
Town of Howey-in-the-Hills
and
Sewer & Water Plant Investments, LLC

RIGHT OF FIRST REFUSAL AGREEMENT

THIS RIGHT OF FIRST REFUSAL AGREEMENT (“Agreement”) is made and entered into as of January __, 2025 (“Effective Date”), by and between the **Town of Howey-in-the-Hills**, a Florida municipal corporation (“Howey”), and **Sewer & Water Plant Investments, LLC**, a Florida limited liability company (“S&WP”).

RECITALS

- A. **WHEREAS**, Howey is a municipality in Lake County, Florida; and
- B. **WHEREAS**, S&WP owns those certain parcels of land in Lake County, Florida, described on Exhibit “A” attached hereto, along with the wastewater treatment system and water plant system located thereon (collectively, the “Property”); and
- C. **WHEREAS**, S&WP leases the Property to the Central Lake Community Development District, a Florida special district created under Chapter 190 of the Florida Statutes, (the “CDD”), pursuant to a lease agreement dated July 26, 2002 (the “Lease”); and
- D. **WHEREAS**, contemporaneously with the execution of this Agreement, Howey and the CDD have entered into an Amended and Restated Wholesale Wastewater Treatment Agreement whereby the CDD will provide Howey with wholesale wastewater treatment and disposal service to certain Howey retail customers (the “Amended Wholesale Agreement”); and
- E. **WHEREAS**, as a condition of entering into the Amended Wholesale Agreement, Howey is requiring that S&WP grant Howey a right of first refusal regarding the Property, and S&WP is willing to grant such right of first refusal regarding the Property in accordance with the terms and conditions set forth in this Agreement; and

NOW THEREFORE, in consideration of the Recitals, covenants, agreement and promises herein contained, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged by the parties, the parties agree as follows:

SECTION 1. RECITALS. The above Recitals are true and correct, and form a material part of this Agreement upon which the parties have relied.

SECTION 2. RIGHT OF FIRST REFUSAL. S&WP does hereby grant unto Howey a right of first refusal (hereinafter referred to as the “ROFR”) to purchase all of S&WP’s fee simple interest in the Property (which for avoidance of doubt, shall include the assumption of S&WP’s interest as lessor under the Lease), subject to and upon the terms and conditions hereinafter set forth.

During the Term of the Agreement, in the event S&WP receives a bona fide written offer from any third party to purchase the Property, which S&WP desires to accept, Howey may elect to purchase the Property at the price and on the terms as are contained in the written offer. The S&WP shall give notice to Howey, including delivery to Howey of a true and exact copy of the written offer, and allow Howey 90 calendar days subsequent to Howey’s receipt of such notice within which Howey may elect to purchase the Property from S&WP; and in the event Howey so elects to purchase the Property, by giving notice of such election to S&WP within the 90 calendar day period, S&WP shall sell the Property to Howey at the price and on the same terms and conditions as are contained in the written offer.

Should Howey, by written notice to S&WP, elect not to exercise the right to purchase, or should Howey fail to notify S&WP of its election to purchase within the aforesaid 90 day calendar period, then, in either of such events, S&WP shall be free to consummate the sale of the Property to the third party submitting the written offer, provided that the sale is closed on the same material terms and conditions as are contained in the written offer. Should any such sale be consummated, this ROFR shall thereafter be of no further force and effect with respect to the Property subject to the sale. Should any such sale not be consummated as aforesaid, S&WP shall, in the event S&WP subsequently receives any modified or new bona fide written offer from any third party to purchase the Property, again follow the provisions of this Section 2 requiring notice to Howey and opportunity for Howey to purchase the Property. S&WP shall not be obligated to offer to sell or to sell the Property, and S&WP shall not be obligated to disclose to Howey any offer to purchase the Property which S&WP may receive which S&WP, in its sole discretion, does not accept or intend to accept.

Notwithstanding anything herein to the contrary, under no circumstances shall a “bona fide written offer from a third party” be deemed to include or shall this ROFR be triggered by any of the following:

- (i) Any financing transactions of any nature; or
- (ii) Any future expansion or modification of the wastewater treatment system or water plant system, and sale of ERUs generated thereby; or
- (iii) With respect to any member of S&WP, such member’s transfer of its ownership interest in S&WP to any of the following: (1) another member of S&WP, (2) to S&WP, (3) if a member is an entity, to its stockholders, members, partners or other equity holders, (4) if a member is a natural person, either during his or her lifetime or death by will or intestacy to his or her (a) Immediate Family (as defined below), or (b) to a corporation, limited liability company, partnership, trust or other entity owned exclusively by such member or for the benefit of any member’s Immediate Family. For purposes herein, the term “Immediate Family”

shall mean spouse, lineal descendant or antecedent, father, mother, brother, sister, nephew, niece, or child (natural or adopted).

S&WP discloses to Howey that as of the Effective Date the Property is subject to an existing mortgage, and Howey acknowledges and agrees that its right of first refusal rights granted by this Agreement shall be subject to and subordinate to any mortgage now or hereafter placed upon the Property, and to any renewals, modifications, consolidations, replacements, extensions, or re-financings thereof. Howey agrees to execute and deliver whatever instruments may be requested by any lender for such purposes.

SECTION 3. TERM OF RIGHT OF FIRST REFUSAL RIGHT. The term of this Agreement shall commence as of the Effective Date and shall remain in effect until the earlier date of:

- (i) The date the Amended Wholesale Agreement shall expire or be terminated; or
- (ii) The date upon which Howey, by written notice to S&WP, elects not to exercise the right to purchase under Section 2 of this Agreement; provided that S&WP consummates the sale of the Property to the third party submitting the written offer on the same material terms as are contained in the written offer; or
- (iii) The first business day following Howey's failure to notify S&WP of its election to purchase within the 90 day calendar period provided under Section 2 of this Agreement; provided that S&WP consummates the sale of the Property to the third party submitting the written offer on the same material terms as are contained in the written offer.

SECTION 4. ASSIGNMENT. Neither party shall assign this Agreement or the rights and obligations to any other party without the prior written consent of the other party hereto, which may or may not be given by in the other party's sole discretion.

SECTION 5. NOTICES. Any notice required or allowed to be delivered hereunder shall be in writing and be deemed to be delivered when either (1) hand-delivered to the official hereinafter designated, or (2) upon receipt of such notice when deposited in the U.S. mail, postage prepaid, certified mail, return-receipt requested, addressed to a party at the address set forth opposite the party's name below, or at such other address as the party's name below, or at such other address as the party shall have specified by written notice to the other party delivered in accordance herewith:

S&WP: Mr. Scott Line
Sewer & Water Plant Investments, LLC
1390 Fern Avenue
Orlando, Florida 32814

HOWEY: Sean O'Keefe
Town Manager
(101 North Palm Ave. 34737)
P. O. Box 128

Howey-in-the-Hills, Florida 34737
with a copy to:

Thomas J. Wilkes
GrayRobinson, P.A.
(301 E. Pine Street, Suite 1400 32801)
P. O. Box 3068
Orlando, Florida 32802

SECTION 6. SEVERABILITY. If any part of this Agreement is found invalid or unenforceable by any court, such invalidity or unenforceability shall not affect the other parts of the Agreement if the rights and obligations of the parties contained herein are not materially prejudiced and if the intentions of the parties can continue to be effected. To that end, this Agreement is declared severable.

SECTION 7. RECORDATION. The parties hereto agree that an executed copy of this Agreement and Exhibits attached hereto shall be recorded in the Public Records of Lake County at the expense of the parties, said expense to be shared equally.

SECTION 8. TIME OF THE ESSENCE. Time is hereby declared to be of the essence to the lawful performance of the duties and obligations contained in this Agreement.

SECTION 9. APPLICABLE LAW. This Agreement shall be construed, controlled, and interpreted according to the laws of the State of Florida. Venue for disputes, if any, must be the Circuit Court of the Fifth Judicial Circuit of Florida, in Lake County, Florida.

SECTION 10. ENTIRE AGREEMENT. This instrument constitutes the entire agreement between the parties in its entirety and supersedes all previous discussions, understandings, and agreements between the parties relating to the subject matter of this Agreement. Amendments to and waivers of the provisions herein may be made only by the parties in writing, by formal waiver or amendment approved by majority vote of Howey's Town Council and S&WP's members.

IN WITNESS WHEREOF, the parties hereto have hereunder executed this Agreement on the Effective Date.

[Signatures on the following page]

**SEWER & WATER PLANT INVESTMENTS,
LLC, a Florida limited liability company**

ATTEST:

By: S Line, LLC, a Florida limited liability
company, its Member

By: _____

By: _____
Scott Line, its Managing Member

ATTEST WITH SEAL

TOWN OF HOWEY-IN-THE-HILLS

By: its Town Council

By: _____
John Brock, Town Clerk

By: _____
Hon. Graham Wells, Mayor

Approved as to form and legality
(for the use and reliance of the Town only)

Town Attorney

STATE OF FLORIDA
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me by means of physical presence or online notarization this ___ day of January, 2025, by SCOTT LINE as Managing Member of S Line, LLC, as Member of SEWER & WATER PLANT INVESTMENTS, LLC. He is personally known to me or has produced _____ as identification.

NOTARY PUBLIC—STATE OF FLORIDA
Printed Name: _____
My Commission Expires: _____

STATE OF FLORIDA
COUNTY OF LAKE

The foregoing instrument was acknowledged before me by means of physical presence or online notarization this ___ day of January, 2025, by _____ as Mayor of TOWN OF HOWEY-IN-THE-HILLS, Town Council. She/he is personally known to me or has produced _____ as identification.

NOTARY PUBLIC—STATE OF FLORIDA
Printed Name: _____
My Commission Expires: _____

EXHIBIT "A"
PROPERTY

#62282774 v2