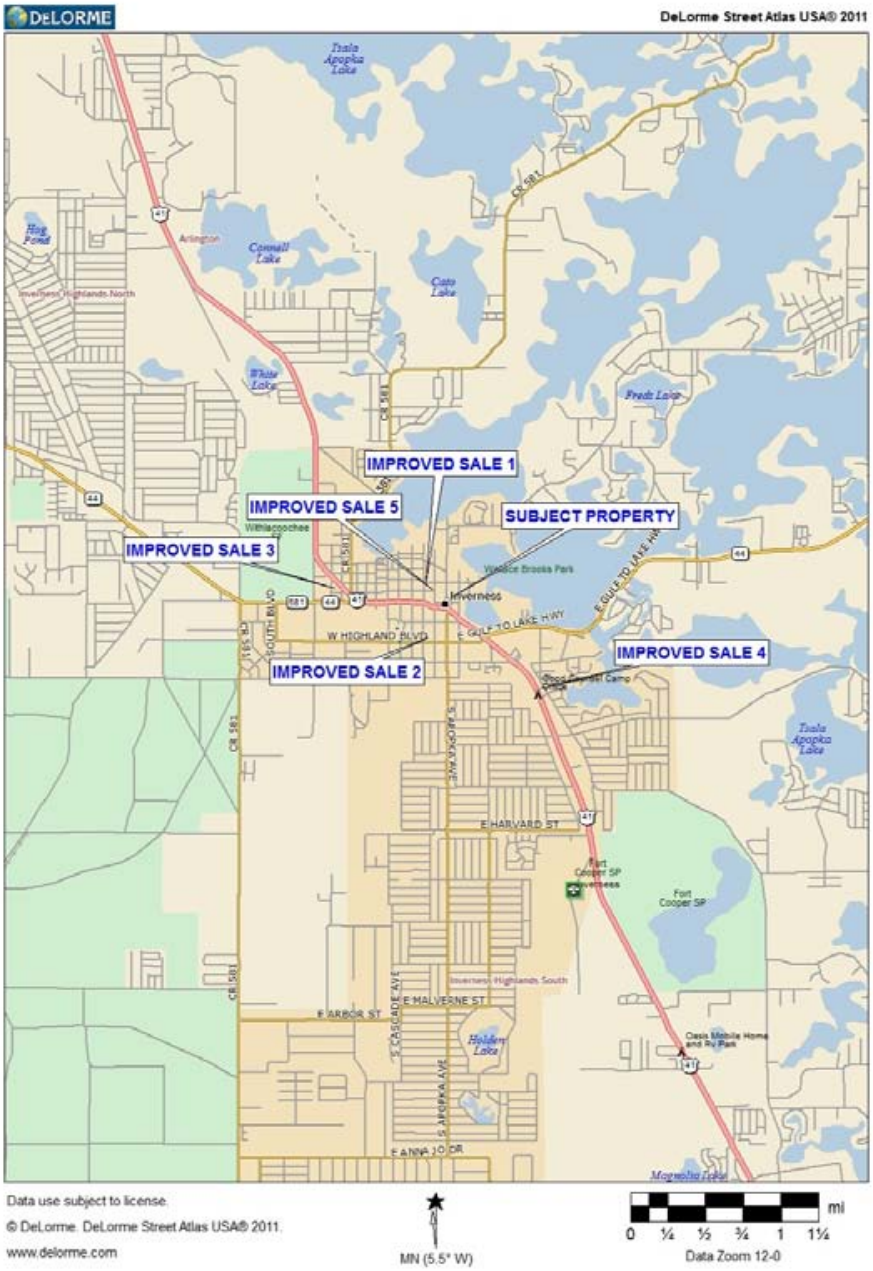
MAPS

LEVY
MARION
CITRUS
SUMTER
HERNANDO
PASCO
Tallahassee
Jacksonville
Gainesville
Daytona Beach
Deltona
Orlando
Melbourne
Palm Bay
Tampa
Clearwater
Saint Petersburg
Sarasota
Port Saint Lucie
West Palm Beach
Boynton Beach
Delray Beach
Boca Raton
Pompano Beach
Fort Lauderdale
Hollywood
Coral Springs
Pembroke Pines
Miramar
Hialeah
Miami
North Miami
Miami Beach
Cape Coral
Florida

GENERAL NEIGHBORHOOD MAP



SUBJECT/IMPROVED SALES LOCATION MAP



SUBJECT TAX AERIAL MAP

Map

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Map

Parcels

Parcels

Water Bodies

Parcel Boundaries

County Boundary

Municipal Limits

Road Rights of Way

Parcel Boundaries (continued)

Parcels

Historic

Traverse Lines

Meander Lines

Other

2010 Aerials (Jan./Feb.)

Red: Band_1

Green: Band_2

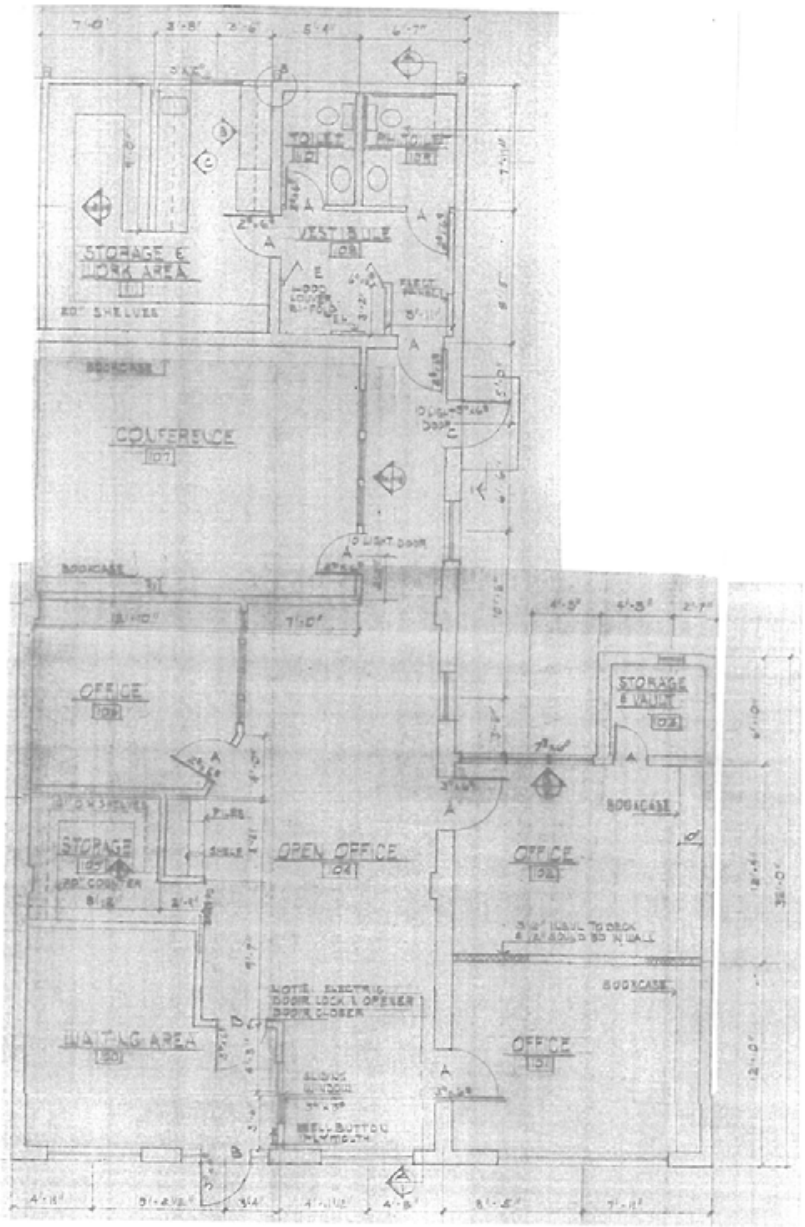
Blue: Band_3

DISCLAIMER

DISCLAIMER: NOT A SURVEY - FOR ASSESSMENT PURPOSES ONLY. The Citrus County Property Appraisers Office does not warrant, guarantee, or make any representations regarding the use, or the results of the use, of the information provided to you by the CCPA in terms of correctness, accuracy, reliability, timeliness or otherwise. The entire risk as to the results and performance of any information obtained from the CCPA is entirely assumed by the user. Zoning information should be verified with Development Services.

8/18/2014

BUILDING SKETCH
(Not to Scale....Visual Purposes Only)



Agenda Memorandum – ***City of Inverness***

DATE: **December 12, 2014**

ISSUE: **Community Charitable Foundation, Inc.**

FROM: **City Manager**

CC: **City Clerk**

ATTACHED: **Letter by Clark Stillwell**
Community Charitable Foundation Articles & Bylaws

Reference is made to attachments.

The transition of Citrus Memorial Hospital to an HCA facility brings the development of several boards to govern activity and promote public interest.

Enclosed is a memorandum by Clark Stillwell and the Articles and Bylaws for the newly formed Community Charitable Foundation (CCF). The CCF will initially be chaired by a member of the Inverness City Council, selected by City Council as the appointed representative to that board.

A decision is not necessary this meeting, unless Council so desires. It is suggested that you review enclosures and be prepared at the ensuing meeting to select a member for appointment to this Board.

Recommended Action –
No Action is Necessary.

If Council desires to proceed, nominate and vote a member of City Council to serve as the duly appointed representative of the City and (first year) chair of the organization.

Frank DiGiovanni

LAW OFFICE OF
CLARK A. STILLWELL, LLC
ATTORNEY AT LAW

BANK OF INVERNESS BUILDING
320 U.S. HIGHWAY 41 SOUTH
INVERNESS, FLORIDA 34450

TELEPHONE: (352) 726-6767
FAX: (352) 726-8283
caslaw@tampabay.rr.com

MAILING ADDRESS:
POST OFFICE BOX 250
INVERNESS, FLORIDA 34451

MEMORANDUM

TO: **Frank DiGiovanni**
City Manager

FROM: **Clark A. Stillwell, Esquire**
Law Office of Clark A. Stillwell, LLC

RE: **Community Foundation**

DATE: **December 11, 2014**

Frank:

Per your request – attached are the articles and bylaws of the noted entity. An organizational meeting of Board should be in the near future.

CAS/cb
Enclosure

ARTICLES OF INCORPORATION

OF

CITRUS COUNTY COMMUNITY CHARITABLE FOUNDATION, INC.

The undersigned, acting as incorporator of this corporation pursuant to Chapter 617 of the Florida Statutes and laws of Florida 2014-254, hereby forms a corporation not for profit as an instrumentality of the state of Florida (or of a subdivision of the state of Florida) under the laws of the state of Florida and adopts the following Articles of Incorporation for such corporation:

ARTICLE I - NAME OF CORPORATION

The name of this corporation shall be Citrus County Community Charitable Foundation, Inc. (the "Corporation").

ARTICLE II - ADDRESS OF PRINCIPAL OFFICE AND MAILING ADDRESS OF CORPORATION

The address of the principal office of the Corporation is 123 South Pine Avenue, Inverness, Florida 34452, and the mailing address of the Corporation is 123 South Pine Avenue, Inverness, Florida 34452.

ARTICLE III - SOLE MEMBER

The sole member of the Corporation shall be the Citrus County Hospital Board, a Florida independent special district and county agency.

ARTICLE IV - PURPOSES AND POWERS OF CORPORATION

A. The Corporation is created by the Citrus County Hospital Board pursuant to the authorization of laws of Florida 2014-254 as an instrumentality of the state of Florida (or of a subdivision of the state of Florida) and organized exclusively for charitable, scientific, literary and educational purposes in order to carry out the purposes of the Citrus County Hospital Board,

including, for all such purposes, making distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code, as amended, or such corresponding section of any future federal tax code (hereinafter referred to as the "Code") and to governmental agencies for public purposes. To the extent consistent with the preceding sentence and permissible under Florida law, the purposes of the Corporation shall be the promotion of health for the benefit of the Citrus County, Florida community by providing funding for the medically-related needs of the citizens and residents of Citrus County, Florida. The primary purpose of the corporate body is to provide its Citrus County residents, new or expanded medical and health services and to supplement existing community health services to increase overall community benefit(s).

B. The Corporation shall be authorized to carry out any and all acts and to exercise any and all corporate powers which may now or hereafter be lawful under the laws of the State of Florida to the extent applicable to corporations not for profit and that are not inconsistent with these Articles of Incorporation. It is the intent of the incorporator that funds transferred by the member to this Corporation shall not be used in any manner or fashion to underwrite costs of medical services currently being offered within Citrus County.

C. Notwithstanding anything contained in these Articles of Incorporation to the contrary, the following provisions shall apply:

1. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to its directors, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered to the Corporation and to make payments and distributions in furtherance of the purposes set forth in this Article III.

2. No substantial part of the activities of the Corporation shall consist of carrying on propaganda or otherwise attempting to influence legislation, and the Corporation shall not participate in or intervene in any political campaign (including publishing or distributing statements) on behalf of or in opposition to any candidate for public office.

3. Notwithstanding any other provision of these Articles of Incorporation, the Corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Code Section 501(c)(3), or (b) by a corporation, contributions to which are deductible under Code Section 170(c)(2).

ARTICLE V - BOARD OF DIRECTORS

All corporate power shall be exercised by or under the authority of, and the business of the Corporation shall be managed under the direction of, the Corporation's Board of Directors. The Board of Directors of the Corporation shall assume office in the manner and for the terms provided in the Bylaws. The number of directors shall be as set forth in the Bylaws, and the Board of Directors shall at all times consist of at least twelve (12) persons. Membership of the Corporation's Board of Directors may not be altered or amended without the consent of the member.

ARTICLE VI - INITIAL REGISTERED OFFICE AND REGISTERED AGENT

The street address of the initial registered office of the Corporation is 123 N. Apopka Ave., Inverness, Florida 34450, and the name of the initial registered agent of the Corporation at that address is William J. Grant. The Board of Directors may from time to time designate a new registered office and registered agent with 75% approval of the Board of Directors and the consent of the member.

ARTICLE VII - INCORPORATOR

The name and address of the incorporator of the Corporation are:

Name	Address
Citrus County Hospital Board	123 South Pine Avenue Inverness, Florida 34452

ARTICLE VIII - TERM OF EXISTENCE

The Corporation shall have perpetual existence, commencing with the filing of these Articles of Incorporation with the Secretary of State.

ARTICLE IX - INDEMNIFICATION

The Corporation shall indemnify any officer or director, or any former officer or director, to the full extent permitted by law, including the indemnification of the member.

ARTICLE X - DISSOLUTION OF CORPORATION

Upon the dissolution of the Corporation, after the payment or provision for the payment of all of the liabilities of the Corporation, all of the assets of the Corporation shall be distributed to the Citrus County Hospital Board; provided, that if the Citrus County Hospital Board is not a governmental agency at such time, then all of the assets of the Corporation shall be distributed either (1) to a subdivision of the state of Florida (or the state of Florida), for a public purpose, or (2) for one or more exempt purposes to an organization described in Section 501(c)(3) and whose income is also excludable from gross income pursuant to Code Section 115(1). In no event, however, may the assets to be disposed of be distributed to or for the benefit of any director, officer or other private person, other than as reasonable payment for services rendered by such person.

Voluntary Dissolution is prohibited as the Foundation is irrevocable. Any proposed dissolution requires Petition of a Court of competent jurisdiction.

ARTICLE XI - AMENDMENT TO ARTICLES OF INCORPORATION

These Articles of Incorporation may be amended, repealed or altered, in whole or in part, by a vote of seventy-five percent (75%) of the full Board of Directors of the Corporation, at any regular or special meeting of the member called for such purpose in accordance with the provisions of the Bylaws, with the consent of the member.

IN WITNESS WHEREOF, the undersigned incorporator has made and subscribed these Articles of Incorporation this ____ day of _____, 2014.

CITRUS COUNTY HOSPITAL BOARD

By: _____
Debbie L. Ressler, R.N., BSN, Chair

Date: _____, 2014

ACCEPTANCE BY REGISTERED AGENT

Having been named as registered agent to accept service of process at the place designated in the foregoing Articles of Incorporation, I hereby accept such designation and agree to act in such capacity and comply with the provisions of all statutes relative to the proper and complete performance of my duties as registered agent, including the provisions of Section 48.091 of the Florida Statutes. I am familiar with and accept the duties and obligations of Section 617.0503 of the Florida Statutes.

_____
William J. Grant

Date: _____, 2014

BYLAWS

OF

CITRUS COUNTY COMMUNITY CHARITABLE FOUNDATION, INC.

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CITRUS COUNTY COMMUNITY CHARITABLE FOUNDATION, INC.

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BYLAWS

OF

CITRUS COUNTY COMMUNITY CHARITABLE FOUNDATION, INC.

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BYLAWS

OF

CITRUS COUNTY COMMUNITY CHARITABLE FOUNDATION, INC.

ARTICLE I - PURPOSES

Section 1.01. Corporation Not for Profit. Citrus County Community Charitable Foundation, Inc. (the "Corporation") is a Florida not for profit corporation formed in accordance with Chapter 617 of the Florida Statutes and laws of Florida 2014-254.

Section 1.02. Purposes. The Corporation is created by the Citrus County Hospital Board, a Florida independent special district and county agency, pursuant to the authorization of laws of Florida 2014-254 as an instrumentality of the state of Florida (or of a subdivision of the state of Florida) and is organized and operated exclusively for charitable, scientific, literary and educational purposes in order to carry out the purposes of the Citrus County Hospital Board, for the promotion of health for the benefit of the Citrus County, Florida community by providing funding for the medically-related needs of the citizens and residents of Citrus County, Florida. The Corporation will benefit only residents of Citrus County, Florida. It is the intent of the incorporator that funds transferred by the Citrus County Hospital Board to this Corporation shall not be used in any manner or fashion to underwrite the costs of medical services currently being provided in Citrus County or be used to build roads or buildings or be paid to individuals for healthcare needs or for services such as call at any hospital.

ARTICLE II - OFFICES

Section 2.01. Registered Office. The registered office of the Corporation shall be as stated in the Articles of Incorporation, or such other location as may be determined from time to time by the Board of Directors.

Section 2.02. Other Offices. The Corporation may have other offices but always within the boundary of Citrus County, Florida.

ARTICLE III - MEMBERSHIP

Section 3.01. Sole Member. The Corporation shall have one member, the Citrus County Hospital Board ("CCHB"), an independent special district of the State of Florida and public nonprofit corporation created by a special act of the Florida Legislature or, if CCHB is no longer in existence, CCHB's lawfully recognized governmental successor-in-interest, state agency or other governmental entity designated by law to act as CCHB's successor-in-interest.

Section 3.02. Property Rights. The foregoing member in Section 3.01 (the "Member") shall not have any right, title, or interest in any of the property or assets of the Corporation, including any earnings, interest, or investment income of the Corporation.

Section 3.03. Liability of Member. The Member shall not be personally or otherwise liable for any of the Corporation's debts, liabilities, or obligations, nor shall the Member be subject to any assessment, penalties, or fines.

ARTICLE IV - MEETINGS

Section 4.01. Meetings.

(a) Annual Meeting. An annual meeting of the Member shall be held during the month of October on the day selected by the Board of Directors, at the principal office of the Corporation or at such other place as may be designated from time to time by the Board of Directors. If the day fixed for the annual meeting shall be a legal holiday in the State of Florida, such meeting shall be held on the next succeeding business day. At the meeting, the Member shall elect directors (if necessary) and transact such other business as may properly be brought before the meeting.

(b) Special Meetings. Special meetings of the Member shall be held when called by the Chair, the Board of Directors or the Member, at such places and at such times as may be designated by the Board of Directors or the Member. At such meetings, the Member shall transact such business as may be properly brought before the meeting.

Section 4.02. Notice of Meetings. The Board of Directors shall provide notice of the date, time, place and purpose of the Member's meetings to the Member at least seven (7) days prior to the meeting.

Section 4.03. Quorum and Voting. The presence of the sole Member of the corporation at a meeting of the Member constitutes a quorum. The affirmative vote of the sole Member shall be the act of the Member unless otherwise provided by law.

Section 4.04. No Proxies. The Member may not vote by proxy.

Section 4.05. No Action Without a Meeting. The Member may not take any action without a meeting.

ARTICLE V - DIRECTORS

Section 5.01. Management. All corporate powers shall be exercised by or under the authority of, and the affairs of the Corporation shall be managed under the direction of, the Corporation's Board of Directors.

Section 5.02. Number of Directors. The number of directors of the Corporation shall be twelve (12).

Section 5.03. Election/Appointment and Term. Members of the Board of Directors shall be elected or appointed for four-year terms of office on a staggered basis (except as otherwise provided for below in regard to two-year terms or to establish staggered terms), at the annual meeting. Members of the Board of Directors shall be elected or appointed as follows:

(a) two (2) directors shall be elected by the residents of Citrus County, Florida, at the general election, on a nonpartisan, countywide basis; provided, that in the first election for these two directors, one director shall be elected for a four-year term and one director shall be elected for a two-year term and thereafter one (1) director shall be elected every two years for a full four-year term, in order that the two directors elected by the residents of Citrus County will have staggered terms on the Board of Directors; provided, further, that the Board of Directors shall request the Supervisor of Elections for Citrus County to conduct such elections, all costs associated to conduct an election shall be borne by the Foundation;

(b) the Member shall appoint one (1) director from among the members of the Citrus County Hospital Board by delivering such appointment in writing to the Board of Directors prior to the annual meeting at which such appointee takes office;

(c) the Citrus County Board of County Commissioners shall appoint one (1) director from among its members by delivering such appointment in writing to the Board of Directors prior to the annual meeting at which such appointee takes office;

(d) the City Council of Inverness shall appoint one (1) director from among its members by delivering such appointment in writing to the Board of Directors prior to the annual meeting at which such appointee takes office;

(e) the City Council of Crystal River shall appoint one (1) director from among its members by delivering such appointment in writing to the Board of Directors prior to the annual meeting at which such appointee takes office;

(f) the Citrus County Health Department shall appoint its Director (or the next ranking officer/employee of the Citrus County Health Department if the Director does not meet the qualifications for directors of Section 5.04 below) by delivering such appointment in writing to the Board of Directors prior to the annual meeting at which such appointee takes office;

The initial directors appointed in accordance with Sections 5.04(e), (f) and shall be appointed for a two-year term, and all directors appointed thereafter shall be appointed for a four-year term, in order to stagger the terms of the directors.

Four (4) members of the Board of Directors shall be elected or appointed for one-year terms of office at the annual meeting of the Board of Directors as follows:

(g) every two years the Chief of the Medical Staffs of Citrus Memorial and Seven Rivers shall rotate (or, if the Chief does not meet the additional qualifications for directors of Section 5.04 below, the next ranking officer/employee of the Medical Staff of the respective

hospital that meets such qualifications) by delivering such appointment in writing to the Board of Directors prior to each annual meeting (Seven Rivers Chief of Staff shall begin the rotation);

(h) the Citrus County Medical Society shall appoint its President (or, if the President does not meet the additional qualifications for directors of Section 5.04 below, the next ranking officer/employee of the Citrus County Medical Society that meets such qualifications) by delivering such appointment in writing to the Board of Directors prior to each annual meeting;

(i) the Florida Wellcare Alliance shall appoint its President (or, if the President does not meet the additional qualifications for directors of Section 5.04 below, the next ranking officer/employee of Florida Wellcare Alliance that meets such qualifications) by delivering such appointment in writing to the Board of Directors prior to each annual meeting;

(j) the Citrus County Campus of the College of Central Florida shall appoint its Vice President (or, if the Vice President does not meet the additional qualifications for directors of Section 5.04 below, the next ranking officer/employee of the Citrus County Campus of the College of Central Florida that meets such qualifications) by delivering such appointment in writing to the Board of Directors prior to each annual meeting; and

(k) the twelfth member of the Board of Directors shall be appointed by a for profit or not for profit entity, which shall be chosen by the eleven (11) foregoing members of the Board of Directors at the first annual meeting of the Corporation; such entity shall thereafter appoint one of its officers, directors, shareholders or members to serve as the twelfth member of the Board of Directors by delivering such appointment in writing to the Board of Directors within thirty (30) days of the Corporation's first annual meeting and, thereafter, prior to each subsequent annual meeting.

Each director shall hold office for the term for which such director is appointed or elected or until such director's earlier resignation, removal from office or death.

Section 5.04. Additional Qualifications of Directors. In addition to the specific requirements for directors set forth in Section 5.03 above, directors also must have the following qualifications:

(a) Directors must be natural persons who are eighteen (18) years of age or older.

(b) Directors must be residents of Citrus County, Florida.

(c) A director elected or appointed in accordance with Sections 5.03(a)-(g) may serve only one four-year or two-year term. A director elected to a one-year term in accordance with Sections 5.03(h)-(k) may serve up to four one-year terms.

Section 5.05. Compensation. No member of the Board of Directors shall receive any compensation from the Corporation; provided, however, that the directors may be reimbursed for

any reasonable out-of-pocket expenses incurred in furtherance of their duties as directors if approved by the Board of Directors.

Section 5.06. Meetings.

(a) Regular Meetings. The Board of Directors shall meet quarterly. The first regular meeting of the Board of Directors in each fiscal year shall be the annual meeting of the Board of Directors. At the annual meeting, the Board of Directors shall receive any director appointments, confirm that such directors are qualified to hold office and confirm the terms of office of such directors, elect officers and transact such business as may properly be brought before the meeting. At the other regular meetings of the Board of Directors, the Board of Directors shall transact such business as may properly be brought before the meeting.

(b) Special Meetings. Special meetings of the Board of Directors shall be held when called by the Chair, the Member or any three (3) members of the Board of Directors at such times as designated by the Board of Directors. At such special meetings, the Board of Directors shall transact all business as may be properly brought before the meeting.

Section 5.07. Place of Meetings. Meetings of the Board of Directors, annual or special, shall be held in Citrus County, Florida at such place or places as the Board of Directors may from time to time by resolution designate.

Section 5.08. Notice of Meetings. Written notice of the date, time and place of annual or special meetings of the Board of Directors shall be given to each director at least seven (7) days before the meeting. The purpose of any regular or special meeting of the Board of Directors shall be specified in the notice of such meeting.

Section 5.09. Quorum and Voting. A majority of the number of directors shall constitute a quorum for the transaction of business. A vote of five (5) directors at a meeting at which a quorum is present shall be the act of the Board of Directors. To affirmatively pass any matter there shall be five members voting in the affirmative.

Section 5.10. Presumption of Assent. A director of the Corporation who is present at a meeting of the Board of Directors or a committee of the Board of Directors where corporate action is taken is deemed to have assented to the action taken at such meeting unless such director objects at the beginning of the meeting (or promptly upon such director's arrival) to holding such meeting or transacting specified business at such meeting or such director votes against or abstains from the action taken.

Section 5.11. Participation in Meeting by Telephone or Similar Communications Equipment. In the event that a quorum of the Board of Directors is physically present at a meeting of the Board of Directors, an absent member may participate by conference telephone or similar communications equipment such that all persons participating in the meeting can hear each other, if the absence is due to an extraordinary circumstance (such as illness). The Board of Directors shall determine in advance of such participation whether the absence is due to an extraordinary circumstance.

Section 5.12. No Action without a Meeting. The Board of Directors may not take any action without a meeting or authorize any expenditure.

Section 5.13. Resignation of Directors. A director may resign at any time by delivering written notice to the Board of Directors or to the Corporation. A resignation is effective when the notice is delivered unless the notice specifies a later effective date. If a resignation is made effective at a later date, the Board of Directors may fill the pending vacancy from the class of members listed herein in the respective category before the effective date if the Board of Directors provides that the successor does not take office until the effective date. In the event that a director fails to attend three (3) consecutive regular meetings of the Board of Directors, then such director shall be deemed to have resigned on the date of the third missed meeting.

Section 5.14. Removal of Directors. Any Director may be removed for cause by a vote of two-thirds of the full Board of Directors and the consent of the Member.

Section 5.15. Vacancies. Any vacancy occurring on the Board of Directors shall be filled in the same manner as the election of such vacated position; provided, that the Member shall fill any vacancy occurring on the Board of Directors for a director elected in accordance with Section 5.03(a). A director elected or appointed to fill a vacancy shall hold office for the remainder of the vacated term.

Section 5.16. Duties of Directors. A director shall discharge such director's duties as a director, including such director's duties as a member of any committee of the Board of Directors on which such director may serve, in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner such director reasonably believes to be in the best interests of the Corporation.

In performing such director's duties, a director is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, prepared or presented by:

(a) one or more officers or employees of the Corporation whom the director reasonably believes to be reliable and competent in the matters presented;

(b) legal counsel, public accountants or other persons as to matters the director reasonably believes are in such person's professional or expert competence; or

(c) a committee of the Board of Directors of which such director is not a member if the director reasonably believes such committee merits confidence.

A director that relies on information described in the preceding paragraph shall not be deemed to be acting in good faith, however, if such director has knowledge concerning the matter in question that makes such reliance unwarranted.

A director shall not be liable for any action taken as a director, or any failure to take any action, if such director has performed the duties of such director's office in compliance with the provisions of this Section.

Section 5.17. Liability of Directors. The directors of the Corporation shall not be personally liable for money damages to any person for any statement, vote, decision, or failure to take an action, regarding organizational management or policy by an officer or director, or for the debts, liabilities, or other obligations of the Corporation unless:

(a) the director breached or failed to perform such director's duties as a director; and

(b) the director's breach of, or failure to perform, such director's duties constitutes:

(i) A violation of the criminal law, unless the director had reasonable cause to believe such director's conduct was lawful or had no reasonable cause to believe such director's conduct was unlawful;

(ii) A transaction from which the director derived an improper personal benefit, directly or indirectly; or

(iii) Recklessness or an act or omission that was committed in bad faith or with malicious purpose or in a manner exhibiting wanton and willful disregard of human rights, safety or property.

Section 5.18. No Conflict of Interest or Related Party Transactions. The Corporation shall not enter into any contract or other transaction with any of its directors (or family members of any of its directors) or any corporation, partnership, limited liability company, firm, trust, association, or other entity – whether for profit or not for profit – in which any of the Corporation's directors (or family members of any of the Corporation's directors) are directors, officers, or possess a financial interest or the authority to plan, direct or control such entity's activities. The foregoing probation may be waived if, but only if: (a) the subject director(s) of the Corporation with a conflict discloses the existence of such conflict in a public meeting of the Corporation by the filing of a written statement with the Secretary; (b) the subject director(s) of the Corporation with a conflict abstains from voting upon or otherwise participating in any decision to approve the proposed transaction; (c) the subject director(s) of the Corporation with a conflict leaves the room during any discussion or vote concerning the proposed transaction; (d) the proposed transaction is approved by an affirmative vote of 75% of the majority of the Board of Directors of the Corporation; and (e) if the dollar amount of the proposed transaction exceeds $100,000, then the Member must also separately approve the expenditure at one of its regularly scheduled meetings.

For purposes of this section, the term "family members" shall mean and include any spouse, child, stepchild, parent, stepparent, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law.

The Corporation shall adopt an additional and separate Conflict of Interest Policy augmenting the foregoing requirements to ensure appropriate disclosure by all directors of the Corporation and ongoing monitoring by the Corporation.

ARTICLE VI - COMMITTEES

Section 6.01. Executive and Other Committees. The Board of Directors, by resolution adopted by a majority of the full Board of Directors, may designate from among its members an executive committee and one or more other committees. Committees may advise and make recommendations to the Board of Directors but may not exercise any authority of the Board of Directors.

Section 6.02. Audit Committee. The Board of Directors shall designate from among its members an Audit Committee and name the chairperson of such committee. The Audit Committee shall have the authority to assess and monitor the financial health of the Corporation including, but not limited to, the following: (i) review the financial reporting for the Corporation; (ii) review the internal controls for the Corporation; (iii) review regulatory and tax requirements of the Corporation; (iv) risk management of the Corporation; and (v) interaction between management and auditors. The Audit Committee shall report to the Board of Directors regarding its assessments and recommendations with respect to the foregoing.

Section 6.03. Compensation Committee. In the event that the Corporation has employees at any time, the Board of Directors shall designate from among its members a Compensation Committee and name the chairperson of such committee. In the event that the Corporation has a Compensation Committee, it shall make recommendations to the Board of Directors regarding the overall human resources policies of the Corporation including, but not limited to, the following: (i) annual compensation of employees of the Corporation; (ii) compensation guidelines for independent contractors of the Corporation; and (iii) fringe benefits and retirement benefits for employees of the Corporation. The Compensation Committee shall not have any member who is compensated by the Corporation.

The compensation for the employees or independent contractors of the Corporation shall not exceed an amount that is reasonable. The Compensation Committee shall use appropriate data to determine the amount of recommended compensation for consideration by the Board of Directors, such as compensation paid by similar organizations for functionally comparable positions and current compensation surveys compiled by independent firms. The Compensation Committee shall adequately document the basis for its recommendation by maintaining in the Corporation's written or electronic records (1) the terms of the arrangement and the date of its approval, (2) the members of the Compensation Committee who were present during the discussion of the compensation arrangement and those who voted on the arrangement, and (3) the comparability data obtained and relied upon by the Compensation Committee and how the data was obtained. If the Compensation Committee determines that reasonable compensation is higher than the range of comparability data obtained, then the Compensation Committee must record the basis for its determination. The Compensation Committee shall report to the Board of Directors regarding its assessments and recommendations with respect to the foregoing.

Section 6.04. Investment Committee. The Board of Directors shall designate from among its members an Investment Committee and name the chairperson of such committee. The Investment Committee shall develop for approval by the Board of Directors an Investment Policy for the Foundation that takes into account all requirements of federal and state law

regarding investments by a Section 501(c)(3) charitable organization. The Investment Committee shall evaluate and make recommendations to the Board of Directors regarding the investment of the Foundation's funds (other than funds used for its charitable purposes) in accordance with the Investment Policy.

In addition to the members of the Investment Committee designated by the Board of Directors, the Investment Committee shall also include two (2) voting, permanent members – who may or may not also be members of the Corporation's Board of Directors – who will advise the Investment Committee and the Corporation's Board of Directors and who will represent the following financial industries: (i) licensed securities brokers; and (ii) licensed financial planners.

Section 6.05. Procedures Applicable to Committees. The provisions of these Bylaws governing meetings, notice, waiver of notice and quorum and voting requirements for the Board of Directors shall also apply to committees and their members. The Board of Directors shall not delegate any of its authority to a committee and no committee shall have the authority to take any action on behalf of the Board of Directors.

Each committee established pursuant to this Section must have two (2) or more committee members designated from among the members of the Board of Directors who shall serve at the pleasure of the Board of Directors. The Board of Directors by resolution adopted by a majority of the full Board of Directors, may designate one (1) or more directors as alternate committee members of any such committee who may act in the place and stead of any absent committee member or members at any meeting of such committee.

Neither the designation of any committee pursuant to this Section, nor action by such committee pursuant to such authority, shall alone constitute compliance by any member of the Board of Directors who is not a member of such committee with such director's responsibility to act in good faith, in a manner such director reasonably believes is to be in the best interests of the Corporation, and with such care as an ordinarily prudent person in a like position would use under similar circumstances.

ARTICLE VII - GOVERNMENTAL OVERSIGHT

Section 7.01. Sunshine Laws. All meetings and business of the Member and the Board of Directors shall be conducted in compliance with Florida's Government in the Sunshine laws, without exception.

Section 7.02. Public Records Act. The Corporation shall comply with Florida's Public Records Act.

Section 7.03. Disclosure, Accountability and Ethics. The Corporation shall comply with all disclosure, accountability and ethics requirements which apply to governmental entities and their elected and appointed officials.

Section 7.04. County Audit Authority. The Corporation shall be subject to the audit authority of the Clerk of the Court for Citrus County, Florida.

ARTICLE VIII - OFFICERS

Section 8.01. Officers. The officers of the Corporation shall consist of a Chair, a Vice Chair and a Secretary/Treasurer, and such other officers as the Board of Directors may from time to time consider necessary for the proper conduct of the business of the Corporation. The same person may not simultaneously hold more than one office.

Section 8.02. Election, Term of Office and Qualification. The directors appointed pursuant to Sections 5.03(b) through (f) shall be the officers of the Corporation. These directors shall be Chair, Vice Chair and Secretary/Treasurer based on a two-year rotation in the following order:

5.03(e), director appointed by the City Council of Inverness

5.03(f), director appointed by the City Council of Crystal River

5.03(b), director appointed by the Member

5.03(d), director appointed by the Citrus County Medical Society

5.03(c), director appointed by the Citrus County Board of County Commissioners

Accordingly, the director appointed pursuant to Section 5.03(e) shall be the initial Chair of the Corporation, the director appointed pursuant to Section 5.03(f) shall be the initial Vice Chair of the Corporation, and the director appointed pursuant to Section 5.03(b) shall be the initial Secretary/Treasurer of the Corporation. The director appointed pursuant to Section 5.03(d) shall be the subsequent Secretary/Treasurer, followed by the director appointed pursuant to Section 5.03(c). The officer positions shall rotate every two years, with the Chair rotating off the board (and returning to the fifth position in the officer rotation), the Vice Chair becoming the Chair, the Secretary/Treasurer becoming the Vice Chair, and the next director in the order becoming the Secretary/Treasurer. Each such officer shall hold such office for a two-year term and until such officer's successor shall have been appointed and qualified, or until such officer's death, resignation or removal.

Section 8.03. Resignation. An officer may resign at any time by delivering notice to the Corporation. A resignation shall be effective when the notice is delivered unless the notice specifies a later effective date. If a resignation is made effective at a later date and the Corporation accepts the future effective date, the Board of Directors of the Corporation may fill the pending vacancy before the effective date if the Board of Directors provides the successor does not take office until such effective date.

Section 8.04. Removal. The Board of Directors may remove any officer at any time with or without cause.

Section 8.05. Vacancies. Any vacancy in any office occurring by reason of death, resignation, removal, disqualification, or any other cause shall be filled by the Board of Directors.

Section 8.06. Contract Rights. The appointment of an officer does not itself create contract rights. An officer's removal does not affect the officer's contract rights, if any, with the Corporation, nor does an officer's resignation affect the Corporation's contract rights, if any, with such officer.

Section 8.07. Duties of Officers.

(a) Chair. The Chair shall be the chief executive officer of the Corporation, shall have authority over the general and active management of the business and affairs of the Corporation subject to the direction of the Board of Directors, and shall preside at all meetings of the Board of Directors and committees of the Board of Directors under the provisions of these Bylaws. The Chair may sign, with the Secretary or other officer duly authorized by the Board of Directors, any deeds, mortgages, bonds, contracts or other instruments the execution of which has been authorized by the Board of Directors, except in cases where the signing and execution thereof shall have been expressly delegated by the Board of Directors, by these Bylaws, or by law to some other officer or agent of the Corporation.

(b) Vice Chair. The Vice Chair shall serve as assistant to the Chair and shall perform such other duties and have such other authority and power as may be prescribed from time to time by the Board of Directors or the Chair. In the absence or disability of the Chair, the Vice Chair shall perform the duties and have the authority and the power of the Chair.

(c) Secretary/Treasurer. The Secretary/Treasurer shall be responsible for the custody and maintenance of all corporate records except the financial records, shall record the minutes of all meetings of the Board of Directors and committees of the Board of Directors, shall send out all notices of meetings where required under these Bylaws or otherwise required by law, and shall perform such other duties and have such other authority and power as may be prescribed from time to time by the Board of Directors or the Chair.

The Secretary/Treasurer shall have custody of all corporate funds and financial records, shall keep full and accurate records of receipts and disbursements and render accounts thereof whenever required by the Board of Directors or by the Chair, and shall perform such other duties and have such other authority and power as may be prescribed from time to time by the Board of Directors or the Chair. If so required by the Board of Directors, the Secretary/Treasurer shall give a bond for the faithful discharge of such Secretary/Treasurer's duties in such sum and with such surety or sureties as the Board of Directors may deem appropriate.

Section 8.08. Compensation. The officers of the Board of Directors shall serve without compensation.

ARTICLE IX - FUNDS, DEPOSITS AND CHECKS

Section 9.01. Gifts and Contributions. The Board of Directors shall receive and administer funds received from its Member.

Section 9.02. Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

Section 9.03. Restrictions on Use of Funds.

(a) Initial 24-Month Hold. The Corporation shall hold the funds that it receives from its Member for a period of twenty-four (24) months from the date of receipt without expending any of such funds other than for the payment of administration expenses, in order to accomplish its charitable purposes.

(b) 80-Percent of Earnings Limitation. After the expiration of the 24-month hold period, the Corporation shall use for its charitable purposes no more than 80 percent of the earnings (dividends and interest) in each subsequent fiscal year. The amount of such earnings each fiscal year for this purpose shall be the earnings for the subject year, less expenses during the following fiscal year. Earning funds may not be carried over from year to year except for one year only. If the earning funds are not appropriated and expended, then the amount of the unused earnings shall go to the principal of the funds and shall not be subject to charitable use. The principal plus appreciation thereon shall at all times remain in the fund and not subject to expenditure. Only 80% of the earnings as defined herein shall be used for any charitable purpose.

(c) Restrictions Condition to Receipt of Funds from Member. The restrictions on the use of funds in this Section 9.03 are a condition to receiving the contribution of funds from the Member.

Section 9.04. Restrictions on Charitable Distributions to Certain Organizations.

(a) The Corporation shall not distribute any funds for any purpose to any organization represented on the Board of Directors and/or any organization if a director of the Corporation is an officer, director or manager, or an owner (directly or indirectly) of such organization.

(b) A vote of the Board of Directors to distribute more than $250,000 to any one recipient in any year must be unanimous. Any amount in excess of $250,000 must be by a unanimous vote of the Board of Directors and have the consent of the Member.

Section 9.05. Checks, Drafts, Orders for Payment. All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation require the signatures of two of the officers of the Corporation.

ARTICLE X - BOOKS AND RECORDS

Section 10.01. Corporate Records. The Corporation shall keep the following as permanent records in written form or in another form capable of conversion into written form within a reasonable time:

(a) a copy of its articles of incorporation and its bylaws and any amendments thereto currently in effect;

(b) the minutes of all meetings of the Member, and any written communication to the Member;

(c) minutes of all meetings of the Board of Directors, and a record of all actions taken by a committee of the Board of Directors having any of the authority of the Board of Directors;

(d) a record of the name and address of its Member;

(e) a list of the names and addresses of its current directors and officers;

(f) the Corporation's most recent annual report; and

(g) accurate accounting records.

ARTICLE XI - INDEMNIFICATION

The Corporation shall indemnify any officer or director, or any former officer or director, to the full extent permitted under Section 617.0831 of the Florida Statutes.

ARTICLE XII - MISCELLANEOUS

Section 12.01. Corporate Seal. A corporate seal shall not be required to be attached to any instrument executed by or on behalf of the Corporation unless required by law, but if so required shall be of such shape and have such words thereon as may be described by law or by the Board of Directors. The seal may be used by impressing it or reproducing an authorized facsimile or electronic copy thereof, or otherwise as directed by the Board of Directors.

Section 12.02. Fiscal Year. The fiscal year of the Corporation shall be the fiscal year ending September 30.

Section 12.03. Right to Defend. If the Corporation is sued by HCA Holdings, Inc., West Florida Division, Inc., Citrus Memorial Hospital, Inc., HCA Health Services of Florida, Inc., or any of their successors-in-interest or affiliates (collectively, "HCA"), any party to the Contemplated Transactions (as defined in the Master Agreement dated as of September 2014 by and among the Member, Citrus Memorial Health Foundation, Inc., Citrus Memorial Hospital, Inc. and HCA Health Services of Florida, Inc.), or any other party related to the Contemplated Transactions or HCA, then the Member retains the right to defend or assert any and all legal claims and defenses arising out of or related to any proceeds from the Contemplated Transactions which may be held by the Corporation or to which the Corporation may be entitled. The costs of such defense – including, but not limited to, legal fees – shall be paid by the Corporation. It shall be the sole and absolute discretion of the Member to defend or assert any claim or defense arising out of or related to any proceeds from the Contemplated Transactions which may be held by the Corporation or to which the Corporation may be entitled.

Section 12.04. Non-Competition. The Corporation shall not in any way compete with or provide funds to any organization or third party that offers the same services that the lessee/buyer of Citrus Memorial Hospital provides.

Section 12.05. Amendment of Bylaws. The Board of Directors may amend or repeal the Corporation's Bylaws; provided, however, that any amendment to Section 1.02, Article III, Article IV, Section 5.03, Section 5.04, Section 9.03, Section 9.04(b) or this Section 12.05 must also be approved by a unanimous vote of all trustees, shareholders, or members of the Member, and any amendment to Section 5.03(c) of these Bylaws must be approved by the unanimous consent of all members of the Citrus County Board of County Commissioners.

Section 12.06. Relation to Articles of Incorporation. These Bylaws shall be subject to, and governed by, the Corporation's Articles of Incorporation.

Adopted:_____, 2014

Interoffice Memorandum – ***City of Inverness***

TO: **Elected Officials**

FROM: **City Manager**

SUBJECT: **FISCAL YEAR 2015-16, BUDGET & CIP DEVELOPMENT SCHEDULE**

DATE: **December 12, 2014**

CC: **City Clerk, Senior Staff, Woodard Curran and ICRA**

Attached: **2015-16 Budget Schedule**

Enclosed is the development schedule to compile and produce the 2015-16 City-Wide Capital Improvement Plan (CIP) and Operational Budget Appropriation to include General Fund, Enterprise Fund, and Special Funds. Elected Officials are asked to closely review the dates identified in **bold** for Council participation. The schedule is consistent with previous programs, and works to produce a well-received, fiscally prudent document. The schedule is not tailored for individual needs and we realize that full attendance at every workshop may not be possible. If you find a personal conflict, we ask that you state so at the meeting. Once approved, staff generated changes (if any) that affect a public meeting will be noticed to Elected Officials, the public, and media

Recommended Action -
If acceptable it is recommended that City Council motion, second and votes to confirm the CIP and Budget Schedule for Fiscal Year 2015-16, to establish dates and times for Council Workshops & Public Hearings.

Thanking you for your attention and support.

Frank DiGiovanni

City of Inverness Fiscal Year 2016
Budget & CIP Development Schedule

Functional Statement	Date	Time
Manager/Finance Director Planning Meeting: Revenues; CIP Funding: O&M	Tuesday, December 30, 2014	1:00 PM
Manager, Directors, & **W&C** Budget Approach: Personnel, O&M, Capital, CIP, Council Overview General Data; Revenues, Grants & Narratives	Wednesday January 7, 2015– Post Council Meeting	9:30 AM
Directors and **W&C** Submit Updated Council Overview Narratives to Include: Project Status, Proposed Projects and Revenue/Grant Projections To Finance	Friday, January 30 2015	5:00 PM
Manager & Directors, **W&C**: CIP Planning Meeting, Distribution Of Forms And Narratives	Wednesday February 4, 2015 Post Council Meeting	9:30 AM
Manager, Directors, & **W&C** Meetings: For Council Overview Meeting	Monday February 9 – Friday February 13, 2015	TBA
CIP Departmental and **W&C** Submittals To Finance	Friday March 6, 2015	5:00 PM
Finance Director Forwards Presentation Material To Manager For Council Overview	Friday March 13, 2015	5:00 PM
CIP Review – Manager, **W&C** & Directors	Monday March 16- Friday March 20, 2015	TBA
Council Budget Overview	**Thursday April 9, 2015**	**5:30 PM**
Five-Year Capital Improvement Plan To Council	Friday May 1, 2015	N/A
City-Wide Five-Year CIP Council Workshop	**Thursday May 7, 2015**	**5:30 PM**
CIP Council Workshop (2) (If Necessary)	**Tuesday May 12, 2015**	**5:30 PM**
Departmental O&M Budget Due To Finance	Friday May 15, 2015	5:00 PM
Manager & Director Meetings To Review O&M Submittals For All Agencies	June 1 - June 26, 2015	TBA
Property Appraiser Certifies Tax Roll	Wednesday July 1, 2015	N/A
City Council Sets Tentative Millage	**Tuesday July 7, 2015**	**5:30 PM**
DR Form 420, 420 TIF, and 420-MMP Forwarded To Property Appraiser	Wednesday July 8, 2015	N/A
Full City Budget Available To **City Council**	Friday July 17, 2015	12 Noon
City-Wide Council Budget Workshop	**Thursday July 23, 2015**	**5:30 PM**
City Council Budget Workshop (If Needed)	**Tuesday July 28, 2015**	**5:30 PM**

City of Inverness Fiscal Year 2016
Budget & CIP Development Schedule

Functional Statement	Date	Time
Post Tentative Budget to City Website	Friday July 31, 2015	N/A
Notice of Public Hearing or Notice of Tax Increase and Budget Summary sent to DOT – TRIM Division for preliminary compliance review.	Monday August 17, 2015	N/A
Tentative Budget Adoption Public Hearing	**Thursday Sept 10, 2015**	**5:01 PM**
Advertise Budget Ordinance (send to newspaper)	Monday Sept 14, 2015	N/A
Advertisement Published For Final Budget Public Hearing To Adopt Budget For 2016	Sunday Sept. 20, 2015	N/A
Final Budget Public Hearing To Adopt Budget	**Thursday Sept. 24, 2015**	**5:01 PM**
Forward resolution or ordinance adopting final millage to Property Appraiser, Tax Collector and Department of Revenue	Friday, Sept. 25, 2015	N/A
Property Appraiser Certifies Tax Roll (Final)	Thursday October 01, 2015	N/A
DR 422 (Form) Completed	Friday October 02, 2015	N/A
DR 487 (Form) Completed	Friday October 02, 2015	N/A
Post Final Adopted Budget to Website	Friday October 02, 2015	N/A
TRIM Certification Packet Completed and Mailed	Wednesday October 07, 2015	N/A

Agenda Memorandum – ***City of Inverness***

DATE: **December 12, 2014**

ISSUE: **Correspondence by Senator Charles Dean**
Local Delegation Invitation

FROM: **City Manager**

CC: **City Clerk**

ATTACHED: **Letter by Senator Dean**

Reference is made to the letter by Senator Charles Dean to Mayor Plaisted concerning an appearance before the local delegation.

The Local Delegation forum is important and an effective means to let State Representatives know our concerns. City Council Members are encouraged to bring forward items that you wish presented, and the manner you wish information delivered for discussion.

Recommended Action –
Be prepared to discuss items that the City wishes to have State Representatives consider legislating that would improve the welfare and qualities of the community.

Frank DiGiovanni

Administrative Offices
212 West Main Street, Inverness Florida 34450
www.Inverness-Fl.gov

THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

SENATOR CHARLES S. DEAN, SR.
5th District

December 4, 2014

The Honorable Bob Plaisted
Mayor, City of Inverness
212 W. Main Street
Inverness, FL 34450

Mayor Plaisted,

I wanted to take a moment to personally invite you to attend the Citrus County Delegation Meeting. The Delegation Meeting will be held at the Citrus County Courthouse on Wednesday, January 14 at 3 PM. As you know, Delegation Meetings are an important opportunity to hear from our constituents and elected officials in each county and I encourage you to attend this important meeting. Time has been reserved for you on the agenda.

Thank you for your attention to this important matter. I look forward to seeing you on January 14. Please do not hesitate to contact me if I may be of service to you.

Sincerely,

Charles S. Dean, Sr.
Florida State Senator, District 5

REPLY TO:
❒ 405 Tompkins Street, Inverness, Florida 34450 (352) 860-5175
❒ 311 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5005
❒ 315 SE 25th Avenue, Ocala, Florida 34471-2689 (352) 873-6513

Senate's Website: *www.flsenate.gov*

ANDY GARDINER
President of the Senate

GARRETT RICHTER
President Pro Tempore