

RESOLUTION NO 2025 - 006

CITY OF LAKE CITY, FLORIDA

A RESOLUTION OF THE CITY OF LAKE CITY, FLORIDA APPROVING THAT CERTAIN AGREEMENT BETWEEN THE CITY AND THE STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION FOR PETROLEUM CLEANUP PARTICIPATION PROGRAM FUNDING; MAKING CERTAIN FINDINGS OF FACT IN SUPPORT OF THE CITY APPROVING SAID AGREEMENT; RECOGNIZING THE AUTHORITY OF THE MAYOR TO EXECUTE AND BIND THE CITY TO SAID AGREEMENT; DIRECTING THE MAYOR TO EXECUTE AND BIND THE CITY TO SAID AGREEMENT; REPEALING ALL PRIOR RESOLUTIONS IN CONFLICT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Lake City ("City") is the owner of lands generally known as the Lake City Gateway Airport (the "Airport"); and

WHEREAS, certain outparcels at the Airport are leased to certain tenants for commercial and industrial purposes; and

WHEREAS, one such tenant is Great South Timber & Lumber, LLC, a Florida limited liability company ("Great South"); and

WHEREAS, Great South occupies and leases from the City certain lands generally identified by tax parcel number 02-4S-17-07483-007 (the "Subject Property") for use as a sawmill; and

WHEREAS, Great South's predecessor in occupancy of the Subject Property is Daniels Lumber, Inc., a Florida corporation, now dissolved ("Daniels"); and

WHEREAS, prior to Great South's acquisition of Daniels and its occupancy of the Subject Property in 2002, petroleum discharges were identified and disclosed to the City and the State of Florida Department of Environmental Protection (the "Agency"); and,

WHEREAS, during Great South's occupancy of the Subject Property in 2017, previously undisclosed petroleum storage tanks were discovered, removed, and disclosed to the City and the Agency; and

WHEREAS, none of the Discharges identified were caused by Great South, and Great South has cooperated with the City and the Agency regarding disclosure and remediation efforts for the Subject Property; and

WHEREAS, the Agency, pursuant to Florida statute, is requiring the City, as owner of the Subject Property, to remediate certain impacts of the Discharges; and

WHEREAS, the State of Florida has established the Petroleum Cleanup Participation Program (the "Grant Program") to provide grant funds to the City to assist the City with the remediation of the Discharges; and

WHEREAS, the City desires to retain Terracon Consultants, Inc., a Florida corporation, (the "Consultant") as the consulting and engineering firm to assist and advise the City in remediating the impacts of the Discharges in compliance with the Grant Program; and

WHEREAS, the Grant Program will provide up to \$1 million to the City to assist the City in remediating the discharges; and

WHEREAS, the City is required to provide a twenty-five (25) percent match (the "Match") as a condition of receiving the funds from the Grant Program; and

WHEREAS, the Consultant will be compensated from the proceeds of the Grant Program; and

WHEREAS, the City has multiple options in determining how it fulfills the Match, including opting that the Subject Property be "conditionally" remediated, rather than being fully remediated, applying the cost-differential between conditional remediation and full remediation as the Match to be provided by the City; and

WHEREAS, the Subject Property is historically an industrial site with little to no possibility of ever being utilized for residential purposes; and

WHEREAS, the City, the Agency, and the Consultant agree conditional remediation is an adequate and viable option that provides cost-savings to the City and the Agency, while also reasonably mitigating risks to the public from the impacts of the Discharges on the industrial site; and

WHEREAS, the Agency has provided to the City certain agreements necessary to participate in the Grant Program; and

WHEREAS, the City desires to participate in the Grant Program to receive funds to assist in remediating the effects of the Discharges by adopting and approving the terms of such agreements; and

WHEREAS, in furtherance of the City participating in the Grant Program, the Agency has provided to the City that certain *Agreement for Petroleum Cleanup Participation Program* in the form attached hereto as Exhibit "A", and the City desires to adopt and approve same; and

WHEREAS, in furtherance of the City participating in the Grant Program, the Agency has provided to the City that certain *Property Owner Conditional Closure Agreement for PCPP Discharges* in the form attached hereto as Exhibit “B”, and the City desires to adopt and approve same; and

WHEREAS, in furtherance of the City participating in the Grant Program, the Agency has provided to the City that certain *Declaration of Interim Restrictive Covenants* in the form attached hereto as Exhibit “C”, and the City desires to adopt and approve same (hereinafter Exhibits “A”, “B”, and “C” shall be collectively referenced as the “Grant Program Agreements”); and

WHEREAS, Great South desires to facilitate the remediate the effects of the Discharges on the Subject Property by consenting to the terms of said *Declaration of Interim Restrictive Covenants*, and to otherwise reasonably cooperate with the City, the Consultant, and the Agency by among other things, providing access to the Subject Property; and

WHEREAS, in furtherance of the City participating in the Grant Program, a *PCPP Scope of Work and Cost Estimate for 25% Cost Savings via RMO II* (the “SOW/Cost Estimates”) has been prepared for each of the two discharges on the Subject Property, such SOW/Cost Estimates being attached hereto as Composite Exhibit “D”; and

WHEREAS, remediating the impacts of the Discharges by approving and adopting the Grant Program Agreements is in the public interest and in the interests of the City; now therefore

BE IT RESOLVED by the City Council of the City of Lake City, Florida:

1. Remediating the impacts of the Discharges by adopting the Grant Program Agreements is in the public or community interest and for public welfare; and
2. In furtherance thereof, the Grant Program Agreements in the form of the exhibits attached hereto should be and are approved by the City Council of the City of Lake City; and
3. In furtherance thereof, the SOW/Cost Estimates are acknowledged and adopted hereby; and
4. The Mayor of the City of Lake City is the officer of the City duly designated by the City’s Code of Ordinances to enforce such rules and regulations as are adopted by the City Council of the City of Lake City; and
5. The Mayor of the City of Lake City is authorized to execute on behalf of and bind the City

to the terms of the Grant Program Agreements; and

6. The Mayor of the City of Lake City is directed to execute on behalf of and bind the City to the terms of the Grant Program Agreement; and
7. All prior resolutions of the City Council of the City of Lake City in conflict with this resolution are hereby repealed to the extent of such conflict; and
8. This resolution shall become effective and enforceable upon final passage by the City Council of the City of Lake City.

APPROVED AND ADOPTED, by an affirmative vote of a majority of a quorum present of the City Council of the City of Lake City, Florida, at a regular meeting, this ____ day of April, 2025.

BY THE MAYOR OF THE CITY OF LAKE CITY,
FLORIDA

Noah E. Walker, Mayor

ATTEST, BY THE CLERK OF THE CITY COUNCIL
OF THE CITY OF LAKE CITY, FLORIDA:

Audrey E. Sikes, City Clerk

APPROVED AS TO FORM AND LEGALITY:

Clay Martin, City Attorney



FLORIDA DEPARTMENT OF Environmental Protection

Bob Martinez Center
2600 Blair Stone Road
Tallahassee, FL 32399-2400

Ron DeSantis
Governor

Jeanette Nuñez
Lt. Governor

Shawn Hamilton
Secretary

August 2, 2024

City of Lake City
PO Box 2249
Lake City, FL 32056

Subject: **Notice of State Funding for Site Rehabilitation of Petroleum Contamination & Petroleum Cleanup Participation Program (PCPP) Requirements**
Daniels Lumber Co
1135 SE State Road 100
Lake City, Columbia County, FL
FDEP Facility ID# 128519197
Discharge Dates: 06/22/1992 (PCPP); 05/22/2017 (PCPP)
Score: 9

Dear Property Owner:

This is to notify you that state funding is available for the cleanup of petroleum contamination at the above listed location from the Petroleum Cleanup Participation Program (PCPP) pursuant to Section 376.3071, Florida Statutes (F.S.). This discharge is eligible for PCPP for up to \$400,000 in state funding (with an additional \$100,000 auxiliary funding for remediation and monitoring if needed) per eligible PCPP discharge, less any funds spent to date. Because site rehabilitation funding assistance is now available for the eligible discharge, the property owner, operator, or person otherwise responsible for site rehabilitation must enter into a PCPP Agreement providing the Department with either a 25% cost savings, 25% copayment, or combination of both copayments and cost savings equal to 25% of the site rehabilitation costs.

The Department has limited contamination assessment information already on file indicating remediation is necessary. Timely submittal of a fully executed PCPP Agreement and backup documents with the Department is a statutory requirement for maintaining PCPP eligibility. **Please submit the required PCPP Agreement and backup documents within 60 days of receipt of this notice.**

Exhibit "A"

Page 1 of 9

12-10-2021 Initial Agreement Request

EXHIBIT TO
RESOLUTION

NOT FOR
EXECUTION

City of Lake City
FDEP Facility # 128519197
August 2, 2024
Page | 2

PCPP Instructions and the PCPP Agreement template are attached and can be downloaded at the following link: **<https://floridadep.gov/waste/petroleum-restoration/content/petroleum-cleanup-participation-program-pcpp>**

The PCPP Agreement and any backup documentation applicable can be submitted to email **DWM_PRP_PCPP@FloridaDEP.gov**.

If you do not have access to equipment that would enable you to view or complete the documents digitally, please reply to this letter by contacting the PCPP Coordinator (contact information below) and the items can be mailed to the address you provide.

PCPP Coordinator
Bob Martinez Center
2600 Blair Stone Road MS 4580
Tallahassee, Florida 32399
Email: **DWM_PRP_PCPP@FloridaDEP.gov**
Phone: 850-245-8882

A list of Agency Term Contractors (ATC) can be found here:
https://prodapps.dep.state.fl.us/www_stcm/contractors/Atc_region/Atc_region_v

If you choose not to participate in the PCPP, inform the Department PCPP Coordinator within 30 days of receipt of this letter and immediately begin site rehabilitation in accordance with Chapter 62-780, Florida Administrative Code, at your own expense.

If you should have any questions, please contact the PCPP Coordinator at (850) 245-8882 or reply to this letter contact at the letterhead address, Mail Station 4580.

Sincerely,

PCPP Coordinator and staff
Florida Department of Environmental Protection
Petroleum Restoration Program
Email: **DWM_PRP_PCPP@FloridaDEP.gov**

Attachments: PCPP Agreement

ec: Facility Oculus File

Exhibit "A"

Page 2 of 9

12-10-2021 Initial Agreement Request

**EXHIBIT TO
RESOLUTION**

**NOT FOR
EXECUTION**

AGREEMENT FOR PETROLEUM CLEANUP PARTICIPATION PROGRAM

This Agreement is entered into by and between the Florida Department of Environmental Protection (hereinafter "Department"), whose address is 2600 Blair Stone Road, Tallahassee, Florida, and City of Lake City (hereinafter "Participant"), whose address is 205 North Marion Avenue, Lake City, Florida 32055 (collectively the "Parties") to perform certain site rehabilitation activities for contamination determined eligible for the Petroleum Cleanup Participation Program (hereinafter "PCPP") in accordance with Section 376.3071(13), Florida Statutes (F.S.). The petroleum contamination subject of this Agreement is the discharge(s) date(s) 06/22/1992, 05/22/2017 at the Daniels Lumber Co (facility name) facility located at 1135 SE State Road 100, Lake City, Columbia County, Florida, DEP Facility ID # 128519197.

WHEREAS, in accordance with Section 376.3071(13), F.S., the Department is authorized to provide state funding assistance for petroleum discharges determined eligible for PCPP, based on the site's priority ranking established pursuant to Section 376.3071(5)(a), F.S., and Chapter 62-771, Florida Administrative Code (F.A.C.); and

WHEREAS, in accordance with Section 376.3071(13), F.S., the Department has determined the described contamination eligible and Participant provided the required Limited Contamination Assessment Report (hereinafter "LCAR") or assessment data [Interim Assessment Report dated 10/04/17 (Report Title and Date)] exists and was determined to be sufficient to support the proposed course of action and to estimate the cost of the course of action; and

WHEREAS, the Participant shall provide one of the following: a 25% cost savings to the Department, a 25% copayment by the Participant, or a combination of both a cost savings and copayment that totals 25%.

WHEREAS, the Contractor who will conduct the work under this Agreement does so pursuant to Chapter 62-772.401(2), F.A.C. The Contractor, to be eligible to perform work under this Agreement, must be an Agency Term Contractor (ATC) awarded under the Department's Petroleum Restoration Program and is currently in good standing under the Agency Term Contract. The Contractor shall perform the work at the Facility pursuant to the terms and conditions of its i) ATC, ii) this Agreement, and iii) any and all issued Purchase Orders ("POs").

Exhibit "A"

Page 3 of 9

PARTICIPANT AGREES TO PROCEED UNDER THE SELECTED OPTION
(please select and initial only ONE option and appropriate sub-options if applicable)

1. ☒ Participant is providing a 25% cost savings to the Department:

☐ Attached as Exhibit A the agency term contractor's (ATC's) written acceptance to a reduction in its Department ATC rates.

OR

☒ Attached as Exhibit A is the Participant's executed PCPP Conditional Closure Agreement (CCA, including Attachment B Conditional Closure Agreement Contractor Recommendation) with an endpoint of RMO II. Also attach evidence of a properly recorded interim declaration of restrictive covenant.

Participant Initials _____
If cost savings selected

2. ☐ Participant is paying a 25% copayment of the cost to cleanup.

Participant Initials _____
If copayment selected

3. ☐ Participant is providing a combination of both a cost savings and copayment equal to 25% of the cost of cleanup (Attached as Exhibit A, recommended ATC's written acceptance to a reduction in its Department ATC rates and the Participant copayment percentage combination).

Participant Initials _____
If combination selected

NOW, THEREFORE, in consideration of the mutual benefits to be derived here from, the Department and the Participant do hereby agree as follows:

GENERAL.

1. All activities associated with the performance of this Agreement shall be in conformance with the provisions of Chapter 376, F.S., and Chapters 62-780, 62-771, and 62-772, F.A.C. The Parties hereto agree that this Agreement shall additionally be subject to the applicable provisions of Chapter 287, F.S.

2. The Participant understands that during the course of site rehabilitation, the Department may, based on the statutes, rules and guidance of the Department, revise a site rehabilitation strategy due to technical or cost considerations.

TERM OF AGREEMENT AND SPENDING LIMITS.

3. This Agreement is effective on the date of execution by the Parties until the earlier of: (1) the Department has determined that rehabilitation is complete pursuant to Chapter 62-780, F.A.C. and issues a Site Rehabilitation Completion Order (SRCO) or Conditional Site Rehabilitation Completion Order (CSRCO); or (2) the funding limitations set forth in Section 376.3071(13)(b), F.S., are exhausted and site rehabilitation has not been achieved.

4. The PCPP program funding cap per eligible PCPP discharge is \$400,000, less any funds previously spent to date, with an additional \$100,000 in auxiliary funding (available via amendment to this agreement if needed for remediation or monitoring in order to achieve a No Further Action determination).

COVENANTS AND REPRESENTATIONS OF THE DEPARTMENT.

5. In accordance with Sections 376.3071, F.S., and rules adopted pursuant to that Section, the Department will prepare Work Assignments, and procure the work as appropriate with the contractor designated and will thereby be responsible to the contractor solely for the Department's percentage of its cost share, whether that cost is 100% after a cost savings has been demonstrated, 75% cost share, or combination of both.

6. The Department will review and approve site rehabilitation activities in accordance with the terms of the procurement orders and Chapter 62-780, F.A.C., and shall make copies of such documents available to the Participant in the electronic site file Oculus (<https://depdms.dep.state.fl.us/Oculus/servlet/login>). The Participant is further advised and understands that the Department may task a locally contracted county with review of site rehabilitation documents or procurement documents under this Agreement.

7. In accordance with Section 287.0582, F.S., the State of Florida's performance and obligation to pay under this Agreement is contingent upon an annual appropriation by the Legislature. The Participant understands that this Agreement shall not result in the encumbering of State funds upon execution of the Agreement.

COVENANTS AND REPRESENTATIONS OF THE PARTICIPANT.

8. The Participant represents that he or she or it is qualified to enter into this Agreement and able to fully perform their duties under this Agreement. Participant acknowledges that the responsibilities and obligations of this Agreement survive the transfer of the above referenced facility/property.

9. When the Participant is paying a 25% copayment, or copayment combination, the Participant further agrees that it shall be subject to the prompt payment provisions of Section 215.422, F.S., upon receipt of an invoice for its share of costs from the Contractor, when such invoice is accompanied by a written approval by the Department of the work completed.

10. When Participants are paying a copayment, the Participant shall maintain and provide upon request, documentation that the invoice amount was paid. Failure to timely and adequately pay the contractor and provide proof of that payment to the Department upon request shall be considered a material breach of the PCPP Agreement pursuant to paragraph 14 and may result in loss of eligibility. The Department will request confirmation of payment/ contractor certification either via letter or e-mail after the Department has approved the contractor's work.

11. In accordance with Chapter 376, F.S., it is unlawful for the Participant to receive any remuneration, in cash or in kind, from a Contractor performing cleanup activities subject of this Agreement. This would include an agreement whereby the Participant does not make timely payments of the required copayment when the option of 25% copayment or copayment and cost savings combination.

12. When a Participant is paying 25% copayment or copayment and cost savings combination, the Participant shall maintain books, records, documents and other evidence pertaining to compensation and payments directly pertinent to performance under this Agreement in accordance with generally accepted accounting principles and practices consistently applied. The Department, the State of Florida or their authorized representatives shall have access, without cost, except reasonable costs associated with photocopying such records, to such records for audit purposes during the term of this Agreement and for five years following termination of this Agreement.

TERMINATION OF AGREEMENT AND REMEDIES FOR BREACH OF AGREEMENT.

13. This Agreement may be terminated for material breach of obligations by either Party. Material breach means substantial failure to comply with the terms and conditions of this Agreement. A Party terminating the Agreement shall give written notice of the breach to the other Party within 14 days of discovery of facts giving rise to the breach. Such notice shall be of sufficient detail so that the Party allegedly in breach can formulate a remedy. If the breach is remedied within 15 days of the notice, the Agreement shall remain in effect. If the breach is not remedied within 15 days of the notice, the Agreement may be terminated within 15 days of the close of the 15 day remedy period. Failure to timely pay the Participant's 25% co-payment or 25% copayment and cost savings combination is considered a material breach of this PCPP Agreement. In the event that the Department determines, in its sole discretion, that the Participant is in breach of this Agreement, the Department reserves the right to exercise all remedies at law and equity.

14. The Department reserves the right to unilaterally cancel this Agreement for refusal by the Participant to allow public access to all documents, papers, letters or other material regardless of the physical form, characteristics, or means of transmission, made or received subject to the provisions of Chapter 119, F.S., in conjunction with this Agreement (public records). The Department may terminate this agreement without cause with notice to the Participant pursuant to paragraph 16.

15. The parties hereto agree to waive any right to jury trial under this Agreement.

NOTICES.

16. Any notice or written communication required or permitted hereunder between the Parties shall be considered received when delivered via electronically by e-mail or delivered in person or by mail by the appropriate Party Representative. Party Representatives are as follows:

Exhibit "A"

Page 6 of 9

Department Representative:

Kenneth Busen, P.G.
PCPP Coordinator
Petroleum Restoration Program
Department of Environmental Protection
2600 Blair Stone Road, MS 4580
Tallahassee, Florida 32399-2400
Phone: (850) 245-8745
E-mail: Kenneth.Busen@FloridaDEP.gov

Participant Representative:

Don Rosenthal

Name
City Manager, City of Lake City

Title
205 North Marion Avenue

Street Address
Lake City, Florida 32055

City, State, Zip
386-752-2031

Phone
BrunerJ@lcfla.com with a copy to

Email Clay@FoldsWalker.com

AMENDMENTS.

17. Any amendment to this Agreement must be in writing and signed by the Parties.

ASSIGNMENT.

18. This Agreement shall not be assigned by either Party without prior written consent of the non-assigning Party. The Department will not accept assignment of this Agreement to any person or entity that, in the Department's determination, is unable to reliably comply with the 25% cost savings, co-payment, or combination of both obligation.

CHOICE OF LAW/FORUM.

19. The parties hereby agree that any and all actions or disputes arising out of this Agreement shall be governed by the laws of the State of Florida; and any such actions shall be brought in Leon County, Florida.

RESPONSIBILITY FOR SITE REHABILITATION WHERE CLEANUP COSTS EXCEED SPENDING LIMITATIONS.

20. In accordance with Section 376.3071(13)(f), F.S., in the event that the funding limitations specified in Section 376.3071(13), F.S., are exhausted or exceeded prior to completion of site rehabilitation, the Participant shall be obligated to continue site rehabilitation activities in accordance with Section 376.3071(5), F.S., and Chapter 62-780, F.A.C. If the Participant fails to timely continue the site rehabilitation activities the Department and its contractors) are permitted to continue performing assessment and remedial activities that the Department, at its sole discretion, deems appropriate. The Department will designate its own contractor(s) to undertake site rehabilitation actions without the approval of the Participant or any other party. The Department or its contractor(s) will perform any assessment and remedial activities that the Department, at its sole discretion deems appropriate to address the remaining petroleum contamination. As such, the Department,

at its sole discretion, may choose to undertake assessment or cleanup activities that are less stringent than the requirements of Chapters 62-780 and 62- 777, F.A.C., and which may not result in the issuance of a Site Rehabilitation Completion Order. Pursuant to Section 376.3071(7)(b), F.S., the Department will seek recovery for all sums expended by the Department for actions taken pursuant to this paragraph. Therefore, the Department explicitly reserves its right to seek recovery from the Participant or any other responsible party that amount which was expended by the Department in these matters.

ENTIRE AGREEMENT.

21. It is hereby understood and agreed that this Agreement states the entire agreement and that the Parties are not bound by any stipulations, representations, agreements or promises, oral or otherwise, not printed in this Agreement. This Agreement is binding upon execution of the Agreement and is for the benefit of the Parties and to no other entities or persons not signatories to this Agreement. This PCPP Agreement is the primary Agreement between the Parties and any conflict between the PCPP Agreement and any of the attachments the PCPP Agreement controls. No exhibit or attachment to the PCPP Agreement can modify any statutes, rules, or procedures applicable to the Petroleum Restoration Program.

FOR THE DEPARTMENT:

FOR THE PARTICIPANT:

EXHIBIT-NOT FOR EXECUTION

Natasha Lampkin
Program Administrator
Petroleum Restoration Program

Date: _____

EXHIBIT-NOT FOR EXECUTION

Participant Signature

Print Name: Noah E. Walker

Title: Mayor, City of Lake City

Date: _____

Attachment: Exhibit A

Exhibit "A"

Page 8 of 9

Below is a checklist of the appropriate documents required to be submitted as Exhibit A with the PCPP Agreement.

1. a. When Participant is providing a 25% cost savings (as demonstrated in the form of reduced rates by the proposed ATC) to the Department attach:

☐ ATC's written commitment to a reduction in its Department ATC rates

OR

1.b. When Participant is providing a 25% cost savings (RMO II) to the Department attach:

☒ Participant's executed Conditional Closure Agreement with an endpoint of RMO II, with Attachment B Conditional Closure Agreement Contractor Recommendation

☒ Evidence of a properly recorded interim declaration of restrictive covenant (only the current real property owner(s) can execute this document)

OR

2. When Participant is paying a 25% copayment of the cost to cleanup none required

OR

3. When Participant is providing a combination of both a cost savings and copayment equal to 25% of the cost of cleanup attach:

☐ ATC's written commitment to reduction in its Department ATC rates with details of percentages for copayment and reduced rates

Please note, the above constitutes documentation required for Exhibit A, which will become a part of the PCPP Agreement. Additional Backup Documentation (such as the cost share contractor selection sheet, scope of work and cost estimate template, etc.) may also be required as a separate file during the PCPP submission process. Refer to the PCPP Instructions for Completion (<https://floridadep.gov/waste/petroleum-restoration/documents/instructions-completion-pcpp-agreement>) for full details on submitting.

Exhibit "A"

Page 9 of 9



FLORIDA DEPARTMENT OF Environmental Protection

Bob Martinez Center
2600 Blair Stone Road
Tallahassee, FL 32399-2400

Ron DeSantis
Governor

Jeanette Nuñez
Lt. Governor

Noah Valenstein
Secretary

PETROLEUM RESTORATION PROGRAM

PROPERTY OWNER CONDITIONAL CLOSURE AGREEMENT (Agreement) for PCPP discharges

{{Instructions and the process to completing and implementing this Agreement pursuant to Rule 62-772.401(3), F.A.C. are in a separate document and are not intended to modify the terms of this Agreement.}} This agreement is to be used in conjunction with the Petroleum Cleanup Participation Agreement when the Risk Management Option II is selected as the cost savings for the discharge.

The **Real Property Owner (Owner)**, City of Lake City and the **Responsible Party (RP)**, if applicable n/a, and the Florida Department of Environmental Protection (FDEP) enter into this Conditional Closure Agreement for Petroleum Cleanup Participation Program discharges (CCA for PCPP) to perform work for the facility located at 1135 SE State Road 100, Lake City, Florida, FDEP # 128519197 for discharge(s) 6/22/1992, 05/22/2017. The Owner and, if applicable, RP, agree to a Conditional Closure (Site Rehabilitation Completion Order with Conditions) which uses appropriate controls to close the assessment and remediation of a contaminated site using Risk Management Option II as described in Rule 62-780.680(2), Florida Administrative Code (F.A.C.), where alternative cleanup target levels above the levels in Chapter 62-777, F.A.C., are established for soil and ground water. These alternative cleanup target levels are based on site conditions and the establishment of an institutional and, if necessary, an engineering control. An example of an institutional control is a restrictive covenant with a ground water use prohibition. An example of an engineering control is an impervious surface or cap (such as a paved parking lot) which prevents exposure to contaminated soil and/or prevents rainwater from infiltrating into the soil. Nothing in this Agreement changes the eligibility requirements or priority scoring of the discharges eligible for FDEP funding under the Petroleum Restoration Program. The Owner must have already submitted or is submitting with this agreement a site access agreement (SAA) allowing the FDEP access to the Property, otherwise this request will be rejected. This CCA for PCPP is part of composite Exhibit A of the owner/RP signed PCPP Agreement.

Does the Owner/RP have a present or anticipated contractual or other business relationship with the recommended contractor? ☐ YES ☒ NO

If Yes, explain _____

Note: Contractor is deemed to have had a business relationship with one of the responsible parties for site contamination if it has had a relationship with a parent organization, or subsidiary, a predecessor or a successor of such party, or if it has been engaged by independent legal representatives on behalf of any such parties. In addition, Contractor will be conclusively determined to have a conflict of interest with regard to any site, if it has given or offered remuneration, in cash or in kind, directly or indirectly, to the site owner or operator, or his or her designee to obtain the work associated with such site.

EXHIBIT TO
RESOLUTION
NOT FOR
EXECUTION

The Owner, and if applicable RP, and the FDEP agree to the following:

1. The Owner must maintain the restrictions in the Interim Restrictive Covenant [or CSX Memorandum of Understanding (MOU) in the case of CSX owned property]. These restrictions and the covenant cannot be removed without express, written permission from the FDEP Petroleum Restoration Program. Upon recording of the covenant these restrictions will be listed in the FDEP's Institutional Control Registry.
2. Upon achieving the Conditional Closure requirements pursuant to RMO II, per Chapter 62-780, F.A.C., the Owner and the FDEP will either amend or release the interim restrictive covenant [or CSX MOU] based upon the actual circumstances of the remaining contamination and risk.
3. The FDEP will provide funding for costs associated with obtaining a Professional Land Survey (PLS) or specific purpose survey, title report, and recording fees as funding permits within the cap. No costs will be provided by the FDEP for the maintenance of engineering controls, if any, or attorney's fees (the assistance of an attorney is not required to implement this Agreement).
4. In exchange for executing and abiding by the PCPP Agreement the Owner may choose to recommend an FDEP Petroleum Restoration Program Agency Term Contractor (Contractor). Contractor Recommendation (Attachment B) is attached to this Agreement. The Owner may change its recommendation and later recommend another Contractor based on the Contractor's documented poor performance but this Conditional Closure Agreement and Interim Restrictive Covenant [or CSX MOU] will stay in place once executed. Property owner confirms that it has not been given or offered remuneration, in cash or in kind, directly or indirectly, from any FDEP Agency Term Contractor that Applicant may recommend to the FDEP as the contractor.
5. If a Contractor is recommended (see paragraph 4), and such Contractor will not provide the best value to the state for a particular scope of work, the FDEP reserves the right to competitively procure any proposed cleanup activity that meets and/or exceeds the current monetary threshold for e-Quotes in accordance with Section 287.057, F.S.

I, the Property Owner of the above facility, agree that the FDEP may perform assessment and cleanup activities to achieve a Conditional Closure (explained above). I understand that these closure options require that I execute a restrictive covenant (attached) now and may also require that I also maintain the restrictive covenant (or equivalent institutional control) and an engineering control after closure.

EXHIBIT-NOT FOR EXECUTION

Property Owner Name & Title (if applicable)

Signature

Date

(If property is owned or the responsible party is an LLC, corporation, partnership or company, the person signing must be authorized by that entity to sign. The Department will check sunbiz.org for evidence of such authorization. If the person signing is not listed with the Department of State on sunbiz.org, the signatory will be asked to provide evidence of its authority to sign and bind the entity owner.)

I, the Responsible Party for the discharge(s) at the above referenced facility, agree that the FDEP may perform assessment and cleanup activities to achieve a Conditional Closure (explained above).

EXHIBIT-NOT FOR EXECUTION

Responsible Party Name & Title (if applicable)

Signature

Date

Exhibit "B"

Page 2 of 3

Attachment B- Conditional Closure Agreement Contractor Recommendation

[This Attachment is not recorded in the county land records]

Site Name: Daniels Lumber Co. FDEP Facility ID#: 128519197
Site Address: 1135 SE State Road 100, Lake City Parcel ID #: _____
Property Owner Name & Title: City of Lake City
Property Owner Representative Name & Title: Don Rosenthal, City Manager, City of Lake City
Property Owner (or Representative) Phone No. & Email: 386-752-2031 BrunerJ@lcfra.com
with a copy to Clay@FoldsWalker.com

IF APPLICABLE:

Responsible Party Name & Title: _____ n/a
Responsible Party Representative Name & Title: _____ n/a
Responsible Party (or RP Representative) Phone No. & Email: _____ n/a

Select one of the Contractor options listed below:

- ☐ Allow the FDEP to select a competitively procured contractor for the next scope of work in accordance with s. 287.05
- ☒ Recommend an FDEP PRP Agency Term Contractor (ATC) from within the same region as the Facility listed in the Conditional Closure Agreement:

ATC Name: Terracon Consultants, Inc. FDEP Contractor ID#: 01128
ATC Representative Name & Title: Donna Cline, P.E., Sr. Associate / Engineer
ATC Representative Phone No. & Email: (904) 479-7415, donna.cline@terracon.com

Any recommendation to change the ATC will occur in a manner that allows any work scoped through a Purchase Order be completed, unless the Property Owner or, if applicable, Responsible Party can provide evidence of poor performance, in which case the FDEP will determine whether or not to cancel the remaining work under that PO. Additionally, I understand that if the Conditional Closure Agreement has been executed, the Contractor may be changed but the Conditional Closure Agreement remains in place.

City of Lake City, by Noah E. Walker, its Mayor EXHIBIT-NOT FOR EXECUTION

Print Property Owner Name & Title (if applicable)	Signature	Date
---	-----------	------

IF APPLICABLE:

EXHIBIT-NOT FOR EXECUTION

Print Responsible Party Name & Title (if applicable)	Signature	Date
--	-----------	------

This completed Agreement including Attachment B is part of Exhibit A of the PCPP Agreement and should be sent with the PCPP Agreement to the email mailbox DWM_PRP_PCPP@floridadep.gov or mailed to the letterhead address, Mail Station 4540, **Attention: Grace Rivera**. Questions about PCPP Conditional Closure Contractor recommendations may be referred to Grace Rivera at (850) 245-8882, or at grace.rivera@floridadep.gov.

Exhibit "B"

Page 3 of 3

EXHIBIT TO
RESOLUTION

NOT FOR
EXECUTION

Prepared by and return to:

Florida Department of Environmental Protection

Attn: _____

Tallahassee, FL _____

Telephone: 850- _____

----- Do Not Write Above this Line -----

DECLARATION OF INTERIM RESTRICTIVE COVENANT

THIS DECLARATION OF INTERIM RESTRICTIVE COVENANT (hereinafter "Declaration") is made this ____ day of _____, 2025 by the City of Lake City, Florida, a Florida municipality (hereinafter "GRANTOR"), Great South Timber & Lumber, LLC, a Florida limited liability company, ("LESSEE"), and the Florida Department of Environmental Protection (hereinafter "FDEP"). This Declaration is neither extinguished nor affected by the Marketable Record Title Act pursuant to section 712.03, Florida Statutes (F.S.).

A. GRANTOR is the fee simple owner of that certain real property situated in the County of Columbia, State of Florida, County Property Appraiser's parcel number 02-4S-17-07483-007 (27917), (hereinafter the "Property"). The Property is encumbered by the Third Amendment to Lease between the City of Lake City, as Lessor, and Great South Timber & Lumber, Inc., as Lessee dated September 21, 2004, as amended by the Lease Agreement dated September 1, 2006, a Memorandum of which is recorded on October 24, 2006 at ORB 1099, Page 2346. A copy of the Memorandum is attached hereto as Exhibit 1. The Property is more particularly described in Schedule A of the Memorandum, attached hereto and made a part hereof

B. LESSEE, Great South Timber & Lumber, LLC, is the successor by conversion, dated September 15, 2021, to Great South Timber & Lumber, Inc., a Florida corporation, formerly known as Great South Timber, Inc., the successor by Merger with Daniels Lumber, Inc., a Florida corporation, effective January 1, 2002.

C. The FDEP Facility Identification Number for the Property is 128519197. The facility name at the time of this Declaration is DANIELS LUMBER CO. This Declaration addresses the Petroleum Cleanup Participation Program (PCPP) eligible discharge(s) reported to the FDEP on the following date(s) 05/22/2017 & 06/22/1992.

D. The discharge report(s) set forth what was known about the contamination on the Property at the time of the report. These reports suggest that contaminants as defined by Chapter 62-780, Florida Administrative Code (F.A.C.) may exist on the Property. This Declaration does not satisfy the requirements of closing a contaminated site pursuant to Rule 62-780.680, F.A.C.

E. It is the intent that this Declaration provide notice of the contamination and that

Exhibit "C"

Page 1 of 7

the restrictions reduce or eliminate the risk of exposure of users or occupants of the Property and the environment to the contaminants and to reduce or eliminate the threat of migration of the contaminants during the cleanup activities and after. The FDEP makes no representations that the restrictions contained herein are sufficient to protect human health and the environment.

F. FDEP has agreed to a cost-savings PCPP Agreement pursuant to 376.3071(13)(d), Florida Statutes, upon recordation of this Declaration. FDEP can unilaterally revoke the PCPP Agreement if the conditions of this Declaration or the PCPP Agreement are not met. Once the PCPP discharge(s) have met the requirements of Rule 62-780.680(2i) F.A.C., a final Declaration reflecting final restrictions must be executed and recorded.

G. GRANTOR and LESSEE deem it desirable and in the best interest of all present and future owners of the Property that the Property be held subject to certain restrictions, all of which are more particularly hereinafter set forth. In the remaining paragraphs, all references to "GRANTOR" "LESSEE" and "FDEP" shall also mean and refer to their respective successors and assigns.

NOW, THEREFORE, to induce FDEP to enter the PCPP Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the undersigned parties, GRANTOR and LESSEE agree as follows:

1. The foregoing recitals are true and correct and are incorporated herein by reference.
2. GRANTOR and LESSEE hereby impose the following restrictions and requirements:

GROUNDWATER USE RESTRICTIONS.

Wells. There shall be no drilling for water conducted on the Property, nor shall any new wells be installed on the Property, other than monitoring or other wells pre-approved in writing by FDEP's Division of Waste Management (FDEP DWM), in addition to any authorizations required by the Division of Water Resource Management and the Florida Water Management Districts. If an existing well is located at the Property, it is understood that the contamination at the site may pose a risk to this well and use of the well may pose a risk of exposure from the contamination.

Stormwater. If stormwater features must be constructed, modified, altered or expanded, a plan signed and sealed by a Florida-registered professional engineer, or a Florida-registered professional geologist must be submitted to DEP's DWM in addition to any authorizations required by the DWRM and the WMD. The plan must include the feature location, construction and design specifications relative to known areas of soil and groundwater contamination, and a technical evaluation (including calculations, fate and transport modeling, as applicable) to

**EXHIBIT TO
RESOLUTION**

**NOT FOR
EXECUTION**

demonstrate that the new stormwater facilities will not cause the migration of contamination. The plan shall also outline the procedures for proper characterization, handling and disposal of any contaminated media that may be encountered during construction. DEP's DWM will keep the plan in the site file as documentation of site conditions and will rely on this professional certification for demonstrating compliance with this restriction.

Dewatering. For any dewatering activities, a plan signed and sealed by a Florida-registered professional engineer or Florida-registered professional geologist that ensures the appropriate handling, treatment, and disposal of any extracted groundwater that may be contaminated must be submitted to FDEP's DWM. FDEP DWM will keep the plan in the site file as documentation of site conditions and will rely on this professional certification. In addition, other federal, state, or local permits, laws and regulations may apply to this activity. A copy of all permits obtained for the implementation of dewatering must be provided along with the plan submitted to FDEP's DWM.

SOIL RESTRICTIONS. Soil contamination may exist on the Property, therefore, to reduce the risk of exposure to those using the property, the owner shall ensure that following uses of the property are limited including: residential, recreational, gardening, or other uses that may expose people to contaminated soil. Grantor needs to ensure that the Property is used appropriately considering this risk.

3. For the purpose of monitoring the restrictions contained herein, FDEP is granted a right of entry upon, over and through and access to the Property at reasonable times and notice to GRANTOR and LESSEE.

4. It is the intention of GRANTOR and LESSEE that this Declaration shall touch and concern the Property, run with the land and with the title to the Property, and shall apply to and be binding upon and inure to the benefit of GRANTOR, LESSEE, and FDEP, and to any and all parties hereafter having any right, title or interest in the Property or any part thereof. FDEP may enforce the terms and conditions of this Declaration by injunctive relief and other appropriate available legal remedies. Any forbearance on behalf of FDEP to exercise its right in the event of the failure of GRANTOR or LESSEE to comply with the provisions of this Declaration shall not be deemed or construed to be a waiver of FDEP's rights hereunder.

5. This Declaration shall continue in perpetuity, unless otherwise modified in writing by GRANTOR, LESSEE, and FDEP as provided in paragraph 7 hereof. These restrictions may also be enforced in a court of competent jurisdiction by any other government agency that is substantially benefited by these restrictions. If GRANTOR or LESSEE do not or will not be able to comply with any or all of the provisions of this Declaration, GRANTOR or LESSEE shall notify FDEP in writing

**EXHIBIT TO
RESOLUTION**

**NOT FOR
EXECUTION**

within three (3) calendar days. Additionally, GRANTOR shall notify FDEP thirty (30) days prior to any conveyance or sale, granting or transferring the Property or portion thereof, to any heirs, successors, assigns or grantees, including, without limitation, the conveyance of any security interest in said Property.

6. In order to ensure the perpetual nature of this Declaration, the FDEP shall record this declaration, and GRANTOR, and LESSEE as applicable shall reference these specific restrictions in any subsequent lease or deed of conveyance, including the recording book and page of record of this Declaration. Furthermore, prior to the entry into a landlord-tenant relationship with respect to the Property, GRANTOR agrees to notify in writing all proposed tenants of the Property of the existence and contents of this Declaration of Restrictive Covenant.

7. This Declaration is binding until a release of covenant is executed by the FDEP Secretary (or designee) and is recorded in the public records of the county in which the land is located. To receive prior approval from FDEP to remove any requirement herein, cleanup target levels established pursuant to Florida Statutes and FDEP rules must be achieved. This Declaration may be modified in writing only. Any subsequent amendment must be executed by both GRANTOR and FDEP and be recorded by GRANTOR as an amendment hereto.

8. If any provision of this Declaration is held to be invalid by any court of competent jurisdiction, the invalidity of that provision shall not affect the validity of any other provisions of the Declaration. All such other provisions shall continue unimpaired in full force and effect.

9. GRANTOR covenants and represents that on the date of execution of this Declaration that GRANTOR is seized of the Property in fee simple and has good right to create, establish, and impose this restrictive covenant on the use of the Property. GRANTOR also covenants and warrants that the Property is free and clear of any and all liens, mortgages, or encumbrances that could impair GRANTOR's rights to impose the restrictive covenant described in this Declaration.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]
[SIGNATURE PAGE TO FOLLOW]

**EXHIBIT TO
RESOLUTION**

**NOT FOR
EXECUTION**

IN WITNESS WHEREOF, the **City of Lake City, a Florida municipality (Grantor)** has executed this instrument, this _____ day of _____, 2025.

GRANTOR:

Witnesses as to Grantor:

BY THE MAYOR OF THE CITY OF LAKE CITY, FLORIDA

Grantor Witness #1 Signature

EXHIBIT-NOT FOR EXECUTION

Noah E. Walker, Mayor

Grantor Witness #1 Printed Name

Grantor Witness #1 Physical Address

ATTEST, BY THE CLERK OF THE CITY COUNCIL
OF THE CITY OF LAKE CITY, FLORIDA:

Grantor Witness #1 City/State/Zip

EXHIBIT-NOT FOR EXECUTION

Audrey Sikes, City Clerk

Grantor Witness #2 Signature

Grantor Witness #2 Printed Name

Grantor Witness #2 Physical Address

Grantor Witness #2 City/State/Zip

State of Florida
County of Columbia

The foregoing instrument was acknowledged before me by means of [] physical presence or [] online notarization, this ____ day of April, 2025, by **Noah E. Walker, as Mayor of the City of Lake City, Florida**, who is personally known to me or who has produced _____ as identification.

(SEAL)

EXHIBIT-NOT FOR EXECUTION

Signature

Print Name:

Title or Rank/ Serial No

Exhibit "C"

Page 5 of 7

EXHIBIT TO
RESOLUTION

NOT FOR
EXECUTION

Declaration of Interim Restrictive Covenant

City of Lake City, Florida – Owner/Grantor
Great South Timber & Lumber, LLC – Lessee
Florida Department of Environmental Protection – Beneficiary

IN WITNESS WHEREOF, **Great South Timber & Lumber, LLC, a Florida limited liability company, (Lessee)** has executed this instrument, this _____ day of _____, 2025.

LESSEE:

Witnesses as to Lessee:

GREAT SOUTH TIMBER & LUMBER, LLC,
A FLORIDA LIMITED LIABILITY COMPANY

Grantor Witness #1 Signature

EXHIBIT-NOT FOR EXECUTION

Grantor Witness #1 Printed Name

By: Robert P. Cook, its Manager

Grantor Witness #1 Physical Address

Grantor Witness #1 City/State/Zip

Grantor Witness #2 Signature

Grantor Witness #2 Printed Name

Grantor Witness #2 Physical Address

Grantor Witness #2 City/State/Zip

State of Florida
County of Columbia

The foregoing instrument was acknowledged before me by [] physical presence or [] online notarization this ____ day of April, 2025, by **Robert P. Cook, as Manager of Great South Timber & Lumber, LLC, a Florida limited liability company**, on behalf of the company, who is personally known to me or who has produced _____ as identification.

(SEAL)

EXHIBIT-NOT FOR EXECUTION

Signature

Print Name:

Title or Rank/ Serial No

**EXHIBIT TO
RESOLUTION**

**NOT FOR
EXECUTION**

Declaration of Interim Restrictive Covenant

City of Lake City, Florida – Owner/Grantor
Great South Timber & Lumber, LLC – Lessee
Florida Department of Environmental Protection – Beneficiary

IN WITNESS WHEREOF, the **State of Florida Department of Environmental Protection (FDEP)** has executed this instrument, this _____ day of _____, 2025.

FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION:

Witnesses as to FDEP:

FLORIDA DEPARTMENT OF ENVIRONMENTAL
PROTECTION

EXHIBIT-NOT FOR EXECUTION

Grantor Witness #1 Signature

Grantor Witness #1 Printed Name

Grantor Witness #1 Physical Address

Grantor Witness #1 City/State/Zip

By: Natasha Lampkin
Program Administrator
Petroleum Restoration Program
2600 Blair Stone Road, Mail Station 4545
Tallahassee, Florida 32399-2400

Grantor Witness #2 Signature

Grantor Witness #2 Printed Name

Grantor Witness #2 Physical Address

Grantor Witness #2 City/State/Zip

State of Florida

County of _____

The foregoing instrument was acknowledged before me by [] physical presence or [] online notarization this ____ day of April, 2025, by **Natasha Lampkin, of the State of Florida Department of Environmental Protection, as its Program Administrator of the Petroleum Restoration Program**, who is personally known to me or who has produced _____ as identification.

(SEAL)

EXHIBIT-NOT FOR EXECUTION

Signature

Print Name:

Title or Rank/ Serial No

**EXHIBIT TO
RESOLUTION**

**NOT FOR
EXECUTION**

Exhibit "C"
Page 7 of 7

PCPP Scope of Work (SOW) and Cost Estimate for 25% Cost Savings via RMO II

Facility Name	Daniels Lumber Co.
Facility Address	1135 SE State Road 100, Lake City
FDEP Facility #	128519197
PCPP Eligibility Discharge Date(s)	6/22/1992
Priority Score	9

Based on the results of the _____ Iterim Assessment (dated 10/04/17) _____ report submitted by _____ GHD _____, the scope of work and estimated cost to complete cleanup is described below:

SOW/Phase	Estimated Cost for RMO I	Estimated Cost for RMO II
Supplemental Assessment	\$ 27,500.00	\$ 27,500.00
Remedial Action Plan	\$ 12,000.00	\$ 12,000.00
Remdial Action Injections	\$ 672,000.00	\$ 168,000.00
Post Active Remediation Monitoring	\$ 57,600.00	\$ 48,000.00
	\$ -	\$ -
Well Abandonment/Site Restoration	\$ 10,000.00	\$ 19,000.00
subtotal	\$ 779,100.00	\$ 274,500.00

Percentage savings of RMO II
(minimum of 25% required) 65%

FDEP Estimated total cost to closure \$ **274,500.00**

Any cost above the discharge(s) funding cap (and auxiliary funding, if applicable) will be the responsibility of the responsible party/owner

Estimated timetable and endpoint 2 - 3 years, RMO II

<u>Donna Cline, P.E., Sr. Associate</u>	<u>12/5/2024</u>
Scope and Estimate provided by	Date

Terracon Consultants Inc.
Company Name

**EXHIBIT TO
RESOLUTION**

**NOT FOR
EXECUTION**

PCPP Scope of Work (SOW) and Cost Estimate for 25% Cost Savings via RMO II

Facility Name	Daniels Lumber Co.
Facility Address	1135 SE State Road 100, Lake City
FDEP Facility #	128519197
PCPP Eligibility Discharge Date(s)	5/22/2017
Priority Score	9

Based on the results of the _____ Site Assessment Report (dated 8/11/17) _____ report submitted by _____ Applied Hydrogeologic Solutions _____, the scope of work and estimated cost to complete cleanup is described below:

SOW/Phase	Estimated Cost for RMO I	Estimated Cost for RMO II
Supplemental Assessment	\$ 32,500.00	\$ 32,500.00
Remedial Action Plan	\$ 12,000.00	\$ 12,000.00
Remdial Action - Soil Excavation & Dew	\$ 920,000.00	\$ 203,000.00
Post Active Remediation Monitoring	\$ 54,000.00	\$ 45,000.00
	\$ -	\$ -
Well Abandonment/Site Restoration	\$ 10,000.00	\$ 19,000.00
subtotal	\$ 1,028,500.00	\$ 311,500.00

Percentage savings of RMO II
(minimum of 25% required) 70%

FDEP Estimated total cost to closure \$ **311,500.00**

Any cost above the discharge(s) funding cap (and auxiliary funding, if applicable) will be the responsibility of the responsible party/owner

Estimated timetable and endpoint 2-3 years, RMO II

<u>Donna Cline, P.E., Sr. Associate</u>	<u>12/5/2024</u>
Scope and Estimate provided by	Date

Terracon Consultants Inc.
Company Name

Composite
Exhibit "D"
Page 2 of 2

**EXHIBIT TO
RESOLUTION**

**NOT FOR
EXECUTION**