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To: Steve Sarkozy—Village Manager

From: Robert Eschenfelder—Village Attorney

Date: October 23 2026

Re: BERT Due Diligence Summary

Per your request for a summary of the due diligence efforts which have been undertaken to this date please find the following:

Closing Documents

Under the PSA, no less than 15 days prior to closing, TPL is obligated to deliver to the Village the following documents for Village's review, and on or before the Closing Date final versions of same:

i. an owner's affidavit attesting to the absence of mechanic's or materialmen's liens, proceedings involving Seller which might affect title to the Property being transferred by deed, and confirming such lessees or licensees as may be in possession pursuant to ground leases or licenses meeting the requirements as to title set forth in Section 6;

ii. a Foreign Investment and Real Property Tax Act (FIRPTA) affidavit, and such other instruments and documents as Village's counsel or the title insurer may reasonably request for the purpose of confirming proper and lawful execution and delivery of closing documents and conveyance of the Property being transferred by deed to Village in accordance with this Agreement, including, without limitation, assignments of surviving leases and contracts affecting the Property being transferred by deed that will be assigned or partially assigned by Seller and the assignment of condemnation proceeds referred to below. Possession of the Property shall also pass to Village at the time of Closing;

iii. Quit Claim deed;

iv. Closing statement;

v. Assignment and Assumption Agreement for all leases, license and other agreements that will be assigned or partially assigned by Seller and/or SGLR, and assumed by Village at closing;

Survey

With respect to the boundaries of the land the Village is to acquire, on September 12th 2026, the Village received the boundary survey from TPL for the property to be acquired. The survey was carefully reviewed both by Village Community Development staff as well as the Village Attorney's real estate attorney. My office has advised the survey accurately reflects the property contemplated in the PSA to be acquired by the Village and that the crossings and other encumbrances reviewed fall within the boundaries set forth in the survey, and that there are otherwise no legal issues with the survey.

Valuation

In June 2026, the Village received an appraisal report with respect to the valuation of the property to be acquired. This report was reviewed by Village management, the Village Attorney's Office's real estate counsel, and other Village stakeholders. The determination was made that the purchase price the Village agreed in the PSA is fair and reasonable in light of the appraisal report and all other known and expected costs associated with acquisition.

Encumbrances/Crossings

Under the PSA, the Village will assume those leases, licenses, contracts and agreements which SGR had granted over time as to the part of the rail line within Estero. The list of these agreements is included as an exhibit to the PSA and has been updated since as the railroad has finally found several documents it initially did not have at hand.

The Village Attorney has reviewed all of the leases, licenses, contracts and agreements the Village would inherit and has calculated that with the available documents on hand (and understanding certain agreements remain outside of the land being acquired), the Village would be able to realize (either through payments for crossings previously paid to the railroad, or by the Village no longer having to pay the railroad for Village crossings) approximately $80,000.00 annually.

Further, once the Village takes title, it would have the right to enter into concession agreements or new lease/license agreements on or over the property, so long as these are not incompatible with either recreational trail use, or the potential restoration of rail service as required by the Surface Transportation Board.

The bottom line here is that none of the agreements and licenses reviewed would preclude the Village from making use of the property as the recreational facility envisioned by the Village.

Environmental

The Village has always understood that as a former rail line, the property along the line would likely contain a variety of chemicals which are commonly found along rail lines used for decades. These would include matter spilled from rail cars on occasion and herbicides used by rail lines to eliminate growth along the line.

TPL, as seller, engaged relevant professionals to perform an initial (Phase I) and more detailed (Phase II) study of the chemicals of concern (those for which the Village might need to remediate in some way) when the property eventually begins to be developed into a trail. On October 16th 2026, the Village received the Phase II report. This report confirms that the majority of the line within Estero contains levels of chemicals where no or very minimal remediation would be required. It did reveal a few spots of greater levels of one or more chemicals of concern. In these instances, it is likely the State of Florida will require either removal or capping of the soil at issue when the Village eventually begins development of the property as a trail. While the Village is seeking follow up testing to gain greater details as to the placement and depth of chemicals in these limited areas (a step out study), as of the date of this memorandum, neither the levels nor placement of the chemicals is of significant concern and were largely expected.

In conjunction with Phase II, the Village has received a draft capping plan which would address these matters. As noted, however, the Village will need to work with the appropriate State of Florida regulatory staff to gain final approval of a plan to cap, remove, or otherwise remediate those areas where soil contains levels of chemicals of concern which regulators decide require some form of remediation.

Conclusion

While of course the Village is not at this stage in a position to know with precision the exact costs of items such as soil remediation or eventual construction of a trail with all desired amenities, the due diligence engaged in by the Village confirms that there are no significant unforeseen financial, regulatory, or legal concerns which would result in a recommendation not to proceed to closing should the Council continue to wish to do so.