

HISTORIC DIESEL POWER PLANT  
VERO BEACH, FL  
RFP NO. 380-15/JO



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Corporate Office - 241 East Prospect Road Fort Lauderdale, FL 33334

**RFP NO. 380-15/JO  
PURCHASE OF OLD DIESEL POWER PLANT  
AMERICAN ICON BREWERY**

**THURSDAY, JANUARY 21, 2016**

- 1. CORPORATE INFORMATION**
- 2. EXECUTIVE SUMMARY – TIMELINE & CONCEPT**
- 3. DESIGN DECK - INSPIRATIONS**
- 4. PROPOSER PROFILE – BUSINESS HISTORY & EXAMPLES**
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- 7. WHY A BREWERY? MARKET ANALYSIS**
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- 9. VERO BOWL - INTERNATIONAL BOWLING INDUSTRY**
- 10. MISC. PROPOSAL DOCS – ADDENDUM, CERTIFICATIONS**



# Real Estate Investments

## CORPORATE INFORMATION

CORPORATE NAME:

AMERICAN ICON BREWERY REAL ESTATE INVESTMENTS, LLC

AIBREI, LLC - To be formed FL limited liability corporation/single purpose entity (SPE)

American Icon Brewery, LLC Tax ID #47-5189430

PRINCIPAL OFFICE:

241 East Prospect Road

Ft. Lauderdale, FL 33334

PH 954-727-0054/FAX 954-727-0145

[www.integracorps.com](http://www.integracorps.com)

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MICHAEL RECHTER

OFFICE

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CELL

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PRINCIPAL PLACE OF BUSINESS:

TBD – Downtown Vero Beach, FL



# Executive Summary - Timeline

<b><u>Construction Drawings</u></b> (Architect/MEP/Interior Design) .....	3 Months
Status:	Hired Architect, MEP, Structural Engineer (All Professionals Have Been Retained) Pending Finalization of Site Selection
<b><u>Permitting &amp; Construction</u></b> .....	6 Months
Status:	Pending Finalization of Site Selection
<b><u>Brewery Equipment Ordering to Installation/Lead Time</u></b> .....	6 Months
Status:	90% Ready to Order All Brewing Equipment Pending Finalization of Site Selection/Floor Plan
<b><u>Brewery Federal Licensing</u></b> .....	6 Months
Status:	Applied for in Late October 2015 Anticipate late 1Q2016 Approval
<b><u>Key Employee</u></b> .....	Completed
Status:	Reached long term employment agreement with Brewmaster/Head Brewer/Consultant.
<b><u>Financing</u></b> .....	N/A
Status:	100% Fully Capitalized with Proof of Funds

**American Icon Brewery is budgeted for and expects to invest approx. \$2-2.5M into renovation costs, buildout, FFE and business. AIB expects to be open and operational:  
LESS THAN 1 YEAR FROM ACQUISITION DATE**

# Executive Summary – Proposed Concept

## American Icon Brewery – Microbrewery, Taproom and Kitchen

American Icon Brewery, LLC (“American Icon”, “AIB”) will be a 10,000 SF+ Microbrewery, Taproom and Kitchen with a landscaped exterior Beer Garden located within the very heart of downtown Vero Beach.

American Icon represents the modern generation of American craft beer brewing but with a vintage touch & design that embraces the history of its industry and of the historic Diesel Power Plant; a microbrewery that produces an eclectic, locally farmed, & handcrafted high quality beer that will distinctly satisfy the palate of the beer connoisseur and even inspire the non-beer drinker. AIB will combine traditional brewing methods with modern day inspired recipes, utilizing all natural ingredients to produce a range of barrel-aged Belgian and German influenced beers.

American Icon will offer customers their beer via draft at an on premise taproom where patrons may purchase any of their products by the pint, growler or keg. The taproom will be a sophisticated and well-built out bar establishment highlighting and using the Diesel Plant as the backdrop which will surely become a popular social gathering venue in town where special events will occur on a weekly basis and special releases will be offered regularly.



DESIGN DECK  
INSPIRATIONS





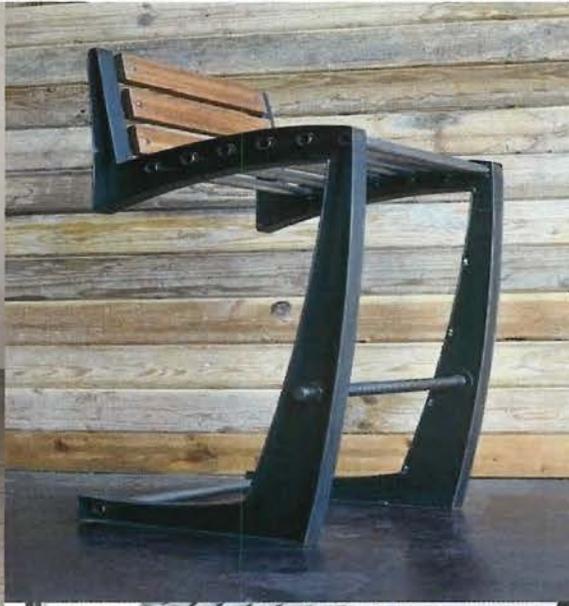


SOEPI		
KOMKOMMERIGAZPACHOI/IGETTENWARKL7L		
VOORI		
BOUDINI/BLANCI/KOOLRABTI	9	
BITTERBALL/IRWT	9	
HARDER/IRAE/IKONKOMM	9	
KALFSTARTA	10	
KOKKE	8	
BIETL	7	
HOOFD		
SCHELV/DOOLI/LAMSOOR	19	
RUMPST/ON/BBDO	18	
AUBERGI/ISTACHE	16	
ERBIJ/AA	3	
SL	3	
BR	3	
NAI/TA	8	
AA		
KAAS		
BUCHETTE/ANDRODDI/SCHELSBLAUWL	8	
TRAITEUR		
REPEN/ADIS		
PANCETTAL/POOLGRAM		

STADTIKREMSI/GRUNERIVELTLINER	
PENNAULTIERE/IPAYSID'OCI/ICHARDONNAY	
BORNOSI/RUEDAI/IVERDEJOI	
PAYSID'OCI/IVIOGNIER	
HUBERTUSIRE/ISIMOSELL/IRTESLING	
VOUVRAY/IDEMI-SECI/ICHENIN/BLANCI	
ROOD	
TERRA/CALIDA/ITEMPRANILLO/GARNACHA	
JOHANNI/SHOPI/ITHERMEN/IPINOTINOTRI	
GRANDIRENARDI/IBORDEAUX/IMERLOT.CS	
ANJOU/IGAMAY	
WEN/NGERI/ICABERNETISAUVIGNON	
ROSE	
CHANTELIGALE/IMEDITERRANEE	
DESSERT	
2004/IRIVESALTESI/IGRENACHE	
SAKE	
SENKINKIMOTO/ISOI	
APERITIEF/SEKT/SPATBURGUNDER	
COCKTAIL/GEENTONIC/L	
TAPBIER/ALFA PILS	









# EXTERIOR BEER GARDEN DESIGN



# EXTERIOR BEER GARDEN DESIGN



# THE TAPROOM & EXTERIOR BEER GARDEN

- The existing building will be split with a portion of the premises being used as a tap room and dining area for customer service, the remainder of the building will be dedicated to the manufacturing component, distribution, storage, kitchen and offices.
- The taproom will be a sophisticated and high quality build out that consists of a modern industrial or modern rustic design.
- There will be numerous big screen TV's showing sporting events year round with a combination of plush comfort seating and bar height communal tables that influence social interaction and can accommodate large groups.
- The taproom will have 12 - 15 draft taps on premise that will serve the company's 2-3 "lead beers" with the remainder being rotated offerings of seasonal, creative ales & lagers.
- The exterior Beer Garden will offer seating under string lights with plush landscaping and activities like cornhole, ping pong and beer pong.
- Entertainment activities within the taproom will include a billiards, large block jenga, darts and a vintage arcade game to name a few. Live entertainment such as musicians or bands will perform on select nights. Special events and holidays will be celebrated with unique promotions/offerings.
- A growler filler will offer customers the ability to take their favorite beer of the week home with them in either 32 oz, 64 oz, or 128 oz growlers.
- A small 4 head bottling machine will be used to create limited bottle releases and so that packaged beer can be used for sample promotion.

# THE DINING & RESTAURANT EXPERIENCE

- We understand that an enjoyable dining experience is as much about satisfying your mood as it is your hunger. American Icon's dining concept will be progressive, yet classic.
- American Icon plans to build a full kitchen restaurant with service for lunch, dinner, and late night offerings.
- Featuring elevated pub gastronomy, fresh beer offerings, and classic as well as creative cocktails – American Icon's brewpub will have high end, locally sourced New American fare. Food and beverage prices will be affordably priced.
- The restaurant operating partner will be responsible for menu creation, food ordering, kitchen staffing and all food production.
- The menu will be a revolving offering that allows us to pair different beers with different types of food on different nights.
- Inside the brewery, an old fashioned popcorn machine will create a daily flavored popcorn which will be served to all tables free of charge upon seating.

# American Icon COMPANY OBJECTIVES



**PRODUCE EXCEPTIONAL BEER & FOOD** consistently that leaves an impression on customers and immediately separates American Icon from local & regional competitors.



**PROVIDE A WELL-DESIGNED, PROFESSIONALLY OPERATED AND PROPERLY MARKETED TAPROOM** that offers character and innovation in an inviting atmosphere, in turn attracting a large crowd on a regular basis.



**CAPITALIZE ON AN EXCELLENT LOCATION** with high visibility within a downtown market where there is massive demand and no craft supply that is manufactured on site; all during a time when locally sourced products are on the rise with consumer spending habits.

# FOUNDER



## ***Michael R. Rechter, Founder, Managing Partner***

Michael is a driven entrepreneur with a track-record of success and a diverse background that includes extensive commercial real estate experience, start-up business development, restaurant operations and contract negotiation. A lifelong South Floridian, Michael earned a baccalaureate degree from University of South Florida and a doctorate from Life University. Michael has spent his entire life in Florida and built a reputation as an industry leader in the health care, shopping center and hospitality businesses.

Throughout his real estate career he has specialized in renovation of and adaptive reuse of existing properties. In addition, he founded and has been the managing partner of Integra Entertainment, a highly successful group of hospitality and entertainment businesses, which includes Vero Bowl, Stuart Bowl, and Stix Billiard Clubs.

In addition to bringing this venture to market, Michael will serve as a managing partner with responsibilities that include but are not limited to: managing company leadership, budgeting, profitability, strategizing public relations, brand management, internal processes, marketing campaigns and implementing the company's overall strategic plan.

# BREWMASTER



## **A.J. Stoll, Brewmaster**

A.J. is a highly recognized, proven industry veteran with well over a decade of experience in the craft beer arena and all aspects of brewery operations; his journey has given him an active managerial role in both the opening and expansion of numerous breweries both domestically and internationally, providing him invaluable hands on experience along the way.

Most recently, Stoll served as the Brewmaster for Funky Buddah Brewery in Oakland Park, FL where he played a very significant role in building and growing them to what is now arguably the largest and most successful brewery in Florida. In addition to bringing this venture to market, AJ will serve as the Brewmaster & Director of Brewing Operations for the company, handling all operations that pertain to the brewery's manufacturing & distribution, including but not limited to: recipe development, sourcing of raw materials, cost control, equipment purchasing and management of employees on his team.

# Michael R. Rechter

## BUSINESS HISTORY

Over nearly 20 years, Michael Rechter ("Rechter"), Founder & CEO of Integra Corporations, has proven to have the development experience, entrepreneurial vision, and capital to breathe new life into the historic Diesel Plant. And, in the process, help revitalize Vero Beach's downtown.

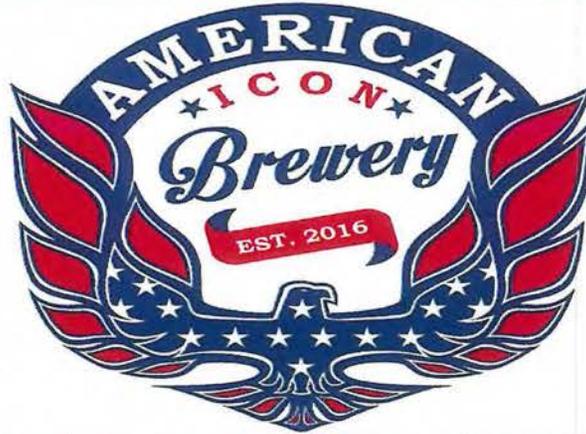
[www.integracorps.com](http://www.integracorps.com)

The Integra Corporations are a fully integrated, private group of companies managed individually with core fundamental values of integrity, innovation, reliability, superb service and teamwork. Our management team, led by Michael R. Rechter, are investors and entrepreneurs who identify and develop strategies that allow for long term successful ventures. Founded in 1998, Integra has grown from modest health care roots and currently consists of five divisions - Health Care, Real Estate, Entertainment, Retail and Publishing.

- **Integra Real Estate** owns, operates and provides development, investment, brokerage and property management services throughout Florida in both retail and multi-family residential markets.
- **Integra Entertainment** owns and operates Vero Bowl/Stuart Bowl, Game Zones, and Stix Billiard Clubs in South Florida. Integra Entertainment specializes in providing upscale, state of the art centers combining modern style with a local flavor and are "best in class" type facilities.



RECHTER  
PROPERTIES



SOLO  
DISTRICT  
SOUTH OF LAS OLAS



# EXPERTISE & QUALIFICATIONS TO DEVELOP THE PROPERTY

## THE RIGHT CONCEPT:

A BREWPUB (Microbrewery/Taproom combined with a Gastropub) is THE RIGHT IDEA AND USE for the property:

- ▶ American Icon will be "creative" and "cool" and will fit well within the burgeoning Cultural Arts Village.
- ▶ American Icon will bring people of all demographics to the downtown area – again and again.
- ▶ American Icon will create jobs. Lots of them. (We estimate 50-60+ in total directly employed by AIB)
- ▶ American Icon will create and pay significant taxes.
  - ▶ Real Estate Taxes
  - ▶ Sales Taxes
- ▶ American Icon will be the evolution of an iconic building mixed with an iconic restaurant/brewery.
- ▶ American Icon will be a community center piece with live music, celebrations of major holidays (e.g. July 4<sup>th</sup>, Veterans Day, Memorial Day) and special events.

## FULLY CAPITALIZED:

Rechter has the capital necessary to do it – and do it RIGHT, without requiring 3<sup>rd</sup> party financing.

## AN ALL STAR TEAM:

Rechter has the team to do it - RIGHT. And run it – WELL.

- ▶ Construction Team – a team of local professionals that have all worked together in the past and are excited for another Vero enhancing project.
- ▶ Operations Team – a team of talented managers and operational staff are already on staff combined with a new group of brewers under the leadership of American Icon's award winning brewmaster.

# Michael R. Rechter

## PREVIOUS DEVELOPMENTS & PROPERTIES

### VERO BEACH:

1. Indian River (Kmart) Plaza (157,000 Retail Center + Outparcels)
  - A. Renovation of Entire Center (See Before & After Photos)
  - B. Former Denny's Outparcel (See Elevation)
2. Majestic Plaza (159,000 SF Retail Center + Outparcels)
  - A. Majestic 11 Theater (38,000 High End Movie Theater)
  - B. Development of Vero Bowl / Stix Billiard Club (See IBI Magazine)
3. Vero Beach Corners (12,000 SF Retail Center) (See Before & After Photos)

### STUART:

1. Stuart Plantation Plaza
  - A. Renovation of Entire Center (See Before & After Photos)
  - B. Development of Stuart Bowl / Stix Billiard Club

# Michael R. Rechter

## PREVIOUS DEVELOPMENTS & PROPERTIES

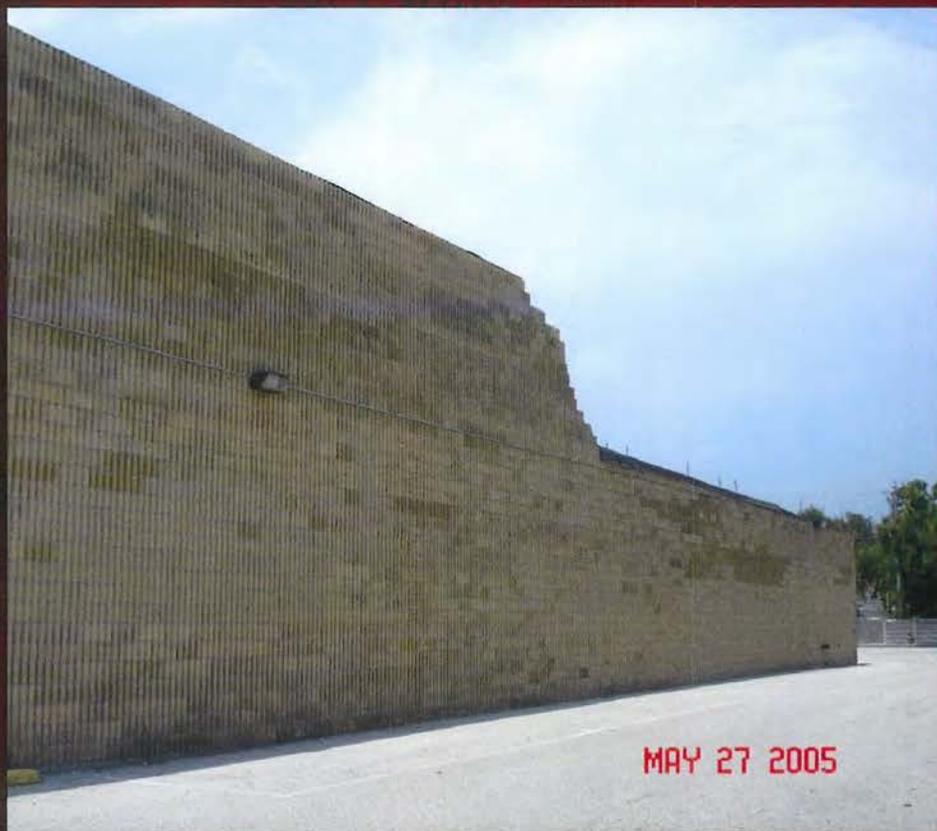
### FT. LAUDERDALE:

1. SoLO District (14,000 SF Adaptive Reuse of Former CVS)
2. Progresso Pointe (6,000 SF Adaptive Reuse into Restaurant/Bar/Retail)
3. Las Olas Residential (8,000 SF Ultra High End Single Family Residential)

### TAMPA AREA:

1. Largo Development (4,000 SF Adaptive Reuse of Former RBC Bank)
2. East Bay Plaza (12,000 SF Mixed Use Retail Building)

# Indian River Plaza – Vero Beach, FL (East)



# Indian River Plaza – Vero Beach, FL (West)



# Indian River Plaza – Outparcel



# Exterior Vero Bowl – Vero Beach, FL



# Interior Vero Bowl – Vero Beach, FL



# Stix Billiard Club – Vero Beach, FL



# Vero Beach Corners – Vero Beach, FL



# Plantation Plaza – Stuart, FL



# Ft. Lauderdale – CVS to Restaurant/Retail



# Ft. Lauderdale – Single Family Residential



# Tampa, FL – Bank to Retail Conversion



# Historic Diesel Plant – Vero Beach, FL



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# PURCHASE PRICE & TERMS

## OPTION #1

See Attached Proposed "Agreement of Purchase and Sale"

### Overview

Purchase Price: \$650,000.00

Contingencies: Clean Environmental – Phase II  
*Per SMW Limited Site Assessment Report (SAR) 1/15/16*  
*Findings show BOTH Soil & Groundwater Contamination*  
\*\* SMW recommends contacting FDEP to provide proposal to  
rescind the Site Rehabilitation Order (SRCO) dated 10/9/13  
- Would require Full Environmental Assessment.  
- Would require Additional Monitoring Wells and Soil Borings. FDEP  
would require new Natural Attenuation Monitoring Plan (est. 5 Years)

Inspection Period: 60 Days

Closing: 30 Days

# PURCHASE PRICE & TERMS

## OPTION #2

### Overview

Purchase Price: \$500,000.00

Contingencies: NONE – “AS IS”

Inspection Period: 15 Days

Closing: 30 Days

# LOCATION – Historic Diesel Power Plant

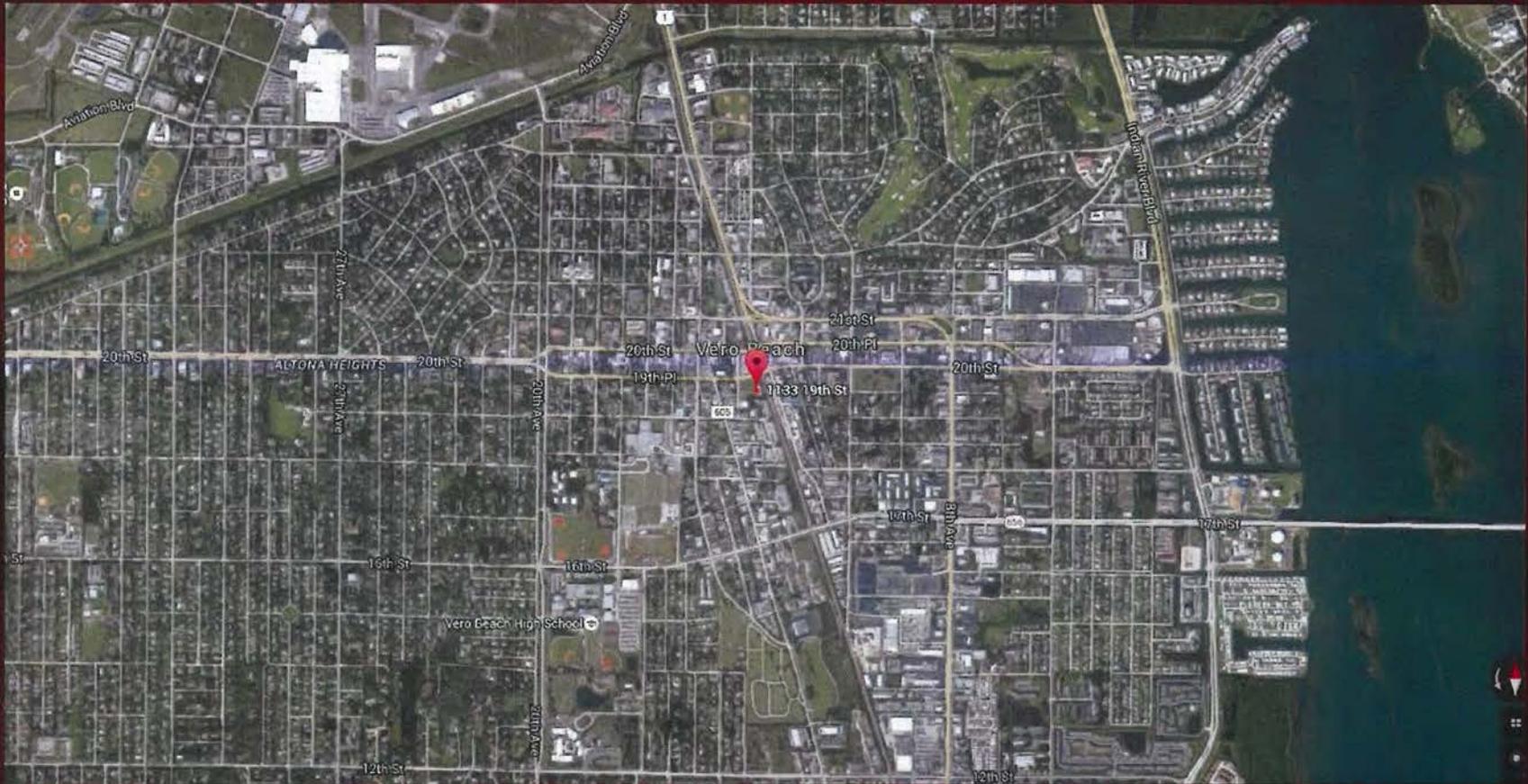
**Downtown Cultural Arts Village**

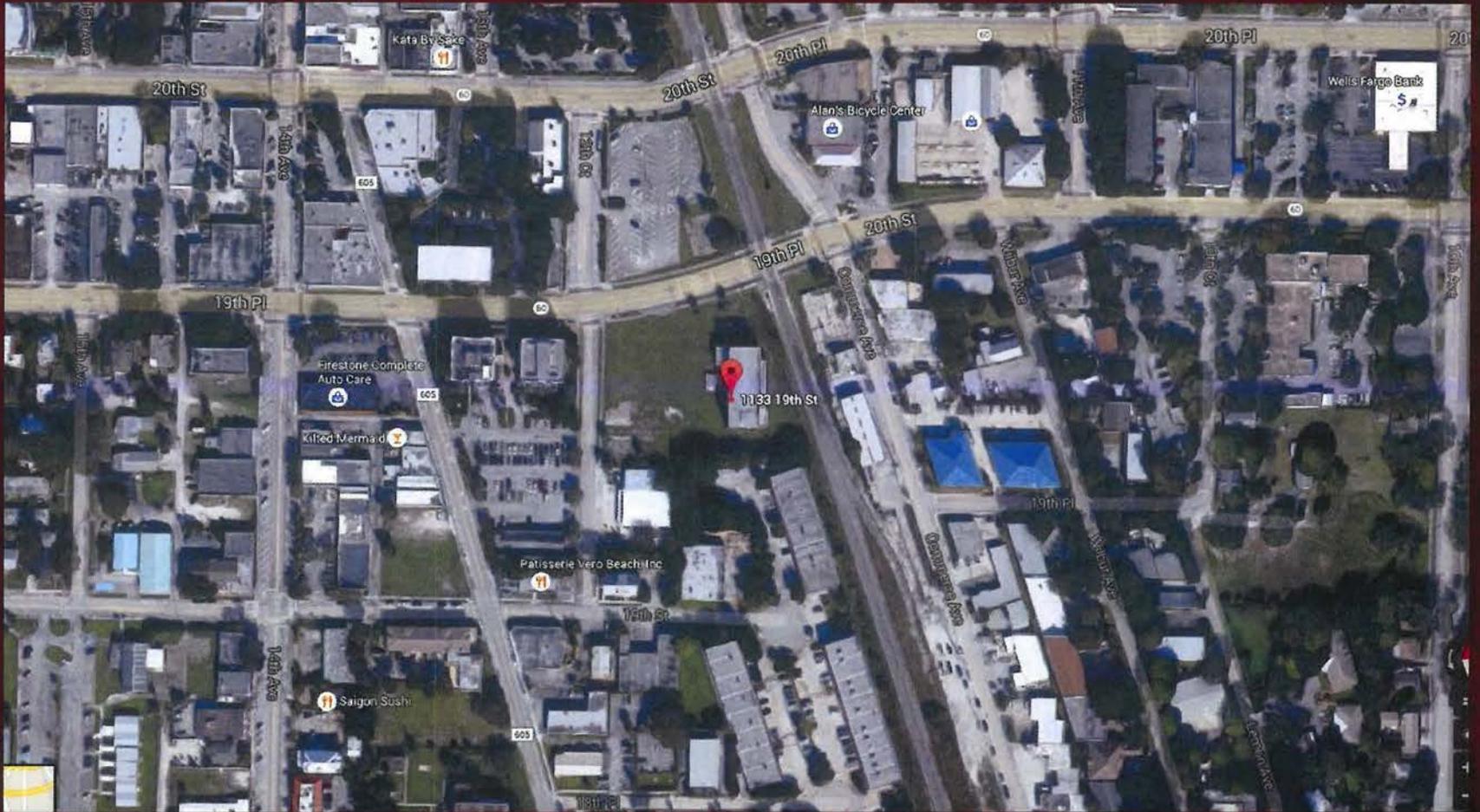
**1133 19<sup>th</sup> Place - Vero Beach, FL**

The historic Diesel Power Plant is American Icon Brewery's ideal location as it will be a key part of a dynamic mixed use area of Vero Beach which is downtown yet close to both the island/beaches and Vero Beach's growth areas to the West.

With direct frontage to State Road 60, the 10,000 sf+ building has significant visibility on what is a main thoroughfare in and out of downtown Vero Beach. The area was recently re-zoned to become a "cultural arts village" which is meant to offer a live, work and play environment with residential, warehouse, office and retail. The neighborhood currently consists of single family residential mixed with galleries, retail, restaurants, commercial and office.







# WHY A BREWERY?

The goal is to take advantage of a rapidly growing industry within an underserved market and to establish American Icon as one of the top market providers here in the Treasure Coast/South Florida, while also supplying a distribution network of highly demanded quality beer throughout the entire area. AIB will use top of the line equipment that will initially include a 10 or 15 bbl brewhouse that is capable of producing up to 15,000 barrels a year.

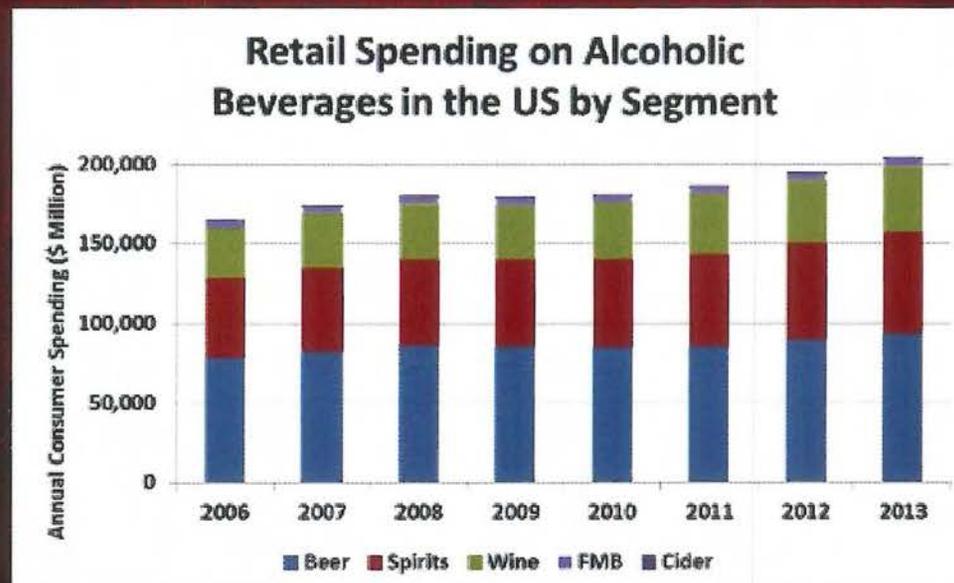
The craft brewing industry in 2014 was up 18% by volume and 22% by dollars compared to the prior year and shows no sign of slowing down as it continues to steal a larger share of the \$100 Billion domestic beer market each year.

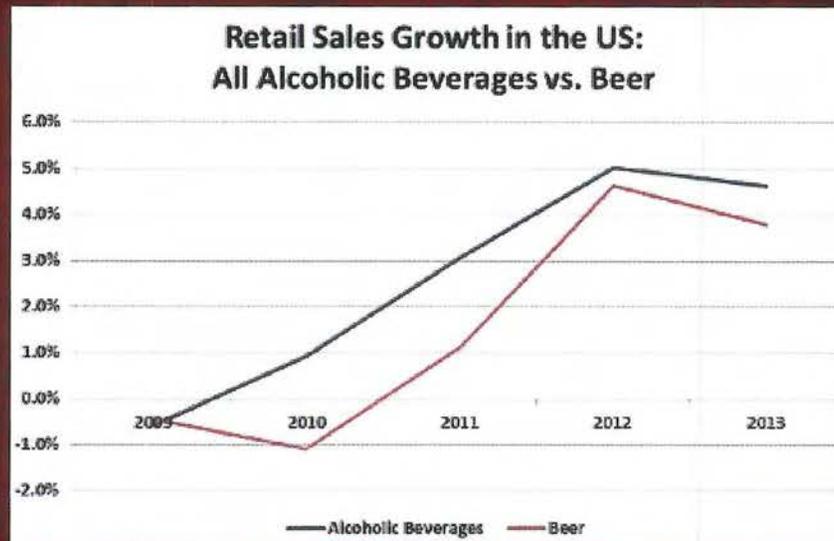
Meanwhile, the Southeastern US has been recognized as the fastest growing region of the country for craft beer sales by many industry veterans. American Icon will seek to fulfill and exploit the lack of local craft supply within the Vero Beach, Indian River County, Treasure Coast, South Florida and statewide markets, by becoming the first of its kind in this immediate area and only the third within the greater Vero Beach area.

# INDUSTRY & MARKET ANALYSIS

## Alcohol Consumption/Bar Industry

- ▶ In 2013, US consumers spent approximately \$200 billion on alcoholic beverages.
- ▶ Spending on Beer comprised approximately 46% of the alcoholic beverage industry.





Bar business & nightclub business revenues grew 3.5% in 2011, by 3.2% to \$22.7 Billion in 2012, and then by 3.08% to \$23.4 Billion in 2013.

- ▶ Revenues are expected to continue growing as the economy continues to improve and consumer spending increases, with industry revenue projected to climb at about 2.5% per year, over the next 3 years, eventually reaching \$25.7+ billion in 2017.

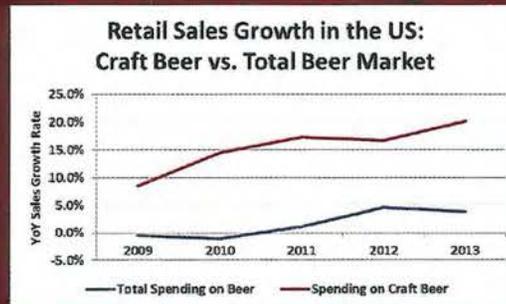
Beer and Ale sales are responsible for 42% of total bar and nightclub revenues; compared to 30.6% for distilled spirits.

# Big Beer vs. Craft Beer Market

Overall U.S. beer sales in 2014 were approximately 197,124,07 barrels equating for approximately \$101.5 Billion, and imported beer sales were 27,539,358 barrels. With Craft consumption on the rise, Imported beer sales were down an estimated -0.6% in 2013 and down again in 2014.

## Domestic Craft Beer Sales

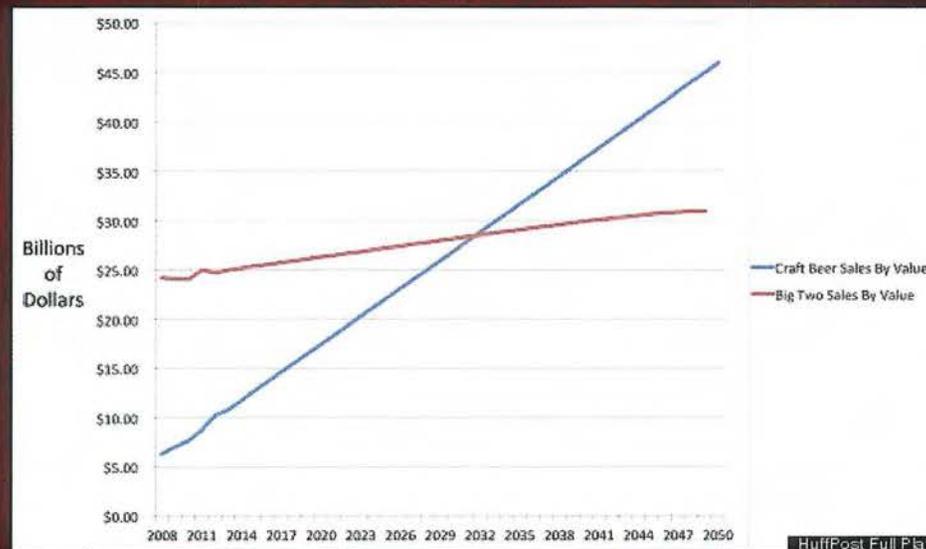
- ▶ 2014 = 21,775,905 barrels
- ▶ 2013 = 15,600,000 barrels
- ▶ 2012 = 13,235,917 barrels
- ▶ 2011 = 11,467,337 barrels



In 2013, craft brewers reached 7.8 percent volume of the total U.S. beer market, up from 6.5 percent the previous year. In 2014, for the first-time ever, craft brewers reached double-digit (11 percent) volume share of the marketplace. In Florida, craft beer only made up 3% of the total beer marketplace, a whopping 8% below the craft share nationally.

Growth of the craft brewing industry in 2014 was 18% by volume and 22% by dollars when compared to growth in 2013. 2013 was 18% by volume and 20% by dollars compared to growth in 2012, and 2012 was 15% by volume and 17% by dollars when compared to growth in 2011.

Anheuser-Busch and MillerCoors sold 6 percent less beer, by volume, in 2012 than they did in 2009. If craft beer sales keep growing as fast as they did in 2012, they would pass the Big Two beer sales by value as soon as 2020, and by volume as soon as 2033.



Craft dollar share of the total U.S. beer market reached 14.3 percent in 2013, as retail dollar value from craft brewers was estimated at \$14.3 billion, up from \$11.9 Billion in 2012.

In 2014, craft brewers produced 22.2 million barrels, and saw an 18 percent rise in volume and a 22 percent increase in retail dollar value. Retail dollar value was estimated at \$19.6 billion representing

19.3 percent market share.

In the words of Bart Watson, staff economist, Brewers Association:

- ▶ Following 2013: "Craft has now averaged 10.9 percent growth over the last decade, Beer drinkers are excited about what small and independent brewers are offering and that is evidenced by the rising production and sales of the craft segment."
- ▶ Following 2014: "This steady growth shows that craft brewing is part of a profound shift in American beer culture—a shift that will help craft brewers achieve their ambitious goal of 20 percent market share by 2020."

Cheers!

**AGREEMENT OF PURCHASE AND SALE**

This Agreement of Purchase and Sale (the "Agreement"), made and entered into this \_\_\_\_\_ day of January, 2016 by and between the **Seller**(as hereinafter defined) and the **Buyer** (as hereinafter defined) is based upon the following recitals:

A. Seller is the owner of the **Property** (as hereinafter defined) which Buyer desires to purchase upon the terms and conditions hereinafter set forth.

B. Seller desires to sell the Property upon such terms and conditions.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby confirmed, Seller and Buyer do hereby mutually covenant and agree as follows:

1. DEFINITIONS.

(a) **Seller: The City of Vero Beach**, with an address of P.O. Box 1389, Vero Beach, FL 32961-1389, Attention: James O'Conner, City Manager.

(b) **Buyer: Dr. Michael R. Rechter**, on behalf of a new a Florida limited liability company to be formed, with a mailing address of 241 East Prospect Road, Ft. Lauderdale, FL 33334, 954-727-0054 Ext. 18.

(c) **Land:** Three (3) parcels of improved real property known as the Vero Beach Diesel Power Plant with a street address of **1133 19<sup>th</sup> Place, Vero Beach, FL 32960**, located in the City of Vero Beach (the "City"), Indian River County, Florida (the "County"), containing approximately 1.5 acres, together with a 10,000 square foot vacant building, a legal description of which is set forth on **Exhibit "A"** attached hereto and hereby made a part hereof, together with all existing easements, air and mineral rights and all tenements, hereditaments, privileges and appurtenances thereto belonging or in any way appertaining thereto including, but not limited to: (i) all right, title and interest of Seller, if any, in and to adjacent streets, roads, alleys, or rights-of-way in any land lying in the bed of any street, road, or avenue, open or proposed, at the foot of or adjoining such land to the center line thereof, if any; and (ii) any pending or future award made in condemnation or in lieu thereof, if any. If the Land consists of more than one parcel, there shall be no intervening strips, gaps, gores or lands to which any legal, equitable or beneficial interests are owned by others. In the event that the legal description as contained in the survey and in the title commitment described below deviates from the legal description attached hereto, the Buyer shall have the right to approve the change in the legal description to that contained in the Title Insurance Commitment.

- (d) **Improvements:** All buildings and other improvements situated upon the Land.
- (e) **Realty:** The Land and the Improvements.
- (f) **Personalty:** The Personalty shall include: (i) all licenses, permits and franchises issued by any federal, state or local authorities, relating to the use, development, maintenance or operation of the Improvements; (ii) all architectural, engineering and construction plans, specifications and drawings relating to the Property owned by Seller, if any; (iii) all logos, art work, signs, brochures, artists renderings and other advertising and promotional materials concerning the Property owned by Seller, if any; and (iv) the Contracts (as hereinafter defined).
- (g) **Property:** The Realty and the Personalty.

2. PERSONALTY. Seller agrees to sell and convey any Personalty to Buyer by Bill of Sale.

3. PURCHASE PRICE. The Purchase Price to be paid by Buyer to Seller for the Property shall be SIX HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (**\$650,000.00**), payable as follows:

(a) A deposit of Fifty Thousand Dollars (\$50,000.00) (the "Initial Deposit") shall be delivered to the Escrow Agent by Buyer upon full execution hereof by both Seller and Buyer, which deposit shall be held in escrow subject to the terms of this Agreement by the Escrow Agent.

(b) Subject to the terms of this Agreement, the balance of the Purchase Price, subject to prorations and adjustments as is provided for herein, is to be paid in unrestricted funds at the Closing.

4. TIME FOR ACCEPTANCE AND EFFECTIVE DATE. If this offer is not accepted by this Agreement being executed by both of the parties hereto on or before January\_\_\_\_, 2016, this offer shall thereafter be deemed null and void. The Property is currently subject to a long-term lease with a third party other than Buyer (the "Lease"). Seller is currently involved in litigation with the Lessee under the subject Lease, the subject of which is to formally terminate such Lease and all of third party's rights in the Property. The "**Effective Date**" of this Agreement, when signed by Seller and Buyer, shall be the date upon which the Seller has provided to Buyer satisfactory evidence in the form of a "clean" title insurance commitment, free of issues concerning the above described Lease, and Seller is ready to proceed with this transaction and, subject to the terms, conditions, and covenants contained herein below, be prepared to close in accordance with the terms of this Agreement.

5. EVIDENCE OF TITLE. Within five (5) days from the Effective Date Seller shall provide to Buyer a copy of its prior owner's title insurance policy together with a copy of all recorded documents listed as exceptions thereon and a copy of the recorded deed of conveyance into Seller showing the legal description thereof. Within forty-five (45) days from the Effective Date, Seller shall, at Seller's expense, provide Buyer with a title insurance commitment, upon a nationally recognized title insurance company agreeing to issue to Buyer, upon recording of the deed to Buyer, an Owner's Title Insurance Policy in the amount of the purchase price, insuring title of the Buyer to the Property, subject only to liens, encumbrances, exceptions or qualifications set forth in this Agreement as Permitted Exceptions and asset forth on **Exhibit "B" ("Permitted Exceptions")**, and those which shall be discharged by Seller at or before Closing. Any such matters other than the Permitted Exceptions are hereinafter referred to as "**Title Defects**". Survey defects concerning the Property shall be deemed as Title Defects pursuant to this Article. Buyer shall have ten (10) days from date of receiving evidence of title, in the form of a commitment to insure, to examine same. If Buyer objects to any exceptions or items contained therein, Buyer shall, within the above referenced ten (10) day period, notify Seller in writing specifying defect(s). Seller shall have thirty (30) days from receipt of notice within which to use its best efforts to remove said defect(s), and if Seller is unsuccessful in removing them within said time, Buyer shall have the option of either (1) accepting the title as it then is, or (2) demanding a refund the Deposit paid hereunder which shall forthwith be returned to Buyer and thereupon Buyer and Seller shall be released, as to one another, of all further obligations under the Agreement. At Closing the Seller shall pay the necessary premium to the title agent selected by Seller, to procure issuance of the Owner's Title Insurance Policy as above set forth.

6. EXISTING MORTGAGE. The Property is currently not encumbered by a mortgage.

7. SURVEY. Seller shall deliver to Buyer, within Five (5) days of the Effective Date, its existing survey of the Property. Buyer, within Thirty(30) days of the Effective Date, may have the Property re-surveyed at Buyer's expense. If the Buyer's surveyor the Seller's survey, certified by a Florida surveyor, shows any encroachment of said Property, or that improvements intended to be located on the Property, in fact encroach on lands of others, or violate any of the covenants set forth in this Agreement, or contain any matters other than the Permitted Exceptions not approved or waived by Buyer, the same shall be treated as a Title Defect. Seller shall cooperate with Buyer in any re-certification of such surveys as Buyer may require.

8. UNDERTAKINGS OF SELLER: Seller shall, within Five (5) days from the Effective Date, deliver to the Buyer the following documents (the "**Submittals**"):

(a) A list of all maintenance, service, management, or other agreements affecting the Property, if any (collectively the "**Contracts**").

(b) Copies of all engineering reports, traffic studies, plans, specifications, artist

renderings, photographs, certificates of occupancy, permits, additional plans, renovation plans, if any, and other documentation pertaining to the construction, operation, maintenance and/or use of the Property as may be in the possession of Seller, or readily obtained from any consultant or agent of Seller.

9. REPRESENTATIONS AND WARRANTIES OF SELLER: Seller hereby represents and warrants to Buyer as of the Effective Date and as of the Closing Date, as follows:

(a) Seller has good and marketable title to the Property, free and clear of all mortgages, liens, encumbrances, leases or tenancies, security interests, covenants, conditions, restrictions, rights-of-way, easements, judgments or other matters except the Permitted Exceptions and the pending litigation concerning the prior Lessee which shall be Seller's obligation to terminate of record. No agreement other than this Agreement concerning or restricting the sale of the Property is in effect, and no person or entity has any right or option to acquire the Property other than Buyer. This Representation shall survive the Closing.

(b) Except as set forth herein, or in the Submittals, Seller has not contracted for any services or employment and has made no commitments or obligations therefor which will bind Buyer as a successor in interest with respect to the Property and except as set forth herein, or in the Exhibits, Seller is not a party to any Contracts affecting the Property which cannot be canceled upon not more than thirty(30) days' notice to the other parties thereto. This Representation shall survive the Closing.

(c) Except as set forth herein, no commitments have been made to any governmental authority, utility company, school board, church or other religious body, or any homeowners or homeowners' association, or to any other organization, group or individual relating to the Property which would impose an obligation upon Buyer or its successors or assigns to make any contributions or dedications of money or land or to construct, install or maintain any improvements of a public or private nature on or off the Property. Except as set forth herein, no governmental authority has imposed any requirement that any owner of the Property pay directly or indirectly any special fees or contributions or incur any expenses or obligations in connection with the ownership or development of the Property. This Representation shall survive the Closing.

(d) No notices or requests have been received by Seller from any insurance company issuing any of the insurance policies affecting the Property which have not been complied with. Any notices or requests from any such insurance company received prior to the Closing Date shall be complied with by Seller prior to the Closing Date.

(e) To the best of Seller's actual knowledge and belief, there are no pending or

threatened condemnation or similar proceeding or assessment affecting the Property, or any part thereof.

(f) Seller has received no notice of the intention of any public authority or other entity to take or use the Property or any part thereof.

(g) Seller is not a party or otherwise subject to any commitment, obligation, agreement, litigation or other proceeding which would prevent Seller from completing the sale of the Property under this Agreement or adversely affect the value of the Property in the hands of Buyer. Seller has full power to consummate the transaction described in this Agreement, the execution and delivery of this Agreement by Seller and the consummation by Seller of the transactions described herein having been duly and validly authorized by all necessary corporate action and the observance of all required formalities on the part of Seller, such that this Agreement constitutes a valid and legally binding obligation of Seller, enforceable against Seller in accordance with its terms. Neither the execution and delivery of this Agreement nor the consummation by Seller of the transaction contemplated hereby, nor compliance by Seller with any of the provisions hereof will: (i) conflict with or result in a breach of or default under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, license, agreement or other instrument or obligation to which Seller is a party or by which it or the Property is bound, or (ii) violate any order, injunction, decree, statute, rule or regulation applicable to Seller or the Property, other than as disclosed to Buyer. This Representation shall survive the Closing.

(h) Seller represents that at Closing there are no leases affecting the Property.

(i) Seller has not received any actual notice of violation, of any applicable building, zoning or other ordinances, resolutions, statutes, or regulations from any insurance company or governmental agency in respect to the operation or condition of Property and, to the best of Seller's actual knowledge there are no such violations.

(j) To the best of Seller's actual knowledge and belief, the Property has not in the past, and is not now, used as a depository or storage area for trash, garbage or any toxic waste, hazardous materials or toxins.

(k) Seller has full power and authority to own and sell the Property and to comply with the terms of this Agreement. This Representation shall survive the Closing.

(l) The execution and delivery of this Agreement by Seller and the consummation by Seller of the transaction contemplated by this Agreement are within Seller's capacity. This Representation shall survive Closing.

(m) At Closing there are no parties in possession except for Seller..

(n) All of the warranties and representations of the Seller set forth in this Agreement shall be true upon the execution of this Agreement, shall be deemed to be repeated at and as of the Closing Date, and shall be true as of the Closing Date but shall not survive the Closing of this transaction, unless specifically provided for to the contrary herein.

10. SPECIAL ASSESSMENT LIENS. Certified, confirmed and ratified special assessment liens as of the Closing Date are to be paid by Seller. Pending liens as of the date of Closing shall be assumed by Buyer.

11. RISK OF LOSS. Seller shall bear all risk of casualty loss to Property occurring prior to Closing and shall maintain in full force and effect all hazard, casualty and liability insurance now in force and insuring the Property against loss and damage or destruction through the Closing Date. In the event of any damage or destruction to any of the Property prior to Closing, not restored by the Closing Date, Buyer shall have the option to either:

(a) Rescind this Agreement and receive a refund of the Deposit together with all interest thereon; or

(b) Close this transaction and be entitled to receive the full amount of any proceeds of such insurance payable on the account of loss, damage, or destruction. Seller shall maintain all present insurance in full force and effect through the Closing Date.

In the event Buyer elects to close this transaction under subparagraph (b) of this Article, any loss shall be settled with the insurers only with the written consent of Buyer, and, if at Closing there shall be any losses which shall not have been settled or adjusted, Seller shall transfer and assign the insurance claim to Buyer, and this transaction shall be consummated in the same manner as if there had been no damage or destruction to Property.

12. SELLER'S OPERATIONS PRIOR TO CLOSING. Seller agrees that between the date hereof and the Closing Date, Seller shall:

(a) Not transfer any of the Property or create on the Property any easements, liens, mortgages, encumbrances or other interests that would affect the Property or Seller's ability to comply with the terms and conditions of this Agreement.

(b) Promptly disclose in writing to Buyer any material change in any facts or circumstances which would make any of the representations, or other provisions of this Agreement, inaccurate, incomplete or misleading.

(c) Cooperate with Buyer to assist Buyer in carrying out the transaction contemplated herein, in obtaining any approvals and authorizations, and in delivering all documents, instruments, or copies thereof or other information as maybe reasonably requested by Buyer.

13. INSPECTION AND FEASIBILITY. Buyer shall have until sixty (60) Calendar Days from the Effective Date (hereinafter referred to as the “**Inspection Period**”) to determine, in Buyer's sole discretion, whether the Property is suitable for Buyer's intended use of the Property. Buyer, its employees, agents or independent contractors shall be permitted to come onto the Property, upon reasonable prior verbal notice, during the Inspection Period in order to examine the Property and perform their own investigations, engineering, surveying work, soil tests, percolation tests, permeability tests, and feasibility studies thereon; all as may be necessary or desirable in the sole opinion of the Buyer in order for Buyer to evaluate the physical and economic characteristics of the Property, as well as other matters as maybe deemed byte Buyer to be reasonably necessary in order for Buyer to generally evaluate the Property and determine the feasibility and advisability of Buyer's purchasing of the same for the purposes and uses contemplated by the Buyer, including, without limitation, independent investigations and inquiries concerning all applicable zoning, environmental (including a Phase I Environmental Survey) and codes, ordinances, statutes, rules and regulations affecting the Property and its use, as well as the availability of access and utility services thereto, the possibilities and conditions upon which the Property can be developed and used, flood plan analysis, suitability of access and financial feasibilities concerning the Property and all standards, guidelines, conditions, and criteria that such a development and/or use may require under all laws and ordinances applicable thereto including in said analysis any and all documentation that may be furnished Buyer pursuant to Articles 5, 7, 8 and 9 above. Seller shall also fully cooperate to allow Buyer or Buyer’s professionals to examine the books, records, accounts, receipts, disbursements, bank account records and other applicable financial records of Seller, solely as same are related to the Property, so as to enable Buyer to verify all financial information concerning the Property and its income and expenses. Buyer, as a condition to its exercise of such right of entry and inspection, specifically agrees to defend, indemnify, save and hold Seller harmless from and against any loss, damage, liens, liability, suit, claim, cost or expense (including reasonable attorneys' fees) arising from the exercise by the Buyer or its employees, agents, engineers, surveyors, architects, or consultants of such right of entry. Buyer shall maintain the confidentiality of all of Seller’s financial records.

In the event that the results of such inspections, investigations, and inquiries are, in Buyer's sole opinion and within Buyer's sole discretion, unacceptable to Buyer for any reason whatsoever, and Buyer so notifies Seller in writing of that fact and determination on or before 5:00 p.m. on the date of the expiration of the Inspection Period then, at Buyer's option, Buyer may thereupon terminate this Agreement and receive back the Deposit hereunder together with all interest earned thereon and this Agreement and all rights and obligations of the parties hereunder, excepting Buyer’s obligations pursuant to this Article 13, shall cease, terminate and be null and void. The

failure of the Buyer to notify Seller in writing of the unacceptability of such inspections, investigations and inquiries before the expiration of said Inspection Period, however, shall be deemed to be and constitute a waiver by Buyer of its right to terminate this Agreement pursuant to the provisions of this Article. Nothing contained herein shall prevent or prohibit Buyer from giving Seller notice that Buyer's intended use of the Property is not feasible at any time within said Inspection Period.

Upon such termination of this Agreement by Buyer, in accordance with this Article, the Buyer shall:

- (a) Deliver to Seller possession and all right, title and interest in and to all surveys, inspection reports, tests, results, verifications, engineering studies, geological studies, surveying work, plats, maps, results of test borings, studies, land use plans and the like prepared or conducted by or for Buyer pursuant to this Agreement;
- (b) Reasonably restore the Property to the condition as existed as of the date of this Agreement, in reference to any work undertaken by Buyer pursuant to this Article 13; and
- (c) Return to Seller all of the Submittals.

14. CLOSING DATE. Subject to all of the terms, covenants, and conditions hereof, the sale and purchase transaction contemplated in this Agreement shall be closed on or before thirty (30) days from the end of the Inspection Period, unless the Closing Date shall be extended by the parties in writing in accordance with the terms and provisions of this Agreement. Provided that the Agreement has not been prior thereto terminated by the Buyer in accordance with any of the provisions of this Agreement, closing of this transaction shall occur at the offices of Seller's attorney, or shall occur without a sit down closing by utilizing delivery of documents by recognized courier service, wire transfer of funds, and other secure delivery methods. At such Closing, Buyer shall deliver to the Closing Agent, in the form hereinabove specified, all monies required to complete Buyer's payment of the Purchase Price of the Property, and Seller shall execute and deliver the statutory warranty deed, and other documents contemplated and required to be executed and delivered pursuant to the provisions of this Agreement. Seller and Buyer shall also execute and deliver to the Closing Agent such other documents at such Closing as maybe reasonably required of them in order to consummate and close the sale and purchase transaction contemplated in this Agreement pursuant to the terms hereof. The Closing Agent shall make all disbursements in accordance with a Closing Statement approved by Buyer and Seller. Seller shall pay the cost of the Owner's Title Insurance Policy and the documentary stamps required to be affixed to the instrument of conveyance. Buyer shall pay the cost of recordation (other than documentary stamps). Each party shall bear their own attorney's fees.

15. CLOSING DOCUMENTS. In addition to those documents otherwise required herein to be

delivered, Seller shall deliver to the Closing Agent the following documents at Closing:

- (a) A Warranty Deed, in recordable form, by which Seller shall convey the Property to Buyer, subject only to the Permitted Exceptions;
- (b) Such other items, instruments, or affidavits as Buyer's counsel may reasonably require;

16. PRORATIONS. The following matters concerning the Property will be apportioned between Buyer and Seller as of the Closing Date:

- (a) All taxes and special and other assessments (including future installments of special assessments) which have become a lien upon the Property or any part thereof prior to the Closing Date shall be paid by Seller and proof of such payment shall be given to Buyer prior to or at the Closing, or, at Seller's option, credit shall be given to Buyer therefor. Taxes shall be prorated based on the current year's tax with due allowance made for maximum allowable discount and another exemptions if allowed for said year. If the Closing Date occurs on a date when the current year's millage is not fixed, but the current year's assessment is available, taxes will be prorated based upon such assessment and the prior year's millage. If the current year's assessment is not available, then taxes will be prorated on the prior year's taxes. However, any tax proration based on such an estimate, at the request of either Buyer or Seller, shall be readjusted upon receipt of the final tax bill as a post-Closing adjustment. This provision shall survive the Closing;

Apportionment of matters set forth in subparagraphs (a) through (b) of this Article shall be for the tax year of Closing and shall be based on the latest available information. Should such proration be inaccurate based on the actual bill later received, then on notice, either party hereto may demand and shall be entitled to receive on demand, a payment from the other correcting such malapportionment. This paragraph shall survive the Closing.

17. LIENS. Seller shall furnish to Buyer at time of Closing an affidavit attesting to the absence, unless otherwise provided for herein, of any financing statements, claims of lien or potential liens known to Seller and further attesting that there have been no improvements to the Property for ninety (90) days immediately preceding date of Closing. If the Property has been improved within said time, Seller shall deliver releases or waivers of all mechanic's liens, executed by general contractors, subcontractors, suppliers, and materialmen, in addition to Seller's no-lien affidavit setting forth the names of all such general contractors, subcontractors, suppliers and materialmen and further reciting that in fact all bills for work to the Property which could serve as a basis for a mechanic's lien have been paid or will be paid at Closing, except as to any then pending "work in progress", as to which Buyer and Seller shall enter into an appropriate written agreement concerning the resolution and disposition of the cost of same.

18. EXPENSES. The cost of the title insurance policy, state documentary stamps which are required to be affixed to the instrument of conveyance, and the cost of recording any corrective instruments or releases shall be paid by Seller. The cost of recording the deed, and all fees and costs in connection with any new mortgage (if any) shall be paid by Buyer.

19. ESCROW. The Escrow Agent, **ROBERT MARC SCHWARTZ, P.A.**, receiving funds pursuant to this Agreement is authorized and agrees by acceptance thereof to promptly deposit and to hold same in escrow and to disburse same subject to clearance thereof in accordance with the terms and conditions of this Agreement. Failure of clearance of funds shall not excuse performance by the Buyer. In the event of doubt as to his duties or liabilities under the provisions of this Agreement, the Escrow Agent may in his sole discretion, continue to hold the monies which are the subject of this escrow until the parties mutually agree to the disbursement thereof, or until a judgment or a court of competent jurisdiction shall determine the rights of the parties thereto, or he may deposit all the monies then held pursuant to this Agreement with the Clerk of the Circuit Court of the County having jurisdiction of the dispute, and upon notifying all parties concerned of such action, all liability on the part of the Escrow Agent shall fully terminate, except to the extent of accounting for any monies theretofore delivered out of escrow. In the event of any suit between Buyer and Seller wherein the Escrow Agent is made a party by virtue of acting as such Escrow Agent hereunder, or in the event of any suit wherein Escrow Agent interpleads the subject matter of this escrow, the Escrow Agent shall be entitled to recover a reasonable attorney's fee and costs incurred, said fees and costs to be charged and assessed as court costs in favor of the prevailing party. All parties agree that the Escrow Agent shall not be liable to any party or person whomsoever for misdelivery to Buyer or Seller of monies subject to this escrow, unless such misdelivery shall be due to willful breach of this Agreement or gross negligence on the part of the Escrow Agent. All parties acknowledge that the Escrow Agent has rendered and will continue to render legal services to Buyer in connection with the preparation of this Agreement, the consummation of the transaction to which it relates, and in the prosecution and resolution of any and all disputes which may arise in connection therewith.

20. ATTORNEYS' FEES AND COSTS. In connection with any litigation, including appellate proceedings, arising out of this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs, including attorneys' fees and costs incurred in litigating entitlement to attorneys' fees and costs, as well as in determining or quantifying the amount of recoverable attorneys' fees and costs. Reasonable costs to which the prevailing party is entitled shall include costs which are taxable under any applicable statute, rule, or guideline.

21. DEFAULT. If this Agreement is not otherwise terminated pursuant to the terms hereof, and should Buyer fail to perform this Agreement within the time specified, the Deposit paid by Buyer aforesaid, together with interest thereon, if any, shall be retained by Seller as liquidated damages, consideration for the execution of this Agreement and in full settlement of any claims, and Buyer shall be obligated to return all documents to Seller; whereupon all parties shall be

relieved of all obligations under the Agreement. Should the Seller default or breach any obligation hereunder, the Buyer's sole remedy, shall be either to:

- (a) Seek specific performance of this Agreement, thereby waiving any action for damages; or
- (b) Elect to receive the return of its deposit, together with all interest thereon and thereby waive any action for damages or for specific performance in which event the Agreement shall be terminated upon Buyer's receipt of the deposit and the interest and thereupon, neither party shall have any further rights hereunder or obligations to each other.
- (c) In no event shall the Seller be liable to the Buyer for damages.

22. AGREEMENT NOT RECORDABLE, PERSONS BOUND AND NOTICE. Neither this Agreement nor any notice thereof shall be recorded in any public records. This Agreement shall bind and inure to the benefit of the parties hereto and their successors in interest. Whenever the context permits, singular shall include plural and one gender shall include all. Notice given by or to the attorney for either party shall be as effective as if given by or to said party.

23. SOLE AND ENTIRE AGREEMENT. This Agreement supersedes all prior discussions and agreements between the Parties in respect to the conveyance of Property and constitutes the sole and entire Agreement between Seller and Buyer in respect hereto.

24. MODIFICATIONS. No alteration, amendment, change or addition to this Contract shall be binding upon either party hereto unless and until reduced to writing and signed by both parties.

25. ASSIGNMENT. It is the intention of the Buyer to assign this Agreement to a new a Florida limited liability company, corporation, or limited partnership in which Buyer shall be a member, or officer, to which assignment, Seller hereby consents.

26. INTERPRETATION. For all purposes of this Agreement, except as otherwise expressly provided, or unless the context otherwise requires:

- (a) This Agreement and all questions of interpretation, construction and enforcement hereof, and all controversies arising hereunder, shall be governed and adjudicated in accordance with the internal laws of the State of Florida. Venue shall be in Indian River County, Florida.
- (b) Wherever in this Agreement the singular is used, the same shall include the plural, and vice-versa, and wherever in this Agreement the masculine gender is used, the same

shall include the feminine and neuter genders, and vice-versa.

(c) The captions, headings, and section numbers appearing in this Agreement are inserted as a convenience only and in no way define, limit, construe, or describe the scope or intent of such sections nor in any way effect the interpretation hereof.

(d) The phrase “**this Agreement**” means this Agreement as it may be amended and/or supplemented from time to time.

(e) Wherever the words “**includes**” or “**including**” arosued in this Agreement, the same shall not be construed to restrict or limit any of the language, terms or definitions used in association therewith.

(f) Any reference in this Agreement to an entity shall include and shall be deemed to be a reference to any entity that is a successor to such entity.

(g) The words “**Deposit**”, “**Land**”, “**Improvements**”, “**Realty**”, “**Property**”, “**Submittals**”, and “**Personalty**” shall be interpreted to include any and all respective portions thereof.

(h) Whenever this Agreement requires that something be done within a period of days, such period shall: (i) not include the day from which such period commences; (ii) include the day upon which such period expires; (iii) expire at 5:00 p.m. local time on the date by which such thing is to be done; (iv) if six (6) days or more, be construed to mean calendar days; provided that if the final day of such period falls on a Saturday, Sunday or legal holiday in the state where such thing is to be done, such period shall be extended to the first business day thereafter; and (v) if less than six (6) days, be construed to exclude any Saturday, Sunday, or legal holiday in the state where such thing is to be done which falls within such period, Time being of the essence.

(i) Wherever in this Agreement, the consent of either party to or of any act byte other is required, such consent shall not be unreasonably withheld or delayed, except as otherwise indicated, if at all. The consent by either party to or of any act byte other requiring further consent shall not be deemed to waive or render unnecessary the consent of such party to any subsequent similar act.

(j) It is understood and agreed that this Agreement may be executed in several counterparts, each of which, for all purposes, shall be deemed to constitute an original and all of which counterparts, when taken together, shall be deemed to constitute one and the same Agreement, even though all of the parties hereto may not have executed the same

counterpart.

(k) Wherever in this Agreement provision is made for the doing of any act by any person it is understood and agreed that such act shall be done by such person at its own cost and expense unless a contrary intent is expressed.

(l) The phrase "**Effective Date**" shall be interpreted to mean the date, subsequent to execution of this Agreement by Buyer and Seller, upon which the Seller has provided the Buyer with satisfactory evidence that the Lender, as hereinafter provided, has consented to the terms of this Agreement, and has agreed to permit the closing to occur, which date shall be inserted on the first line of this Agreement; however, in no such event shall the Effective Date be modified to extend anytime period beyond the date of July 20, 2014.

27. JUDICIAL CONSTRUCTION. Should any provision of this Agreement require judicial interpretation, it is agreed that the court interpreting or construing the same shall not apply a presumption that the terms hereof shall be more strictly construed against one party by reason of the rule of construction that a document is to be construed more strictly against the Party who itself or through its agent prepared the same, it being agreed that the agents of all Parties have participated in the preparation hereof. This Agreement shall be construed pursuant to the laws of the State of Florida.

28. CLOSING DATE. The words "**Closing**" and "**Closing Date**", or words of similar importance as used in this Agreement, shall be construed to mean the originally fixed title and Closing Date specified herein or any adjourned time and date specified herein or agreed to in writing by the Parties or any earlier date permitted herein.

29. DELIVERY OF POSSESSION. Possession of the Property shall be delivered to Buyer at Closing.

30. INDEMNIFICATION. Seller hereby agrees that it alone shall be liable for the payment of all costs and expenses, liabilities, obligations and claims arising out of its ownership of the Property prior to the Closing Date, except as to any liabilities expressly assumed by Buyer in this Agreement (collectively, the "**Liabilities**"). Seller agrees to defend, indemnify and hold Buyer harmless from any and all loss, cost or damage, including, without limitation, attorney's fees and court costs, arising from any of the Liabilities. Buyer agrees to defend, indemnify and hold Seller harmless from any and all loss, cost or damage, including, without limitation, attorney's fees and court costs, arising from any costs, expenses, liabilities obligations or claims arising out of its ownership of the Property after the Closing Date. The provisions of this paragraph shall survive Closing hereunder.

31. NOTICES. All notices, demands, or requests required or permitted to be given pursuant to this Agreement shall be in writing and shall be deemed to have been properly given or served to the addresses shown below, and shall be effective upon being(a)delivered by recognized courier service such as Federal Express, (b) delivered via e-mail with confirmation of receipt, (c) delivered by fax with confirmation of receipt, (d) by hand delivery, or (e) by being deposited in the United States mail, postage prepaid and registered or certified with return receipt requested. Notice to or from counsel for a party shall be the same as notice to or from a party.

AS TO SELLER:                   The City of Vero Beach, Florida  
  Attention: James O’Conner, City Manager  
  P.O. Box 1389  
  Vero Beach, FL 32961-1389  
  Phone No.: 772-978-4710  
  Fax No.: 772-978-4716  
  E-mail: [CityMgr@covb.org](mailto:CityMgr@covb.org)

WITH A COPY TO:               Wayne R. Comment, Esquire  
  City Attorney PO Box 1389  
  Vero Beach, FL 32961-1389  
  Phone No.: 772-978-4730  
  Fax No.: 772-978-4733  
  E-mail: [CityAtty@covb.org](mailto:CityAtty@covb.org)

AS TO BUYER:                   Dr. Michael R. Rechter, Manager  
  241 East Prospect Road  
  Ft. Lauderdale, FL 33334  
  954-224-4655  
  [MikeR@IntegraCorps.com](mailto:MikeR@IntegraCorps.com)

WITH A COPY TO:               Robert M. Schwartz, Esquire  
  ROBERT MARC SCHWARTZ, P.A.  
  4700 NW Boca Raton Blvd., Suite  
  104 Boca Raton, FL 33431  
  Phone No.: 561-241-1850  
  Fax No.: 561-241-1845  
  [Bob@RobertSchwartzPA.com](mailto:Bob@RobertSchwartzPA.com)

Rejection or other refusal to accept or inability to deliver because of changed address of which no notice has been given shall constitute receipt of the notice, demand, or request sent.

32. SAVING CLAUSE. Should any provision of this Agreement for application thereof to any

person or circumstance be held invalid or unenforceable, the remainder of this Agreement, or the application of such provision, to any person or circumstance, other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each provision of this Agreement shall be valid and enforceable to the full extent permitted by law.

33. NO WAIVERS. No delay or omission by either Party hereto to exercise any right or power accruing on any noncompliance or default by the other Party in respect to any of the terms of this Agreement shall impair any such right or power or be construed to be a waiver thereof, except as otherwise herein provided. A waiver by either of the Parties hereto or any of the covenants, conditions, or agreements hereof to be performed by either shall not be construed to be a waiver of any succeeding breach thereof or any other covenant, condition, or agreement herein contained.

34. NO MERGER. The statements, representations and warranties set forth in this Agreement shall not survive the Closing, except where specifically provided to the contrary.

35. BROKERS: At the time of the Closing and subject to a Closing actually occurring, Seller agrees to pay Real Estate Brokerage Commission to \_\_\_\_\_, in accordance with a separate written agreement for their services in bringing about the Closing of this transaction. Seller and Buyer hereby acknowledge, represent, and warrant to each other that no other broker or finder has been employed by either Seller or Buyer other than as set forth above. Seller and Buyer each warrant to the other that no other commissions are payable by Seller and Buyer or due to any other broker or finder in connection with this Agreement or the transaction contemplated herein, and Seller and Buyer each hereby agree to indemnify, defend, save and hold the other harmless from and against the payment of any other commissions or fees or claims for commissions or fees; it being expressly agreed that the foregoing agreement of indemnification shall survive any Closing under this Agreement.

36. DISCLOSURES: 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.

37. AS IS. In the event that Buyer does not terminate this Agreement during the Inspection Period as hereinabove provided, the Property shall be sold in an "as is" condition as of the Closing Date. Provided however that, a condition precedent to such closing shall be that the Property is, as of the Closing Date, free and clear of all hazardous material, toxic waste, or toxins or Buyer shall have the option to terminate this Agreement. Should the Agreement be terminated under this provision, all deposits, together with all interest thereon, shall be returned to Buyer, and this Agreement shall be of no further force or effect.

38. SECTION 1031 EXCHANGE. Seller and Buyer agree to cooperate with each other in closing the sale of the Real Property as a like-kind exchange under Section 1031 of the Internal Revenue Code (the "Code"). Such cooperation shall include, without limitation, the substitution by either of an intermediary (the "Intermediary").

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day and year indicated.

WITNESSES:

SELLER:

The City of Vero Beach, Florida

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
James O'Conner, City Manager

\_\_\_\_\_  
Witness

Executed this January \_\_\_\_\_, 2016.

BUYER:

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Michael R. Rechter on behalf of a  
new  
limited liability company to be  
formed

\_\_\_\_\_  
Executed this January \_\_\_\_\_, 2016.





**EXHIBIT "B"**

**PERMITTED EXCEPTIONS**

1. All applicable law, ordinance or governmental regulations.
2. Taxes for the current year, which are not yet due and payable, and subsequent years.
3. Matters shown on the Plat of DR RICHARD E BULLINGTONS UBDIVISION CONTINUED, as recorded in Plat Book 2, Page 5 of the Public Records of Indian River County, Florida.
4. Easements, reservations, and rights-of-way of record.

**LANES DROP OUT  
AT UW-STOUT**

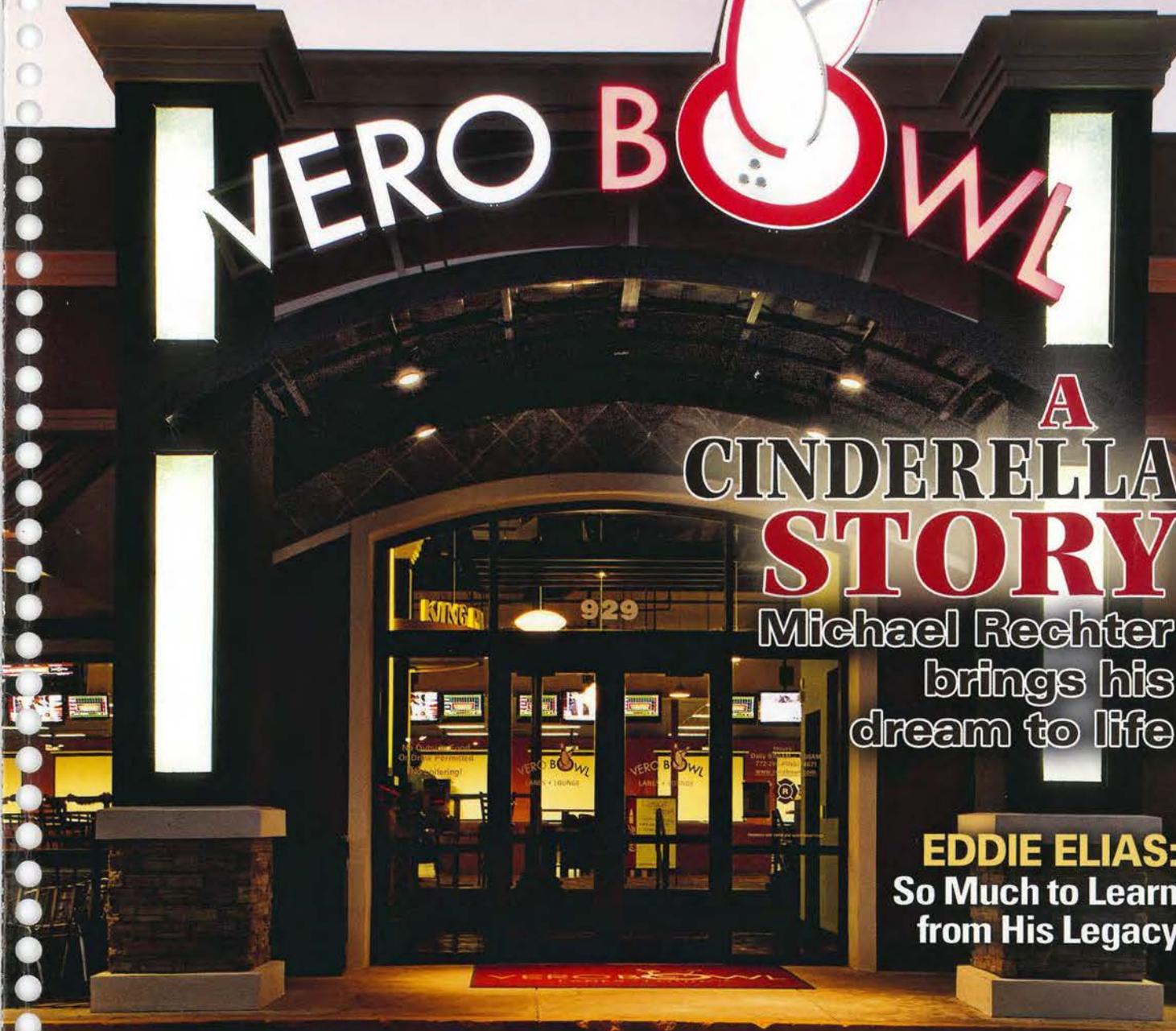
**PROPRIETOR BY DAY;  
DRUMMER AFTER HOURS**

**INTERNATIONAL**

Vol. 19 | March 2011

# **BOWLING INDUSTRY**

THE WORLD'S ONLY MAGAZINE DEVOTED EXCLUSIVELY TO THE BUSINESS OF BOWLING



**VERO BOWL**

## **A CINDERELLA STORY**

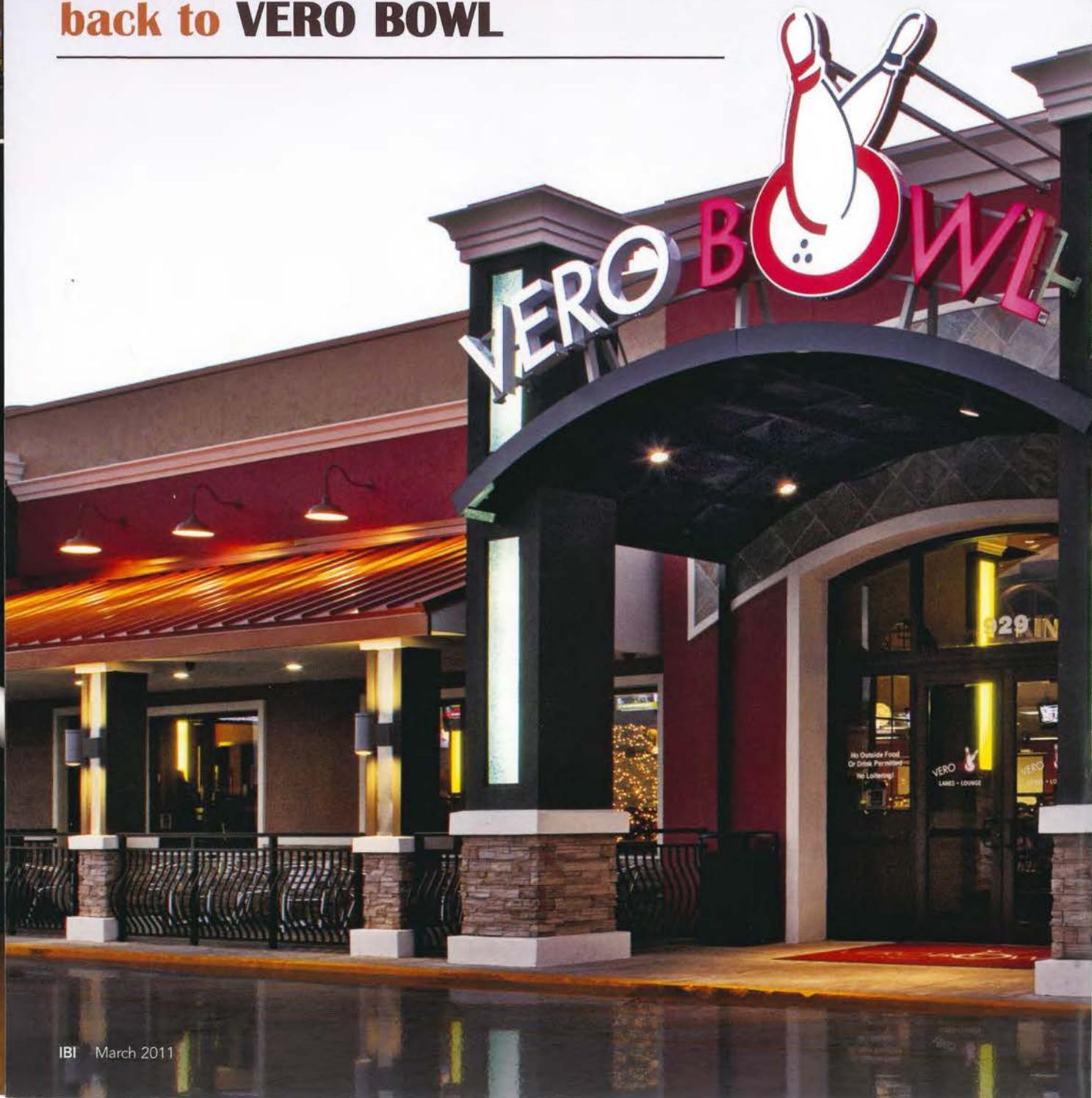
Michael Rechter  
brings his  
dream to life

**EDDIE ELIAS:**  
So Much to Learn  
from His Legacy

**HONG KONG,**  
Bowling and  
Mr. Wai

# A Cinderella

Bringing life, style and drama  
back to **VERO BOWL**



# Story

■ By Robin Breuner

**V**ero Bowl is a Cinderella story. The rundown, neglected, diamond-in-the-rough bowling center meets Prince Charming and is magically transformed.

In reality, it took much more than magic to transform the old Vero Bowl space into what it is today.

Michael Rechter, chiropractor turned successful real estate developer, bought the shopping center housing Vero Bowl and quickly found himself faced with a dilemma.

His real estate career began with the purchase of the buildings that housed his chiropractic clinics. After reading a book by Ray Croc, the founder of McDonald's, he decided to model himself after Croc's success. Rechter said that when you buy a share of McDonald's corporate stock, you're essentially buying fifty percent burgers and fifty percent real estate.

His initial foray into the real estate market proved so successful, that he expanded into buying other income properties. He went from a duplex to a fourplex to an eightplex and a mobile home park. In 2005, he purchased the Indian River Plaza shopping center in Vero Beach for \$6 million. The center was in disrepair and in foreclosure.

Rechter said, "The hurricanes had nailed it. It was in foreclosure before foreclosure became a big thing. It was a \$6 million shopping center, which sounds expensive, but it was cheap for \$6 million."

He immediately put his passion to work, renovated the property and handled the leasing process. Very quickly, the center went from 70% vacancy to 90% occupancy.

When the shopping center next door became available, he jumped on the opportunity, purchasing it for just under \$12 million. Although it was in better shape than its neighbor, there were other issues.

A theater located in the center had, at one time, been the only theater in Vero Beach until a new mall opened across town featuring a 24-plex, state of the art, AMC theater. The customers gravitated to the new mall, and the



*Vero Bowl Owner Mike Rechter hosting Indian River County/Vero Beach Chamber of Commerce Ribbon Cutting Ceremony for Vero Bowl - October 2010.*



*Vero Bowl Co-Owner/Developer Mike Rechter with Vero Bowl general contractors Mike Williams and Randy Trent of MH Williams Construction*

old theater declined to the point where it was only surviving by showing dollar movies.

Rechter approached Cinemaworld owner, Rick Starr, who proposed the concept of transforming the space into the Majestic Theater, a 1940s – 1950s era concept designed to attract the older demographic of Vero Beach.

According to Rechter, they blended the best of the old look with the best of the new technology. He said that the theater was so successful that they changed the name of the center to Majestic Plaza and as a result, they became an attraction in the area again.

That's when he set his sights on the bowling center.

"Unfortunately, I had this tenant in there, a bowling space called Vero Bowl. On a grade scale, it was horrible. I mean it was an F. You couldn't get any worse than this space. People would say to me all the

time, 'That theater is terrific, when are you going to do something about the bowling center? That place is terrible,'" Rechter said.

He approached the owner of the center who had no interest in investing any money to upgrade it.

"I had no ambition to get into the bowling business," Rechter said. "I tried to go to the owner of it to say, 'Can you please work with us to make the place better?' I wasn't expecting the Taj Mahal, I just wanted to take it from an F and perhaps make it into a C. Obviously, I was hoping for a B," he said.

"When you just spent \$12 million on one shopping center and \$20 million total, the last thing you want to hear is people going somewhere else because they couldn't stomach the bowling center," he said.

He approached Starr again to help him renovate the center. However after completing his due diligence Starr concluded that the price tag was too high to justify the investment.

Rechter was left with the difficult choice of trying to find another investor or biting the bullet and doing it himself. He was well aware of the fact that banks are loathe to the idea of lending money to those types of risky investments.

He said that even in today's bad economy, investors can still go to a bank, put down 30% and get a 70% loan. According to him, the banks don't want to lend money on bowling centers because they can't collateralize it. They know how to lend on a piece of real estate. If someone doesn't pay, the banks can foreclose, and then they are the owners of the property. With a bowling business, if someone defaults on a one or a two million dollar loan, it doesn't want to have to take back the pinsetters or the lanes.

He knew that he was going to have to go it alone.

He flew around the Southeast to Houston, Atlanta and all over Florida to as many bowling centers as possible to get a sense of what he did and didn't like.

"Essentially, there were two schools, there was the traditional bowling alley, which is plastic chairs, crappy food, that's the old thing, and frankly, I think that's the reason that bowling went downhill for a bit. They didn't keep up with the times," he said.

He said that in the 70s and 80s when this kind of center was popular, there weren't the same kind of options for entertainment that there are now. Now, kids can just stay home and play video games. He said that you also have to be able to attract not just the kids but the parents who have many entertainment options as well.

Rechter said, "What I ended up seeing was the old style, which I knew I didn't want to be, and the new style, Lucky Strike probably being the most popular of the new style, which is more of a bar with a little bowling than it is a bowling experience, per se."

He knew, however, that a town like Vero Beach could not sustain this concept. There are simply not enough people year round to justify it. According to Rechter, there are approximately 200,000 full time residents and about double that during the high season.

That's when he decided to hire Doug Wilkerson of Dynamic Design, specialty designers of theme-based bowling centers. He was quickly overwhelmed when he discovered the cost of the plans.

"The cost to build a center is a fortune. I've opened many offices, I've bought many buildings, I can't tell you how shocked I was by the costs that were being thrown around to build a new center by the industry people. I believe that the bowling center that I built, not only is it a first-class place, I believe I built it for less dollars per square foot than any other center of its type in the country," said Rechter.

He was told that he would need to spend somewhere in the neighborhood of \$4 million to refurbish the center. He is proud to say that he was able to trim that budget down to approximately \$2.5 million and still come out with the integrity of the design intact.

He was able to accomplish this by saving both on equipment and on design finishes. He was involved in every aspect of the project and knew where to trim costs and where to splurge. For example, Brunswick had quoted him \$1.4 million for all new equipment. Instead of accepting this, Rechter found a center that was closing and was able to buy their lanes for \$750,000. He then went on line and found an incredible deal to buy some used pinsetters, which he had refurbished. He found other equipment from various centers that were being demolished.

"Michael really committed to the feel of this place," Wilkerson said. "He wanted to change the perception. He was committed to the design, and it turned out really well. I have never seen a guy who was more 'hands on' than him. There was not one item that wasn't bid out 3 or 4 times. If it was still high, he would meet with other sources to see if they could make it work. In the end, he got my design, but he was able to create the same effect by figuring out how to do it for less," he said.

"Bottom line is, I saved a million dollars, a half million dollars of savings that I got from the bowling equipment



and scoring, and then I probably saved another half million dollars plus on the finishes and still keep the design integrity intact. I tried to find things that were true to what was designed by the designer – only cheaper," Rechter said.

"Vero was a great project because we started with a center that was shut down. Pretty much the dump of all dumps. It was moldy and nasty and really, really old and dilapidated. We basically reimaged the center. It turned out really well," said Wilkerson.

What they ended up creating was a hybrid center. Rechter said



that he looked around at what was working and knew what he wanted. He didn't want the plastic seats but he did want the leagues. He said that the problem with the Lucky Strike concept in a place like Vero Beach is that you don't have enough of a bar business on a daily basis.

They created a concept that is league-based during the day to specifically accommodate the senior bowlers, and in the evening around the happy hour crowd. Feel becomes more a hip combination of bar and bowling scene.

Wilkerson said, "Right now, the hot designs are these hybrid bowling centers that have a boutique element and still have a family entertainment element."

"We are really kind of becoming all things to all people demographically," said Rechter.

Wilkerson said that the whole bowling industry has really been transformed over the last eight to ten years with more boutique and upscale entertainment complexes, and that Vero falls right into that mode.

"The industry is actually moving a little bit right now where the boutique style is really the hot commodity, what everyone wants to duplicate. Lucky Strike and those type of projects started the fad, but lately the industry is really not only still doing the boutique but almost a theme park element is coming into these entertainment complexes," said Wilkerson.

Bowling, somewhere along the line, strayed off path, where everyone else kept on a remodel schedule

# VERO BOWL

LANES • LOUNGE



State of the Art \$2 Million  
Renovation



32 Brand New Lanes



6 VIP Lanes

*(Corporate Events, Private Parties)*



Billiard Room



Game Zone

KingPinz Lounge & Sports Grille with over 80  
High Definition Big Screens

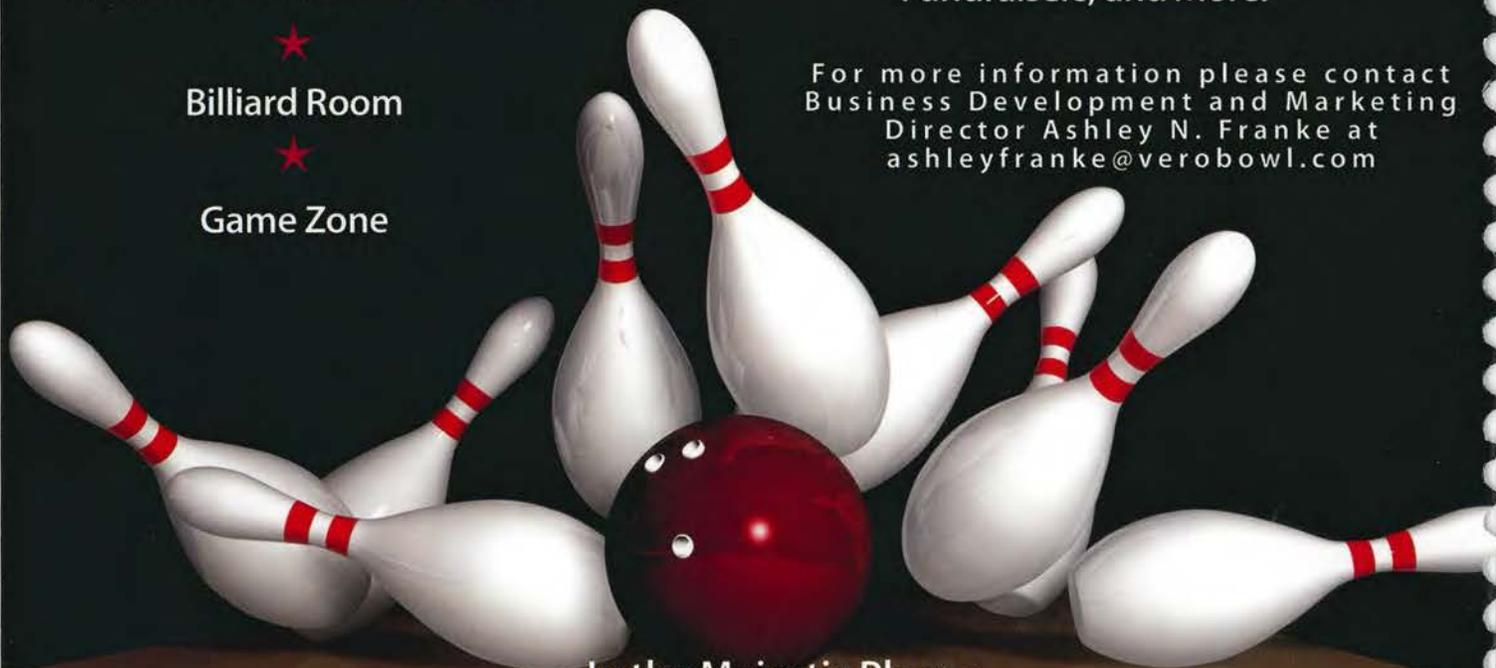


All Day Happy Hour up to 7pm!



The Perfect Place for Birthday Parties for Any  
Age, Bridal Showers, Team Building,  
Fundraisers, and More!

For more information please contact  
Business Development and Marketing  
Director Ashley N. Franke at  
[ashleyfranke@verobowl.com](mailto:ashleyfranke@verobowl.com)



In the Majestic Plaza

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January 15, 2016  
RFP #NO. 380-15  
ADDENDUM #1

The following addendum is hereby made a part of the specifications and shall be considered a part thereof for all purposes, superseding and replacing anything to the contrary in the original specifications.

**CLARIFICATION:**

During and following the pre-bid meeting on January 4, 2016 the following questions were asked regarding the Old Diesel Plant Attached is a copy of the renovation plans which are being provided as a public record and the City makes no guarantees to the extent which renovations may or may not have been completed.

Attached is a copy of a Site Assessment Report (SAR) which may assist in answering questions #1-6.

1. Pit next to the generator is full of liquid (appears to be water and oil) is there an assessment of the level of cleaning on the pit?
2. Is there an assessment of the pits where the previous generators were located?
3. Is there an assessment of the area under the generator?
4. Has all the lead paint been removed from the generator?
5. What is the condition the roof?
6. What is the status of the piping under the building?
7. What company provided windows for Power Plant? **Don't know the company that provided the windows.**
8. Do we have a point of contact of the contractor that removed the old generators and cost? **No**
9. Do we have any drawings of the interior? **Yes see attached**
10. On the west side of the building there is a separate platform of concrete approximately 3' high. Can the platform be removed and what was its previous use? **Yes it can be removed.**
11. How many square feet is the building? **8,918 sqft.**
12. How many acres is the entire property? **1.64 acres**
13. Can the generator be removed? **Yes**
14. How long will the buyer have to perform due diligence? **If required, the City will negotiate with the prospective buyer the period of time required to conduct their own inspections.**

All addenda must be signed by the bidder and included with the bidding documents, in order for bid to be considered.

AMERICAN ICON BREWERY

Company Name REAL ESTATE INVESTMENTS, LLC Signature

PROPOSAL PAGE

The undersigned representative submits this proposal, certifies that they are an authorized representative of the Proposer who may legally bind the Proposer and has carefully examined the RFP.

NAME (print): MICHAEL RECHTER

SIGNATURE: *Mike Rechter*

TITLE: MANAGING PARTNER

ADDRESS: 241 EAST PROSPECT ROAD

FT. LAUDERDALE, FL 33334

DATE: 1/15/16

CONFLICT/NON-CONFLICT OF INTEREST STATEMENT

(CHECK ONE)

To the best of our knowledge, the undersigned firm has no potential conflict of interest due to any other clients, contracts, or property interest for this project.

OR

The undersigned firm, by attachment to this form, submits information which may be a potential conflict of interest due to other clients, contracts, or property interest for this project.

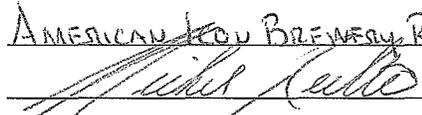
LITIGATION STATEMENT

(CHECK ONE)

The undersigned firm has had no litigation and/or judgments entered against it by any local, state or federal entity and has had no litigation and/or judgments entered against such entities during the past ten (10) years.

OR

The undersigned firm, by attachment to this form, submits a summary and disposition of individual cases of litigation and/or judgments entered by or against any local, state or federal entity, by any state or federal court, during the past ten (10) years.

Company Name                    AMERICAN KOD BREWERY REAL ESTATE INVESTMENTS, LLC  
Authorized Signature           
Name (Print or Type)         MICHAEL RECHTER  
Title                                 MANAGING PARTNER

Failure to check the appropriate blocks above may result in disqualification of your proposal. Likewise, failure to provide documentation of a possible conflict of interest, or a summary of past litigation and/or judgments, may result in disqualification of your proposal.

FIRM CERTIFICATION

The City of Vero Beach requires, as a matter of policy, that any Firm receiving a contract or award resulting from the Request for Proposals issued by the City of Vero Beach shall make certification as below. Receipt of such certification, under oath, shall be a prerequisite to the award of contract and payment thereof.

I (we) hereby certify that if the contract is awarded to me, our firm, partnership or corporation, that no members of the elected governing body of the City of Vero Beach nor any professional management, administrative official or employee of the City, nor members of his or her immediate family including spouse, parents or children, nor any person representing or purporting to represent any member or members of the elected governing body or other official, has solicited, has received or has been promised, directly or indirectly, any financial benefit including but not limited to a fee, commission, finder's fee, political contribution, goods or services in return for favorable review of any Proposal submitted in response to the Request for Proposals or in return for execution of a contract for performance or provision of services for which Proposals are herein sought.

Handwritten Signature of Authorized Principal(s):

NAME (print): MICHAEL RECHER

SIGNATURE: 

TITLE: MANAGING PARTNER

NAME OF FIRM/PARTNERSHIP/CORPORATION:

AMERICAN ICON BREWERY REAL ESTATE INVESTMENTS, LLC

241 EAST PROSPECT ROAD

FT. LAUDERDALE, FL 33334

DATE: 1/15/16

## DRUG-FREE WORKPLACE COMPLIANCE FORM

### IDENTICAL TIE BIDS

Preference shall be given to business with drug-free workplace programs. Whenever two or more Bids which are equal with respect to price, quality, and service are received by the State or by any political subdivision for the procurement of commodities or Contractual services, a Bid received from a business that certifies that it has implemented a drug-free Work place program shall be given preference in the award process. Established procedures for processing tie Bids will be followed if none of the tied vendors has a drug-free Workplace program. In order to have a drug-free workplace program, a business shall:

1. Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.
2. Inform employees about the dangers of drug abuse in the workplace, the business policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations.
3. Give each employee engaged in providing the commodities or Contractual services that are under Bid a copy of the statement specified in Subsection 1.
4. In the statement specified in Subsection 1, notify the employees that, as a condition of working on the commodities or Contractual services that are under Bid, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of Chapter 893 or of any controlled substance law of the United States or any State for a violation occurring in the workplace no later than five (5) days after such conviction.
5. Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employer's community by, any employee who is so convicted.
6. Make a good faith effort to continue to maintain a drug-free workplace through the implementation of this section. As the person authorized to sign the statement, I certify that this firm complies fully with the above requirements.

  
\_\_\_\_\_  
PROPOSER'S SIGNATURE